

April 2013



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## Virginia State Office FSA Updates

DEAR PRODUCERS: Welcome to the new GovDelivery bulletins and updates service from the Virginia FSA State Office. Note that you are welcome to request to receive bulletins from more than one state and/or county and can add or remove individual subscriptions at any time.

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### Virginia FSA State Office **Hispanic and Women Farmers and Ranchers Claims Process Extended**

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#### Hours

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

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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

Agriculture Secretary Tom Vilsack has announced the extension of the voluntary claims process for Hispanic and women farmers and ranchers who allege discrimination by the USDA in past decades. All claims must now be filed by **May 1, 2013.**

USDA urges potential claimants to contact the Claims Administrator for information and mail their claim packages on or before May 1, 2013.

The process offers a voluntary alternative to litigation for each Hispanic or female farmer and rancher who can prove that USDA denied his or her application for loan or loan servicing assistance for discriminatory reasons for certain time periods between 1981 and 2000. As announced in February 2011, the voluntary claims process will make available at least \$1.33 billion for cash awards and tax relief payments, plus up to \$160 million in farm debt relief, to eligible Hispanic and women farmers and ranchers. There are no filing fees to participate in the program.

Claimants may register for a claims package by calling the telephone number below Monday through Friday 9 a.m. to 8 p.m. Eastern Time or by downloading the forms from the website.

Website: [www.farmerclaims.gov](http://www.farmerclaims.gov)

Phone: 1-888-508-4429

Fax: (855) 626-8343

Email: [claims@hwfr.org](mailto:claims@hwfr.org)

Claims Period: September 24, 2012 – May 1, 2013.

Claim packages and other documentation may be mailed to Hispanic and Women Farmers and Ranchers Claims Administrator, PO Box 4540, Portland, OR 97208-4540. Claim packages and other documentation may also be emailed to [claims@hwfr.org](mailto:claims@hwfr.org). Claimants may also fax claims packages and other documentation to (855) 626-8343.

Completed forms and documentation must be received no later than 11:59

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## DCP/ACRE Sign-up Continues

The sign-up period for DCP and ACRE are still open. Producers are encouraged to sign up for DCP before the Aug. 2, 2013, deadline. An even earlier deadline is for ACRE, which will end June 3, 2013.

The 2013 DCP and ACRE program provisions are unchanged from 2012, except that all eligible participants in 2013 may choose to enroll in either DCP or ACRE for the 2013 crop year. This means that eligible producers who were enrolled in ACRE in 2012 may elect to enroll in DCP in 2013 or may re-enroll in ACRE in 2013. Likewise producers who were enrolled in DCP may opt for ACRE enrollment.

[Read more about DCP and ACRE](#) or contact the FSA county office for more information, or an appointment to enroll.

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## Microloans Are Cultivating Big Dreams on a Small Scale

Microloans are helping small, niche and beginning farmers and ranchers meet their goals. The less burdensome and more simplified loan process allows producers to apply for a maximum of \$35,000 to pay for initial start-up expenses such as hoop houses, essential tools, irrigation, delivery vehicles and annual expenses such as seed, fertilizer, utilities, land rents, marketing and distribution expenses. Producers interested in applying for a microloan should contact the local FSA office.

Read how microloans are helping producers across the U.S. expand their operations.  
[Thanks, Mr. President: Niche Farmers Send Obama Appreciation Letter for Boosting Their Business](#)  
[Small Farmer Finds Success With FSA Microloan Program](#)

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## CRP Sign-Up Starts soon

USDA will conduct a four-week general sign-up for the Conservation Reserve Program (CRP), beginning May 20 and ending on June 14. CRP protects the nation's natural resources through voluntary participation, while providing significant economic and environmental benefits to rural communities across the United States.

Currently, about 27 million acres are enrolled in CRP. Producers that are accepted in the program can receive cost-share assistance to plant long-term, resource-conserving covers and receive an annual rental payment for the length of the contract which is 10-15 years.

Contracts on 3.3 million acres of CRP are set to expire on Sept. 30, 2013. Producers with expiring contracts or producers with environmentally sensitive land are encouraged to evaluate their options under CRP.

For more information on CRP and other FSA programs, visit a local FSA service center or [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## Acreage Certification

After spring planting, producers should certify their 2013 acreage. Filing an accurate acreage report for all crops and land uses, including failed acreage and prevented planting acreage, can prevent the loss of benefits for a variety of programs.

Failed acreage must be reported within 15 days of the disaster event and before disposition of the crop. Prevented planting must be reported no later than 15 days after the final planting date.

Acreage reports are required for many Farm Service Agency programs. For crops enrolled in programs other than NAP (Noninsured Crop Disaster Assistance Program), acreage reports are to be certified by the July 15th.

Acreage reports on crops covered by NAP are due in the county office by the earlier of July 15th, or 15 calendar days before the onset of harvest or grazing of the specific crop acreage being reported.

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## Risk Management Reviewing Insured Apples in Virginia

The Risk Management Agency (RMA), Eastern Regional Compliance Office (ERCO) is reviewing a number of insurance policies issued for fresh apple in multiple counties in Virginia and several other states. This year's review is to ensure Approved Insurance Providers (AIP) are verifying fresh apple production history as a prerequisite for establishing fresh apple insurability in 2013.

ERCO will determine whether insured's are meeting fresh apple production record requirements in a manner sufficient to support continued fresh apple coverage in 2013. AIPs will notify ERCO of all cases where supporting fresh apple production records are inadequate and resulted in adjustments to coverage prior to any claims being paid.

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## Adjusted Gross Income

USDA and the Internal Revenue Service have established an electronic information exchange process for verifying compliance with the adjusted gross income (AGI) provisions for farm programs. Written consent is required from each producer or payment recipient for the tax review process. No actual tax data will be included in the report that IRS sends to FSA.

This ensures that payments are not issued to producers whose AGI exceeds certain limits. The limits set in the 2008 Farm Bill are \$500,000 nonfarm average AGI for commodity and disaster programs; \$750,000 farm average AGI for direct payments; and \$1 million nonfarm average AGI for conservation programs.

Participants in CCC programs subject to average AGI rules must submit form CCC-933 to their local FSA County Office to avoid interruption of program benefits. This form may be obtained from local FSA and NRCS offices or online at: <http://forms.sc.egov.usda.gov/eforms/mainservlet>.

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## Farm Storage Facility Loans

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. New loan terms of seven, 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 U.S. 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.

Applications for FSFL must be submitted to the FSA county office that maintains the farm's records. An FSFL must be approved before any site preparation or construction can begin.

For more information about FSFL please visit your FSA county office or [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## Guaranteed Loan Program

The Farm Service Agency loan limit for the Guaranteed Loan Program has increased to \$1,302,000. The limit is adjusted annually based on data compiled by the National Agricultural Statistics Service.

The lending limit increases every year according to an inflation index. The maximum combined guaranteed and

direct farm loan indebtedness has increased to \$1,602,000.

As a reminder, the one-time loan origination fee charged on FSA guaranteed farm ownership and operating loans is 1.5 percent of the guaranteed portion of the loan.

Producers should contact their local FSA County Offices with questions about farm loans.

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## 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.

For more information you can stop by your FSA county office. Our staff can help with preparing and processing the application forms.

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## Beginning and Limited Resource Farmers

FSA assists beginning farmers and or members of socially disadvantaged groups 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
- Does not own a farm in excess of 30 percent of 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](http://www.fsa.usda.gov)

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## 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.

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## Land Contract (LC) Guarantees

The Land Contract (LC) Guarantee Program is a valuable tool to transfer farm real estate to the next generation of farmers and ranchers. Guarantees will be offered to the owner of a farm who wishes to sell real estate

through a land contract to a beginning or socially disadvantaged farmer or rancher. The guarantee reduces the financial risk to the seller.

FSA offers two types of guarantees:

- Prompt Payment Guarantee - A guarantee up to the amount of three amortized annual installments plus the cost of any related real estate taxes and insurance.
- Standard Guarantee - A guarantee of 90 percent of the outstanding principal balance under the land contract.

The guarantee period is 10 years and the contract payments must be amortized for a minimum of 20 years. The purchase price of the farm cannot exceed the lesser of \$500,000 or the market value of the property.

For additional information you can read the [Land Contract Guarantee Program Fact Sheet](#).

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## Farm Record Changes

June 1, 2013 is the deadline to provide changes to your farm records at the local FSA office for the current crop year. If you are changing your operation entity type, adding or dropping cropland or farms, or adding entities to your operation, contact the FSA county office by June 1.

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## Maintaining the Quality of Loan 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.

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## 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.

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## 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.

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## Farm Safety

Flowing grain in a storage bin or gravity-flow wagon can be fatal. It takes less than five seconds for a person caught in flowing grain to be trapped.

The mechanical aspects of grain handling equipment, also presents a real danger. Augers, power take offs, and other moving parts can grab people or clothing.

These hazards, along with pinch points and missing shields, are dangerous enough for adults; not to mention children. It is always advisable to keep children a safe distance from operating farm equipment. Always use extra caution when backing or maneuvering farm machinery. Ensure everyone is visibly clear and accounted for before machinery is engaged.

FSA wants all farmers to have a productive crop year, and that begins with putting safety first.

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## **Selected Interests Rates for April 2013**

90-Day Treasury Bill - 0.125%

Farm Operating - Direct - 1.375%

Farm Ownership - Direct - 3.5%

Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher - 1.5%

Emergency - 2.375%

Farm Storage Facility – 7 year - 1.375%

Farm Storage Facility – 10 year - 2.000%

Farm Storage Facility – 12 year - 2.250%

Commodity Loans 1996-Present - 1.125%

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## **Dates to Remember**

May 20-June 14 - Conservation Reserve Program General Signup 45

July 15 - Deadline to report corn, cotton, soybeans, grain sorghum, and tobacco

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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](mailto:linda.cronin@va.usda.gov) or call at 804-287-1537.

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USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9450, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay).

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