

February 2014



February 2014 Topics

- [NAP Coverage Deadlines](#)
- [FSA Advised Producers to Anticipate Payment Reductions Due to Mandated Sequester](#)
- [FSA Announces the Resumption of 2013 Crop Commodity Loan Disbursements](#)
- [Grayson/Halifax/Mecklenburg County is Eligible for Emergency Loans](#)
- [Marketing Assistance Loans \(MAL\)](#)
- [Farm Storage Facility Loan Program](#)
- [Maintaining the Quality of Loaned Grain](#)
- [Unauthorized Disposition of Grain](#)
- [USDA Seeks Information on Feral Swine in Virginia](#)
- [Microloan Program](#)
- [Rural Youth Loans](#)
- [Beginning Farmer Loans](#)
- [Loans for the Socially Disadvantaged](#)
- [Selected Interest Rates for February 2014](#)
- [Dates to Remember](#)

Virginia FSA State Office Updates

Virginia FSA State Office **NAP Coverage Deadlines**

J. Calvin Parrish
State Executive Director

1606 Santa Rosa Rd
Suite 138
Richmond, VA 23229

804-287-1503 phone
804-287-1723 fax

Hours

Monday - Friday
7:30 a.m. - 4:30 p.m.

State Office Staff
Pete Adamson, Chief
Farm Loans

Brent L. Whitlock, Chief
Farm Programs

Noninsured Crop Disaster applications are due at different times according to the crop being insured. Producers should apply for Noninsured Crop Disaster Assistance Program (NAP) coverage using form CCC-471 (Application for Coverage). Related service fees are due when the application is filed. The application and service fee must be filed by the crop sales closing date. **February 18** is the final date for 2014 perennial forages, coarse grains, vegetables and most fruits. Limited resource producers may request that the service fee be waived and must request such a waiver prior to, or at the same time the application for coverage is filed. Contact your local FSA office for the filing dates for your specific crop(s) and to help determine if you would qualify as a limited resource producer.

FSA Advised Producers to Anticipate Payment Reductions Due to Mandated Sequester

USDA's Farm Service Agency (FSA) is reminding farmers and ranchers who participate in FSA Programs to plan accordingly in FY2014 for automatic spending reductions known as sequestration. The Budget Control Act of 2011 (BCA) mandates that Federal Agencies implement automatic, annual

Connie Washburn-Marsh, Chief Administration Officer

reductions to discretionary and mandatory spending limits. For mandatory programs, the sequestration rate for FY2014 is 7.2%. Accordingly, FSA is implementing sequestration for the following programs:

Linda Cronin, Public Affairs & Outreach Specialist

Virginia FSA Internet

More Information about Virginia FSA programs, activities and news can be found on the VA FSA Internet at

<http://www.fsa.usda.gov/va>

To learn more about FSA programs you can also visit the National website at

<http://www.fsa.usda.gov>

- Dairy Indemnity Payment Program;
- Marketing Assistance Loans;
- Loan Deficiency Payments;
- Sugar Loans;
- Noninsured Crop Disaster Assistance Program;
- 2013 Direct and Counter-Cyclical Payments;
- 2013 Average Crop Revenue Election Program;
- 2011 and 2012 Supplemental Revenue Assistance Program; and
- Storage, handling; and Economic Adjustment Assistance for upland cotton.

Conservation Reserve Program payments are specifically exempt by statute from sequestration, thus these payments will not be reduced.

These sequester percentages reflect current law estimates; however with the continuing budget uncertainty, Congress still may adjust the exact percentage reduction. Today's announcement intends to help producers plan for the impact of sequestration cuts in FY2014.

At this time, FSA is required to implement the sequester reductions. Due to the expiration of the Farm Bill on September 30, FSA does not have the flexibility to cover these payment reductions in the same manner as in FY13. FSA will provide notification as early as practicable on the specific payment reductions.

For information about FSA programs, visit your county USDA Service Center or go to www.fsa.usda.gov.

FSA Announces the Resumption of 2013 Crop Commodity Loan Disbursements

The Farm Service Agency has resumed processing and disbursement of 2013 Crop Commodity Loans. Crop year 2013 Commodity Loan-making was suspended Oct. 1, 2013, to make changes necessary to accommodate the automatic funding reductions known as sequester.

The Commodity Loan Programs provide interim financing to producers for agricultural commodities stored after harvest and then sold throughout the year. Producers requesting 2013 Crop Commodity Loans on their harvested commodities now will have a 5.1 percent reduction to the loan amount upon its disbursement, due to the sequestration. Commodity Loans issued by marketing associations and loan servicing agents are also subject to the sequestration reduction.

During the period that loan-making was suspended, producers were still able to submit loan applications to their county FSA Offices, marketing associations and loan servicing agents. The processing and disbursement of these applications will begin immediately.

For further information about Commodity Marketing Loans, farmers may contact their local FSA office or go online to www.fsa.usda.gov.

Grayson/Halifax/Mecklenburg County is Eligible for Emergency Loans

Grayson County was declared a contiguous disaster due to severe storms, flooding, landslides and mudslides, and also for excessive rain and flooding under two separate Presidential Disaster Designation processes. Under

these designations, producers with operations in any primary or contiguous county are eligible to apply for low interest emergency loans.

Halifax and Mecklenburg Counties were declared a contiguous disaster due to excessive rain and flooding under a Presidential Disaster Designation process. Under this designation, producers with operations in any primary or contiguous county are eligible to apply for low interest emergency loans.

Emergency loans help producers recover from production and physical losses due to drought, flooding and other natural disasters or quarantine.

Producers have eight months from the date of the declaration to apply for emergency loan assistance. FSA will consider each loan application on its own merits, taking into account the extent of losses, security available and repayment ability. Producers can borrow up to 100 percent of actual production or physical losses, to a maximum amount of \$500,000.

For more information about emergency loans, please contact your local FSA office or visit www.fsa.usda.gov.

Marketing Assistance Loans (MAL)

Short-term financing is available by obtaining low interest commodity loans for eligible harvested production. A nine-month Marketing Assistance Loan provides financing that allows producers to store production for later marketing. The crop may be stored on the farm or in the warehouse.

Loans are available for producers who share in the risk of producing the eligible commodity and maintain beneficial interest in the crop through the duration of the loan. Beneficial interest means retaining the ability to make decisions about the commodity, responsibility for loss because of damage to the commodity and title to the commodity. Once beneficial interest in a commodity is lost, it is ineligible for a loan, even if you regain beneficial interest.

Farm Storage Facility Loan Program

The Farm Storage Facility Loan Program (FSFLP) allows producers of eligible commodities to obtain low-interest financing to build or upgrade farm storage and handling facilities.

The new maximum principal amount of a loan through FSFL is \$500,000. Participants are now required to provide a down payment of 15 percent, with CCC providing a loan for the remaining 85 percent of the net cost of the eligible storage facility and permanent drying and handling equipment. Additional security is required for poured-cement open-bunker silos, renewable biomass facilities, cold storage facilities, hay barns and for all loans exceeding \$50,000. New loan terms of 7, 10 or 12 years are available depending on the amount of the loan. Interest rates for each term rate may be different and are based on the rate which CCC borrows from the Treasury Department.

Payments are available in the form of a partial disbursement and the remaining final disbursement. The partial disbursement will be available after a portion of the construction has been completed. The final fund disbursement will be made when all construction is completed. The maximum amount of the partial disbursement will be 50 percent of the projected and approved total loan amount.

The following commodities are eligible for Farm Storage Facility Loans:

- Corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley or minor oilseeds harvested as whole grain;
- Corn, grain sorghum, wheat, oats or barley harvested as other-than-whole grain;
- Pulse crops - lentils, small chickpeas, dry beans and dry peas;

- Hay;
- Renewable biomass;
- Fruits (including nuts) and vegetables - cold storage facilities; and
- Honey.

For more information about FSFL please visit your FSA county office or www.fsa.usda.gov

Maintaining the Quality of Loaned Grain

Bins are ideally designed to hold a level volume of grain. When bins are overfilled and grain is heaped up, airflow is hindered and the chance of spoilage increases.

Producers who take out Marketing Assistance Loans and use the farm-stored grain as collateral should remember that they are responsible for maintaining the quality of the grain through the term of the loan.

Unauthorized Disposition of Grain

If loan grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties for unauthorized dispositions are severe and a producer's name will be placed on a loan violation list for a two-year period. Always call before you haul any grain under loan.

USDA Seeks Information on Feral Swine in Virginia

Feral Swine cause extensive damage to crops and natural resources across the United States and are reservoirs for livestock diseases including Swine Brucellosis and Pseudo rabies. Unfortunately, feral swine observations have increased recently throughout the Commonwealth. The USDA Wildlife Services Program is working closely with the Virginia Department of Game and Inland Fisheries to map feral swine populations and develop programs for protecting Virginia's agriculture and natural resources from this invasive species. Anyone wishing to report feral swine damage or observations is encouraged to call or write the USDA Wildlife Services Program at 1-855-571-9003 or vawildlifeconflict@aphis.usda.gov.

Microloan Program

The Farm Service Agency (FSA) developed the Microloan (ML) Program to better serve the unique financial operating needs of beginning, niche and small family farm operations.

FSA offers applicants a Microloan designed to help farmers with credit needs of \$35,000 or less. The loan features a streamlined application process built to fit the needs of new and smaller producers. This loan program will also be useful to specialty crop producers and operators of Community Supported Agriculture (CSA).

Eligible applicants can apply for a maximum amount of \$35,000 to pay for initial start-up expenses such as hoop houses to extend the growing season, essential tools, irrigation and annual expenses such as seed, fertilizer, utilities, land rents, marketing, and distribution expenses. As financing needs increase, applicants can apply for a regular Operating Loan up to the maximum amount of \$300,000 or obtain financing from a commercial lender under FSA's Guaranteed Loan Program.

Individuals who are interested in applying for a Microloan or would like to discuss other Farm Loan Programs available should contact their local FSA office to set up an appointment with a loan official.

Rural Youth Loans

The Farm Service Agency makes loans to rural youths to establish and operate income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5000.

Youth Loan Eligibility Requirements:

- be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands) or a legal resident alien;
- Be 10 years to 20 years of age;
- Comply with FSA's general eligibility requirements ;
- Reside in a rural area, city or town with a population of 50,000 or fewer people;
- Be unable to get a loan from other sources;
- Conduct a modest income-producing project in a supervised program of work as outlined above;
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the project and the loan, along with providing adequate supervision.

Stop by the County Office for help preparing and processing the application forms.

Beginning Farmer Loans

FSA assists beginning farmers to finance agricultural enterprises. Under these designated Farm Loan Programs, FSA can provide financing to eligible applicants through either Direct or Guaranteed Loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more than 10 years;
- Will materially and substantially participate in the operation of the farm;
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA; and
- Does not own a farm in excess of 30 percent of the county's median size.

Additional program information, loan applications, and other materials are available at your local USDA Service Center. You may also visit www.fsa.usda.gov.

Loans for the Socially Disadvantaged

FSA has a number of Loan Programs available to assist applicants to begin or continue in agriculture production. Loans are available for Operating type Loans and/or to purchase or improve farms or ranches.

While all qualified producers are eligible to apply for these loan programs, the FSA has provided priority funding

for members of socially disadvantaged applicants.

A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities.

For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders.

FSA Loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

Selected Interest Rates for February 2014

90-Day Treasury Bill -.125%

Farm Operating Loans — Direct - 2.00%

Farm Ownership Loans — Direct - 4.25%

Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher - 1.50%

Emergency Loans - 3.00%

Farm Storage Facility Loans 7 years) - 2.375%

Sugar Storage Facility Loans - 3.375%

Commodity Loans 1996-Present - 1.125%

Dates to Remember

Feb. 17 - Washington's Birthday, Federal Offices Closed

Feb. 18 - NAP Sales Closing Date for 2014 perennial forages, coarse grains, vegetables and most fruits

For more information on bulletin subjects or details regarding your GovDelivery subscription with the Virginia FSA State Office, contact Linda Cronin, Outreach/Information Coordinator at linda.cronin@va.usda.gov or call at 804-287-1537. .

USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).