

June 2014



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Table of Contents

- [Hay Net](#)
- [Direct Loan Changes](#)
- [ARC and PLC Updates and Projected Timeline](#)
- [Bank Account Changes](#)
- [Beginning Farmer Loans](#)
- [Guaranteed Loan Eligibility](#)

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Next County Committee Meeting: June 12th @ 10:00 a.m.

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.

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.

ARC and PLC Updates and Projected Timeline

The Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Programs are new programs authorized by the 2014 Farm Bill. FSA is still in the process of writing policy and procedure for the programs and is working towards having the first sign-up late this year. As information is available, we will work to get information out to you, primarily through GovDelivery bulletins and newsletters.

Below is the current timeline, which is subject to change.

- This summer all farmers and ranchers with base acres will receive a letter from FSA notifying you of certain provisions affecting base acres and yields.
- In the fall, farm owners will receive a one-time opportunity to reallocate your base acres for the life of this Farm Bill (2018). The reallocation would be based on 2009 through 2012 plantings. At this time, owners will also be able to update yields for PLC, based on 90 percent of the farm's 2008 through 2012 average yield per planted acre.
- FSA is planning for a late-2014 or early-2015 signup for ARC and PLC. This is a one-time choice for the life of the Farm Bill. Failure to make a decision during this time will result in a default designation of PLC, and it will eliminate any 2014 payment.

For more information, please contact our office or you can also view the ARC/PLC notice with the latest details referenced above [here](#).

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.

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

§ 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.

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.

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).