

June 2014



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Virginia FSA State Office Updates

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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>

Signup Restarts for Conservation Reserve Program (CRP) and Conservation Reserve Enhancement Program (CREP)

Farmers and landowners committed to protecting and conserving environmentally sensitive land may sign up for the Conservation Reserve Program (CRP) beginning **June 9**.

CRP provides incentives to producers who utilize conservation methods on environmentally-sensitive lands. For example, farmers are monetarily compensated for establishing long-term vegetative species, such as approved grasses or trees (known as "covers") to control soil erosion, improve water quality, and enhance wildlife habitat.

CRP consists of a "continuous" and "general" sign-up period. In lieu of a general sign-up this year, USDA will allow producers with general CRP contracts expiring this September to have the option of a one-year contract extension.

The opportunities available to farmers and landowners under the continuous CRP and CREP programs are practical and flexible. Since the Virginia Farm Service Agency (FSA) began enrolling land in CREP in 2002, thousands of participating farmers and landowners made a commitment to protecting natural resources in Virginia by enrolling in CREP. The "enhanced" version of the national CRP program aims to improve Virginia's water quality and wildlife habitat by offering financial incentives, cost-share and rental payments to farmers who voluntarily restore or create:

- Filter Strips,
- Riparian forest buffers,
- Grass and shrub buffers,
- Wetlands.

CREP helps producers overcome financial barriers of buffer projects and grazing systems by providing financial incentives and cost-share reimbursement for expenses; including costs for associated components such as wells, pipeline, watering troughs, and livestock crossings.

CREP participants quickly realize that the program offers more than environmental benefit and peace of mind. Livestock producers see herd health benefits after excluding animals from natural water sources. A decreased instance of waterborne illness, improved rate of gain, and overall production benefits are a few. Crop producers also enjoy economic benefit from removing marginal, shaded field border from production and dedicating those acres to a conserving use. Input costs are reduced on enrolled acres and CREP also provides an annual rental payment on the acres.

Producers who decide to offer acreage for enrollment in CREP will benefit from technical assistance from Natural Resources Conservation Service (NRCS). NRCS helps CREP participants by assessing natural resources on the farm and helping to determine conservation objectives and make decisions.

Offers to enroll in CRP and CREP will be accepted at all FSA offices beginning June 9. For more information on CRP and other FSA programs, visit a local FSA county office or go online to www.fsa.usda.gov.

Transition Incentives Program

Farmers and landowners committed to protecting and conserving environmentally sensitive land may sign up for the Conservation Reserve Program (CRP) beginning **June 9**. The Secretary also announced that retiring farmers enrolled in CRP could receive incentives to transfer a portion of their land to beginning, disadvantaged or veteran farmers through the Transition Incentives Program (TIP).

The Transition Incentives Program provides two additional years of payments for retired farmers and ranchers who transition expiring CRP acres to socially disadvantaged, military veteran, or beginning producers who return the land to sustainable grazing or crop production. Sign up will also begin June 9. TIP funding was increased by more than 30 percent in the 2014 Farm Bill, providing up to \$33 million through 2018.

For more information on CRP and other FSA programs, visit a local FSA county office or go online to www.fsa.usda.gov.

USDA Announces Changes to Fruit, Vegetable and Wild Rice Planting Rules

Farm Service Agency (FSA) has announced fruit, vegetable and wild rice provisions that affect producers who intend to participate in certain programs authorized by the Agricultural Act of 2014.

Producers who intend to participate in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) Programs are subject to an acre-for-acre payment reduction when fruits and nuts, vegetables or wild rice are planted on the payment acres of a farm. Payment reductions do not apply to mung beans, dry peas, lentils or chickpeas. Planting fruits, vegetables or wild rice on acres that are not considered payment acres will not result in a payment reduction. Farms that are eligible to participate in ARC/PLC but are not enrolled for a particular year may plant unlimited fruits, vegetables and wild rice for that year but will not receive ARC/PLC payments for that year. Eligibility for succeeding years is not affected.

Planting and harvesting fruits, vegetables and wild rice on ARC/PLC acreage is subject to the acre-for-acre payment reduction when those crops are planted on either more than 15 percent of the base acres of a farm enrolled in ARC using the county coverage or PLC, or more than 35 percent of the base acres of a farm enrolled in ARC using the individual coverage.

Fruits, vegetables and wild rice that are planted in a double-cropping practice will not cause a payment reduction if the farm is in a double-cropping region as designated by the USDA's Commodity Credit

Corporation.

USDA Announces Restart of the Biomass Crop Assistance Program

The Biomass Crop Assistance Program (BCAP) was reauthorized by the 2014 Farm Bill and will resume on a limited basis on June 16 upon the publication of a Notice of Funding Availability.

BCAP employs three types of biomass assistance primarily through approved BCAP project areas. For growing new biomass, BCAP provides financial assistance with 50 percent of the cost of establishing a perennial crop. To maintain the crop as it matures until harvest, BCAP provides an annual payment for up to 5 years for herbaceous crops, or up to 15 years for woody crops. To collect existing agriculture or forest residues that are not economically retrievable, BCAP provides assistance with mitigating the cost of harvesting and transporting the materials to the end-use facility.

The 2014 Farm Bill authorizes \$25 million annually for BCAP, requiring between 10 and 50 percent of the total funding to be used for harvest and transportation of biomass residues. Traditional food and feed crops are ineligible for assistance. The 2014 Farm Bill also enacted several modifications for BCAP, including higher incentives for socially disadvantaged farmers and ranchers, and narrower biomass qualifications for matching payments, among other changes.

Only the matching payments portion of the BCAP, with narrower biomass qualifications, will resume this summer. Additional information will be provided as the updated BCAP regulations and policies are implemented. With the 2014 Farm Bill requiring several regulatory updates to BCAP, the resumption of establishment and annual payments has been deferred until a later date.

For forest residues, this year's matching payments are targeted for energy generation while reducing fire, insect and disease threats on Forest Service and Bureau of Land Management lands. Agriculture residues for energy are also eligible for matching payments.

The USDA Farm Service Agency (FSA), which administers BCAP, will coordinate the BCAP enrollments. For more information on BCAP and other FSA programs, visit a local FSA office or go online to www.fsa.usda.gov.

USDA Awarding \$6 Million to Prepare Farmers for New Farm Bill Programs

USDA is awarding \$6 million to universities and Cooperative State Extension Services to develop online decision tools and other materials and train experts to educate producers about several key Farm Bill programs. The new Web tools will help farmers and ranchers determine what participation in programs established by the 2014 Farm Bill will mean for their businesses.

The University of Illinois (lead for the National Coalition for Producer Education), along with the Food and Agricultural Policy Research Institute (FAPRI) at the University of Missouri and the Agricultural and Food Policy Center at Texas A&M (co-leads for the National Association of Agricultural and Food Policy), will receive a total of \$3 million to develop the new online tools and train state-based extension agents who can in turn help educate farmers.

The new resources will help farmers and ranchers make an educated choice between the new Agriculture Risk Coverage (ARC) program and the Price Loss Coverage (PLC) Program. Using the new online tools, producers will be able to use data unique to their specific farming operations combined with factors like the geographical diversity of crops, soils, weather and climates across the country to test a variety of financial scenarios before officially signing up for the new program options later this year. Once a producer enrolls in the ARC or PLC program, he or she must remain in the program through the 2018 crop year.

New tools will be provided for other programs as well. Sign-up for the newly established Margin Protection Program for Dairy (MPP) begins late this summer and enrollment for "buy-up" provisions under the Noninsured Crop Disaster Assistance Program (NAP) will begin early next year. An online MPP tool will be available when sign up begins and the NAP buy-up provision resource will become available to producers in the fall for the 2015 crop year.

USDA will also award \$3 million to State Cooperative Extension Services—a nationwide network of experts based at land-grant universities—for outreach and education on the new Farm Bill programs. Funds will be used to conduct public education outreach meetings where producers can speak with local extension agents and Farm Service Agency (FSA) staff. Outreach meetings will begin late this summer to help farmers and ranchers understand the new programs and their options.

While universities work to create new online tools, producers now have access to a preliminary website that gives them a chance to begin familiarizing themselves with the new programs and the type of information they will need to consider when deciding which program options work better for them. At this site, farmers and ranchers can view ARC and PLC projected payments, ARC guarantees, and PLC payment rate projections. These tables are available on the [FSA website](#).

Visit www.fsa.usda.gov or the local FSA office for information about FSA and the 2014 Farm Bill programs.

USDA Prepares to Accept MAL and LDP Requests; Sets 2014 MAL Loan Rates

The USDA Farm Service Agency (FSA) will begin accepting requests for Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs) for harvested eligible 2014 commodities.

MALs and LDPs for the 2014 crop year become available to eligible producers beginning with harvest/shearing season and extending through a specific commodity's final loan availability date. Sugar Commodity Loans for the 2014 crop will be available to sugar processors beginning Oct. 1, 2014.

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, pulse crops, rice, peanuts, cotton, wool, mohair and honey. MALs provide producers interim financing after harvest to help them meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows. A producer who is eligible to obtain a loan, but agrees to forgo the loan, may obtain an LDP if such a payment is available. Marketing loan provisions and LDPs are not available for sugar and extra-long staple cotton.

The 2014 Farm Bill also establishes payment limitations per individual or entity not to exceed \$125,000 annually on certain commodities for the following program benefits: price loss coverage payments, agriculture risk coverage payments, Marketing Loan Gains (MLGs) and LDPs. These payment limitations do not apply to MAL

loan disbursements.

Adjusted Gross Income (AGI) provisions were modified by the 2014 Farm Bill, which states that a producer whose total applicable three-year average AGI exceeds \$900,000 is not eligible to receive an MLG or LDP.

National and county loans rates for 2014 crops are posted on the FSA website at: www.fsa.usda.gov/pricesupport.

For more information, please visit a nearby USDA Service Center or FSA's website www.fsa.usda.gov.

USDA Kicks Off the 2014 "Feds Feed Families" Nationwide Food Drive

USDA kicked off the 6th annual Feds Feed Families Campaign on June 2, 2014.

The food drive is an annual event in which Federal employees, nationwide, collect food for distribution by food banks, food pantries, and shelters.

The Feds Feed Families program started in 2009. The 2014 food drive officially began on June 2 and will run through August 27.

All Federal agencies across the country participate in the campaign and Federal employees are asked to donate non-perishable food items throughout the summer. Donations are given to local food banks across the country – having a positive impact to help food banks address food insecurity. Secretary Vilsack noted that the latest USDA estimates show that in 2012, food insecurity affected 14.5 percent of American households at some point.

If you are interested in making a donation to the annual "Feds Feed Families" Food Drive, please contact your local USDA Service Center.

For more information on the Feds Feed Families campaign, please visit: <http://www.usda.gov/fedsfeedfamilies>.

Save Time – Make an Appointment with FSA

As we roll out the Farm Bill programs administered by FSA, there will be related signups and in some cases multiple management decisions that need to be made by you, the producer, in consult with FSA staff. To insure maximum use of your time and to insure that you are afforded our full attention to your important business needs, please call our office ahead of your visit to set an appointment and to discuss any records or documentation that you may need to have with you when you arrive for your appointment. For local FSA Service Center contact information, please visit: <http://offices.sc.egov.usda.gov/locator/app>

USDA Farm Service Agency Announces Tree Assistance Program (TAP) Sign-Up

As of Tuesday, April 15, 2014, vineyards, orchardists and nursery tree growers who experienced losses from natural disasters that occurred on or after Oct. 1, 2011, can sign up for the Tree Assistance Program (TAP). TAP was authorized by the Agricultural Act of 2014 as a permanent disaster program. TAP provides financial

assistance to qualifying vineyards, orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes and vines damaged by natural disasters.

Eligible tree types include trees, bushes or woody vines that produce an annual crop for commercial purposes. Nursery trees include ornamental, fruit, nut and Christmas trees that are produced for commercial sale. Trees used for pulp or timber are ineligible.

To qualify for TAP, producers must suffer a qualifying tree, bush or vine loss in excess of 15 percent mortality from an eligible natural disaster. The eligible trees, bushes or vines must have been owned when the natural disaster occurred; however, eligible growers are not required to own the land on which the eligible trees, bushes and vines were planted.

If the TAP application is approved, the eligible trees, bushes and vines must be replaced within 12 months from the date the application is approved. The cumulative total quantity of acres planted to trees, bushes or vines, for which a producer can receive TAP payments, cannot exceed 500 acres annually.

USDA'S Farm Service Agency (FSA) Offers Farm Bill Website and Online Overview of Farm Bill Programs

The Agricultural Act of 2014 (the Act), also known as the 2014 Farm Bill, was signed by President Obama on Feb. 7, 2014. The Act repeals certain programs, continues some programs with modifications, and authorizes several new programs administered by the Farm Service Agency (FSA). Most of these programs are authorized and funded through 2018.

For the latest on 2014 Farm Bill programs administered by FSA, please visit our Farm Bill website at www.fsa.usda.gov/farmbill and for an FSA program overview please read, download and/or print our recently posted FSA Farm Bill Fact Sheet titled, [What's in the 2014 Farm Bill for Farm Service Agency Customers?](#)

For more information on FSA, please contact your local USDA Service Center or visit us online at www.fsa.usda.gov.

Livestock Disaster Assistance Sign-Up Underway

Livestock Disaster Program enrollment opened on April 15, 2014. These disaster programs are authorized by the 2014 Farm Bill as permanent programs and provide retroactive authority to cover losses that occurred on or after Oct. 1, 2011.

To expedite applications, all producers who experienced losses are encouraged to bring records documenting those losses to their local FSA Office. Producers should record all pertinent information of natural disaster consequences, including:

Documentation of the number and kind of livestock that have died, supplemented if possible by photographs or video records of ownership and losses,

Dates of death supported by birth recordings or purchase receipts,

Costs of transporting livestock to safer grounds or to move animals to new pastures,

Feed purchases if supplies or grazing pastures are destroyed and

Crop records, including seed and fertilizer purchases, planting and production records.

Eligible producers can sign-up for the following livestock disaster assistance programs:

Livestock Indemnity Program (LIP):

LIP provides compensation to eligible livestock producers that have suffered livestock death losses in excess of normal mortality due to adverse weather and attacks by animals reintroduced into the wild by the federal government or protected by federal law. Producers who suffered livestock death losses should submit a notice of loss and an application for payment to their local FSA office by January 30, 2015.

Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP)

ELAP provides emergency assistance to eligible producers of livestock, honeybees and farm-raised fish that have losses due to disease, adverse weather, or other conditions, such as blizzards and wildfires. ELAP assistance is provided for losses not covered by LFP and LIP. Producers who suffered eligible livestock, honeybee or farm-raised fish losses during 2012 and 2013 program years must submit a notice of loss and application for payment to their local FSA office by August 1, 2014. For 2014 program year losses, the notice of loss and an application for payment must be submitted by November 1, 2014.

Livestock Forage Disaster Program (LFP):

LFP provides compensation to eligible livestock producers that have suffered grazing losses due to drought on privately owned or cash leased land or fire on federally managed land. Eligible producers must physically be located in a county affected by a qualifying drought during the normal grazing period for the county. Producers who suffered eligible grazing losses should submit a completed CCC-853 and supporting documentation by January 30, 2015.

For more information, producers can review the LFP, LIP and ELAP Fact Sheets on the [Farm Bill webpage](#). Producers are encouraged to make an appointment with their local FSA office to apply for these programs.

New Farm Bill Offers Increased Opportunities for Producers

The 2014 Farm Bill offers increased opportunities for producers including Farm Loan Program modifications that create flexibility for new and existing farmers. A fact sheet outlining modifications to the U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) Farm Loan Programs is available [here](#).

The Farm Bill expands lending opportunities for thousands of farmers and ranchers to begin and continue operations, including greater flexibility in determining eligibility, raising loan limits, and emphasizing beginning and socially disadvantaged producers.

Changes that will take effect immediately include:

Elimination of the 15 year term limit for guaranteed Operating Loans.

Modification of the definition of beginning farmer, using the average farm size for the county as a qualifier instead of the median farm size.

Modification of the Joint Financing Direct Farm Ownership Interest Rate to 2 percent less than regular Direct Farm Ownership rate, with a floor of 2.5 percent. Previously, the rate was established at 5 percent.

Increase of the maximum loan amount for Direct Farm Ownership Down Payment Loan Program from \$225,000

to \$300,000.

Elimination of rural residency requirement for Youth Loans, allowing urban youth to benefit.

Debt forgiveness on Youth Loans, which will not prevent borrowers from obtaining additional loans from the federal government.

Increase of the guaranteed percentage on Conservation Loans from 75 to 80 percent and 90 percent for socially disadvantaged borrowers and beginning farmers.

Microloans will not count toward Direct Operating Loan term limits for veterans and beginning farmers.

Additional modifications must be implemented through the rulemaking processes. Visit the [FSA Farm Bill website](#) for detailed information and updates to farm loan programs.

USDA Announces the Extension of the Milk Income Loss Contract Program for 2014

The USDA Farm Service Agency (FSA) recently announced the extension of the Milk Income Loss Contract (MILC) Program which protects dairy farmers against income loss through September 1, 2014, or until a new Margin Protection Program for dairy producers (MPP) is operational.

Contracts for eligible producers enrolled in MILC on or before September 30, 2013, are automatically extended until the termination date of the MILC Program. Dairy operations with approved MILC contracts will continue to receive monthly payments if a payment rate is in effect.

MILC compensates enrolled dairy producers when the Boston Class I milk price falls below \$16.94 per hundredweight (cwt), after adjustment for the cost of dairy feed rations. MILC payments are calculated each month using the latest milk price and feed cost, just as in the 2008 Farm Bill. The payment rate for October 2013 through January 2014 marketings is zero. Payment rates during the months after January 2014 until the termination of the MILC program will be determined as the appropriate data becomes available.

Producers who want to select a different production start month must visit their local FSA office between April 14, 2014, and May 30, 2014.

FSA will provide producers with information on program requirements, updates and sign-ups as the information becomes available.

Dairy Indemnity Payment Program

The 2014 Farm Bill authorized the extension of the Dairy Indemnity Payment Program (DIPP) through September 30, 2018. DIPP provides payments to dairy producers and manufacturers of dairy products when they are directed to remove their raw milk or products from the market because of contamination.

2013 ACRE

Participation in 2013 ACRE requires production reports for planted acres that must be submitted for the covered

commodities and peanuts planted on the farm by July 15, 2014. Failure to report production for those covered commodities and peanuts planted on ACRE farms may result in contract termination. If the contract is terminated, all payments, including direct payments previously received plus interest will be required to be refunded.

2009, 2010, 2011, 2012 AND 2013 Average Adjusted Gross Income Compliance Review

The AGI verification and compliance reviews for 2009, 2010, 2011, 2012 and 2013 are conducted on producers who the IRS indicates may have exceeded the adjusted gross income limitations described in [7 CFR 1400.500]. Based on this review, producers will receive determinations of eligibility or ineligibility.

If the producer is determined to have exceeded the AGI limitation of \$500,000 of nonfarm income, \$750,000 of farm income, \$1 million of conservation program benefits or the \$1 million total AGI, then receivables will be established for payments earned directly or indirectly by the producer subject to the applicable limitation. The Virginia FSA State Office will begin notifying producers selected for review next month. If you have any questions about the review process or determination, please contact the Virginia FSA State Office at 804-287-1546. Producers who receive initial debt notification letters may only appeal the amount of the debt to their local FSA office. Adverse determinations become administratively final if not timely appealed and can only be reopened if exceptional circumstances exist that prevented the producer from timely filing the appeal.

2014 Acreage Reporting Dates

In order to comply with FSA program eligibility requirements, all producers are encouraged to visit their local FSA office to file an accurate crop certification report by the applicable deadline.

The following acreage reporting dates are applicable for Virginia:

July 15, 2014: All crops not associated with a date below (CRP, corn, soybeans, all tobacco types, spring planted grains, cotton, peanuts, potatoes, and others,

Beans (Planted 5/26-7/10),

Tomatoes (Fresh, planted 5/16-7/5),

Tomatoes (all other uses, planted on or before 6/15),

August 15, 2014: Cabbage (planted 4/16-7/10) ,

September 15, 2014: Beans (Planted 7/15-9/5),

November 15, 2014: Apiculture, PRF/Perennial Forage,

January 15, 2015: Apples, Peaches, Fall-Seeded Small Grains,

May 15, 2015: Cabbage (planted 3/16-4/15), Spring Oats, Potatoes, Tomatoes (Fresh, planted 4/10-5/15) and

June 15, 2015: Beans (Planted 3/4-5/25).

The following exceptions apply to the above acreage reporting dates:

If the crop has not been planted by the above acreage reporting date, then the acreage must be reported no later than 15 calendar days after planting is completed.

If a producer acquires additional acreage after the above acreage reporting date, then the acreage must be reported no later than 30 calendar days after purchase or acquiring the lease. Appropriate documentation must be provided to the county office.

If a perennial forage crop is reported with the intended use of “cover only,” “green manure,” “left standing,” or “seed,” then the acreage must be reported by July 15th.

Noninsured Crop Disaster Assistance Program (NAP) policy holders should note that the acreage reporting date for NAP covered crops is the earlier of the dates listed above or 15 calendar days before grazing or harvesting of the crop begins.

Highly Erodible Land and Wetland Compliance

Landowners and operators are reminded that in order to receive payments from USDA, they must be compliant with Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions. Farmers with HEL determined soils must apply tillage, crop residue and rotation requirements as specified in their conservation plan.

Producers should notify FSA prior to conducting land clearing or drainage projects to ensure compliance. If you intend to clear any trees to create new cropland, these areas will need to be reviewed to ensure any work will not jeopardize your eligibility for benefits.

Landowners and operators can complete form AD-1026 Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification to determine whether a referral to Natural Resources Conservation Service (NRCS) is necessary.

For more information on Highly Erodible Land and Wetland Conservation provisions, contact a FSA County Office or visit the FSA website at www.fsa.usda.gov.

Hay Net

Producers are encouraged to use Hay Net on the FSA website (<http://www.fsa.usda.gov/haynet>). This online service allows producers with hay and those who need hay to post ads so they can make connections. Hay Net is a popular site for farmers and ranchers who have an emergency need. Individual ads can be posted free of charge by producers who complete a simple online registration form the first time they use the site.

Guaranteed Loan Eligibility

Changes to FSA regulations have removed Guaranteed Operating Loan term limits. Previous and current guaranteed loan borrowers who were not eligible for further guaranteed loans due to the previous 15 year eligibility term limit may now be eligible for further guaranteed loans through their commercial lender.

Direct Loan Changes

Changes were made to the interest rate charged on loans where FSA provides 50 percent or less on jointly financed purchases of real estate also called Direct Farm Ownership Participation Loans. The interest rate will be the greater of 2.5 percent or the current interest rate for direct Farm Ownership Loans minus 2 percent, as a fixed rate for the duration of the loan. At present, the June direct Farm Ownership rate is 4.00 percent. Because the 2.5 percent floor is greater than subtracting 2 percent from the current direct farm ownership loan rate, the rate for Direct Farm Ownership Participation Loans in June is 2.50 percent.

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 average size farm.

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 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.

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.

USDA Enhances Farm Storage Facility Loan Program

The U.S. Department of Agriculture (USDA) today announced the expansion of the Farm Storage and Facility Loan program, which provides low-interest financing to producers. The enhanced program includes 22 new categories of eligible equipment for fruit and vegetable producers.

Producers with small and mid-sized operations, and specialty crop fruit and vegetable growers, now have access to needed capital for a variety of supplies including sorting bins, wash stations and other food safety-related equipment. A new more flexible alternative is also provided for determining storage needs for fruit and vegetable producers, and waivers are available on a case-by-case basis for disaster assistance or insurance coverage if available products are not relevant or feasible for a particular producer.

Additionally, Farm Storage Facility Loan security requirements have been eased for loans up to \$100,000. Previously, all loans in excess of \$50,000 and any loan with little resale value required a promissory note/security agreement and additional security, such as a lien on real estate. Now loans up to \$50,000 can be secured by only a promissory note/security agreement and some loans between \$50,000 and \$100,000 will no longer require additional security.

The low-interest funds can be used to build or upgrade permanent facilities to store commodities. Eligible commodities include grains, oilseeds, peanuts, pulse crops, hay, honey, renewable biomass commodities, fruits and vegetables. Qualified facilities include grain bins, hay barns and cold storage facilities for fruits and vegetables.

Contact your local FSA office or visit www.fsa.usda.gov for more about FSA programs and loans, including the Farm Storage Facility Loan Program.

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.

Controlled Substance

Any person convicted under federal or state law of a controlled substance violation could be ineligible for USDA payments or benefits. Violations include planting, harvesting or growing a prohibited plant. Prohibited plants include marijuana, opium, poppies and other drug producing plants.

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Any person convicted under federal or state law of a controlled substance violation could be ineligible for USDA payments or benefits. Violations include planting, harvesting or growing a prohibited plant. Prohibited plants include marijuana, opium, poppies and other drug producing plants.

Farm Reconstitutions

When changes in farm ownership or operation take place, a farm reconstitution is necessary. The reconstitution — or recon — is the process of combining or dividing farms or tracts of land based on the farming operation.

The following are the different methods used when doing a farm recon:

Estate Method — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate;

Designation of Landowner Method — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding;

DCP Cropland Method — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract;

Default Method — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

FSA Signature Policy

Using the correct signature when doing business with FSA can save time and prevent a delay in program

benefits. The following are FSA signature guidelines:

Spouses may sign documents on behalf of each other for FSA and CCC programs in which either has an interest, unless written notification denying a spouse this authority has been provided to the county office

Spouses shall not sign on behalf of each other as an authorized signatory for partnerships, joint ventures, corporations, or other similar entities

For additional clarification on proper signatures contact your local FSA office.

Bank Account Changes

Current policy mandates that FSA payments be electronically transferred into a bank account. In order for timely payments to be made, producers need to notify the FSA county office when an account has been changed or if another financial institution purchases the bank where payments are sent. Payments can be delayed if the FSA office is not aware of updates to bank accounts and routing numbers.

Rural Energy for America Program (REAP)

Do you want to decrease the Nation's Dependency on foreign fuels? Is your poultry house in need of upgrades? Are your tobacco barns curing as efficiently as they could be? Is that grain dryer using more electricity and propane? Do you just want to save energy?

YES? That's great because USDA Rural Development has the program for you. Through the Rural Energy for America Program (REAP), agricultural producers and rural small businesses can obtain grants to make energy efficiency improvements or install renewable energy systems to their operations. Grants can pay up to 25% of the total eligible project costs. This competitive grant program has an application deadline of July 7, 2014. Virginia receives an annual allocation with over \$1 Million in grant funds expected.

For additional information please contact Laurette Tucker, Rural Business Specialist, at 434-392-4906, Ext. 125 or laurette.tucker@va.usda.gov or Craig Barbrow, Rural Business

Specialist, at 276-228-3513, Ext. 123 or craig.barbrow@va.usda.gov

Special Accommodations

Special accommodations will be made upon request for individuals with disabilities, vision impairment or hearing impairment. If accommodations are required, individuals should contact the county FSA office staff directly or by phone.

Selected Interest Rates for June 2014

90-Day Treasury Bill -.125%

Farm Operating Loans — Direct - 2.25%

Farm Ownership Loans — Direct - 4.00%

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

Emergency Loans - 3.25%

Farm Storage Facility Loans (7 years) - 2.250%

Farm Storage Facility Loans (10 years) - 2.625%

Farm Storage Facility Loans (12 years) - 2.750%

Commodity Loans 1996-Present - 1.125%

Dates to Remember

08/01 - 2012/2013 ELAP Sign-up Ends

08/29 - 2012 SURE Sign-Up Ends

09/02 - 2015 NAP Sales Closing Date for Value Loss Crops

09/30 - 2015 NAP Sales Closing Date for all Small Grains

11/01 - 2014 ELAP Sign-Up Ends

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).