



NEWSLETTER



August 2013 Rhode Island County Office

60 Quaker Lane Suite 49
Warwick, RI 02886

Hours

Monday-Friday
8:00 am-4:30 pm

Phone

401-828-3120 Option 2
Or 1-800-551-5144
Farm Loan: Option 3
Fax: 401-821-0780

County Committee

Doreen Pezza-Chairperson
Gilbert W Rathbun Jr.-Vice
Chairperson
Victor Hoogendoorn-Member
Joseph Silveira-Member
Lauri Roberts-Member

County Office Staff

Ingrid Fratantuono, CED
Anne Belleville, PT
Leila Naylor, PT
Sheryl Michener, PT

Farm Loan Staff

Roxanne Boisse, FLM
Sandra Steere-Loring, FLA

Crop Reporting Deadline Extended

Farmers and landowners have an additional 18 calendar days to submit their annual report of acreage to their local FSA county office with the deadline extended from Monday, July 15, 2013, to Friday, Aug. 2, 2013. Only the FSA reporting deadline has been extended. The acreage reporting requirement for crop insurance has not changed and remains July 15.

Accurate acreage reports are necessary to determine and maintain eligibility for various programs, such as the Direct and Counter-cyclical Program (DCP); the Average Crop Revenue Election Program (ACRE); the Conservation Reserve Program (CRP); and the Non-insured Crop Disaster Assistant Program (NAP).

Acreage reports for FSA are considered timely this year when filed at the county office by the new applicable final crop reporting deadline of Aug. 2, 2013. Producers should contact their county FSA office if they are uncertain about reporting deadlines.

DCP Deadline

The sign-up period for DCP is still open. Producers are encouraged to sign up for DCP before the Aug. 2, 2013, deadline.

To make an appointment or to receive more information, contact the FSA county office.

Farm Storage Facility Loan Program

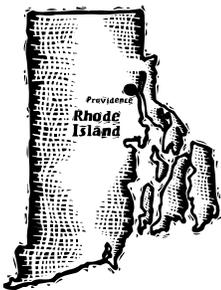
The Farm Storage Facility Loan Program (FSFLP) allows producers of eligible commodities to obtain low-interest financing to build or upgrade farm storage and handling facilities.

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.



Actively Engaged

USDA has amended the rules that govern the requirements to be 'actively engaged' in farming. These rules apply to eligibility for payments under the Direct and Counter-cyclical Program (DCP) or Average Crop Revenue Election (ACRE) program administered by FSA.

Normally the stockholder or a member of a legal entity must make contributions of active personal labor and/or active personal management for the farming operation. The contributions are to be performed on regular basis, must be identifiable, and separate from the contributions of others.

The exception to this rule for a stockholder or member of a legal entity only occurs when both of the following apply:

- At least half of the interest in the legal entity is held by stockholders or members who are providing active personal labor or active personal management;
- The total direct payments received by the legal entity and each of the members can't exceed \$40,000.

Successor-In-Interest

Many FSA programs will allow payments to be made to heirs or successors when a program participant passes away. Additionally, contracts in programs such as CRP must be revised to reflect the successor(s) to a deceased participant's interest.

In the event of an FSA program participant's death, it is important that FSA be notified. Entities and joint operations that participate in FSA programs also need to notify FSA if a shareholder or member passes away. FSA benefits are reported to IRS and maintaining current, accurate records about participants is vital to ensuring that those payments are reported correctly.

Adjusted Gross Income

USDA and the Internal Revenue Service have established an electronic information exchange process for verifying compliance with the adjusted gross income (AGI) provisions for farm programs. Written consent is required from each producer or payment recipient for the tax review process. No actual tax data will be included in the report that IRS sends to FSA.

This ensures that payments are not issued to producers whose AGI exceeds certain limits. The limits set in the 2008 Farm Bill are \$500,000 nonfarm average AGI for commodity and disaster programs; \$750,000 farm average AGI for direct payments; and \$1 million nonfarm average AGI for conservation programs.

Participants in CCC programs subject to average AGI rules must submit form CCC-933 to their local FSA County Office to avoid interruption of program benefits. This form may be obtained from local FSA and NRCS offices.