



July/August 2012

**USDA  
Alabama FSA**

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**State Executive Director**

**Please Note:**

Alabama has 45 local FSA offices that service producers throughout the State.

For questions or inquiries regarding information contained in this newsletter or regarding other FSA programs, please contact your local USDA-Farm Service Agency Office.

You may also visit the FSA website at:  
[www.fsa.usda.gov](http://www.fsa.usda.gov)

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**July 15, 2012, is the Deadline to Report 2012 Crop Acreages**

July 15, 2012, is the final date to report 2012 crop acreages for all crops except small grains and tobacco.

An accurate and timely certified acreage report is required for producers participating in the Direct and Counter-cyclical Payment Program (DCP), Average Crop Revenue Election Program (ACRE), Supplemental Revenue Assistance Program (SURE), Marketing Assistance Loans (MALs), Loan Deficiency Payments (LDPs), Conservation Reserve Program (CRP), and the Noninsured Crop Disaster Assistance Program (NAP) in order to be eligible for program payment benefits. However, FSA will accept acreage reports from all producers who wish to report their crops.

Filing an acreage report for all crops and land uses, including failed acreage, can prevent loss of benefits.

It is suggested that you call the local FSA office to make an appointment to report your crops.

**Compliance Checks to be Conducted**



Compliance spot checks will once again be utilized during the 2012 crop year. Instead of locally selecting farms, contracts, deficiency loans, etc. for spot check and review, a nationwide selection of producers is used to achieve a statistical sampling of participating producers.

Spot check selections are conducted based on a producer's participation in the Conservation Reserve Program, Direct and Counter-cyclical Program, Loan Deficiency Program, etc.

For more information about the spot check selection procedure, feel free to contact your local office for additional clarification.

**Nominate FSA County Committee Candidates by August 1, 2012**

Nominations for candidates to run for the Farm Service Agency County Committee Election, representing producers in the Local Administrative Area, will be accepted through **August 1, 2012**.

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, minority or women farmers or ranchers, as well as beginning farmers, may also nominate candidates.

**A nomination form, FSA-669A, dated 02-22-12, must be used to nominate a candidate. The form and details may be picked up at the FSA County Office or downloaded from the FSA Web site at <http://www.fsa.usda.gov>, click on "Newsroom," then "County Committee Elections."** Eligible voters can nominate as many candidates as they wish.

**To be valid, the nomination form must be signed by the person being nominated, indicating agreement to serve if elected, as well as the person making the nomination, and returned to the FSA County Office by the close of business on August 1, 2012, or post-marked by midnight August 1, 2012.**

The election of agricultural producers to the Farm Service Agency (FSA) county committees is important to all farmers and ranchers, whether beginning or long-established, large or small operation.

*For more information and details regarding the County Committee Elections, visit the FSA County Committee Elections web page at: <http://www.fsa.usda.gov>, click on "Newsroom," then "County Committee Elections."*

### **Request Farm Reconstitutions Before August 1**

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 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, reconstitutions must be requested by August 1 for farms enrolled in specific programs.**

The following are the different methods used when doing a farm reconstitution:

- **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.

### **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 is 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.

### **Timely Filing of Failed Acreage**

**Prevented Planting for Non-insured Crop Disaster Assistance Program (NAP)** — The form CCC-576, Notice of Loss, is used to report failed acreage and prevented planting for the Non-insured Crop Disaster Assistance Program (NAP). For losses on crops covered by NAP and crop insurance, you **MUST FILE a CCC-576 (Notice of Loss) in the FSA Office within 15 days of the occurrence of the natural disaster or of when losses become apparent. Timely filing a Notice of Loss is REQUIRED for ALL CROPS, including grasses.**

If filing for **PREVENTED PLANTING**, an acreage report (FSA-578) and Notice of Loss (CCC-576) **MUST BE FILED within 15 calendar days of the final planting date for the crop.** Contact your local FSA office for a list of final planting dates.

### **Production Reporting Under the Non-insured Crop Disaster Assistance Program (NAP)**

Production records for individual crops need to be filed with Farm Service Agency (FSA) to establish an approved Non-Insured Crop Disaster Assistance Program (NAP) yield. If this is the first year you've participated in NAP, you can provide production and acreage information from prior years to establish your yield. If you participated in NAP in previous years, you must report your production and acreage on a yearly basis to keep your yield up to date. Records submitted must be reliable and verifiable and should show crop disposition. It is recommended that producers submit 2011 production records as soon as possible after harvest. **All production records must be submitted by the subsequent crop year's final acreage reporting date. July 15, 2012, is the final date to submit 2011 crop year production to FSA.**

**NAP Coverage Deadline Reminder**— Noninsured Crop Disaster Assistance Program (NAP) coverage for all applicable NAP crops must be purchased prior to the application closing date for the crop. **Several Alabama crops have application closing dates of September 1, 2012**, including, but not limited to, aquaculture, Christmas trees, honey, turf grass sod, ginseng root, onions, eggplant, and grasses for forage and grazing. **September 30, 2012**, is the application closing date for several varieties of grasses, barley, canola, oats, rye, strawberries, triticale, vetch, and wheat.

### **Eligible Dairy Producers Should Submit MILC Statements for Payment**

FSA's Milk Income Loss Contract Program (MILC) compensates dairy producers when domestic milk prices fall below a specified level. MILC payments are made when the Boston Class I milk price falls below \$16.94 per hundredweight (cwt) as adjusted by the dairy feed ration adjustment. The monthly Boston price is posted online at:

[http://www.fmmone.com/Northeast\\_Order\\_Prices/NE\\_Prices\\_main\\_new.htm](http://www.fmmone.com/Northeast_Order_Prices/NE_Prices_main_new.htm).

Eligible producers should submit the current MILC (Milk Income Loss Contract) statements for payment. Eligibility for 2012 must be completed before payments can be disbursed. Please contact the office to check the status of your eligibility. New dairy producers are encouraged to apply for the program any time before Sept. 30, 2012.

## FSA Direct and Guaranteed Farm Loans

The Farm Service Agency is committed to providing family farmers with loans to meet their farm credit needs. If you are having trouble getting the credit you need for your farm, or regularly borrow from FSA, direct and guaranteed loans are available.

Ask your lender about an FSA loan guarantee 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 up to a maximum of \$300,000. Guaranteed loans can reach a maximum indebtedness of \$1,214,000. Producers are encouraged to apply early so that the loan can be processed and funded in a timely manner.

Special loan funds are also available under the **Beginning Farmer and Limited Resource Loan Program, and the Socially Disadvantaged Loan Program**. FSA employees will help you complete the necessary application and other forms, and help you understand what information is required, where to find it, or who to contact to get it. To find out more about FSA loan programs, contact the FSA Office or visit <http://www.fsa.usda.gov>.

## Beginning and Limited Resource 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 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 the local USDA Service Center or visit [www.fsa.usda.gov](http://www.fsa.usda.gov).



## Pollinator Habitats Now Accepted as Continuous Sign-up CRP Practice

Pollinator habitats, which support a variety of pollinator species, will now be accepted as a Continuous Sign-up Conservation Reserve Program (CCRP) practice. CCRP is a voluntary program that helps producers apply conservation practices to safeguard environmentally sensitive land.

Pollinator habitats are areas of permanent vegetation located in an agricultural landscape: field edges, field middles, odd corners, or any agricultural location that is suitable for establishing pollinator habitat.

Continuous CRP sign-up allows participants to submit offers for selected CCRP practices to enroll in CRP at anytime instead of waiting for a General CRP sign-up period. Participants and offered lands must meet certain eligibility requirements to be accepted into the program.

For more information about the continuous conservation reserve program, please contact the Name County FSA office at Phone or visit [www.fsa.usda.gov](http://www.fsa.usda.gov).

## Approved Double-Cropping Crops

Double cropping occurs when two specific crops have the capability to be planted and carried to maturity for the intended use, as reported by the producer, on the same acreage within a crop year under normal growing conditions. The specific combination of crops must be approved by the FSA State Committee. A listing of approved double-cropping crops for your County may be obtained from your local FSA office.

### DATES TO REMEMBER

July 15	Final date to report all crop acreages except small grains and tobacco
August 1	Final date to nominate candidates for FSA County Committee Election
	Final date to request a reconstitution for farms enrolled in specific programs
September 1	Final date to purchase crop insurance on aquaculture, Christmas trees, honey, turf grass sod, ginseng root, onions, eggplant, and grasses for forage and grazing.

## **FSA is Moving Toward Over the Counter Channel (OTCnet) for Processing Checks**

FSA/CCC is moving toward OTCnet, an electronic method for processing customer check payments. When a check is submitted for payment either in person or through the mail, the check will be converted into an Electronic Funds Transfer (EFT). The funds will be debited from the producer's account, usually within 24 hours of receipt. Please see the U.S. Department of Treasury legal notices posted in the Service Center or visit the following U.S. Department of Treasury Internet site for detailed information: <http://fms.treas.gov/otcnet/legal.html>.

### **What is OTCnet?**

OTCnet is a Web-based online application process for converting paper checks presented to FSA into electronic debits to the producer's bank account. It presents many benefits, such as reducing lost/misplaced checks and paper handling. This improves customer relations, speeds the check clearing process, and reduces the potential for human error.

### **How will my check be handled?**

The check will be scanned into the system and voided. The customer will not receive the check back from FSA. FSA will hold checks for up to 14 calendar days to ensure that the item was successfully processed, and then FSA will shred the check.

### **How quickly will funds be transferred from my account?**

The transfer of funds from your account could occur within 24 hours. Therefore, you should be sure that you have sufficient funds in your account to process the transaction. If you do **not** have sufficient funds, we may initiate the transaction again.

### **How will this transaction appear on my account statement?**

The transfer of funds will be reflected on your account statement. The transaction may be recorded in a different place on your statement than where your checks normally appear, such as under "other withdrawals" or "other transactions".

### **What are my rights if there is a problem with the transaction?**

You have protections under Federal law for an unauthorized electronic fund transfer from your account. You should contact your financial institution immediately if you believe that the transaction reported on your account statement was not properly authorized or is otherwise incorrect.

## **Cold Storage Facility Loans Available**

— FSA's Farm Storage Facility Loan Program allows producers to build cold storage facilities to store fresh fruits and vegetables. The facility may include prefabricated buildings suitable for storing and having a useful life of at least 15 years. The loan may also provide for permanently affixed cooling, circulating, and monitoring equipment, as well as electrical equipment including labor and materials for installation of lights, motors, and wiring integral to the proper operation of a cold storage facility.



**Note:** Scales, portable equipment, used bins, and used equipment **are not** eligible for financing. Also, facilities built for commercial purposes and not for the sole use of the borrower **are not** eligible for financing.

For more information on this program or other FSA programs, please contact the local FSA county office or visit <http://www.fsa.usda.gov>, then click on "Price Support" (left column), and then "Facility Loan Programs" (right column).



All FSA Offices will be **closed** on the following dates **in observance** of the respective listed **Federal holidays**:

- **September 3 — Labor Day**
- **October 8 — Columbus Day**



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