

July 2013



Having trouble viewing this email? [View it as a Web page.](#)

Virginia FSA State Office Updates

DEAR PRODUCERS: Welcome to the new GovDelivery bulletins and updates service from the Virginia FSA State Office. Note that you are welcome to request to receive bulletins from more than one state and/or county and can add or remove individual subscriptions at any time.

Virginia FSA State Office COC Nomination Deadline

J. Calvin Parrish
State Executive Director

1606 Santa Rosa Rd
Suite 138
Richmond, VA 23229

804-287-1503 phone
804-287-1723 fax

Hours

Monday - Friday
7:30 a.m. - 4:30 p.m.

State Office Staff

Pete Adamson, Chief
Farm Loans

Brent L. Whitlock, Chief
Farm Programs

Connie Washburn-Marsh, Chief
Administration

Linda Cronin, Public Affairs &
Outreach Specialist

The election of agricultural producers to Farm Service Agency (FSA) county committees is important to farmers and ranchers. It is crucial that every eligible producer participate in these elections because FSA county committees are a link between the agricultural community and the U.S. Department of Agriculture (USDA).

County committee members are a critical component of the operations of FSA. They help deliver FSA farm programs at the local level. Farmers and ranchers who serve on county committees help with the decisions necessary to administer the programs in their counties. They work to ensure FSA agricultural programs serve the needs of local producers.

FSA county committees operate within official regulations designed to carry out federal laws. County committee members apply their judgment and knowledge to make local decisions.

The COC nomination period runs from June 17, 2013 through August 1, 2013. The nomination form is available at USDA Service Centers and [online](#).

For more information contact your local FSA office.

DCP/ACRE Deadlines

The sign-up period for DCP is coming to a close. Producers are encouraged to sign up for DCP before the Aug. 2, 2013, deadline. The sign-up period for ACRE ended June 3, 2013.

The 2013 DCP program provisions are unchanged from 2012, except that

Virginia FSA Internet

who were enrolled in ACRE in 2012 may elect to enroll in DCP in 2013.

More Information about Virginia FSA programs, activities and news can be found on the VA FSA Internet at

[Read more about DCP and ACRE](#) or contact the FSA county office for more information, or an appointment to enroll.

<http://www.fsa.usda.gov/va>

To learn more about FSA programs you can also visit the National website at <http://www.fsa.usda.gov>.

Crop Certification

After spring planting, producers should certify their 2013 acreage. Filing an accurate acreage report for all crops and land uses, including failed acreage and prevented planting acreage, can prevent the loss of benefits for a variety of programs.

Failed acreage must be reported within 15 days of the disaster event and before disposition of the crop. Prevented planting must be reported no later than 15 days after the final planting date.

Crops should be reported after planting, but before the crop specific deadline date listed below.

July 15

Burley Tobacco, Corn, Cotton, Dark Air Tobacco, Fire-Cured Tobacco, Flue-Cured Tobacco, Fresh Market Sweet Corn, Fresh Market Tomatoes (Planted 5/16-7/5), Grain Sorghum, Peanuts, Processing Beans (Planted 9/6-7/10), Soybeans, Tomatoes, and all other Crops

August 15

Cabbage

September 15

Fresh Market Beans (Planted 7/15-9/5), Processing Beans (Planted 7/15-9/5)

November 15

Apiculture, PRF, hay, and pasture (for the coming calendar year)

NOTE: For ALL producers, November 15th is the deadline to report hay, pasture, and any other forage crops. PRF is a crop insurance program for Pasture, Rangeland, and Forage producers. Since producers who purchase this policy are required to report acreage BEFORE the growing season starts and insurance liability attaches to the crops, it has been decided that ALL producers of pasture, hay, and forage crops will be required to report acreage by this date.

November 30

Clams

January 15

Apples, Fall Barley, Fall Oats, Peaches, Fall Wheat, and all other Fall-Seeded Small Grains

May 15

Cabbage, Fresh Market Tomatoes (Planted 4/4-5/15), Potatoes, Spring Oats

June 15

Disaster Assistance

The Farm Service Agency would like to remind crop and livestock producers that have recently experienced severe damage from flooding, wildfires and tornadoes that FSA programs are available to assist with recovery.

We encourage all who have suffered a disaster due to the recent severe weather conditions to read the fact sheets and visit their local FSA county office so they get a quick start in the recovery process.

Fact sheets for all of these programs can be found at the disaster assistance program page <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=diap&topic=landing>.

Filing for NAP Losses

The CCC-576, Notice of Loss, is used to report failed acreage and prevented planting and may be completed by any producer with an interest in the crop. Timely filing a Notice of Loss is required for all crops including grasses. For losses on crops covered by the Non-Insured Crop Disaster Assistance Program (NAP) and crop insurance, you must file a CCC-576, Notice of Loss, in the FSA County Office within 15 days of the occurrence of the disaster or when losses become apparent.

If filing for prevented planting, an acreage report and CCC-576 must be filed within 15 calendar days of the final planting date for the crop.

Conservation Reserve Enhancement Program (CREP) Sign-Up Continues

FSA continues to accept offers for enrollment in many continuous CRP practices, including VA [CREP](#) practices, which had previously been suspended after the expiration of the 2008 Farm Bill on September 30, 2012.

Since the Virginia Farm Service Agency began enrolling land in 2000, thousands of participating farmers and landowners have made the Conservation Reserve Enhancement Program (CREP) one of Virginia's most active water quality improvement efforts. Virginia CREP is an offshoot of USDA's nation-wide Conservation Reserve Program (CRP). During the development of the Virginia CREP program, Federal and [State partners](#) identified the primary natural resource concerns affecting the State to create the Virginia CREP. CREP aims to improve Virginia's water quality and wildlife habitat by offering financial incentives, cost-share and rental payments to farmers who voluntarily restore:

- Filter Strips,
- [Riparian forest buffers](#),
- Grass and shrub buffers,
- Wetlands.

CREP helps producers by providing financial incentives and cost-share reimbursement for up to 115% of out-of-pocket expenses; including costs for associated components such as wells, pipeline, watering troughs, livestock crossings and animal trails and walkways. Virginia [Soil and Water Conservation Districts](#) may also provide financial assistance for complimentary "[best management practices](#)" to help a producer meet his/her goals and

address all natural resource concerns on the tract.

CREP participants quickly realize that the program offers more than environmental benefit and peace of mind. Livestock producers see herd health benefits after excluding animals from natural water sources. A decreased instance of waterborne illness, improved rate of gain, and overall production benefits are a few. Crop producers also enjoy economic benefit from removing marginal, shaded field borders from production and dedicating those acres to a conserving use. Input costs are reduced on these acres that rarely produce a yield and CREP also provides an annual rental payment on the acres.

The time to sign up for CREP is limited! Offers to enroll in CREP will be accepted at all FSA offices from **May 13 – September 30, 2013**. The [American Taxpayer Relief Act of 2012 \(ATRA\)](#) extended authority under the 2008 farm bill for one year -- to 2013. **These provisions will again expire on September 30, 2013** and FSA will no longer have the authority to accept CREP enrollment. The future of the CRP and CREP programs is uncertain and legislation is pending on the availability of these programs in the next Farm Bill. Click [HERE](#) to locate your local USDA Service Center and begin the conversation about conservation!

Farm Safety

Summer is an exciting and hectic time on county farms. County FSA employees care about their customers, and want to remind them to practice farm safety.

Remember to walk around machinery and check shields and guards; make sure the PTO's master shield is in place; make sure Slow Moving Vehicle signs are on machinery.

If taking medicine, take it at the appropriate time and eat on schedule.

If working in grain bins know that flowing grain can kill, and it can kill quickly. It takes less than five seconds for a person caught in flowing grain to be trapped. Try not to work alone in bins or confined spaces, and if that's not possible let someone know where you are by checking in regularly by cell phone.

The American Society of Safety Engineers (ASSE) offers the following safety tips for farmers:

1. Educate yourself on farm equipment. Read and follow instructions according to the equipment's manuals about safety.
2. Conduct regular equipment inspections.
3. Don't wear loose clothing while entering confined spaces such as grain bins, silos and hoppers as this can prevent entanglements.
4. Install Rollover Protective Structures (ROPS) on tractors.
5. Use seat belts while operating tractors with a ROPS. Do not allow additional passengers on the tractor with you.
6. While operating tractors and other farm equipment, be very cautious on rural roadways.
7. Use protective gear when operating machinery: Be familiar with hazardous chemicals. Take extra precaution when handling chemicals such as anhydrous ammonia, carbon dioxide, methane gas and hydrogen sulfide.
8. Consistently educate your family and co-workers about safety practices, especially children.

Highly Erodible Lands and Wetland Compliance

Producers participating in most programs administered by the Farm Service Agency (FSA) and the Natural Resources Conservation Service (NRCS) are required to abide by certain conditions on any land owned or farmed that is highly erodible or that is considered a wetland.

To be in compliance with the highly erodible land conservation and wetland conservation provisions, producers must agree, that they will not:

- Produce an agricultural commodity on highly erodible land without a conservation system;
- Plant an agricultural commodity on a converted wetland;
- Convert a wetland to make possible the production of an agricultural commodity.

Producers planning to remove fence rows, convert woodlots to cropland, combine crop fields, divide a crop field into two or more fields, install new drainage, or improve or modify existing drainage, must notify the FSA and update Form AD-1026. FSA will notify NRCS and NRCS will then provide highly erodible land or wetland technical determinations.

To get additional information on highly erodible land and wetland conservation compliance contact the FSA office or the NRCS office at a local USDA Service Center. Additional information about conservation programs offered by FSA can be found online at www.fsa.usda.gov/conservation, and information on NRCS programs can be found at www.nrcs.usda.gov.

Compliance Spot Checks

Compliance spot checks will be conducted on 2013 crops. Instead of locally selecting farms, contracts, and deficiency loans, for review, a nationwide selection of producers is employed. Spot check selections are to be conducted based on a producer's participation in the Conservation Reserve Program, Direct and Counter-Cyclical Program, Loan Deficiency Program or other relevant program.

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

Farm Reconstitutions

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—or recon—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, recons must be requested by **Aug. 1** for farms enrolled in specific programs.

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

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 be 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.

Foreign Landowner Notification

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. The Farm Service Agency administers this program for USDA.

Foreign individuals who have purchased or sold agricultural land in the county are required to report the transaction to FSA with 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25 percent of the fair market value of the property.

County government offices, real estate agents, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

Farm Storage Facility Loan Program

The Farm Storage Facility Loan Program (FSFLP) allows producers of eligible commodities to obtain low-interest financing to build or upgrade farm storage and handling facilities.

The new maximum principal amount of a loan through FSFL is \$500,000. Participants are now required to provide a down payment of 15 percent, with CCC providing a loan for the remaining 85 percent of the net cost of the eligible storage facility and permanent drying and handling equipment. New loan terms of seven, 10 or 12 years are available depending on the amount of the loan. Interest rates for each term rate may be different and are based on the rate which CCC borrows from the U.S. Treasury Department.

Payments are available in the form of a partial disbursement and the remaining final disbursement. The partial disbursement will be available after a portion of the construction has been completed. The final fund disbursement will be made when all construction is completed. The maximum amount of the partial disbursement will be 50 percent of the projected and approved total loan amount.

Applications for FSFL must be submitted to the FSA county office that maintains the farm's records. An FSFL must be approved before any site preparation or construction can begin.

For more information about FSFL please visit your FSA county office or www.fsa.usda.gov.

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.

Guaranteed Loan Program

The Farm Service Agency loan limit for the Guaranteed Loan Program has increased to \$1,302,000. 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 has increased to \$1,602,000.

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.

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.

For more information you can stop by your FSA county office. Our staff can help with preparing and processing the application forms.

Beginning and Limited Resource Loans

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
- 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. Farm operating loans are available as well as loans to purchase or improve farms or ranches.

While all qualified producers are eligible to apply for these loan programs, 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.

Land Contract (LC) Guarantees

The Land Contract (LC) Guarantee Program is a valuable tool to transfer farm real estate to the next generation of farmers and ranchers. Guarantees will be offered to the owner of a farm who wishes to sell real estate through a land contract to a beginning or socially disadvantaged farmer or rancher. The guarantee reduces the financial risk to the seller.

FSA offers two types of guarantees:

- Prompt Payment Guarantee - A guarantee up to the amount of three amortized annual installments plus the cost of any related real estate taxes and insurance.
- Standard Guarantee - A guarantee of 90 percent of the outstanding principal balance under the land contract.

The guarantee period is 10 years and the contract payments must be amortized for a minimum of 20 years. The purchase price of the farm cannot exceed the lesser of \$500,000 or the market value of the property.

For additional information you can read the [Land Contract Guarantee Program Fact Sheet](#).

Selected Interest Rates for July 2013

90-Day Treasury Bill - 0.125%

Farm Operating - Direct - 1.25%

Farm Ownership - Direct - 3.25%

Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher - 1.5%

Emergency - 2.25%

Farm Storage Facility – 7 year - 1.5%

Farm Storage Facility – 10 year - 2.125%

Farm Storage Facility – 12 year - 2.375%

Commodity Loans 1996-Present - 1.125%

Dates to Remember

July 15 - Final day to report planted acreage for the 2013 crop year

August 2 - Final day to enroll in 2013 DCP

Continues - Continuous Conservation Reserve program

For more information on bulletin subjects or details regarding your GovDelivery subscription with the Virginia FSA State Office, contact Linda Cronin, Outreach/Information Coordinator at linda.cronin@va.usda.gov or call at 804-287-1537.

USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).