

From the FSA Farm Fields ...



Since our last newsletter conversation, I have traveled the state, meeting with employees, farmers and seeing many of our programs in action. When I stepped into this role in August 2009, I made it a personal goal to visit all 79 offices that dot our Indiana FSA landscape to meet with our employees. I can proudly say I have done that. Additionally, I have taken this first

year on the job as an opportunity to learn from the experience that comprises FSA – its people. Communication is key in any business, and I have made some adjustments in Indiana FSA to ensure that communication and outreach is our #1 priority.

Our primary mission is to help Indiana farmers secure the highest possible financial assistance from USDA programs through accurate, timely and efficient program delivery. Indiana FSA is proud to continue its strong tradition of providing customer-based service to Hoosier producers. The programs we administer become more complex with the passage of every Farm Bill, but your local staff is prepared to assist you in interpreting the rules that comprise our programs. FSA offers over 40 voluntary programs to assist producers on their operations – from farm loans to farm programs, FSA's resources may fit well into your farming business.

To highlight several of the programs we are currently working on, a general Conservation Reserve Program (CRP) sign-up is currently underway. FSA is implementing the new livestock and disaster [including the Supplemental Revenue Assistance Payments Program (SURE)] programs for 2008, 2009, and 2010. These programs require you to have crop insurance or Noninsured Crop Disaster Assistance Program (NAP) coverage. Risk is a primary factor in agriculture; paying a crop insurance premium or NAP fee to minimize your risk and make your operation eligible for full protection is something you might consider. Be certain to evaluate all of the USDA risk management programs as we look forward to 2011. In addition, the multitude of FSA farm credit programs also may provide you some tools for your farms.

The hard working men and women of our FSA county offices are at the forefront of our efforts and remain the primary contact for program participation. I encourage you to speak with the staff at your local office on how we can be of service.

In Indiana Agriculture,

Julia

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CRP General Signup



A general sign-up for the Conservation Reserve Program (CRP) began on August 2, 2010, and will continue through August 27, 2010. During the sign-up period, agricultural landowners and producers

may offer eligible land into CRP's competitive general sign-up process.

CRP is a voluntary program that helps producers utilize their environmentally sensitive land for conservation benefits. Producers enrolling in CRP plant long-term, resource-conserving cover in exchange for rental payments, cost-share, and technical assistance.

Land currently not enrolled in CRP may be offered in this sign-up provided all eligibility requirements are met. Eligibility requirements include land eligibility criteria such as cropping history, minimum soil erosion index, and land designated as cropland that is capable of being cropped in a normal manner. New land located within a state or national priority area is eligible for enrollment without meeting a minimum soil erosion index.

Additionally, current CRP participants with contracts expiring on September 30, 2010 may make an offer to re-enroll their acreage for a new contract term. Contracts awarded under this sign-up will become effective on October 1, 2010. All land currently enrolled under a CRP contract expiring this fall is eligible to be considered for enrollment.

All offers for enrollment will be ranked utilizing an Environmental Benefits Index (EBI) score. The EBI score is determined by several factors including the location, soils and the conservation practice cover.

Landowners and producers interested in general CRP sign-up should contact their local FSA office for eligibility and application details or visit the national CRP web site at www.fsa.usda.gov/crp.

Farm Records Changes

If you have sold or bought land, changed tenants, or rented additional land, notify your local FSA Office so farm records can be updated.

Deadline for Requesting 2008 Disaster Benefits Is September 30th!

Producers have until September 30, 2010 to apply for benefits on 2008 crop year disasters through their local FSA Office. It is imperative that producers take action now as there are no provisions for late-filed applications for the Supplemental Revenue Assistance Payments Program (SURE).

Producers who carry crop insurance on all insurable crops [and Noninsured Crop Disaster Assistance Program (NAP) coverage on crops without insurance available] should review their 2008 records to see if they might be eligible for SURE payments. One primary requirement of SURE was met in all counties in Indiana for 2008 – that is every county was either declared a disaster by the U.S. Secretary of Agriculture or is contiguous to a county that was declared a disaster. **If there was a 10% production loss for any individual crop, it is advised that you contact your local FSA Office to see if you are eligible for benefits!**

Note: If a crop is not insured that did not amount to 5% of a producer's expected revenue, it did not have to be insured for eligibility. SURE benefits may also be available to producers who meet definitions of socially or economically disadvantaged.

The SURE program provides crop disaster assistance payments to eligible producers on whole farm operations that have suffered a revenue loss compared to expected overall revenue. The program takes into consideration crop losses on all crops grown by a producer in all counties and states. SURE provides assistance in an amount equal to 60 percent of the difference between the SURE guarantee and a producer's total revenue. The producer's guarantee fluctuates depending on the amount and level of crop insurance and NAP coverage a producer carries.

Producers are encouraged to file an application for 2008 SURE payments regardless of whether they think they may or may not qualify. An electronic SURE program calculator and additional information regarding the SURE program is located at www.fsa.usda.gov/sure, or producers may contact their local county FSA office.

Risk Management Purchase Requirements for SURE Eligibility

The SURE program requires that a producer must meet the "Risk Management Purchase Requirement" to be eligible for disaster benefits. This includes purchasing a crop policy or plan of insurance for each crop, type, and intended use in which a producer has an interest and where insurance is available. This also includes covering each non-insurable commodity by paying the applicable

administrative fee by the application closing date for the Noninsured Crop Disaster Assistance Program (NAP).

For example, if a forage crop for hay will be a crop of economic significance (5% of overall farm revenue) for 2011, a producer must pay the NAP administrative fee by September 30, 2010!

ACRE Yield Data Deadline Is September 1st

The deadline for 2009 production certification to comply with the Average Crop Revenue Election Program (ACRE) is September 1, 2010. The deadline is for completing both the farm benchmark yield (2004 through 2008) and the actual farm yield (2009). Participants in the 2009 ACRE program must certify their yields by September 1, 2010 to remain eligible for ACRE benefits.

Selected Interest Rates for August 2010	
90-Day Treasury Bill	0.125%
Farm Operating Loans — Direct	2.500%
Farm Ownership Loans — Direct	4.625%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.500%
Emergency Loans	3.750%
Farm Storage Facility Loans (FSFL) 7 Year Term	2.500%
FSFL 10 Year Term	3.000%
FSFL 12 Year Term	3.375%
Commodity Loans 1996-Present	1.250%

Farm Loan Programs

FSA is committed to providing family farmers with loans to meet their farm credit needs. If you are a beginning farmer, 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 and how it can be used to partner with an FSA direct loan to help you meet your credit needs. Also ask about the guaranteed loan program 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 \$1,112,000. Producers are encouraged to apply early so that loans can be processed and funded in a timely manner.

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

Beginning and Limited Resource Farmers

FSA assists 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 than 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; and
- Does not own a farm in excess of 30 percent of the county's median 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.

Transition Incentives Program (TIP)

The TIP Program sign-up opened on May 17, 2010.

Retired or retiring land owners or operators are encouraged to transition their Conservation Reserve Program (CRP) acres to beginning or socially disadvantaged farmers or ranchers.

TIP provides annual rental payments to the retiring farmer for up to two additional years after the date of the expiration of the CRP contract, provided the transition is not to a family member.

To be eligible, TIP requires that the retired or retiring farmer:

- Have land enrolled in the CRP that is in the last year of the contract;
- Agree to allow the beginning or socially disadvantaged farmer make conservation and land improvements; and
- Agree to sell, or have a contract to sell, or agree to long-term lease (a minimum of 5 years) the land under CRP contract to a beginning or socially disadvantaged farmer by Oct. 1 of the year the CRP contract expires.

Generally, TIP only applies to contracts that expire on September 30, 2010, or later. However, retired or retiring landowners or operators with CRP contracts that expired on September 30, 2008, and September 30, 2009, may be eligible to enroll in TIP.

Marketing Assistance Loans

A Marketing Assistance Loan (MAL) is available to producers who share in the risk of producing a crop. To be eligible, a producer must maintain continual beneficial interest in the crop from harvest through the earlier of the date the loan is repaid or Commodity Credit Corporation (CCC) takes title to the commodity.

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 the producer regains beneficial interest.

Commodity loan eligibility also requires compliance with conservation and wetland protection requirements; beneficial interest requirements, acreage reporting and ensuring that the commodity meets CCC minimum grade and quality standards.

For commodities to be eligible they must have been produced by an eligible producer, be in existence and in a storable condition and be merchantable for food, feed or other uses as determined by CCC. The quality of the commodity in farm storage must be maintained throughout the term of the loan.

Producers do not have to participate in the Direct and Counter-Cyclical Program (DCP) and/or Average Crop Revenue Election Program (ACRE) to be eligible for commodity loans.

Violating provisions of a MAL may trigger administrative actions, such as assessing liquidated damages, calling the loan and denial of future farm-stored loans. The most common violations are removing or disposing of a commodity being used as loan collateral without prior authorization and providing an incorrect quantity certification.

Preventing Fraud

The FSA supports the Risk Management Agency (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 FSA office, RMA, or the Office of the Inspector General (OIG).





www.fsa.usda.gov/in



OFFICIAL BUSINESS
Penalty for Private Use, \$300

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.

FSA Signature Policy

All members of a general partnership must sign for the general partnership unless an individual is authorized to act on behalf of the general partnership and bind all members.

IMPORTANT DATES

August 27, 2010	Deadline to Submit a CRP General Sign-up Offer
September 1, 2010	Deadline to Submit 2009 ACRE Benchmark and Actual Yields
September 6, 2010	Office Closed for Labor Day Holiday
September 30, 2010	Deadline for Requesting 2008 SURE Disaster Benefits
November 6, 2010	Beginning of FSA County Committee Ballot Mailings
December 6, 2010	Deadline to Return County Committee Election Ballots to County Offices



APPLICATION FOR COVERAGE FOR NONINSURED CROP DISASTER ASSISTANCE PROGRAM (NAP) FINAL DATES

September 1st	Christmas Trees and Flowers for the Following Year's Crop
September 30th	Grazing/Forage Crops and Mint Crops for the Following Year's Crop
November 20th	Perennial Crops for the Following Year's Crop (Apples, Maple Sap, Peaches, etc.)
December 1st	Honey for the Following Year
March 15 th	All Spring Planted Crops (Green Beans, Melons, Potatoes, Peppers, Tomatoes, etc.)
May 1st	Nursery for the Following Year's Crop

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