



October 2009

# Oklahoma FSA News

## USDA Oklahoma FSA

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**Hours**  
Monday - Friday  
8:00 a.m. - 4:30 p.m.

### State Staff

Phil Estes, Chief  
Farm Loan Programs

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Production & Payment  
Eligibility

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### *Payment Eligibility, Limitation & Direct Attribution*

Payment limitation and eligibility requirements apply to commodity and disaster programs.

- Adjusted Gross Income (AGI) limitation is applicable to most programs and is based on a three-year average non-farm AGI of \$500,000 or less in most cases.
- Program payments are limited by direct attribution to individuals or entities - payment is limited based on total payments received by the individual, both directly and indirectly.
- For DCP and ACRE program participants, individuals and entities must be "actively engaged in farming" - making significant contributions to the farming operation of: (1) capital, equipment, land, or a combination; and (2) active personal labor or management, or a combination. Partners, stockholders, or members with an ownership interest of a Corporation, Limited Liability Company, Limited Partnership, or other similar legal entity must make a contribution of active personal labor, active personal management, or a combination of active personal labor and management to the farming operation performed on a regular basis, identifiable and documentable, and separate and distinct from contributions of any other partner, stockholder, or member.

### Payment Limitations by Program:

Program Type	Limitation
• Direct Payments	\$40,000*
• Counter-Cyclical & ACRE	\$65,000*
• Noninsured Crop Disaster Assistance	\$100,000
• Livestock Disaster & Supplemental Revenue	\$100,000
• Conservation Reserve	\$50,000
• Grassland Reserve	\$50,000
• Environmental Quality Incentive	\$300,000

(All Contracts for FY 2009-2012)

\*The direct payment limitation is reduced and the counter-cyclical & ACRE limitation is increased due to participation in ACRE.

### *Spousal Signature*

Spouses may sign most FSA documents on behalf of one another unless written notification denying a spouse this authority has been provided.

### *Power of Attorney*

If you currently have an existing durable power of attorney, contact FSA to obtain an FSA-211, Power of Attorney form applicable to FSA, NRCS, and FCIC purposes.

### *Changes in Your Operation*

If farms that you own or operate change, notify FSA immediately so necessary actions can be taken so you are properly identified on the land or you may lose benefits, including loans and disaster assistance payments.

### *Direct and Counter-Cyclical Program (DCP) and Average Crop Revenue Election (ACRE)*

Signup is currently underway for FY 2010 DCP/ACRE participation. June 1, 2010, is the deadline to sign the 2010 DCP/ACRE contract (CCC-509) and elect ACRE participation for 2010 and future years.

### *Noninsured Crop Disaster Assistance Program (NAP)*

NAP provides financial assistance to eligible producers affected by crop losses due to natural disasters. Obtaining NAP coverage insures eligibility for disaster programs included in the 2008 Farm Bill. Eligible crops include commercial crops and other agricultural commodities produced for food (including livestock feed) or fiber for which the catastrophic level of crop insurance is not available. NAP covers losses greater than 50% of your expected production at 55% of the historical average market price. Crops are grouped by FSA for coverage and loss determination purposes (CCC-576 must be filed timely if loss occurs) and coverage purchase deadlines apply. November 30, 2009, is the deadline for 2010 coverage on grass hay crops, honey, and pecans.

### ***New Hay Barn and Other Storage Structure Loans***

If you need to build a hay barn, grain storage, or refrigerated storage, a 3% loan may be your deciding factor. Local FSA offices accept loan applications for these types of farm storage structures plus handling equipment and renovation or expansion of existing storage structures. FSA can loan up to \$500,000 on storage structures depending on credit worthiness. A choice of a 7, 10, or 12 year loan term is available depending on loan amount. Current interest rates on loans approved in October are 3.0%, 3.375%, and 3.75% respectively. The interest rate remains for the term of the loan. New interest rates are announced each month. If you are a grain, hay, renewable biomass, or fruit and vegetable producer, you may be interested in our storage facility loans.

### ***Expiring CRP and Crop Base – What is the Answer?***

Oklahoma had 89,750 acres expire from CRP on September 30, 2009. Many of these expired contracts had been in CRP since the late 1980s. The expiration of these acres has left many producers questioning what can be done with the expired CRP acres and what happened to the crop base.

The crop base acres on expired CRP acres will be returned to the farm tract according to existing rules. Producers can enroll these “returned” crop base acres in the DCP/ACRE program and earn program payment. The physical land can be retained in grass for any use or returned to cropping. If returning the land to a crop, ensure the land is not highly erodible which could negate DCP/ACRE program participation. Once 2008 Farm Bill regulations on CRP are finalized, there could be an opportunity to offer the expired land for re-enrollment in CRP.

### ***Livestock Losses May Qualify for Payment***

The Livestock Indemnity Program (LIP) provides benefits to producers who suffered livestock losses (including swine and poultry contract growers), in excess of normal mortality, due to an adverse weather event such as lightning, tornado, wildfire, blizzard, or extreme heat or cold. Keeping records and timely notifying FSA is the key to receiving a payment. Notice of livestock loss should be reported to FSA within 30 calendar days of when the loss was apparent. Finalizing the LIP application for payment must be completed anytime after the notice of loss is filed but before 30 calendar days after the end of the calendar year the loss occurred. Documentation of loss is necessary for payment. The best documentation to provide on the loss would be rendering truck receipts, bank collateral inspections, property tax records or private insurance documents. A certification of loss by third parties may also be accepted provided the third party is not affiliated with the farming operation such as a hired hand or family member. The FSA county office may be available to verify loss or inventory by paid for measurement service. Since normal mortality is a factor in the LIP, producers should also report livestock that die due to normal circumstances and not adverse weather. Reporting the normal mortality losses will increase the number of livestock paid on when losses do occur due to adverse weather.

### ***Livestock Forage Disaster Program (LFP)***

LFP compensates eligible livestock producers who suffer grazing losses for covered livestock due to: drought conditions or fire on federally managed land. Eligible livestock producers may receive assistance for eligible livestock grazing losses that occur due to drought or fire on or after January 1, 2008, and before October 1, 2011, during the calendar year in which the loss occurs.

In order for an LFP applicant to qualify for program benefits, the applicant must have purchased insurance coverage through FSA's Noninsured Crop Disaster Assistance Program (NAP) or the Pasture, Rangeland and Forage Insurance (PRF-VI) program offered through the Risk Management Agency (RMA). County committees can only accept applications after being notified by the National Office of a qualifying drought, or qualifying fire. Oklahoma has the following counties eligible for LFP at this time:

**2008 Calendar Year:** Beaver, Cimarron, and Texas

**2009 Calendar Year:** Atoka, Beckham, Bryan, Carter, Coal, Comanche, Cotton, Custer, Ellis, Greer, Harmon, Jackson, Jefferson, Johnston, Kiowa, Love, Marshall, Murray, Roger Mills, Stephens, and Tillman

FSA began accepting 2008 calendar year applications September 14, 2009. The applications must be filed by December 10, 2009. ***Late filed applications for LFP cannot be approved.*** For 2009 and subsequent years, applications must be filed no later than 30 calendar days after the end of the calendar year in which the grazing losses occurred. Losses must occur in calendar year the application is being filed.

### ***ELAP Fills the Gap! (More Disaster Assistance)***

The Emergency Livestock Assistance Program, ELAP, provides benefits for adverse weather losses not covered by LIP or LFP. Additionally, ELAP covers losses of honey bees and farm-raised fish.

When an adverse weather event occurs destroying feed supplies resulting in additional feed cost, incurred cost to reach or remove livestock for sustenance, or there is a physical loss of honey bees or catfish, ELAP benefits may be provided.

ELAP Example: A wildfire destroys grazing land (during the normal grazing season). Stored hay, stored livestock feed and livestock are lost in the fire. Remaining livestock must be transported to dry lot and fed until additional pasture is secured. In this example, livestock losses (mortality) would be compensated under LIP. Since forage loss did not result from drought, LFP would not apply. However, ELAP would compensate producers for the stored hay, feed, purchased feed, and transportation cost (payment rates calculated on a case-by-case basis per ELAP program provisions).

Farm-raised fish, bait fish, and honey bee physical losses due to adverse weather or colony collapse are ELAP eligible at a rate of 60% of the replacement cost of the fish or bees.

Replacement must occur to receive payment. Loss of feed supply as described above is applicable to fish and bees. ELAP eligible loss completed payment applications for 2008 and adverse weather events must be filed in the FSA county office by December 14, 2009. A notice of loss on a 2009 adverse weather event occurring before September 14, 2009, must be filed by December 14, 2009. Notice of loss occurring after September 14, 2009, must be filed within 30 days of when the adverse weather loss is apparent. For 2009 and beyond, final payment applications with documentation must be received in the FSA county office by January 30 of the year following the calendar year of loss.

### *Opportunities for Selling Biomass*

The 2008 Farm Bill provided an energy portion that included the "Biomass Crop Assistance Program (BCAP)". The program allows eligible material owners (individuals or businesses) to sell eligible biomass products to an approved "Biomass Conversion Facility (BCF)" that either converts or utilizes the biomass for energy or energy products such as heat, power, bio-based products, or advanced biofuels. Eligible material owners receive a dollar-for-dollar payment up to \$45 per dry ton for the product delivered to the BCF.

Oklahoma FSA has entered into agreement with two BCFs to which eligible material owners will soon be able to deliver biomass and receive BCAP payments. The Bakers Feed Plant in Watts, Oklahoma will be accepting sawdust, peanut skins, and non-edible food processing waste biomass products for producing heat. The International Paper Company, in Valiant, Oklahoma will be accepting trees, shrubs, forest thinnings, wood chips, sawdust, bark, forest slash, roadway maintenance cuttings, and wood mill waste and scraps to fire power boilers to generate steam for both thermal and electric use.

If you are an eligible biomass material owner (individual, producer, or company) interested in BCAP payment for delivering eligible biomass products to these facilities, visit your local FSA office to complete an application for the program. You will need to provide the type of biomass you intend to deliver and the approximate tonnage. Payments can be received for up to two years.

### *Acres Reports*

Producers who participate in DCP, ACRE, NAP, LFP, ELAP, SURE, request a commodity loan or LDP will be required to report all crops planted or those growing on the participating farms annually. These acres reports are required for program participation in 2010 and subsequent years. The final date to timely report fall seeded and spring seeded small grain crops are:

- May 31 for Alfalfa, Beaver, Cimarron, Ellis, Garfield, Grant, Harper, Kay, Major, Noble, Texas, Woods, and Woodward counties.
- May 15 for all other counties.

The final date to report all other crops in all counties is August 2.

**Note:** If the crop has NAP coverage, it must be reported 15 calendar days before the onset of harvest or grazing of the specific crop acreage being reported.

### *Farm Loan Programs*

FSA offers loans to farmers and ranchers to purchase farmland and finance agricultural operations. FSA loan programs are designed to help producers who are temporarily unable to obtain private or commercial credit. In many cases, applicants are beginning farmers who have insufficient net worth to qualify for financing through a commercial lender. In other instances, borrowers might have suffered setbacks from natural disasters or might be persons with limited resources.

Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of up to \$300,000. Guaranteed loans can reach a maximum indebtedness of \$1,112,000. Emergency loans are always direct loans for farmers who may have suffered physical or production losses in disaster areas designated by a Presidential or Secretarial disaster declaration. Rural Youth Loans, Loans to Beginning Farmers and loans for socially disadvantaged applicants are also available through FSA.

### *Minority and Socially Disadvantaged Farmer Assistance*

Farmers who have concerns and questions about loan applications filed with local offices:

Call 1-866-538-2610.

Send an email to: [msda@msda.wdc.usda.gov](mailto:msda@msda.wdc.usda.gov)

FAX: 1-866-302-1760

TTY: 1-866-480-2824

### *Minority Farm Register*

USDA offers the Minority Farm Register to promote equal access to USDA farm programs and services for minority individuals with agricultural interest. Participation is voluntary and information provided will be used to assist USDA and their USDA approved outreach partners to keep you better informed. The register is available at your local USDA Service Center or at [www.fsa.usda.gov](http://www.fsa.usda.gov).

**IMPORTANT NOTE:** Readers are advised to contact your local FSA office for detailed program information pertaining to your particular agricultural operation. Additional program information may also be obtained by visiting [www.fsa.usda.gov](http://www.fsa.usda.gov).

Oklahoma State FSA Office  
 100 USDA, Suite, 102  
 Stillwater, OK 74074



**PRESORTED STANDARD  
 U.S. POSTAGE PAID  
 Kansas City, MO  
 PERMIT #2292**

<b>Dates to Remember</b>	
Nov. 6	County committee ballots mailed to voters
Nov. 11	Veterans Day Holiday
Nov. 26	Thanksgiving Day Holiday
Dec. 7	County committee ballots returned to county office
<b>Selected Interest Rates for October 2009</b>	
90-Day Treasury Bill	0.125%
Farm Operating Loans — Direct	3.125%
Farm Ownership Loans — Direct	5%
Farm Ownership Loans — Down Payment	1.5%
Emergency Loans	3.75%
Farm Storage Facility Loans	3%
Commodity Loans	1.375%

***Do You Have a Revocable or Living Trust?***

Many individuals are forming trusts for tax and estate-planning purposes. Make sure to let the FSA know that your farming operation is run through a trust. Eligibility for program benefits is contingent on our records indicating the correct producer. If you have established a trust, FSA needs to update our records.

***Supplemental Revenue Assistance Payments (SURE)***

The 2008 Farm Bill authorized several disaster programs, including the SURE program, which provides supplemental payments when crop losses occur due to natural disasters. Producers who have met risk management purchase requirements may be eligible for additional benefit. FSA will begin administration of SURE later this fall for 2008 crop losses.

***Reasonable Accommodation Statement***

Reasonable accommodations will be made upon request, for individuals with disabilities, vision impairment, or hearing impairment to attend or participate in meetings or events sponsored by the Farm Service Agency. If you require special accommodations to attend or participate in one of our events, please call the FSA county office and we will be happy to make any needed arrangements.

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