



May 2008

Columbus Service Center News

Servicing Burlington, Camden & Ocean Counties

Burlington/Camden
Ocean County FSA
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Office Hours
Monday-Friday
7:30 AM-4:30 PM

County Committee
Robert L. Lounsberry Jr
George H. Adams Sr.
Marilyn L. Russo
Louis Parzanese
John H. Hunter

County Committee meets
2nd Tuesday

Staff
Nick Morolda CED
Robert R. Maxwell, FLM
Ellen K. Schmidt, FLO
Julia Coriaty PT
Jim Mellor PT
Craig Christo PT



2008 COC Election Information

One of FSA's responsibilities is to conduct County Committee elections in an open manner that ensures accountability. County FSA Offices will provide local organizations representing socially disadvantaged groups with detailed information about the COC election process. FSA is reaching out to agricultural communities to get equitable representation on their county committees.

Groups representing socially disadvantaged farmers and ranchers, will be actively solicited for COC election candidates, and encouraged to fill out a nomination form (FSA-669A). Under represented farmers and ranchers are encouraged to step up and participate in their county's COC election process. Producers will notice posters and announcements displayed in businesses, churches, and other public places. COC election fact sheets can be found online at <http://www.fsa.usda.gov/FSA> under the News & Events tab on the FSA homepage.

Reporting Crop Acreage

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.

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

Crop reports, FSA-578 Report of Acreage, must account for all cropland on a farm, whether idle or planted. Producers need to file acreage for small grains by **May 31, 2008** and for all other crops by **July 15, 2008** for crops that have been planted.

Crops planted after July 15 must be reported to the local FSA office no later than 15 days from the date

of planting. To be in compliance with crop reporting rules, reports must be signed and in the office by the dates listed above.

Prevented Planting:

Prevented planting needs be reported no later than 15 calendar days after the final planting date.

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.

Farm Reconstitutions

In program terminology, farms are *constituted* to group all tracts having the same owner and the same operator 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.

Please keep in mind that reconstitutions must be requested by signing an FSA-155 form before August 1st for the change to take effect for that crop year. Also-although it is not a requirement — it is very helpful to the office if reconstitution requests are made before the beginning of the acreage reporting season. Requesting reconstitutions after acreages have been reported can cause delays in processing, and even to program payments.

If DCP direct payments have already been issued on a particular farm, the reconstitution will be effective for the next year, unless the payments are refunded.

Measurement Service

Farmers who would like a guarantee on their crop plantings and land use acreages can make it official by using the FSA measurement service

Producers must file a request with the county of-

fice staff and pay the cost of a field visit to have stake and referencing done on the farm. Measurement service is available using digital imagery and where an on-site visit is not required are charged at a reduced rate.

Incorrect acreage self-certification can result in reduced program payments, penalty, or loss of eligibility.

Producers can request ortho-imagery and CLU covering their land (commonly referred to as a clip) at no charge. This would provide the acreage of an entire field.

Sodbuster Regulations

The term “sodbusting” is used to identify the plowing up of erosion-prone grasslands for use as cropland. Sodbuster violations are unauthorized tillage practices on highly erodible lands that converted native vegetation such as rangeland or woodland, to crop production after Dec. 23, 1985.

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 on a CPA-026 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.

In addition, producers and the producer’s affiliates have to file an AD-1026 with the staff in the administrative or control county office before any farm program payments can be made. The AD-1026 is the producer’s signed certification that HELC, as well as wetland conservation, provisions will not be violated.

Preventing Fraud

The Farm Service Agency has joined with the Risk Management Agency to prevent fraud, waste and abuse in the Federal Crop Insurance Program. FSA has been, and will continue to, assist RMA and insurance providers by monitoring crop conditions throughout the growing season. In addition, FSA will refer all suspected cases of fraud, waste and abuse to RMA.

Producers can report suspected cases to the county office staff, RMA office, or the Office of the Inspector General.

GIS

As part of a decade long program to digitally map the nation’s farms and fields, the United States Department of Agriculture (USDA) has established the Common Land Unit (CLU) as a standardized GIS (Geographic Information Systems) data layer that has allowed mapping to be integrated easily on a nationwide basis. The Farm Service Agency manages this CLU data layer through a distributed database environment at more than 2,500 field service centers throughout the country.

Transitioning to the GIS environment has made good business sense for FSA for a variety of reasons. For one, CLU certification has improved communication between Service Centers and FSA customers through the use of current ortho-photography or NAIP (National Agricultural Imagery Program). For years, FSA had been using hard copy maps that were 10 years old or more. During that time span, it was difficult to keep information accurate due to urban development and other land use changes. USDA Service Centers use NAIP in order to maintain the Common Land Unit (CLU) boundaries and assist with a multitude of other farm programs.

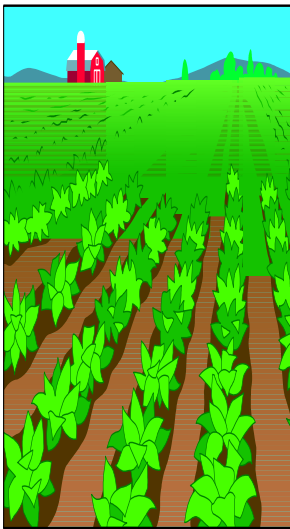
Second, using GIS and GPS (Global Positioning System) provides for more consistent and more accurate land measurements, such as field acreage and acreage boundaries of conservation practices, such as riparian buffers. In conjunction with yearly updated high quality digital imagery, new land use changes (farm transfers and land subdivisions) can be easily updated. Maps can be created in either paper or digital format for FSA customers or the public.

Lastly, the GIS environment provides for the incorporation of data from outside sources for business decision making or environmental planning. Some examples outside data sources include demographic data, satellite imagery, GPS data, elevation data and soil types.

Are you a GIS user at home? If you are a FSA program participant and would like a fully attributed CLU clip of your property, make arrangements for this product delivery with your local County Office Service Center. For more information about the Common Land Unit and NAIP can be found by visiting on-line, APFO (Aerial Photography Field Office) at www.apfo.usda.gov.

Non-Insured Crop Disaster Assistance Program (NAP)

Producers who are enrolled in the NAP program should report their production on all covered NAP crops to maintain their Actual Production History (APH). Production for a crop year must be reported by June 15 of the following crop year. This production can be in the form of sales receipts, or if no sales



receipts are available then production can be certified by the producer. It is important to keep production records updated with FSA. Your APH for a NAP year can determine whether a payment will be made and the amount of a payment for the disaster. NAP requires a least a 50% loss and this loss is determined through you APH. Each year that production is not reported the APH is reduced and could potentially be zero if production is never reported. The smaller your APH gets the harder it is to meet the 50% loss threshold for payment.

Farm Storage Facility Loan Program

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) Farm Storage Facility Loan Program (FSFL) provides low-interest financing for producers to build or upgrade farm storage and handling facilities. The FSA is authorized to implement the program through USDA's Commodity Credit Corporation (CCC). An FSA farm storage facility loan must be approved by the local FSA county committee before any site preparation and/or construction can be started.

The following are eligible types of facilities and upgrades that can be paid for with farm storage facility loans: New conventional type cribs or bins designed and engineered for whole grain storage having a useful life of at least 10 years, new oxygen-limiting and other upright silo-type structures designed for whole grain wet storage having a useful life of at least 10 years., new flat-type storage structures, with permanent floors and bulkheads, designed and primarily used to store whole grain for the loan term, new electrical equipment integral to the proper operation of the grain storage and handling equipment, excluding the installation of electrical service to the electrical meter, new safety equipment, new equipment to improve, maintain, or monitor the quality of stored grain, such as cleaners, moisture testers, and heat detectors, in conjunction with a proposed storage facility, new concrete foundations, aprons, pits, and pads, including site preparation, labor and material, essential to the proper operation of the grain storage and handling equipment, re-manufactured oxygen-limiting storage structures, renovation of existing farm storage facilities, if the renovation is for maintaining or replacing items that have a useful life of at least 10 years, new permanently affixed grain handling and grain drying equipment determined by CCC to be needed and essential to the proper operation of a grain storage system (with or without a loan for the storage facility), new structures that are bunker-type, horizontal or open silo structures, with at least 2 concrete walls and a concrete floor, designed for whole grain storage or other-than-whole-grain storage and having a useful life of at least 10 years.

Scales, portable dryers, used bins, and used equipment are not eligible for financing. Facilities built for commercial purposes and not for

the sole use of the borrower(s) are not eligible for financing.

The maximum amount a person is allowed to borrow through the Farm Storage Facility Loan Program is \$100,000. The borrower must meet certain eligibility requirements, and provide adequate security for the loan. A 15 percent cash down payment is required; thus, CCC's loan is limited to 85 percent of the net cost of the eligible storage facility and permanent drying and handling equipment (subject to the applicant's storage needs test). The down payment cannot include any trade-in, discount, rebate, deferred payment, or post-dated check. The loan term is seven (7) years, and the interest rate is fixed for the loan term based on the rate in effect during the month the loan is approved.

For more information about FSA programs, contact this office, or visit the World Wide Web at www.fsa.usda.gov

Loans for Socially Disadvantaged Applicants

FSA offers specially-targeted farm loans known as Socially Disadvantaged Applicant (SDA) Loans. These loan programs are designed to help farmers purchase and operate family farms. FSA reserves a portion of its loan funds each year for SDA loans.

USDA defines socially disadvantaged applicants as a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of the group without regard to their individual qualities. For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians and Alaskan Natives, Hispanics, and Asians and Pacific Islanders. In fiscal year 2007, FSA obligated nearly \$300 million in SDA loans across the nation including \$350,000 here in NJ.

Direct loans are made to applicants by FSA and include both farm operating and farm ownership loans. Guaranteed loans also may be made for farm ownership or operating purposes, and may be made by any lending institution subject to Federal or State supervision (banks, savings and loans, credit unions, and units of the Farm Credit System including the Bank for Cooperatives) and guaranteed by FSA. Typically, FSA guarantees 90 or 95 percent of a loan against any loss that might be incurred if the loan fails.

Repayment terms for direct operating loans depend on the collateral securing the loan and usually run from 1 to 7 years. Repayment terms for direct farm ownership loans can be as long as 40 years. Guaranteed loan terms are set by the lender. Interest rates for direct loans are set periodically according to the Government's cost of





borrowing. Interest rates for guaranteed loans are established by the lender.

Farm ownership loan funds may be used to purchase or enlarge a farm or ranch, purchase easements or rights of way needed in the farm's operation, build or improve buildings such as a dwelling or barn, promote soil and water conservation and development, and pay closing costs. Farm operating loan funds may be used to purchase livestock, poultry, farm equipment, fertilizer, and other materials necessary to operate a successful farm. Operating Loan funds can also be used for family living expenses, refinancing debts under certain conditions, paying salaries for hired farm laborers, installing or improving water systems for home, livestock, or irrigation use, and other similar improvements.

For additional information or applications for all FSA direct loan programs please contact the office. Additional information is also available on the FSA home page at: www.fsa.usda.gov

Visit our Web site: <http://www.fsa.usda/>

Dates to Remember May 2008	
May 26	Office Closed – Memorial Day Holiday
May 31	Deadline to Report Small Grains
June 15	Deadline to report 2007 Production for APH
July 15	Deadline to Report All Other Crops
Selected	Interest Rates for 5/08
1.50 %	90 day Treasury Bill
3.125%	Farm Operating-Direct
5.00 %	Farm Ownership Direct
3.75 %	Emergency
3.00 %	Farm Storage Facility
2.625%	Commodity Loans 1996 to present

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