



# FARM SERVICE AGENCY NEWSLETTER



**U.S. Department  
of Agriculture**

**Hunterdon Somerset  
County FSA**  
687 Pittstown Road,  
Suite 2  
Frenchtown, NJ 08825

Phone (908) 782-4614  
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www.fsa.usda.gov/nj

**Hours**  
Monday - Friday  
8:00 a.m. - 4:30 p.m.

**Office Staff:**  
Doreen Beruck-County  
Executive Director  
Elizabeth Banko-Program  
Technician  
Laura LaFevre-Program  
Technician  
Marilyn Barnes-Program  
Technician (Temp)

**County Committee:**  
Frank Hahola-Chair  
Robert Fulper II-Vice Chair  
John Drake-member  
Edward Jablonski-member  
Gerald Lyness-member  
Cynthia Niciecki-minority  
advisor

**The Hunterdon  
Somerset County  
Committee meets the  
third (3<sup>rd</sup>) Thursday of  
the month at 8:30 AM.**

**The official  
newspapers are the  
Hunterdon Democrat  
and the Courier.**

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**September 10, 2010**

## CONSERVATION LOAN PROGRAM (CL)



Farm Service Agency (FSA) makes and guarantees conservation loans on farms and ranches to help conserve our natural resources. The Conservation Loan (CL) Program provides farmers with the credit necessary to implement conservation measures on their land.

The direct CL's loan limit is \$300,000 and guaranteed CL's up to \$1,112,000 (amount adjusted for inflation), may be available by applying with lenders working with FSA to obtain a guarantee.

Applicants work with the Natural Resources Conservation Service (NRCS) staff to develop a conservation plan. Conservation practices must be approved by NRCS before FSA can provide financing. Examples of conservation practices include installation of conservation structures; establishment of forest cover; installation of water conservation measures; establishment or improvement of permanent pastures; transitioning to organic production; manure management; including manure digestion systems, etc.

For more information, please contact the office.

## NAP COVERAGE

The Non-Insured Crop Disaster Assistance Program (NAP) was designed to reduce financial losses that occur when natural disasters cause a catastrophic loss of production or prevented planting of an eligible crop by providing coverage equivalent to catastrophic (CAT) insurance. Statute limits NAP to each commercial crop or agriculture commodity, except livestock, for which CAT is not available.



NAP coverage is \$250 per crop, not to exceed \$750 per county or \$1,875 for multiple county producers. Producers who had coverage on 2010 NAP crops may choose to continue coverage on the same crop or crops for 2011, if the applicable service fee is submitted by the application closing date.

Producers with NAP coverage must remember to complete the following to qualify for benefits: 1) Timely file acreage reports; 2) Keep track of harvested production using applicable methods. (For example, bale weights or other means of determining quantities of hay are required); 3) File a "Notice of Loss" within fifteen (15) calendar days of when a loss is apparent, due to drought, hail, etc.

For more information on NAP coverage please contact the FSA office.

## FCIC PROGRAM INTEGRITY

FSA assists Risk Management Agency (RMA) and approved insurance providers (AIP's) with monitoring crop conditions throughout the growing season. FSA refers all suspected cases of fraud, waste, and abuse about the Federal Crop Insurance Program to RMA. Producers may report suspected cases of fraud, waste, and abuse to FSA. FSA will provide producer information to RMA and AIP's to assist in claim audits, inspections, and quality control reviews.

## **EMERGENCY LOANS**

Emergency Loans are available for losses caused by severe storms and flooding that occurred from March 12, 2010 through April 15, 2010. Hunterdon and Somerset Counties are included in the eligible area; Presidential Major Disaster Declaration coded M1897. Applications will be accepted through January 7, 2011.

Also, emergency Loans for Severe Physical Losses only are available. Physical losses would need to be the result of excessive snow, rain, flooding, high winds, and hail that occurred from February 24, 2010 through March 15, 2010. Hunterdon, Somerset, and Union Counties are included in the eligible area; Administrator's Physical Loss Notification coded N1012. Applications will be accepted through December 2, 2010.

For more information or to apply, please contact Ginny Brophy in the Hackettstown FSA office at (908) 852-2576 extension 110.



## **FSA FARM LOANS**

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 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 \$1,112,000. Emergency loans are always direct loans for farmers who 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.

For more information, please contact Ginny Brophy in the Hackettstown FSA office at (908) 852-2576 extension 110.

## **FOREIGN LANDOWNER 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. The Farm Service Agency administers this program for USDA.

Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA within ninety (90) days of closing. Failure to submit the AFIDA form could result in civil penalties of up to twenty five (25) percent of the fair market value of the property.

County government offices, real estate agents, attorneys, and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

## **MARKETING ASSISTANCE LOANS**

Marketing Assistance Loans are available. To be eligible, you must maintain beneficial interest in the crop through the time of application. Beneficial interest means retaining the ability to make decisions about the commodity; responsibility for loss or damage to the commodity; and title to the commodity. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan even if you regain beneficial interest.

Commodity loan eligibility requires compliance with the conservation and wetland protection requirements (AD-1026); beneficial interest requirements; complete acreage report; and ensuring that the commodity meets Commodity Credit Corporation (CCC) grade and quality standards. For commodities to be eligible, the commodity must have been produced by an eligible producer, be in existence and in a storable condition, be merchantable for food, feed, or other uses as determined by CCC. The quality of the commodity in farm storage must be maintained through the term of the loan, nine (9) months.

For more information or to apply for a marketing assistance loan, please contact the office.

## FARM STORAGE FACILITY LOANS



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 now required to provide a down payment of fifteen (15) percent, with Commodity Credit Corporation (CCC) providing a loan for the remaining eighty five (85) percent of the net cost of the eligible storage facility and permanent drying and handling equipment. New loan terms of seven (7), ten (10), or twelve (12) years are available depending on the amount of the loan. The following commodities are eligible for farm storage facility loans: corn, grain sorghum, soybeans, oats, 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 chick peas and dry peas); hay; renewable biomass; fruits including nuts and vegetables. For more information about FSFL, please contact the office or [www.fsa.usda.gov](http://www.fsa.usda.gov).

## FARM RECORD CHANGES



Are you acquiring new parcels for the 2011 crop year or have the owners changed on your current parcels? **Verification proving you are the operator for 2011 may be needed for newly acquired parcels.** Documentation may include a written lease, rental agreement, or other document signed by the owner which identifies whether or not the owner shares in the risk of producing the crop and is entitled to share in the crop available for marketing from the farm or would share if the crop is produced; producer's name; owner's name and address; crop year; and farm and tract. **Reminder: Proof of ownership shall be provided when owners have changed.** Documentation may include a copy of the deed; unrecorded deed; land contract; real estate tax statement; or township, block and lot identification. If you are no longer farming a parcel, a reconstitution may need to be completed. Please notify the county office to update your records today.

## FARM RECONSTITUTIONS

In program terminology, farms are constituted to group all tracts having the same owner and the same operator under one (1) farm serial number (FSN). When changes in ownership or operator take place, a farm reconstitution may be necessary. The reconstitution (recon) is the process of combining or dividing farms or tracts of land based on the farming operation.

The following are different methods used when completing a farm recon:

\***Estate Method**—the division of bases for a parent farm among the heirs settling an estate

\***Designation by Landowner Method**—divides base in a manner agreed to by the parent farm owner and the purchaser or transferee. The Landowner Method can be used when: part of the farm is sold or ownership is transferred; an entire farm is sold to two (2) or more persons; farm ownership is transferred to two (2) or more persons; a tract is sold to two (2) or more persons; tract ownership is transferred to two (2) or more persons. The land sold or transferred must have been owned for at least three (3) years, unless a waiver is granted and the owner of the parent farm and the purchaser or transferee shall file a signed memorandum of understanding designating base before the farm is reconstituted and any subsequent transfer of ownership.

\***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.



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**DATES TO REMEMBER**

**September 23, 2010**—final date to submit an application for TAAF

**September 30, 2010**—final date to apply for 2008 SURE

**September 30, 2010**—NAP sales closing date for 2011 clover; grass; mixed forage; and rye

**November 20, 2010**—NAP sales closing date for 2011 apricots, blueberries, cane berries, cherries, grapes, honey, onions, pears, and plums

**Continues:** Sign up for continuous CRP, CREP, SAFE, Farm Storage Facility Loans

**FORUM ON EXPANDING THE US BIOFUELS MARKET**

You are invited to attend a Community Forum on expanding the US Biofuels Market led by USDA on Thursday, September 30, 2010. USDA has outlined a plan on how to develop a successful biofuels market capable of achieving the US Renewable Fuels Standards mandate of not only producing, but also using, thirty six (36) billion gallons of renewable transportation fuel per year by 2022. However, this is an interim plan and now the department needs input and feedback from Rural America.

Please review USDA's plan, available at: <http://tinyurl.com/USDABiofuels>

Then join us at the forum to share your thoughts and ideas. Your input and participation would be greatly appreciated.

**When:** Thursday, September 30, 2010 from 9:30 AM to 12:30 PM

**Where:** The Rutgers EcoComplex  
Environmental Research and Extension Center  
1200 Florence Columbus Road  
Bordentown, NJ 08505

**Questions/ RSVP:** USDA, Farm Service Agency  
(609) 587-0401

[Tara.Gruber@nj.usda.gov](mailto:Tara.Gruber@nj.usda.gov)

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