



Colorado FSA Today

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An Online Monthly Newsletter Covering the Hottest Topics in Federal Farm Programs

AGRICULTURE SECRETARY VILSACK ANNOUNCES PROCESS TO RESOLVE DISCRIMINATION CLAIMS OF HISPANIC AND WOMEN FARMERS

As part of continued efforts to close the chapter on allegations that discrimination occurred at USDA in past decades, Agriculture Secretary Tom Vilsack and Assistant Attorney General Tony West today announced the establishment of a process to resolve the claims of Hispanic and women farmers and ranchers who assert that they were discriminated against when seeking USDA farm loans.

The claims process offers a streamlined alternative to litigation and provides at least \$1.33 billion in compensation, plus up to \$160 million in farm debt relief, to eligible Hispanic and women farmers and ranchers. This announcement follows the Obama Administration's settlement of longstanding litigation brought by African American farmers and Native American farmers.

In conjunction with this announcement, USDA is launching an outreach effort to potential claimants that will include a call center for farmers and ranchers, a website, public service announcements, and in-person meetings around the country. Individuals interested in participating in the claims process may register to receive a claims package, or may obtain more information, by visiting www.farmerclaims.gov. Beginning February 25, 2011, individuals can register to receive a claims package by calling the Farmer and Rancher Call Center at 1-888-508-4429. USDA cannot provide legal advice to potential claimants. Persons seeking legal advice may contact a lawyer or other legal services provider.

DISASTER ASSISTANCE

The Farm Service Agency would like to remind crop and livestock producers throughout states that have recently experienced severe damage from flooding, wildfires and tornadoes that FSA programs are available to assist with recovery.

FSA administers several important programs that help producers recover from disaster damage and livestock deaths. Among the key programs available to address impacts from disasters are the Emergency Conservation Program (ECP), the Livestock Indemnity Program (LIP), Livestock Forage Program (LFP), Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP), the Noninsured Disaster Assistance Program (NAP) and the Supplemental Revenue Assistance Payments (SURE) Program.

Fact sheets for all of these programs can be found at www.fsa.usda.gov; click on Newsroom, then Fact Sheets.

We encourage all who have suffered a disaster due to the recent severe weather conditions to read the fact sheets and visit their local FSA county office so they get a quick start in the recovery process.

USDA REMINDS PRODUCERS TO FILE ADJUSTED GROSS INCOME CONSENT FORMS WITH THE IRS

In order to receive USDA program payments, each payment recipient must have an Adjusted Gross Income (AGI) verification consent form on file with the Internal Revenue Service (IRS).

The consent form authorizes IRS to verify for FSA whether a payment recipient's AGI meets the eligibility requirements for FSA programs. The form became a requirement for payment eligibility beginning with the 2009 crop year, however many program participants have not complied with this requirement.

IRS and USDA reports show that, nationwide, FSA is still missing the required consent forms from many producers for 2009 and 2010. To avoid an interruption of program payments, producers need to turn these forms in to the IRS immediately if they have not done so already.

Individuals must submit form CCC-927 and legal entities must submit form CCC-928. Without these forms on file, producers will not receive USDA program

payments.

These consent forms are required for payments received from the Natural Resources Conservation Service (NRCS) as well as those received through FSA. Completed forms must be returned to the IRS.

COUNTY COMMITTEE (COC) NOMINATIONS:

Since COC elections happen only once a year, here is an election refresher. For election purposes, counties are divided into local administrative areas, or LAAs. Each LAA selects one producer to serve a three-year term on the Farm Service Agency county committee. Each year, an election is held in an LAA to replace the committee member whose three year term is expiring. In counties with three LAAs, one seat is up for election. In combined counties in some years, two seats may be up for election.

Nominations

Producers who are residents in the LAA holding the election and who participate or cooperate in an FSA program and are of legal voting age may be nominated to serve on the county committee. Individuals may nominate themselves or others as candidates. Also, organizations representing socially disadvantaged farmers or ranchers may also nominate candidates. The nomination form, FSA-669A, is available at the county office or may be downloaded online at www.fsa.usda.gov. To be valid, the nomination form must be signed by the person being nominated, indicating agreement to serve if elected. The completed nomination form must be returned to the county office by the close of business on Aug. 1, or postmarked by midnight Aug. 1, 2011.

ONLINE SERVICES

Producers, if you have Internet access you can electronically log on, fill out and print a variety of FSA paper forms in the comfort of your home as your schedule allows. You can also register for secure electronic access that will allow you to electronically sign and transmit some

forms directly to the county office staff. If you are new to the website, first you will want to obtain a Level 2 USDA Service Center Customer ID and password at: <http://www.eauth.egov.usda.gov/> and then click on “Create an Account Page” link.

USDA eAuthentication is the system used by USDA agencies to enable customers to obtain accounts that will allow them to access USDA Web applications and services via the Internet. This includes things such as submitting forms electronically, filing eLDPs, completing DCP contracts, filling out surveys online, and checking the status of your USDA accounts.

If you already have a Customer ID and password, then click on the following eForms website at: <http://forms.sc.egov.usda.gov/eforms/mainervlet> and then click on the “Sign In” button. A disclaimer window will open and after you read the “Warning message”, click on the “Continue” button.

Then the USDA Web services page will open to the eAuthentication login page. Enter your login User ID and password and then click on the “Login” button. To sign and transmit forms electronically, you must sign-up and get a User ID and password.

Submitting an e-Form is convenient. You can access information anytime day or night seven days a week. It’s faster and forms along with applications can be submitted and received in the county office in a matter of minutes, not days or weeks.

PAYMENT LIMITATIONS

Anyone that plans to participate in 2011 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

ACREAGE REPORTING

Filing an accurate and timely acreage report for all crops and land uses on cropland and non-cropland, including failed acreage, can prevent loss of benefits in a variety of programs. Producers are required to file a FSA-578 certification by the applicable final reporting date. Contact your local county office for final reporting dates.

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

SODBUSTER REGULATIONS

The term “sodbusting” means converting land from native vegetation, such as rangeland or woodland, to crop production after December 23, 1985. Sodbuster violations are unauthorized tillage practices on highly erodible lands.

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 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.

FARM LOAN PROGRAMS

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, or regularly borrow from FSA, direct and 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 can reach a maximum indebtedness of \$1,119,000. Producers are encouraged to apply early so that a loan can be processed and funded in a timely manner.

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

FARM RECONSTITUTIONS

When changes in farm 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.

The following are the different methods used when doing a farm recon. Remember, to be effective for the current year, recons must be requested by Aug. 1 for farms enrolled in the Direct and Counter-cyclical Program.

- 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.

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.

FARM STORAGE FACILITY LOAN PROGRAM CHANGES

The Farm Storage Facility Loan (FSFL) program 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 required to provide a minimum 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. If a participant provides 20% or greater down payment, then the requirement for a severance agreement for loans under \$50,000 will be waived. 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 not to exceed \$250,000.

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.

The following commodities are eligible for farm storage facility loans:

- Corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley or minor oilseeds harvested as whole grain
- Corn, grain sorghum, wheat, oats or barley harvested as other-than-whole grain
- Pulse crops - lentils, small chickpeas and dry peas
- Hay
- Renewable biomass
- Fruits (including nuts) and vegetables-cold storage

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.

CHANGING BANKS

Almost all Farm Service Agency payments are made electronically using Direct Deposit.

To keep the system running smoothly, it's critical to keep the county office staff up to date on changes you might make in your financial institutions.

If you have changed accounts or institutions that might affect the direct deposit of your FSA payments, contact the FSA county office so we can update our files to insure continued uninterrupted service.

REMEMBER 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, such as the one caused by the current wintry conditions. Individual ads can be posted free of charge by producers who complete a simple online registration form the first time they use the site.

SPECIAL ACCOMMODATIONS

Special accommodations will be made upon request for individuals with disabilities, vision impairment or hearing impairment. If accommodations are required, individuals should contact the county FSA office staff directly or by phone.

2010 ACRE PRODUCTION

CERTIFICATION DEADLINE EXTENDED

The deadline for a 2010 production certification to comply with the ACRE provisions for production reports has been extended to COB September 1, 2011. Because of this extension, using a register

on September 1, 2011, is not authorized.

The extension is for completing both the farm benchmark yield (2005 through 2009) and the actual farm yield (2010). For more details contact your local FSA office.

CONTROLLED SUBSTANCE

Any person who is convicted under federal or state law of a controlled substance violation could be ineligible for USDA payments or benefits. Violations include planting, harvesting or growing a prohibited plant. Prohibited plants include marijuana, opium, poppies and other drug producing plants.

SELECTED INTEREST RATES - JUNE

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| 90-Day treasury Bill | .125% |
| Farm Operating Loans - Direct | 2.75% |
| Farm Ownership Loans - Direct | 5.00% |
| Farm Ownership Loans - Direct Down Payment, Beginning Farmer/Rancher | 1.50% |
| Emergency Loans | 3.75% |
| Farm Storage Facility Loans (7 years) | 2.625% |
| Sugar Storage Facility Loans | 3.750% |
| Commodity Loans 1996-Present | 1.250% |

Readers are advised that dates and related provisions for FSA programs in Colorado are often county-specific. Please contact your local FSA office for detailed information pertaining to your operation.