



March 2012

From the Desk of the State Director:

Maine State FSA Office

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Greetings to Maine Agricultural producers and all other interested parties:

FSA has had a very busy year. Our Farm Loan Program is busy processing new loan requests and on our Farm Program side we are beginning to take and process 2010 SURE applications, NAP Non Insured Crop Disaster Assistance Program sign up, acreage reporting and much more. Emergency Forest Restoration Program (EFRP) is being administered in Franklin County as is Emergency Conservation Program (ECP) in Oxford and Aroostook Counties. Both programs are the result of Hurricane Irene and the major spring rains in Aroostook County that did considerable damage to forest and cropland in those counties.



These disasters are why it is important that producers consider purchasing Crop Insurance on any crop that is insurable through RMA and NAP insurance administered through FSA on most all other crops grown in Maine. This insurance safety net is intended to reduce the risk of losing your farm due to circumstances beyond the producers control and opens the door for the possibility of being eligible for other government emergency payments such as SURE payments.

On February 27th, 2012 Secretary Tom Vilsack delivered to the appropriate congressional people the consolidation plan from FSA for the 131 County Offices nationwide that are proposed for consolidation or closing. Congress has 90 days to decide whether or not they would like changes to the plan or not. According to the 2008 Farm Bill; If Congress takes no action within 90 days then FSA has approval to move ahead with the office consolidation plan as presented. In Maine, we have one office, the Knox/Lincoln County Office that is slated to be consolidated with Kennebec County. I will do my best to keep everyone informed of any new developments as they pertain to this issue.

FSA county offices are taking appointments for producers to signup and report acres. Contact your local county office as soon as possible to make an appointment.

Crop Reporting Dates	
Barley, Corn Fresh Market Sweet Corn, Green Peas, Oats, Potatoes, Spring Wheat, and all other crops	July 15, 2012
Apples, Blueberries	January 15, 2013
Forage Seeding	August 15, 2012
Perennial Forage, Fall-Seeded Small Grains	December 15, 2012

USDA Announces CRP General Sign-up

There will be a four week Conservation Reserve Program (CRP) general sign-up. This CRP sign-up will begin on March 12, 2012 and end on April 6, 2012. CRP has a 25-year legacy of successfully protecting the nation's natural resources, while providing significant economic and environmental benefits to rural communities across the United States.

CRP is a voluntary program available to agricultural producers to help them use environmentally sensitive land for conservation benefits. Producers enrolled in CRP plant long-term, resource-conserving covers to improve the quality of water, control soil erosion and develop wildlife habitat. In return, USDA provides participants with rental payments and cost-share assistance. Contract duration is between 10 and 15 years. Producers with expiring contracts and producers with environmentally sensitive land are encouraged to evaluate their options under CRP. Producers also are encouraged to look into CRP's other enrollment opportunities offered on a continuous, non-competitive, sign-up basis.

For more information on CRP and other FSA programs, visit a local FSA service center or go online at www.fsa.usda.gov.

New Continuous CRP Initiative

FSA has announced a new conservation initiative to protect up to 750,000 acres of the nation's most highly erodible croplands. This initiative will assist producers with targeting their most highly erodible cropland (land with an erodibility index of 20 or greater) by enabling them to plant wildlife-friendly, long-term cover through the Conservation Reserve Program (CRP).

Producers can enroll land on a continuous basis beginning this summer at their local Farm Service Agency (FSA) county office. With the use of soil survey and geographic information system data, local FSA staff can quickly determine a producer's eligibility for the initiative.

Producers are encouraged to contact the local FSA office or visit FSA's website at www.fsa.usda.gov/crp for additional information regarding CRP.

Supplemental Revenue Assistance Program (SURE)

The sign-up for 2010 SURE losses continue through **June 1, 2012**. The Supplemental Revenue Assistance Program (SURE) provides benefits for farm revenue losses due to natural disasters that incurred in the crop year 2010. SURE is available to eligible producers on:

Farms in counties with Secretarial disaster declarations, including contiguous counties, that have incurred crop production or quality losses, or both, and includes all crops grown by a producer nationwide, except grazed crops; and

Any farm in which, for the crop year, the actual production on the farm because of disaster-related conditions is 50 percent or less than normal production of the farm.

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: 1) 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; and 2) The total direct payments received by the legal entity and each of the members can't exceed \$40,000.

Producers can now subscribe to receive free e-mail updates by going to <http://www.fsa.usda.gov/subscribe>.

1099-G

Producers who have received payments from FSA should have received a CCC-1099-G. A CCC-1099-G is a report to the Internal Revenue Service about FSA payments made to producers during the previous calendar year. The CCC-1099-G is a service to help participating producers report taxable income. It is not intended to replace the program participant's responsibility to report income to the IRS.

When the CCC-1099-G is received, it should be checked with your records to see that the amounts are correct. Refunds will no longer be reported on the 1099-G, but will be available online from the FSA Financial Inquiries (FSA-FI) web-based database. Program participants with an eAuthentication user ID and password may access their refund information at FSA-FI and select "Inquiry Type 1099/Refund Reports". Refund amounts are displayed on the Producer's Year-to-Date Activity web page.

If you have a question concerning the 1099-G refund information, you may contact your local FSA office for assistance locating the correct payment data.

DCP-ACRE Sign-Up

2012 Direct and Counter-Cyclical Program (DCP) enrollment runs from Jan. 23, 2012 through June 1, 2012. Here are some IMPORTANT REMINDERS:

All producers planting on **DCP base** acres must be identified on the DCP/ACRE contract and receive a proportionate share of DCP/ACRE payment for the farm.

Changes on the farm after enrolling June 1st in DCP/ACRE **must** be reported to your local FSA office such as:

- Ownership changes
- Producer changes (Individuals and Entities)
- Change in crop shares arrangements

Note: Changes cannot be made after Sept. 30, 2012.



USDA is an equal opportunity provider and employer.

NAP Enrollment

Producers must apply for coverage before a disaster strikes. Noninsured Crop Disaster Assistance Program (NAP) applications for coverage must be filed using Form CCC-471 and the applicable service fees by the closing date. Application closing dates vary by crop. Maine producers can contact the local FSA Office for specific crop application sales closing dates.

Producers are reminded about the need for insurance coverage on crops in order to remain eligible for the agency's Disaster Assistance Programs such as SURE, Livestock Forage Program, Tree Assistance Program, and Emergency Livestock Assistance Program. Producers must purchase at least catastrophic (CAT) level of insurance for all insurable crops.

NAP provides coverage to producers for non-insurable crops when low yields, loss of inventory, or prevented planting occurs due to natural disasters. Crops eligible for NAP coverage are those for which crop insurance is not available, including fruits and vegetables, aquaculture, pecans, turf grass and forage crops just to name a few.

Unauthorized Disposition of Grain

If loan grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties for unauthorized dispositions are severe and a producer's name will be placed on a loan violation list for a two-year period. Always call before you haul any grain under loan.

Dates to Remember	
Jan 23	2012 DCP enrollment begins
Mar 15	NAP Signup Deadline for all spring seeded crops
April 6	Sign-up ends for CRP
June 1	Sign-up ends for SURE

Farm Loan Programs

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 currently 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 for a maximum of up to \$300,000. Guaranteed loans have a maximum limit of \$1,214,000. This makes the maximum combination of direct and guaranteed loan indebtedness \$1,514,000.

The one-time loan origination fee charged on FSA guaranteed farm ownership and operating loans has increased from 1 percent to 1.5 percent of the guaranteed portion of the loan, for loans obligated after October 1, 2011.

The Farm Service Agency makes loans to rural youths to establish and operate income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5,000.

Loans for the Socially Disadvantaged

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or purchase or improve farms or ranches.

While all qualified producers are eligible to apply for these loan programs, the FSA has provided priority funding for members of Socially Disadvantaged Applicants.

A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of a group.

FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

Beginning and Limited Resource Farmers

FSA assists beginning farmers 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
- Does not own a farm in excess of 30 % of the county's median size.

Additional program information, loan applications, and other materials are available at your local USDA Service Center. You may also visit www.fsa.usda.gov

Selected Interest Rates for March 2012

90-Day Treasury Bill	0.125
Farm Operating - Direct	1.375
Farm Ownership - Direct	3.375
Limited Resource	5.00
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.50
Emergency	3.75
Farm Storage Facility—7 Year	1.375
Farm Storage Facility—10 Year	2.000
Farm Storage Facility—12 Year	2.250
9 Month Commodity Loan	1.125

Dairy Producers Reminded of MILC

Program

The Maine State Farm Service Agency would like to remind dairy producers of some important program eligibility requirements for payment under the Milk Income Loss Contract program (MILC). FSA Maine State Executive Director Donovan E. Todd, III says dairy prices may authorize potential MILC payments, but all dairy producers need to be aware of the program requirements should those conditions arise.

Dairy operators currently enrolled in MILC, need to notify the local county office if there have been any changes to their dairy operation, including member changes.

If a payment rate is announced, dairy producers enrolled in the MILC program will need to provide the local county office with documentation showing the eligible milk production and commercial milk marketing for the months with a MILC payment rate in effect.

When producers enroll in MILC, a payment start month is selected. This month remains the same through all program years, unless a change is requested by the dairy. Dairy producers are allowed to change their start month an unlimited number of times throughout their enrollment in MILC provided that the changes are requested timely.

MILC program participants are also required to comply with FSA's Adjusted Gross Income requirements each fiscal year. This certification, on a CCC-931, must be completed prior to a payment being disbursed.

New dairies that have not previously participated in the MILC program will need to fill out the CCC-580, Milk Income Loss Contract.

Marketing Assistance Loans

Marketing Assistance Loans, also referred to as Commodity Loans, are available to producers who share in the risk of producing the crop. To be eligible, you must maintain beneficial interest in the crop through the time of application. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan — even if you regain beneficial interest

Violating provisions of a marketing assistance loan 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.

Producers who take out marketing assistance loans and use the farm-stored grain as collateral should remember that they are responsible for maintaining the quality of the grain through the term of the loan.



Highly Erodible Land (HEL) and Wetland Conservation Compliance

Landowners and operators are reminded that in order to receive payments from USDA, compliance with Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions are required. Farmers with HEL determined soils are reminded of tillage, crop residue, and rotation requirements as specified per their conservation plan. Producers are to notify the FSA prior to conducting land clearing or drainage projects to insure compliance. Failure to obtain advance approval for any of these situations can result in the loss of eligibility and all Federal payments.

Hispanic and Women Farmers

The process to resolve the claims of Hispanic and women farmers and ranchers who believe they were discriminated against when seeking USDA farm loans has been established. If you believe that the United States Department of Agriculture (USDA) improperly denied farm loan benefits to you between 1981 and 2000 because you are Hispanic, or because you are female, you may be eligible to apply for compensation. For additional information on the Hispanic and Women Farmer Claims Process, please visit: www.farmerclaims.gov or call 888-508-4429.

2012 State Committee Members

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Jacqueline Lundeen, Member

Sandra Nutting, Member

Ralph Turner, Member

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