

December 2012 County Newsletter Articles

This document contains articles for use in a county office newsletter as you deem appropriate. Please feel free to use any of these subjects. You can edit these articles to suit your needs. You can delete any of the language you feel is unclear and add words you feel are necessary.

All articles need to be reviewed by the appropriate section chiefs before forwarding to county offices. Check all facts and figures to make sure they are appropriate for your state.

Suggested Items for December

- **2011 Supplemental Revenue Assistance Program Applications**
- **NAP Coverage Deadlines**
- **Hispanic and Women Farmer and Rancher Claims Period**
- **IRS Form 1099-G**
- **Guaranteed Loan Limit**
- **Emergency Farm Loans**
- **Losses Due to Hurricane Sandy**
- **Farm Storage Facility Loan Program**
- **Commodity Loans**
- **Maintaining the Quality of Loaned Grain**
- **Unauthorized Disposition of Grain**
- **LDPs for Unshorn Lamb Pelts**
- **Spousal Signatures**

2011 Supplemental Revenue Assistance Program Applications

The Farm Service Agency (FSA) will continue to accept SURE applications for 2011 crop losses through June 7, 2013. The SURE Program provides payments to producers when crop revenues are less than the crop guarantee. The SURE Program payment is equal to 60 percent of the difference between the crop guarantee and revenue.

To determine the guarantee and revenue for the SURE Program, all crops on all farms for a producer are included in the calculation. Payments under the SURE Program are limited to \$100,000.

To be eligible for the 2011 SURE Program, producers must have crop insurance on all insurable crops. For crops that are not covered by crop insurance such as pumpkins and cucumbers, producers must have purchased Non Insured Crop Disaster Assistance Program (NAP) coverage through FSA. The Crop Insurance and NAP purchase requirement is waived for crops that are not economically significant to the farming operation. In addition, the producer must have at least one crop with a 10 percent production loss in order to be eligible.

For more information concerning the 2011 SURE program or other Farm Service Agency programs, contact your local FSA office or visit the Farm Service Agency website at www.fsa.usda.gov/pas/.

NAP Coverage Deadlines

Noninsured Crop Disaster applications are due at different times according to the crop being insured. Producers should apply for Noninsured Crop Disaster Assistance Program (NAP) coverage using form

CCC-471 (Application for Coverage). Related service fees are due when the application is filed. The application and service fee MUST be filed by the crop sales closing date. Contact your local FSA office for the filing dates for your crops.

The application deadline date for the 2013 coverage on Honey and Maple Sap under NAP is December 1, 2012.

The application deadline date for the 2013 coverage on beets, burdock, chicory, greens, herbs, leeks, lettuce, onions, radicchio, radishes, scallions, shallots and turnips under the Non-Insured Crop Disaster Assistance Program (NAP) is February 1, 2013.

Hispanic and Women Farmer and Rancher Claims Period

USDA has announced that Hispanic and women farmers and ranchers who allege discrimination by the USDA in past decades can file claims between Sept. 24, 2012 and March 25, 2013.

The process offers a voluntary alternative to litigation for each Hispanic or female farmer and rancher who can prove that USDA denied their applications 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.

The department will continue reaching out to potential Hispanic and female claimants, around the country to get the word out to individuals who may be eligible for this program so they have the opportunity to participate.

Call center representatives can be reached at 1-888-508-4429. Claimants must register for a claims package (by calling the number or visiting the website) and the claims package will be mailed to claimants. All those interested in learning more or receiving information about the claims process and claims packages are encouraged to attend meetings in their communities about the claims process and contact the website or claims telephone number.

Website: www.farmerclaims.gov

Phone: 1-888-508-4429

Claims Period: Sept. 24, 2012 - March 25, 2013.

Independent legal services companies will administer the claims process and adjudicate the claims. Although there are no filing fees to participate and a lawyer is not required to participate in the claims process, people seeking legal advice may contact a lawyer or other legal services provider.

To read Secretary Tom Vilsack's news release click on the following link:

<http://www.usda.gov/wps/portal/usda/usdahome?contentid=2012/09/0309.xml&contentidonly=true>

IRS 1099 Changes

Calendar year 2012 has brought changes to the way FSA reports farm program payments to the producer and to the IRS.

In past years, IRS Forms 1099-G would be issued to show all program payments received from the Farm Service Agency, regardless of the amount.

Starting with calendar year 2012, producers whose total reportable payments from FSA are less than \$600 will not receive IRS Form 1099-G. Also, producers who receive payments from more than one county will only receive one Form 1099-G if the total of all payments from all counties is \$600 or more.

The same changes will apply to those who normally receive IRS Form 1099-MISC from FSA.

Guaranteed Loan Limit

The Farm Service Agency has announced that the loan limit for the Guaranteed Loan Program is currently \$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.

Emergency Farm Loans

USDA's Farm Service Agency (FSA) provides emergency loans to help producers recover from production and physical losses due to drought, flooding, other natural disasters, or quarantine.

Loan Uses

Emergency loan funds may be used to:

- Restore or replace essential property;
- Pay all or part of production costs associated with the disaster year;
- Pay essential family living expenses;
- Reorganize the farming operation; and
- Refinance certain debts.

Further information and applications for the loan programs described are available at local FSA county offices.

Losses Due to Hurricane Sandy

Farmers and ranchers affected by Hurricane Sandy are urged to keep thorough records of all losses, including livestock death losses, as well as expenses for feed purchases and extraordinary costs due to lost supplies and or increased transportation costs.

FSA recommends that owners and producers record all pertinent information of natural disaster consequences, including:

- Documentation of the number and kind of livestock that have died, supplemented if possible by photographs or video records of ownership and losses;
- Dates of death supported by birth recordings or purchase receipts;
- Costs of transporting livestock to safer grounds or to move animals to new pastures;
- Feed purchases if supplies or grazing pastures are destroyed;
- Crop records, including seed and fertilizer purchases, planting and production records;
- Pictures of on-farm storage facilities that were destroyed by wind or flood waters;
- Evidence of damaged farm land.

Producers with damaged farmland or private forestland should contact their local FSA office. The Emergency Conservation Program (ECP) has funding and may be able to assist producer who need to repair farmland or remove debris due to Hurricane Sandy.

Producers who need emergency credit may receive assistance through the Emergency Loan Program if they need assistance recovering from production and physical losses due to natural disasters. Producers are eligible for these loans as soon as their county is declared a Presidential or Secretarial disaster county.

Crops insured by federal crop insurance or by the Noninsured Disaster Assistance Program (NAP) are covered when floodwaters have rendered them valueless. USDA encourages all farmers and ranchers to contact their crop insurance companies and local USDA Farm Service Agency Service Centers, as applicable, to report damages to crops or livestock loss

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 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.

Commodity Loans

Commodity loans, also referred to as Marketing Assistance Loans, are available to producers who share in the risk of producing the crop. To be eligible, producers must maintain beneficial interest in the crop

through the time of application. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan — even if the producer regains beneficial interest.

Violating provisions of a marketing assistance loan may trigger administrative actions, such as assessing liquidated damages, calling the loan and denial of future farm-stored loans. The most common violations are removing or disposing of a commodity being used as loan collateral without prior authorization and providing an incorrect quantity certification.

Maintaining the Quality of Loaned 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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LDPs for Unshorn Lamb Pelts

Eligible producers have until Jan. 31, 2012, to apply for Loan Deficiency Payments (LDP) for unshorn lamb pelts produced during the 2011 crop year.

Eligible producers must have beneficial interest in the pelts, owned the lamb for at least 30 calendar days before the date of slaughter and sell the unshorn lamb for immediate slaughter. Producers must also comply with wetland conservation and highly erodible land conservation provisions on all lands they

operate or have interest in.

To qualify for payment, pelts must have been produced by an eligible producer from live unshorn lambs of domestic origin in the United States.

Spousal Signatures

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 a local FSA office.