



“SCOOP”

ARKANSAS FARM SERVICE AGENCY - - STATE OFFICE

November 2013

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County Committee Voting Begins

Ballots for this year's county committee election will be mailed to eligible voters on Nov. 4, 2013. Voters must complete their ballots and return them to the Farm Service Agency county office by the close of business on Dec. 2, 2013. If mailed, ballots must be postmarked by midnight Dec. 2, 2013.

Eligible voters who have not received a ballot should contact their FSA county office staff.

Dairy Producers Reminded of November 1 Deadline to Submit Production Evidence for the Milk Income Loss Contract (MILC) Program

USDA's Farm Service Agency (FSA), reminds producers that final production evidence and any supporting documentation for the Milk Income Loss Contract (MILC) program for eligible months (including fiscal years 2009, 2010, 2012 and 2013) that MILC payments were available must be submitted by Nov. 1, 2013.

Statutory authority for the MILC program expired Sept. 30, 2013. New legislation must be enacted before the MILC program, or its replacement, can provide assistance.

Dairy operations can obtain more information on MILC by contacting a local FSA office or search "MILC" at www.fsa.usda.gov.

Conservation Reserve Program (CRP)

CRP Annual payments were delayed because of the Government Shutdown. When the FSA reopened offices on October 17, 2013, work began to get these payments out to our producers. As of October 24, 2013, 85% of the payments had been signed and sent to producers.

FSA's authority to accept or approve offers ended September 30, 2013, this continues until a new Farm Bill or an extension to the current bill is implemented .

Emergency Conservation Program (ECP)

The 2013 Emergency Conservation Program signup periods have ended in Arkansas for Spring tornadoes and flooding. If you have been approved and funded for assistance, please be mindful of the expiration date for implementing the practice(s) for which you applied.

Emergency Forest Restoration Program (EFRP)

The 2013 Emergency Forest Restoration Program is not currently funded, if you applied for assistance in your county, they will notify you if funds become available.

Biomass Crop Assistance Program (BCAP)

BCAP Contracts that were approved for the 2011 and 2012 years will receive annual payments during the anniversary month of the contract's effective date.

If a participant has been unable to establish, or the if the practice failed, the participant must contact the county office to request an extension or for guidance to be sure the contract acreage is in compliance.

2013 MAL, LDP, AND COMMODITY LOAN SEQUESTRATION

The Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Budget Control Act of 2011, provided legislation to apply automatic spending reductions or sequestration to all Federal Agencies. A sequester of 5.1 percent will apply to FSA's 2013 crop commodity loan programs for disbursements on or after October 1, 2013 (FY 2014).

FSA's automated price support loanmaking system will be suspended for all 2013 crop year loanmaking and disbursements beginning October 1, 2013, with a target date to resume in early November, 2013. This suspension is to allow time to update software necessary to implement the required sequestration.

Final Commodity Loan Availability Dates

The final date to request commodity loans or LDP's for 2013 crop commodities are as follows:

Peanuts Wool Unshorn Pelts (LDP only)	January 31, 2014
Wheat Oats Honey Oilseeds – (canola, crambe, flaxseed, rapeseed, sesame seed)	March 31, 2014
Corn Grain Sorghum Rice Upland Cotton Soybeans Pulse Crops Oilseeds – (mustard seed, safflower seed, sunflower seed)	May 31, 2014

2014 Acreage Reporting Deadline for Fall Seeded Crops

All 2014 Wheat and Oats planted acreages for crop year 2014 must be reported to FSA by **December 15, 2013**, whether insured with RMA or not. This new deadline change is designed to help improve services, and eliminate confusion among producers, by providing one reporting deadline for FSA and RMA. Please call your local FSA Office for an appointment to **certify your wheat or oat crop**.

2014 WHEAT AND OATS PREVENTED PLANTED PROVISIONS

It is vital for Producers to report prevented planted acreage to their local FSA Office when the crop acreage is not planted due to disaster-related conditions. To be considered timely filed, prevented planted acres should be reported no later than 15 calendar days after the final planting date established by Federal Crop Insurance. Final planting date for wheat and oats is **November 30, 2013**, so the final date to report prevented planted wheat and oats is **December 15, 2013**. County Committee review and action are required to receive credit in accordance with applicable rules and regulations.

2014 FAILED ACREAGE PROVISIONS

It is necessary for Producers to report failed crop acres to their local FSA Office when the crop failed due to disaster related conditions. **To be timely filed the failed acreage shall be reported to FSA before the crop is destroyed.** County Committee review and action is required to receive history credit in accordance with applicable rules and regulations. The County Committee may require the office to conduct a field visit for crop residue and verification.

2013 DCP Final Payments

DCP payments for 2013 will be issued as soon as possible this fall. These payments will be deposited directly into participating producers' bank accounts.

If there are any unearned payments, Commodity Credit Corporation will automatically subtract those amounts from the October Direct and Counter-Cyclical Program payments.

FSA MAKES PAYMENTS

FSA has started issuing Conservation Reserve Program (CRP) annual rental payments to participants across the country. CRP payments will be followed by 2013 Direct and Counter-cyclical Payments and 2012 Average Crop Revenue Election (ACRE) program payments beginning Oct. 24. These payments were delayed by several weeks due to the lapse in Federal funding.

ACRE payments for 2012-crop barley, corn, grain sorghum, lentils, oats, peanuts, dry peas, soybeans, and wheat are scheduled to be released beginning Oct. 24. ACRE payments are contingent upon national average market prices and yields in Arkansas. Only those farms that participated in the 2012 ACRE

program and met both the state and farm trigger will be eligible for payment. ACRE payments for upland cotton are scheduled to be made in early November, after the 2012/13 average market year price is published in the Agricultural Prices publication scheduled to be released on October 31.

ACRE payments for 2012 large chickpeas, small chickpeas, canola, crambe, flaxseed, mustard seed, rapeseed, safflower, sesame, and sunflowers are scheduled to be made in early December and for long grain rice and medium and short grain rice in early February 2014 when the final 2012/13 market year average price data becomes available. ACRE payments are contingent upon national average market prices and yields in Arkansas. Only those farms that participated in the 2012 ACRE program and met both the state and farm trigger will be eligible for ACRE payment.

The 2008 Farm Bill, extended by the American Tax Payer Relief Act of 2012, provided authority to enroll land in DCP, ACRE and CRP through Sept. 30, 2013; however, no legislation has been enacted to reauthorize or extend this authority. Effective Oct. 1, 2013, FSA does not have legislative authority to approve or process applications for these programs.

NAP Coverage Deadlines

Noninsured Crop Disaster applications are due at different times according to the crop being insured. Producers should apply for Noninsured Crop Disaster Assistance Program (NAP) coverage using form CCC-471 (Application for Coverage). Related service fees are due when the application is filed. The application and service fee **MUST** be filed by the crop sales closing date. Contact your local FSA office for the filing dates for your crops.

Marketing Assistance Loans

A Marketing Assistance Loan (MAL) is available for producers who share in the risk of producing the 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 CCC takes 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 Commodity Credit Corporation minimum grade and quality standards. 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 and/or ACRE Programs to be eligible for commodity loans.

Violating provisions of a marketing assistance loan may result in liquidated damages, calling the loan and denial of future farm-stored loans.

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 producers name will be placed on a loan violation list for a two-year period. Always call before you haul any grain under loan.

FSA Signature Policy

Using the correct signature when doing business with FSA can save time and prevent a delay in program benefits. The following are FSA signature guidelines:

- Spouses may sign documents on behalf of each other for FSA and CCC programs in which either has an interest, unless written notification denying a spouse this authority has been provided to the county office
- Spouses shall not sign on behalf of each other as an authorized signatory for partnerships, joint ventures, corporations, or other similar entities

For additional clarification on proper signatures contact your local FSA office.

Changing Banks

Almost all Farm Service Agency payments are made electronically using direct deposit.

To keep the system running smoothly, it's critical to keep the county office staff up to date on changes you might make in your financial institutions.

If you have changed accounts or institutions that might affect the direct deposit of your FSA payments, contact the FSA county office so we can update our files to insure continued uninterrupted service.

Increased Guaranteed Loan Limit

The loan limit for the Guaranteed Loan Program increased to \$1,355,000 on Oct. 1, 2013. The limit is adjusted annually based on data compiled by the National Agricultural Statistics Service.

The lending limit increases every year according to an inflation index. The maximum combined guaranteed and direct farm loan indebtedness will also increase to \$1,655,000.

As a reminder, the one-time loan origination fee charged on FSA guaranteed Farm Ownership and Operating loans is 1.5 percent of the guaranteed portion of the loan.

Producers should contact their local FSA County Offices with questions about farm loans.

Microloan Program

The Farm Service Agency (FSA) developed the Microloan program to better serve the unique financial operating needs of beginning, niche and small family farm operations.

FSA offers applicants a Microloan designed to help farmers with credit needs of \$35,000 or less. The loan features a streamlined application process built to fit the needs of new and smaller producers. This loan program will also be useful to specialty crop producers and operators of community supported agriculture (CSA).

Eligible applicants can apply for a maximum amount of \$35,000 to pay for initial start-up expenses such as hoop houses to extend the growing season, essential tools, irrigation and annual expenses such as seed, fertilizer, utilities, land rents, marketing, and distribution expenses. As financing needs increase,

applicants can apply for a regular operating loan up to the maximum amount of \$300,000 or obtain financing from a commercial lender under FSA's Guaranteed Loan Program.

Individuals interested in applying for a microloan or would like to discuss other farm loan programs available, should contact the local FSA office to setup an appointment with a Loan Approval Official.

Rural Youth Loans

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 \$5000.

Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Comply with FSA's general eligibility requirements
- Reside in a rural area, city or town with a population of 50,000 or fewer people
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the project and the loan, along with providing adequate supervision.

Stop by the county office for help preparing and processing the application forms.

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 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.

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

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 the group without regard to his or her individual qualities.

For purposes of this program, socially disadvantaged groups are women, African-Americans, American Indians, Alaskan Natives, Hispanics, Asian-Americans and Pacific Islanders.

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

Selling Land

If you plan on selling farmland, you should be aware of several consequences associated with FSA programs. For example, if you're planning to sell land that's enrolled in the Conservation Reserve Program, the buyer must agree to continue the enrollment. If the buyer doesn't want to continue the CRP contract, you might have to refund all of the payments you've received to date.

Reviewing program implications with your local Farm Service Agency staff before completing a sale of farmland is always a prudent precaution.

Farm Reconstitutions

When changes in farm ownership or operation take place, a farm *reconstitution* is necessary. The reconstitution — or recon — is the process of combining or dividing farms or tracts of land based on the farming operation.

The following are the different methods used when doing a farm recon. Remember, to be effective for the current year, recons must be requested by Aug. 1 for farms enrolled in the Direct and Counter-Cyclical Program.

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.

If DCP direct payments have already been issued on a particular farm, the reconstitution will be effective for the next year, unless the payments are refunded.

PROGRAM DEADLINES	DATE
Final date to report 2014 planted and prevented planted wheat and oats	December 15, 2013
Final date to report 2014 Apples, Grapes, & Peaches	January 15, 2014
Final date to inform FSA of crop losses	Before Crop Disposition
Final date to Report 2012 Spring Seeded Crops	July 15, 2012

Selected Interest Rates for November 2013	
90-Day Treasury Bill	0.125 %
Farm Operating Loans — Direct	2.125 %
Farm Ownership Loans — Direct	4.250 %
Limited Resource Loans	5.000 %
Emergency Loans	2.125 %
Farm Storage Facility Loans	2.875 %
Sugar Storage Facility Loans	3.125 %
Commodity Loans 1996-Present	1.125 %

Dates to Remember	
Nov. 11	Veterans Day, office closed
Nov. 28	Thanksgiving Day, office closed
Dec. 2	COC Ballots due to FSA Office

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