



# NEWSLETTER



June 2012

## Virginia State FSA Office

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Director

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### Hours

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

### State Staff

Pete Adamson, Chief  
Farm Loans

Brent L. Whitlock, Chief  
Farm Programs

Connie Washburn-Marsh, Chief  
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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>

## County Committee Nominations

The election of agricultural producers to Farm Service Agency (FSA) county committees is important to ALL farmers and ranchers. It is crucial that every eligible producer participate in these elections because FSA county committees are a link between the agricultural community and the U.S. Department of Agriculture (USDA).

County committee members are a critical component of the operations of FSA. They help deliver FSA farm programs at the local level. Farmers and ranchers who serve on county committees help with the decisions necessary to administer the programs in their counties. They work to ensure FSA agricultural programs serve the needs of local producers.

FSA county committees operate within official regulations designed to carry out federal laws. County committee members apply their judgment and knowledge to make local decisions.

The COC nomination period runs from June 15, 2012 through Aug. 1, 2012. For more information contact your local FSA office.

## Payment Limitations

Anyone that plans to participate in 2012 programs is required to submit a completed CCC-902, CCC-926, and CCC-901, if applicable, for payment eligibility and payment limitation purposes. The form used previously was called a CCC-502.

## Contributions

All partners, stockholders or members with an ownership interest in

the legal entity must make a contribution, whether compensated or **not** compensated, for active--\*

- personal labor,
- active personal management,
- or a combination of active personal labor and active personal management to the farming operation;

\*Note: there are exceptions for spouses.

Additional information on payment limitations is available at FSA county offices or online at: [www.fsa.usda.gov](http://www.fsa.usda.gov)

## Virginia Farm Service Agency's Internet Newsletter

The newsletter you are reading has been created just for you by the hard-working folks at your local FSA Service Center. Budget restrictions limit our mailings to four times a year. A monthly state newsletter similar to this one is available on the Virginia FSA Internet. Go to [www.fsa.usda.gov/va](http://www.fsa.usda.gov/va). On the right side of the displayed page, under *Browse by Subject*, click *Newsletters*. Check back monthly for Virginia FSA updates.

## Crop Reporting

The annual requirement of reporting to the FSA office can be referred to as crop reporting, acreage reporting or crop certification. Filing an accurate and timely report for all crops and land uses, including failed acreage, can prevent loss of benefits for a variety of Farm Service Agency programs. All cropland on the farm must be reported to receive benefits from the Direct and Counter-Cyclical Program, Marketing Assistance Loans

and Load Deficiency Payments.

The certification form FSA-578, Report of Acreage, must account for all cropland on a farm, whether idle or planted. The producer certification deadlines are:

Monday, July 2nd	All 2012 planted crops except soybeans, tobacco, & grain sorghum
Monday, July 16th	Soybeans, tobacco, grain sorghum; hay, pasture & CRP/CREP

### CRP & NAP Certification

Conservation Reserve Program acreage must be reported to receive annual rental payments. Crop acreage for Non-insured Crop Disaster Assistance Program (NAP) must be reported.

#### Prevented Planting

Prevented planting is to be reported no later than 15 calendar days after the final planting date. Failure to report prevented planting acreage could result in loss of benefits for the SURE program or possibly other disaster assistance programs.

#### Failed Acreage

Reports of failed acreage must be filed before disposition of the crop and producers must be able to establish to the satisfaction of the county committee that the crop failed and was prevented from being replanted through the normal planting period because of natural disaster conditions.

### Subscriptions

FSA offers subscription services. Sign-up to have an expanding array of FSA timely information delivered to your e-mail in-box. To subscribe go to [www.fsa.usda.gov/va](http://www.fsa.usda.gov/va). At the top of the displayed page click *Newsroom*. On the right side of the **Newsroom** page under *Related Topics* click *Subscriptions*.

On the first page you'll enter your

e-mail address. The second page lists topic areas.

To receive pertinent Virginia FSA information expand the first item on the list of topics; **Updates by State and County**. Find *Virginia*. Select (check the box in front of) **Virginia State Office Newsletters and Updates**.

Each local service center is also listed, but capability to offer local newsletters and information has not been implemented in Virginia. After you finish your selections, and please do look at the other topic areas, click the **SUBMIT** button at the bottom of the page.

### Sodbusting

Farmers and ranchers should be aware that if they use highly erodible land for crop production without proper conservation measures, they risk losing eligibility to participate in Farm Service Agency programs.

Before producers clear, plow or otherwise prepare areas not presently under crop production for planting, they are required to file an AD-1026, indicating the area to be brought into production.

If Natural Resources Conservation Service indicates that the area will be highly erodible land, the producer will be required to develop and implement a conservation plan on the affected acreage before bringing land into production.

### Compliance

Compliance and spot checks will be utilized during the 2012 crop year. Instead of locally selecting farms, contracts, deficiency loans, etc. for spot check and review, a nationwide selection of producers is used to achieve a statistical sampling of participating producers. Spot check selections are to be conducted based on a producer's participation in the Conservation Reserve Program, Direct and Counter-cyclical Program, Loan Deficiency Program, etc.

State and county offices shall view and print their producer spot check

lists as posted on the designated website. If an entity is selected from the national database that is no longer farming or participating in the 2012 crop year, a notation shall be made on the spot check list. For more information about the new spot check selection procedure, feel free to contact your local office for additional clarification.

### Guaranteed Loans

The Farm Service Agency is committed to providing family farmers with loans to meet their farm credit needs. If you are having trouble getting the credit you need for your farm, guaranteed loans are currently available.

Ask your lender about an FSA loan guarantee if you've had a setback and your lender is reluctant to extend or renew your loan.

Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of up to \$300,000. Guaranteed loans have a maximum limit of \$1,214,000. This makes the maximum combination of direct and guaranteed loan indebtedness \$1,514,000.

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.

To find out more about FSA loan programs, contact the county office staff.

### Beginning and Limited Resource Loans

FSA has a program to assist 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 the county's median size.

Each member of an entity must meet the eligibility requirements. Loan approval is not guaranteed.

Additional program information, loan applications and other materials are available at the local USDA Service Center or visit [www.fsa.usda.gov](http://www.fsa.usda.gov) and [www.nrcs.usda.gov](http://www.nrcs.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 or help 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 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 a group.

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

### 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. 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.

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).

### Controlled Substance

Program participants convicted under federal or state law of any planting, cultivating, growing,

producing, harvesting or storing a controlled substance are ineligible for program payments and benefits.

If convicted of one of these offenses, the program participant shall be ineligible during that crop year and the four succeeding crop years for Direct and Counter-Cyclical payments, price support loans, loan deficiency payments, market loan gains, storage payments, farm facility loans, Non-Insured Crop Disaster Assistance Program payments or disaster payments.

Program participants convicted of any federal or state offense consisting of the distribution (trafficking) of a controlled substance shall, at the discretion of the court, be ineligible for

any or all program payments and benefits:

- For up to 5 years after the first conviction
- For up to 10 years after the second conviction
- Permanently for a third or subsequent conviction.

Program participants convicted of federal or state offense for the possession of a controlled substance shall be ineligible, at the discretion of the court, for any or all program benefits as follows:

- up to one year upon the first conviction
- up to five years after a second or subsequent conviction.

### Farm Reconstitutions

For FSA program purposes, tracts having the same owner and the same operator are grouped under one farm serial number. When changes in 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. Remember, to be effective for the current year, recons must be requested by **Aug. 1** for farms enrolled in specific programs.

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

Husbands and wives may sign documents on behalf of each other for FSA and Commodity Credit Corporation programs in which either has an interest. This option is automatically available unless a written request for exclusion is made to the county office staff by either spouse.

There are exceptions to the rule, where spouses may not sign on behalf of each other for partnerships, joint ventures, corporations or other similar entities.

Individual signatures are also required on certain Farm Loan Program and Farm Storage Facility Loan documents.

For more clarification on spousal signature authority, feel free to contact your local FSA office.

### Banking Changes?

If you changed banks and did not notified FSA, your payment could be delayed. Payments are electronically transferred into your bank account, if we are not aware of changes to your account and routing numbers, there could be problems. In order to make timely payments, you need to notify the office if you close your account or if another financial institution

purchases your bank. It is important that any changes in a producer's account such as type account, bank mergers, routing number or account numbers, be provided to the county office promptly to avoid possible payment delay.

### Special Accommodations

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.

Selected Interest Rates for June 2012	
90-Day Treasury Bill	0.125%
Farm Operating Loans - Direct	1.5%
Farm Ownership Loans - Direct	3.625%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.5%
Emergency Loans	%
Farm Storage Facility Loans	1.250%
Commodity Loans 1996-Present	1.125%

Dates to Remember	
June 15	COC Nominations Open
July 2	Last day to report 2012 planted crops except soybeans, tobacco & grain sorghum
July 16	Last day to report soybeans, grain sorghum, tobacco; hay, pasture & CRP/CREP
Continues	Continuous Conservation Reserve Program