

December 2013



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County Committee Election Dates Announced

Due to a printing error, county committee election ballots will be recreated and sent to producers for the 2013 COC election.

The new ballots will be marked "CORRECTED" in several areas, and producers are asked to destroy or recycle the uncorrected ballot you received. Your county office staff will destroy any misprinted ballots they receive.

Ballots will be mailed to eligible voters by December 20. They must be returned or postmarked to your county office by January 17, 2014. New COC members take office February 18, 2014.

County committee members are an important component of FSA operations and help deliver FSA programs at the local level. They also serve as an important link between communities and USDA.

To be an eligible voter, farmers and ranchers must participate or cooperate in an FSA program. A person who is not of legal voting age, but supervises and conducts the farming operations of an entire farm may also be eligible to vote.

**Washington State
FSA Office**

316 West Boone Ave, Suite

Keeping Farm Records Updated

Please notify your local FSA office of all operational changes as soon as possible so your farm records can be updated timely. These can include changes in: farm structure, leases, deaths, land ownership and/or address.

568 Spokane, WA 99201-2350

Phone: 509-323-3000

Fax: 855-847-5492

State Executive Director:

Judy Olson

Farm Program Chief:

Rod Hamilton

Farm Loan Chief:

Mike Mykines

Next State Committee

Meeting: January 9, 2013 at

1:00 PM

[Link to County Office Contact Information](#)

[Link to County Committee Listing and Schedules](#)

Updating records in a timely manner can help ensure all required participants appear on documents requiring signatures and prevent payment delays. A copy of the applicable recorded deed should be provided to complete any land ownership changes.

Use of FSA Loan Funds

If the cost-share requirement on a conservation practice is preventing you from adopting the practice or a new tractor is needed on the farm, FSA may be able to help with the financing. FSA provides low interest, long-term loans to producers who have difficulty obtaining commercial credit.

Direct Farm Ownership Loans may be used to purchase land, construct buildings or other improvements and apply soil and water conservation practices. FSA also has a Beginning Farmer Down Payment Program to help purchase a farm or ranch.

Producers may use Direct Operating Loans to purchase livestock, poultry, equipment, feed, seed, farm chemicals, and supplies; to apply soil and water conservation practices and to refinance indebtedness with certain limitations.

When a county or contiguous county receives a disaster designation, FSA makes Direct Emergency Loans available. These loans 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 or refinance indebtedness with certain limitations.

FSA also makes available Guaranteed Loans through commercial lenders. Guaranteed Farm Ownership and Guaranteed Operating loans can be used for the same purposes as the corresponding Direct Loans but they may also be used to refinance debt.

FSA has extended loan funds Congress approved under a continuing resolution. FSA expects more funds to be made available when Congress passes a budget or another continuing resolution.

Sequestration Continues Payment Reductions

Producers who participate in FSA programs should plan for payment reductions of 7.2 percent because of the Budget Control Act of 2011.

Programs receiving reduced payments include: Dairy Indemnity Payment Program; Marketing Assistance Loans; Loan Deficiency Payments; Noninsured Crop Disaster Assistance Program; 2013 Direct and Counter-Cyclical Payments; 2013 Average Crop Revenue Election; and 2011 and 2012 Supplemental Revenue Assistance Program.

FSA Continues Microloan Program

FSA is offering more flexible access to credit through our microloan program. The program is an alternative for smaller farming operations like direct market producers and operators of community supported agriculture

(CSAs).

Microloans can be used for all approved operating expenses as authorized by the FSA Operating Loan Program, including but not limited to:

- Initial start-up expenses;
- Annual expenses such as seed, fertilizer, utilities, land rents;
- Marketing and distribution expenses;
- Purchase of livestock, equipment, and other materials essential to farm operations;
- Minor farm improvements such as wells and coolers.
- Hoop houses to extend the growing season.

The application process for microloans is simpler, requiring less paperwork to fill out than traditional loans. Requirements for managerial experience and loan security have been modified to accommodate smaller farm operations, beginning farmers and those with no farm management experience. Applicants will need to have some farm experience. However, FSA will consider an applicant's small business experience as well as any experience with a self-guided apprenticeship as a means to meet the farm management requirement.

Eligible applicants may obtain a microloan for up to \$35,000. Repayment terms may vary and will not exceed seven years. Annual operating loans are repaid within 12 months or when the agricultural commodities produced are sold. Interest rates are based on the regular operating loans rates that are in effect at the time of the microloan approval or microloan closing, whichever is less. Currently the rate is 1.25%.

Changes to Acreage Reporting Deadlines

In 2012, changes occurred to acreage reporting dates. These changes were the result of an initiative to standardize acreage reporting dates for all USDA agencies. Many USDA programs require timely and accurate acreage reporting each crop year to maintain or receive benefits.

The first reporting dates for the 2014 crop year are fast approaching. Producers who have recently completed the planting of fall seeded crops have until December 15, 2013 to timely file your reports of acreage with FSA. Remember, to complete this process, you must also provide the date you completed planting on each field.

Perennial fruit/nut and forage producers also need to pay attention to the new reporting dates. Your final acreage reporting date is January 15, 2014. Previously, only insured producers were required to report acreages prior to this date. Now, producers with Non-insured Crop Disaster Assistance Program (NAP) covered crops are also included in this group.

Forage producers, who normally only graze your crops and do not mechanically harvest, must report your acreage prior to turning livestock out to graze. Program requirements include reporting acreage prior to the onset of harvest, which can occur early in the spring when the last thing on your mind may be filing an acreage report.

Please contact your county office to request an appointment to file your 2014 crop acreage reports as soon after final fall planting as possible. Remember, many insurance and crop loss benefits are not available if you have not timely filed your annual planted crop report.

Contact the [county office](#) prior to the Dec. 15 deadline to secure the first available appointment for reporting.

Marketing Assistance Loans Available

Marketing Assistance Loans, also referred to as commodity loans, are available to producers who share in the risk of producing the crop, receive a share of the crop produced, and maintain a beneficial interest in the stored crop.

Commodity loans are a helpful marketing tool which can provide an influx of cash for operating expenses, using the crop as collateral. This allows you to delay sale of the crop until more favorable market conditions emerge, rather than selling the crop soon after harvest when market prices are typically at their lowest. The crop must be located in approved farm or warehouse storage.

If you obtain a farm stored loan, you are required to maintain the quality of the crop held as collateral through the term of the loan. Before the crop is removed from storage for feed use, sale or any other form of disposal, prior written approval must be requested from the FSA county office. Unauthorized removal or disposition of loan collateral without prior written approval is a violation of the loan terms and agreement. Loan violations will result in financial penalties and can affect your ability to obtain a commodity loan in future years. Always call before you move or dispose of any crop under loan.

Commodity loans for crop year 2013 are available through January 31, 2014 for wool and March 31, 2014 for wheat, barley, oats, honey, canola, rapeseed, sesame seed, flaxseed, crambe. Corn, dry peas, grain sorghum, lentils, mustard seed, safflower seed, chickpeas, soybeans and sunflower seeds are available for loan through May 31, 2014.

Commodity loans for 2013 will be reduced by 5.1 percent upon loan disbursement due to budget sequestration. Commodity loans issued by marketing associations and loan servicing agents are also subject to the sequestration reduction.

NAP Coverage Deadline

March 15 is the last day for producers to apply for Non-Insured Crop Disaster Assistance Program (NAP) coverage for spring planted crops. Form CCC-471 Application for Coverage must be completed, along with payment of the NAP fee, and provided to your local FSA county office.

The service fee is \$250 per crop per county, up to \$750 per producer per county for three or more crops. The fee will not exceed \$1,875 for producers that request NAP coverage for numerous crops grown in multiple counties. Limited resource producers may request a waiver of the service fee.

NAP coverage is available for producers who have a risk in producing the crop, and receive a share of the eligible crop. More information about NAP may be found on the FSA website located at www.fsa.usda.gov

Requesting CRP Cost Sharing

FSA reminds producers to notify your [county office](#) after performing seed preparation, seeding or maintenance of ground in the Conservation Reserve Program. This allows FSA to make timely cost-share payments to producers for work completed.

Value Added Producer Grants Available

USDA's Rural Development Agency has Value Added Producer Grants (VAPG) available. The purpose of the VAPG program is to help farmers and ranchers enter into value-added activities. Awards may be made for either economic planning or working capital activities related to the processing and/or marketing of valued-added agricultural products. The maximum grant amount for a planning grant is \$75,000 and the maximum grant

amount for a working capital grant is \$200,000. For more information, you can go to the VAPG [website](#).

The application deadline is February 24, 2014. Eastern Washington applications can be submitted to Roni Baer in the Yakima Area Office at: vernoica.baer@wa.usda.gov, 509-454-5743, ext 134. Western Washington applicants can submit documents to Melanie Drecksel, in the Mount Vernon area office at: melanie.drecksel@wa.usda.gov, or 360-428-7758, ext 158.

Important Dates

- **Dec. 15** – Crop acreage reporting date for fall seeded 2014 crops
- **Dec. 20** -- County Committee election ballots will be mailed to producers
- **Dec. 25** – FSA offices closed for Christmas
- **Jan. 1** -- FSA offices closed for New Years Day
- **Jan. 15** -- Crop acreage reporting date for perennial fruit, berries and grapes
- **Jan. 17** -- County Committee election ballots must be returned or postmarked to the county office
- **Jan. 20** -- FSA offices closed for Martin Luther King Jr's Birthday

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