2011 Producer Reminders

Administrative

Changing Bank Accounts
All FSA payments should be electronically transferred into your bank account. In order to make timely payments, you need to notify the office if you close your account or if your bank is purchased by another financial institution. Payments can be delayed if we are not aware of changes to account and routing numbers.

Civil Rights/Discrimination Complaint Process
As a participant or applicant for programs or activities operated or sponsored by USDA you have a right to be treated fairly. If you believe you have been discriminated against because of your race, color, national origin, gender, age, religion, disability, or marital or familial status, you may file a discrimination complaint. The complaint should be filed with the USDA Office of Civil Rights within 180 days of the date you became aware of the alleged discrimination. To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 326W, Whitten Building, 14th and Independence Avenue, SW, Washington DC 20250-9410 or call 202-720-5964 (voice or TDD), USDA is an equal opportunity provider and employer.

A complaint must be filed within 180 calendar days from the date the complainant knew, or should have known, of the alleged discrimination.

County Committee (COC) Advisors
FSA County Committee (COC) Advisors are a valued voice for underrepresented groups and socially disadvantaged farmers and ranchers. County committee members and their county executive directors, actively reach out to producer groups who are underrepresented on county committees. The COC shall have submitted the name of their nominee to the state committee for confirmation, no later than February 1 of each year.

Eligibility requirements for COC advisor nominee include:

- be actively participating in farming or ranching in the county or area
- be willing and able to serve as an advisor, if appointed
- indicate in writing a willingness and ability to serve
- county committee advisors serve for a 12-month period not to exceed 9 consecutive years beginning March 1 each year

Duties and Responsibilities of COC Advisors include:
- attending each COC meeting, including executive sessions
- participating in all deliberations
- increasing awareness of and participation in FSA activities, including elections, by eligible voters to ensure that socially disadvantaged group problems and viewpoints are understood and considered in FSA actions
- helping to develop interest and incentives in socially disadvantaged group members for considering FSA work as a career
- actively soliciting candidates from socially disadvantaged groups for nomination during the election process
- able to perform special duties at COC's request

Note: Advisors do not have authority to sign documents.

County Committee (COC) Elections:
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.

Voting
Agricultural producers of legal voting age can vote if they participate or cooperate in any FSA program. A person who is not of legal voting age but supervises and conducts the farming operations on an entire farm can also vote. No one can be denied the right to vote because of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation or marital or family status.

Candidate Eligibility
To hold office as a county committee member, a person must meet the basic eligibility criteria:

- Participate or cooperate in a program administered by FSA
- Be eligible to vote in a county committee election
- Reside in the LAA in which the person is a candidate

Not have been:

- Removed or disqualified from the office of county committee member, alternate or employee
- Removed for cause from any public office or have been convicted of fraud, larceny, embezzlement or any other felony
- Dishonorably discharged from any branch of the armed forces.

COC election occurs the first Monday of December. (December 5, 2011) Ballots are mailed to eligible voters 4 weeks in advance of an election. Anyone not receiving a ballot should check with their FSA office to verify their voting eligibility. Ballots must be returned or postmarked by the election date.

Power of Attorney
For those who find it difficult to visit the county office personally because of work schedules, distance, health, etc., FSA has a power of attorney form available that enables you to designate another person to conduct your business at the office. If you are interested, please contact our office or any Farm Service Agency office near you for more information.

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 directly or by phone.

Farm Programs

Acreage Reporting
Filing an accurate acreage report at your local FSA office can prevent the loss of benefits for a variety of programs. Failed acreage is acreage that was timely planted with the intent to harvest, but because of disaster related conditions, the crop failed before it could be brought to harvest. Prevented planting must be reported no later than 15 days after the final planting date. Annual acreage reports are required for most Farm Service Agency programs. Annual crop report deadlines vary based on region, crop, permanent vs. annual crop type, NAP or non-NAP crop and fall or winter seeding. Consult your local FSA office for deadlines in your area.

Average Crop Revenue Election (ACRE) Program
The Average Crop Revenue Election (ACRE) is a revenue-based commodity program authorized by the 2008 Farm Bill as an alternative to DCP. Sign up for ACRE occurs between October 1and June 1 each crop year. The ACRE alternative provides eligible producers a state level revenue guarantee, based on the 5-year state Olympic average yield and the 2-year national average price.

Producers who elect the ACRE program for a farm agree to:
- forgo counter-cyclical payments;
- accept a 20-percent reduction of the direct payments;
- accept a 30-percent reduction in loan rates for all commodities produced on the farm.

Producers who elect ACRE commit to this option through crop year 2012. Commodities eligible for ACRE payments are wheat, corn, grain sorghum, barley, oats, upland cotton, long grain rice, medium and short grain rice, peanuts, soybeans, sunflower seed, canola, flaxseed, safflower, mustard seed, rapeseed, sesame seed, crambe, dry peas, lentils, small chickpeas and large chickpeas.

The ACRE program was created to give producers an option in lieu of traditional counter-cyclical payments. To elect ACRE for a farm the first year, producers must complete an election form CCC-509 ACRE as well as an enrollment form. The producer must again enroll each year the producer intends to participate and receive benefits.

Change in Farming Operation
If you have bought or sold land, or if you have picked up or dropped rented land from your operation, make sure you report the changes to the office as soon as possible. You need to provide a copy of your deed or recorded land contract for purchased property. Failure to maintain accurate records with FSA on all land you have an interest in can lead to possible program ineligibility and penalties. Making the record changes now will save you time in the spring. Update signature authorization when changes in the operation occur. Producers are reminded to contact the office of a change in operations on a farm so that records can be kept current and accurate.

Controlled Substance
Program participants convicted under federal or state law of any planting, cultivating, growing, producing, harvesting or storing a controlled substance are ineligible for program payments and benefits. If convicted of one of these offensives, the program participant shall be ineligible during that crop year and the four succeeding crop years for direct and countercyclical payments, price support loans, loan deficiency payments, market loan gains, storage payments, farm facility loans, Non-insured Crop Disaster Assistance Program payments or disaster payments. Program participants convicted of any federal or state offense consisting of the distribution (trafficking) of a controlled substance shall, at the discretion of the court, be ineligible for any or all program payments and benefits:

- for up to 5 years after the first conviction
- for up to 10 years after the second conviction
- permanently for a third or subsequent conviction

Program participants convicted of federal or state offense for the possession of a controlled substance shall be ineligible, at the discretion of the court, for any or all program benefits, as follows:

- up to 1 year upon the first conviction
- up to 5 years after a second or subsequent conviction

Dairy Indemnity Payment Program (DIPP)

The Dairy Indemnity Payment Program (DIPP) is available to dairy farmers for milk, or cows producing milk, and manufacturers of dairy products who, through no fault of their own, have been directed to remove their milk or dairy products from commercial markets because of the presence of certain chemical or toxic residue in the products. Under DIPP, payments are made to dairy producers when a regulatory agency directs them to remove their raw milk from the commercial market because it have been contaminated by pesticides, nuclear radiation, or fallout, or toxic substances and chemical residues other than pesticides. Payments are made to manufacturers of dairy products only for products removed from the market because of pesticide contamination. Dairy producers and manufacturers are eligible for indemnification from the date the milk was officially removed from the market by public agency through the date the milk is officially reinstated to the market by public agency, based on the fair market value determined for the milk. To apply for DIPP benefits, affected producers and manufacturers must meet all eligibility requirements and submit a completed FSA-373 to their USDA Service Center or FSA Office no later than December 31following the fiscal year in which the loss occurred.

Direct & Counter-Cyclical Payment Program (DCP)

Signup for the Direct and Countercyclical Payment (DCP) Program occurs annually with a June 1 deadline. FSA will not accept any late-filed applications. Signup in the ACRE option is also available through June 1 each year. If you elect the ACRE option, you are committed to this option through 2012, but you are still required to enroll annually by June 1. FSA computes DCP Program payments using base acres and payment yields established for each farm. Eligible producers receive direct payments at rates established by statute regardless of market prices. Each year you may request to receive advance direct payments based on 22 percent of the direct payment for each commodity associated with the farm. Counter-cyclical payment rates vary depending on market prices and are issued only when the effective price for a commodity is statutorily set below its target price. The electronic DCP (or eDCP) service will save you time, reduce paperwork and speed up contract processing at FSA offices. It is available to anyone eligible to participate in the DCP Program. To access this online service, you must have an active USDA eAuthentication Level 2 account, which requires filling out an online registration form at www.eauth. egov.usda followed by a visit to the local USDA Service Center for identity verification.

Farm Service Agency (FSA) and Risk Management Agency (RMA)

To prevent fraud, waste, and abuse FSA supports the RMA in the prevention of fraud, waste and abuse of 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. FSA will continue to refer all suspected cases of fraud, waste and abuse directly to RMA. Producers can report suspected cases to the county office staff, the RMA office, or the Office of the Inspector General.

Farm Storage Facility Loans (FSFL)
Low cost financing for storage facilities is available for qualifying producers to build or remodel farm storage facilities for a variety of commodities, including wheat, rice, soybeans, corn, hay, renewable biomass, and cold storage for fruits and vegetables. The low interest rate changes monthly and is based on the rate of interest charged on Treasury Securities of comparable term. Loan terms of 7, 10 and 12 years are available for the purchase and installation of new, eligible storage facilities or permanently affixed drying and handling equipment or for new components used to remodel existing facilities. Eligible facilities include conventional type bins or cribs, new or remanufactured oxygen-limiting upright and bunker silos, new permanently affixed structures suitable for storing hay and renewable biomass, and new cold storage facilities suitable for storing the fruits and vegetables produced by the borrower. Loan limits are up to $500,000. Loan terms: $100,000 or less – 7 years; $100,000.01 - $250,000 – 7 or 10 years; $250,000.01 - $500,000 – 7, 10 or 12 years. Sign-up is continuous, as long as CCC funds are available.

FAV / Wild Rice Exception
Producers may not plant fruits, vegetables (FAVs) or wild rice on base acres enrolled in DCP or ACRE. However, if the farm has a history of planting FAVs or wild rice or if the producer has a history of planting the specific FAV or wild rice, the FAV or wild rice may be planted on base acres. In such cases, the direct and countercyclical payments shall be reduced acre for acre for each base acre planted to FAVs or wild rice.

Foreign Buyers Notification
The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25 percent of the fair market value of the property. County government offices, realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

Loan Deficiency Payment (LDP) Programs & Commodity Loans
USDA’s Commodity Credit Corporation (CCC) makes available nonrecourse marketing assistance loans for certain commodities. CCC establishes loan rates for these commodities annually at the national level, and adjusts the rates locally. Marketing loans provide interim financing for eligible producers, allowing them to store their crops at harvest (when prices tend to be low), then market their crops when prices rise. Under certain circumstances, when applicable loan rates are greater than the posted county or announced national market price for eligible loan commodities, producers can repay loans at the announced applicable market price amount, without interest. Alternatively, a producer may be eligible for and choose to receive an LDP in lieu of securing a marketing loan. An LDP is the difference between the loan rate at a given location and the announced market price for the applicable commodity. FSA provides marketing assistance loans and LDPs on behalf of CCC. More information on the eLDP services and LDPs is available from local FSA Service Centers and FSA’s Web site at: http://www.fsa.usda.gov, click on Price Support.

Marketing Assistance Loans (MAL) and Loan Deficiency Payments (LDP)
USDA’s Commodity Credit Corporation (CCC) makes available nonrecourse marketing assistance loans (MAL) for certain commodities (barley, canola, corn, cotton, crambe, dry peas, flaxseed, graded wool, grain sorghum, honey, large chickpeas, lentils, long grain rice, medium grain rice, including short grain rice, mohair, mustard seed, non-graded wool, oats, peanuts, rapeseed, safflower, sesame seed, small chickpeas, soybeans, sunflower seed, and wheat). MALs provide interim financing for eligible producers, allowing them to store their crops at harvest (when prices tend to be low), than market their crops when prices rise.

These loans carry a nine month maturity and can be repaid with cash at disbursement to loan maturity. To be eligible, producers must have produced an eligible loan commodity during for the applicable crop year, complied with annual program requirements, maintain beneficial interest (have title to the commodity and retain control of the commodity), request MAL on or before the final loan availability date for a specific commodity, and, if required, submit lien waivers for any liens existing on the crop for which MAL is being requested.

Producers may store commodities in eligible storage on the farm or may deliver their commodity to a warehouse operating according to the Federal and State licensing requirements under the United States Warehouse Act or operating under a Uniform Grain and Rice Storage Agreement.

CCC establishes loan rates for eligible commodities annually at the national level, and adjusts the rates locally. MALs may be repaid with cash at principal plus interest or under certain circumstances, when applicable loan rates are greater than the posted county or announced national market price for eligible loan commodities, producers can repay loans at the announced applicable market price amount, without interest. In addition, a producer may request to deliver the commodity to CCC for farm-stored loans or forfeit the loan commodity to CCC for warehouse stored loans on the first day after maturity in satisfaction of the outstanding loan principal. If a violation of the loan term occurs (Incorrect certification, unauthorized removal, or unauthorized disposition of the commodity) administrative actions may apply. Alternatively, a producer may be eligible for and choose to receive a loan deficiency payment (LDP) in lieu of securing a marketing assistance loan.

An LDP is the difference between the loan rate at a given location and the announced market price for the applicable commodity. In addition to the above noted eligible loan commodities, hay, silage, and unshorn pelts are eligible for LDP only. CCC also provides recourse loans, distress loans, and sugar loans to eligible producers. FSA provides marketing assistance loans and LDPs on behalf of CCC. More information on the MAL, commodity loan, electronic LDP (eLDP) and LDPs is available from local FSA Service Centers and FSA's website at: http://www.fsa. usda.gov, click on Price Support.

Milk Income Loss Contract (MILC) Program
The Milk Income Loss Contract (MILC) Program, administered by FSA, compensates dairy producers when domestic milk prices fall below a specified level. FSA makes MILC payments on a monthly basis when the Boston Class I milk price falls below $16.94 per hundredweight as adjusted by the dairy feed ration adjustment. To be eligible for payments, dairy producers must have produced cow milk in the U.S., and commercially marketed the milk produced anytime during the period of October 1, 2007, through September 30, 2012. Dairy producers must also be in compliance with Highly Erodible Land and Wetland conservation provisions and Adjusted Gross Income limitations. Signup for the program began December 22, 2008, and extends through the conclusion of the program on September 30, 2012. Payments are issued based on a start month selection by the producers in the dairy operation and are subject to a maximum eligible production limit per dairy operation per fiscal year, ranging from 2.4 million pounds to 2.985 million pounds, depending on the fiscal year. Payment
start month selections must be made on CCC-580 and submitted to an FSA Service Center on or before the 14th of the month before the month the dairy operation wants to begin payments. Production evidence for each applicable payment month must be provided to FSA before a MILC payment can be issued.

Noninsured Crop Disaster Assistance Program (NAP)
The noninsured crop disaster assistance program (NAP) is a federally funded program that helps producers reduce their risk when growing food and fiber crops, specialty crops and crops for livestock feed. These benefits are only available for crops for which the catastrophic level of crop insurance is not available. Application for coverage must be filed by the applicable crop's application closing date. Production records for all crops must be reported to the FSA office no later than the application closing date for the crop for the following year. FSA requires that any production reported in a loss year be verifiable according to Agency specifications. *NAP Losses must be reported within 15 days of loss.*

Payment Eligibility and Payment Limitation *Average Adjusted Gross Income (AGI)*
For commodity and disaster programs under the new farm bill, the AGI limitation was reduced from $2.5 million from all sources to a three-year average non-farm AGI of $500,000 such that a person or entity shall not be eligible for such programs if the non-farm AGI exceeds $500,000. Also, under the new regulations, an individual or entity must have a 3-year average AGI less than or equal to $750,000 per year from farm income in order to qualify for direct payments issued under the Direct and Counter-cyclical Program. For conservation programs, the average nonfarm AGI limitation is $1 million or less for eligibility. However, an individual or entity who has non-farm AGI in excess of $1 million remains eligible for conservation programs only if 66.66 percent

or more of the total AGI is derived from farming, ranching and forestry operations. In addition, the AGI limitation for conservation programs may be waived on a case-by case basis if it is determined that environmentally sensitive land of special significance would be protected.

Payment Eligibility
Program payments are limited by direct attribution to individuals or entities. A legal entity is defined as an entity created under Federal or State law that owns land or an agricultural commodity, product or livestock. Through direct attribution, payment limitation is based on the total payments received by the individual, both directly and indirectly. Qualifying spouses are eligible to be considered separate persons for payment limitation purposes, rather than being automatically combined under one limitation. Individuals and entities must be “actively engaged in farming” with respect to a farming operation in order to be eligible for specified payments and benefits. To be “actively engaged in farming,” the individual or entity must make significant contributions to the farming operation of: (1) capital, equipment, land, or a combination; and (2) personal labor or active personal management, or a combination.

Payments and benefits under certain FSA programs are subject to some or all of the following:
- payment limitation by direct attribution
- payment limitation amounts for the applicable programs
- actively engaged in farming requirements
- cash-rent tenant rule
- foreign person rule average AGI limitations
- no program benefits subject to limitation will be provided until:
- all required forms for the specific situation are provided
- necessary payment eligibility and Payment limitation determinations are made
- after 2009, a farm operating plan is not required to be filed annually, if the
- farming operation continues to be conducted as reflected on the farm operating plan and supporting documents are on file in the County Office
- if any changes occur that could affect an actively engaged in farming, cash-rent tenant, foreign person, or average Adjusted Gross Income (AGI) determination, producers must timely notify the County Office by filing revised farm operating plans and/or supporting documentation, as applicable. Failure to timely notify the County Office may adversely affect payment eligibility.

Prevented Planting
Prevented planting is the inability to plant the intended crop acreage with proper equipment by the final planting date for the crop type because of a natural disaster. If you plant an alternative crop on those acres, those acres are not considered prevented planting. For example, if you intended to plant oats, but subsequently planted corn on the acres, FSA does not consider those acres as prevented planting. If you were unable to plant all the acres you intended, action is necessary. You may want to report those acres as prevented planted when you file your acreage report. If you have crop insurance, talk to your agent immediately to find out if prevented planted acres are covered under your policy and if restrictions apply. For more specific information on Prevented Planting, contact your local FSA Office.

Reconstitutions
For FSA program purposes, tracts having the same owner and the same operator are grouped 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. Remember, to be effective for the current year, recons must be requested by **August 1** for farms enrolled in specific programs. The following are the different methods used when doing a farm recon:

- **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.

- ***Note-- Reconstitutions must be requested by August 1 of the fiscal year for farms subject to DCP.***

Signature Policy
Using the correct signature when doing business with FSA can save time and prevent a delay in program benefits. The following are FSA signature guidelines:

- A married woman shall sign her given name: Mrs. Mary Doe, not Mrs. John Doe
- For a minor, FSA requires the minor's signature and one from an eligible parent
  Note, by signing the applicable document, the parent is liable for actions of the minor and may be liable
- for refunds, liquidated damages, etc
- When signing on one's behalf the signature must agree with the name typed or printed on the form, or be a variation that does not cause the name and signature to be in disagreement. Example - John W. Smith is on the form. The signature may be John W. Smith or J.W. Smith or J. Smith. Or Mary J. Smith may be signed as Mrs. Mary Joe Smith, M.J. Smith, Mary Smith, etc
- FAXED signatures will be accepted for certain forms and other documents provided the acceptable program forms are approved for FAXED signatures. Producers are responsible for the successful transmission and receipt of FAXED information.

Examples of documents not approved for FAXED signatures include:
- Promissory note
- Assignment of payment
- Joint payment authorization
- NAP actual production history and approved yield record
- Acknowledgement of commodity certificate purchase
- Financing statement
- UCC financing statement
- Spouses may sign documents on behalf of each other for FSA and CCC programs in which either has an interest, unless written notification denying a spouse this authority has been provided to the county office
- Spouses shall not sign on behalf of each other as an authorized signatory for partnerships, joint ventures, corporations, or other similar entities
- All members of a general partnership must sign for the general partnership unless an individual is authorized to act on the behalf of the general partnership and bind all members
- Spouses may sign on behalf of each other's individual interest in a partnership, unless notification denying a spouse that authority is provided to the county office
- Acceptable signatures for general partnerships, joint ventures, corporations, estates, and trusts shall consist of an indicator "by" or "for" the individual's name, individual's name and capacity, or individual's name, capacity, and name of entity.

For additional clarification on proper signatures contact your local FSA office.

Supplemental Revenue Assistance Payments (SURE)
As a critical element of the FSA farm safety net, the Supplemental Revenue Assistance Payments Program (SURE) provides financial assistance to producers who suffer qualifying losses due to natural disasters. Deadline for enrollment in SURE is announced annually. To qualify for SURE requires that producers implement risk management measures by enrolling in either crop insurance or Non-Insured Crop Assistance Program (NAP) for all crops. SURE evaluates qualifying losses based on total farm revenue, not individual crop losses.

Conservation Reserve Enhancement Program (CREP) & Continuous Conservation Reserve Program (CRP)
The Conservation Reserve Enhancement Program (CREP) allows farmers and ranchers to voluntarily enroll environmentally sensitive land into a program that decreases erosion, restores wildlife habitat and safeguards ground and surface water. CREP is a partnership with federal and state government and is limited to specific geographic areas. Environmentally sensitive acreage qualifying for the Conservation Reserve Enhancement Program (CREP) or Continuous CRP will be eligible for annual rental payments and cost share of up to 50 percent on approved practices.

CRP - Annual Certification
Before an annual rental payment can be issued, participants must certify to contract compliance using the FSA-578, Report of Acreage, or CCC-817U, Certification of Compliance for CRP.

Conservation Reserve Program (CRP) - Haying and Grazing
FSA has authorized certain acreage enrolled under the Conservation Reserve Program (CRP) to be available for hay and forage after the primary nesting season ends for grass-nesting birds. CRP haying and grazing will provide much needed feed and forage while maintaining the conservation benefits from the nation's premier conservation program. Eligible land may not be hayed or grazed during the primary nesting season. Nesting seasons vary by state/region. Also, some of the eligible land or forage of the land must be reserved for wildlife and any land that is used under this authority must have a conservation plan. In many instances, the removal of some of the grass cover will increase the diversity of the stand and provide long-term benefits for wildlife. Further, the most environmentally-sensitive land enrolled in CRP will not be eligible. The land will be subject to a site inspection to ensure compliance with the conservation plan. A rental payment reduction will be assessed on contracts subject to haying and grazing.

Highly Erodible Land (HEL) and Wetland Conservation Compliance
Landowners and operators are reminded that in order to receive payments from USDA, compliance with Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions are required. Farmers with HEL determined soils are reminded of tillage, crop residue, and rotation requirements as specified per their conservation plan. Producers are to notify the USDA Farm Service Agency prior to conducting land clearing or drainage projects to insure compliance. Failure to obtain advance approval for any of these situations can result in the loss of eligibility and all Federal payments.

State Acres for Wildlife Enhancement (CRP - SAFE)
Enrollment in State Acres for Wildlife Enhancement (SAFE) continues and projects are currently authorized in 35 states. SAFE is a component of the Conservation Reserve Program (CRP), tailored to specific watershed areas. SAFE practices serve to restore wildlife habitat by establishing small blocks of grassland (10-40 acres) and enhancing existing habitats with the partnership of local agencies and organizations. Certain wildlife species are in decline, and SAFE habitats are designed to help revitalize these populations. In SAFE authorized areas, farmers and ranchers can offer eligible land for 10 to 15-year CRP contracts. These measures help prevent soil and nutrients from running into regional waterways and affecting water quality. The long-term vegetative cover also improves wildlife habitat and soil quality. In addition to the annual rental payment and cost-share, SAFE may offer participants an upfront one-time CRP Signing Incentive Payment (SIP) of $100 per each SIP-eligible acre and a Practice Incentive Payment when cost share is made. For more information about potential SAFE projects in your area and a list of current states with SAFE projects, contact your local FSA office or visit www.fsa.usda.gov and navigate to Conservation Programs.

Farm Loan Programs

Beginning Farmer and Rancher Loans
FSA has a program to assist beginning farmers and or members of socially disadvantaged groups 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 that 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. Each member of an entity must meet the eligibility requirements.

Loan approval is not guaranteed. Additional program information, loan applications, and other materials are available at your local USDA Service Center. You may also visit www.fsa.usda.gov

Down Payment Program
FSA has a special loan program to assist socially disadvantaged and beginning farmers in purchasing a farm. Retiring farmers may use this program to transfer their land to future generations.

To qualify:

- The applicant must make a cash down payment of at least 5 percent of the purchase price.
- The maximum loan amount does not exceed 45 percent of the least of (a) the purchase price of the farm or ranch to be acquired; (b) the appraised value of the farm or ranch to be acquired; or (c) $500,000 (Note: This results in a maximum loan amount of $225,000).
- The term of the loan is 20 years. The interest rate is 4 percent below the direct Farm Ownership loan rate, but not lower than 1.5 percent.
- The remaining balance may be obtained from a commercial lender or private party. FSA can provide
- up to a 95 percent guarantee if financing is obtained from a commercial lender. Participating lenders do not have to pay a guarantee fee.
- Financing from participating lenders must have an amortization period of at least 30 years and cannot have a balloon payment due within the first 20 years of the loan.

General Farm Loan Programs
FSA offers loans for farmers and ranchers to purchase farmland and finance agricultural operations. FSA loan programs are designed to help producers who are temporarily unable to obtain private or commercial credit. In many cases, applicants are beginning farmers who have insufficient net worth to qualify for financing through a commercial lender. In other instances, borrowers might have suffered setbacks from natural disasters or might be persons with limited resources. 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 $1,094,000.

Emergency loans are always direct loans for farmers who may have suffered physical or production losses in disaster areas designated by a Presidential or Secretarial disaster declaration. Rural Youth Loans, Loans to Beginning Farmers and loans for socially disadvantaged applicants are also available through FSA. For detailed information regarding loans and loan eligibility, contact the county office for an appointment with a farm loan representative.

Farm Operating Loans can be used to pay for annual operating expenses, equipment and livestock purchases.

Farm Ownership loans can be used to purchase or enlarge a farm or ranch, or construct essential farm buildings and improvements.

General Eligibility Requirements for FSA Farm Loans:
- U.S. Citizen
- Legal capacity to incur the loan obligation
- Unable to obtain sufficient credit elsewhere
- Not delinquent on a federal debt
- Not have had a previous loan which resulted in a loss to the Agency (with certain exceptions)
- Satisfactory credit history
- No disqualification from Crop Insurance violations
- No conviction for controlled substance
- Demonstrate Management, Education, On-the-Job Training or Farming Experience

For Direct Farm Ownership Loans only, the additional requirements apply,
- Participated in business operations of a farm or ranch for at least 3 years
- Operated a farm
- Employed as farm manager or farm management consultant

Joint Financing Program
Eligible farmers and ranchers may choose to participate in a joint financing arrangement. With this arrangement, FSA lends up to 50 percent of the amount financed for the purchase of a farm or ranch, and another lender provides 50 percent or more. The interest rates can be obtained from your local FSA office and the term of the loan will not exceed 40 years or the useful life of the security.

Limited Resource & Loans for the Socially Disadvantaged
FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or purchase or improve farms or ranches. While all qualified producers are eligible to apply for these loan programs, the FSA has provided priority funding for members of Socially Disadvantaged Applicants. A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities. For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans, and Pacific Islanders. If producers or their spouses believe they would qualify as socially disadvantaged, they should contact their local FSA office for details. FSA loans are only available to applicants who meet all eligibility requirements and are unable to obtain the needed credit elsewhere.

Rural Youth Loans
The Farm Service Agency makes loans to rural youths to establish and operate income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is $5000.

Youth Loan Eligibility Requirements:
- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American
- Samoa, and the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Comply with FSA's general eligibility requirements
- Reside in a rural area, city or town with a population of 50,000 or fewer people
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the project and the loan, along with providing adequate supervision.

Stop by the county office for help preparing and processing the application forms. The FSA staff can help you with questions you may have about a particular program.