

Regular Minutes of the State Committee (STC) meeting held on May 10, 2011, in the STO, Raleigh, NC. The meeting was called to order at 8:00 am.

STATE COMMITTEE: T. Pender Sharp III, Chairman, Thomas O. Gilmore, Sr. and John E. Ashe, Jr,

STAFF: Aaron A. Martin, State Executive Director, Cindy Kernodle, Mike Eaves, Diane Barefoot, Mike Huskey, Joe Austin, Eddie Woodhouse, Alicia Bridges, Mac McCullough, Marsha Bissette, Rita Zeigler, Tim Jones and Susan Woodall

Approval of Minutes

The STC reviewed and approved the Regular Session minutes for April 12, 2011.

Review FSA-958's, Work Schedule Log and WebTA Employee Summary

The STC Chairperson reviewed and approved FSA-958's, Work Schedule Log for PP 10 for the STC.

The SED reviewed and approved FSA-958, Work Schedule Log for PP 10 for the STC Chairperson.

Review Travel Authorizations/Advances

The STC Chairperson reviewed and approved Authorizations for STC members changing the thru date to September 30, 2011.

The SED reviewed and approved the Authorization for the STC Chairperson changing the thru date to September 30, 2011.

General Updates on Farm Loan Issues

General update on FLP issues as follows:

Funding:

<u>Direct</u>	<u>As of 05/06/11</u>
OL	278 loans \$21,958,495
FO	11 loans \$ 1,838,100
EM	19 loans \$ 1,218,780
CL	4 loans \$ 160,890
TOTALS	312 loans \$25,176,265

<u>Guaranteed</u>	
OL	98 loans \$16,827,615
FO	<u>93 loans \$50,665,263</u>
TOTALS	191 loans \$67,492,878

Current backlog:

<u>Type</u>	<u># of Loans</u>	<u>Total \$</u>
Farm Ownership	9	\$1,895,000
Operating Loans	7	\$ 652,780

Funding is available for Guaranteed OL & Guaranteed FO – all categories, Direct OL & Direct FO - SDA (NBF & BF), & Direct EM. Funding is depleted in all categories of Direct & Guaranteed CL, Direct OL – non SDA(NBF& BF), & Direct FO – non SDA(NBF & BF).

Lawsuits – Provided update of the following cases.

1. Keepseagle – nothing new
2. Love – settlement announced
3. Garcia – settlement announced
4. Wise – Grant, Wise, & Chamblee have appealed to 4th Circuit Court of Appeals
- 5.

Temporary Shared Management

The STC was advised that temporary shared management for Pamlico-Jones and Rowan-Stanly had been discontinued. Permanent CED was hired in Stanly. CED in Pamlico was hired in Lenoir. As a result, temporary shared management was established for Craven-Carteret-Jones. Kay Yates is CED in Craven-Carteret and will manage both offices.

National Association of Credit Specialist

Report to NC FSA State Committee

- NACS Mission Statement (attached)
- <http://nacsfsa.net/nacsfsa/>
- Organizational Structure National and State Association
- National Association meets annually at location usually decided 2 years in advance. 2010 Convention was held in Portland, ME.
- NC has 1 member on the Executive Board, 1 alternate on the Board and 2 Committee members
- 6 Committees 2011 (Attached) NC has 1 regular Committee Member on FLP and 1 Alternate on the Farm Program Committee
- Meet with National Office Staff 1 time per year
- 4 Zones, each meet annually in February or March
- Resolution Process is the backbone of the organization; examples follow:

Farm Loan Program

Resolution 3

CONCERN: Presently [7 CFR 764.152(e)(2)] (3-FLP Paragraph 132 E) states that the applicant must have not had a direct FO loan outstanding for more than a total of 10 years prior to the date that the new D-FO loan is closed. Applicants may apply and be approved for a subsequent D-FO loan in advance of their 10 year term limit date. However, FSA loan funds are often not immediately available. Sellers who delay closings and applicants who secure bridge loans to close sales pending the availability of funds will find that an FSA loan commitment is of no consequence if the loan is not closed prior to the 10 year anniversary date of the applicant's initial D-FO loan.

PROPOSED SOLUTION: Propose that the 10 Term Limit rule be tied to the approval date of a subsequent loan and not to the closing date. FYI - Identical resolution was sent to the LI Committee.

NATIONAL OFFICE RESPONSE: We have had several discussions with OGC on this and our desire to change it to loan approval due to the time some applicant's wait to have their FO loans closed. Unfortunately, we have no option on this requirement as it is a statutory requirement and cannot be changed without Congressional action.

COMMITTEE RESPONSE: Don't see any possible changes to this through the FLP committee process, will have to pursue the LI Committee.

Farm Program

Resolution 1

CONCERN: Loan approvals for farm storage facility loans expire after 4 months. Construction of most facilities exceed that time period. Requesting approval extensions is time consuming and burdensome.

PROPOSED SOLUTION: Revise procedure to make loan approvals expire after 8 months with the availability of an approval extension for an additional 4 months.

DAFP RESPONSE: CCC begins paying interest to Treasury when they money is borrowed to obligate FSFL's. Producers begin paying interest at loan disbursement. To encourage the completion of a FSFL project, the producer is given a 4 month loan approval period to complete the project. CCC did amend the regulations to allow FSA State Committees the authority to extend the loan approval period up to 12 months, and if over 12 months then the Deputy Administrator for Farm Programs is required to review to extend the loan approval period.

Committee Teleconference: Agree with Response. 1-FSFL was amended after this resolution was adopted making it much easier to do an extension.

- 58 Resolution similar to these were adopted and submitted in 2010. Over 100 have been submitted for 2011 that will be debated at the 2011 Convention in Salt Lake City, Utah.
- Committees travel to WDC and St. Louis to meet with Staff as budget allows.

NACS Mission Statement

To enhance the delivery of FSA programs through facilitation of communication and interaction between FSA field level employees and FSA senior level management.

National Association of Credit Specialists of the Farm Service Agency (NACS-FSA) and previously the National Association of County Supervisors (NACS) were created by management level employees in USDA involved in making and servicing loans. Although our targets have changed over the years from making and servicing rural housing loans, farm loans, rural rental housing to just agricultural loans, our members have remained committed to improving service to our customer – rural residents and farmers and ranchers.

The USDA Reorganization Act of 1994 brought major changes to USDA and the disbanding of Farmers Home Administration (FmHA). NACS was transformed also into NACS-FSA and NACS-RD. These two organizations have gone their own way and created professional organizations based on Chapter 251 of Federal Personnel Regulations (5 CFR Part 251).

NACS-FSA has taken a pro-active and positive approach to legislation which affects our customers. We have created and maintain interactions with the Agricultural Committees of both the Senate and House of Representatives. This has provided many opportunities to improve service to Farm Service Agency customers.

Our mission, indeed our endowment for members in the future, is to leave a legacy of what we have learned and experienced through the years.

Committees and Members

Committee	Zone	Member	EMAIL
Farm Loan Program	A	April Ward, ID	
	B	Mark Moser, NE	
	C	Marla Koerner, OH	
	D	Ed Hall, NC	
Management/Personnel	A	Joyce NevinsGinsberg, WA	
	B	Allen Hall, NE	
	C	Greg Koerner, OH	
	D	Alec Love, MS	
Farm Programs	A	Dan Mattson, ID	
	B	Loren Drege, ND	
	C	Juanita Ballman, KY	
	D	Gretchen Thomas, AL	

- IT**
- A Troy Henrie, UT
 - B Denise Lickteig, NE
 - C Jeremey Burner, VA
 - D **Theresa Windham, GA**
- Membership**
- A Mark Henrie, UT
 - B **Steve Showalter, IA**
 - C Katie Ryan, MA
 - D Danny Lindsey, AL
- Legislative**
- A Bardell Faux, ID
 - B Ben Herink, NE
 - B Russ Miller, MN
 - C **John Gehrke, IL**
 - D Mike Gibbs, GA
 - D Bob Parris, SC

NAP – Sampson COC Request - Harvest Date for Broccoli, PP#2

The STC reviewed and approved Sampson COC request to extend the normal harvest date for fall planting of broccoli to December 30 to cover varieties that require 90 days maturity based on the final planting date of September 15. COC had reviewed the planting period, days to maturity and harvest with Allan Thornton of the Sampson County Cooperative Extension Service and determined their request was consistent with area practice in Sampson County.

SURE – Davie COC Recommendation for 2009 County Expected Yield (CEY) for Burley Tobacco

The STC reviewed and approved Davie COC recommendation to establish 2009 CEY for Burley Tobacco as 1887 pounds per acre. NASS data for the burley tobacco was only available for the 2005 crop year. Neighboring county of Yadkin had NASS data available for 2006 and 2007 and the COC felt that the yields for both counties would be very similar. The average of 1887 was based on the following:

Crop Year	County	Average Yield per Acre (NASS)
2005	Davie	1900
2006	Yadkin	1885
2007	Yadkin	1875
Average		1887

Maximum Average Loss Level Requests

The STC reviewed and approved maximum average loss level requests from the following counties:

Bertie Craven Davie Duplin Forsyth

Equitable Relief – Bertie County

The STC reviewed and approved the equitable relief request for Bertie County.

Public Affairs and Outreach

Eddie Woodhouse, Public Affairs and Outreach Director, updated the STC concerning Outreach budget issues, stating that DC was making no money available for events or partner support. Understandably, this severely limits the assistance FSA can offer to organizations, in person or through event sponsorship.

But Eddie also told the STC this is an opportunity for North Carolina FSA to streamline its efforts, making more efficient the outreach process.

Eddie distributed a collection of newspaper articles from across North Carolina concerning "FSA Thanks North Carolina's Farmers On Earth Day." The article, authored by Eddie and put in SED Martin's name, celebrated North Carolina's farmers as being the "first conservationist."

Eddie showed UNC-TV's video coverage of FSA's Tommy McLamb (Disaster) and Tim Jones (Conservation) interviews concerning the April storms.

Eddie shared Southern Farm Radio Network audio of Tommy McLamb (Disaster) and Tim Jones (Conservation) interviews concerning the April storms.

Eddie provided copies of the latest SED Weekly Report sent to DC.

Emergency Conservation Program (ECP) and Emergency Forest Restoration Program (EFRP)

An update was given on the subject programs. To date, 16 counties have requested ECP in the amount of \$1,944,000 for tornadoes that occurred in NC on April 16, 2011. One county requested ECP in the amount of \$6,000 for a tornado event on April 28, 2011. There has been one county that has requested EFRP in the amount of \$500,000. Additional counties are expected to request EFRP. Funding has not been received.

CRP General Sign-Up 41

Fifty one counties in NC submitted 442 offers totaling 8,847.3 acres in General Sign-Up 41. Of these offers, 76% were expiring CRP. The weighted average rental rate offered was \$50.32. The following practices were offered: CP3, CP1, CP42, CP4D, CP3A and CP2.

Biomass Crop Assistance Program (BCAP)

A BCAP Fact Sheet dated May 2011 was given to the STC. A Fact Sheet for the first BCAP Project Area approved in the nation, BCAP-Project Area Number 1 Implemented for Western Missouri and Eastern Kansas County Biomass Producers, was also shared with the STC.

North Carolina is still waiting on funding for Stump Dump's CHST application in Buncombe County. Twenty Requests for Waivers are still pending at the National Office.

Request from NCDNR to Cost-Share on Second Post Herbicide Treatment for CRP and CREP

The STC reviewed a letter from Wib Owen, State Forester, requesting that cost-shares be paid on a second post herbicide treatment. Statistics have proven a greater survival rate on plantings of longleaf when a second post herbicide treatment has been performed. CRP policy only allows cost-shares for one post herbicide treatment.

After reviewing the letter and discussion, it was determined a recommendation for cost-share on two post-herbicide treatments would be submitted to the National Office.

Request to Accept a Late-Filed CRP Offer for General Signup 41, Orange-Durham, Robert Thomas Veasey

Mr. Veasey was confined to the V.A. Hospital during CRP signup. He returned home five days after signup ended. The Orange-Durham FSA Committee (COC) requests acceptance of the late-filed offer due to meritorious reasons.

The STC determined to recommend acceptance of the late-filed offer to the National Office.

The meeting adjourned at 5:00 pm on May 10, 2011.

The next scheduled meeting of the FSA STC will be on June 14, 2011.

/s/ Aaron A. Martin

Approved:
Aaron A. Martin
Secretary

/s/ T. Pender Sharp, III

Approved:
T. Pender Sharp, III
Chairperson, FSA State Committee