



# NEWSLETTER



September, 2014 Newsletter

## **WV State Office USDA**

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**Hours**  
Monday – Friday  
8:00 a.m. – 4:30 p.m.

### **September 2014**

**West Virginia FSA State  
Executive Director,**  
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Visit our Website at:  
[www.fsa.usda.gov/wv](http://www.fsa.usda.gov/wv)

## **NEW/HOT TOPIC ARTICLES**

### **LIVESTOCK PRODUCERS URGED TO ENROLL IN DISASTER ASSISTANCE PROGRAM BY OCT. 1**

Producers who have suffered eligible disaster-related losses are encouraged to act to secure assistance by Sept. 30, 2014, as congressionally mandated payment reductions will take place for producers who have not acted before that date. Livestock producers that have experienced grazing losses since October 2011 and may be eligible for benefits but have not yet contacted their local Farm Service Agency (FSA) office should do so as soon as possible.

The Budget Control Act passed by Congress in 2011 requires USDA to implement reductions of 7.3 percent to the Livestock Forage Disaster Program (LFP) in the new fiscal year, which begins Oct. 1, 2014. However, producers seeking LFP support who have scheduled appointments with their local FSA office before Oct. 1, even if the appointment occurs after Oct. 1, will not see reductions in the amount of disaster relief they receive.

USDA is encouraging producers to register, request an appointment or begin a Livestock Forage Disaster Program application with their county FSA office before Oct. 1, 2014, to lock in the current zero percent sequestration rate. As an additional aid to qualified producers applying for LFP, the Farm Service's Agency has developed an online registration that enables farmers and ranchers to put their names on an electronic list before the deadline to avoid reductions in their disaster assistance. This is an alternative to visiting or contacting the county office. To place a name on the Livestock Forage Disaster Program list online, visit [www.fsa.usda.gov/disaster-register](http://www.fsa.usda.gov/disaster-register).

Producers who already contacted the county office and have an appointment scheduled need do nothing more.

The Livestock Indemnity Program, the Tree Assistance Program and the Noninsured Disaster Assistance Program Frost Freeze payments will also be cut by 7.3 percent on Oct. 1, 2014. Unlike the Livestock Forage Disaster Program, applications for these programs must be fully completed by Sept. 30. FSA offices will prioritize these applications, but as the full application process can take several days or more to complete, producers are encouraged to begin the application process as soon as possible.

The Livestock Forage Disaster Program compensates eligible livestock producers who suffered grazing losses due to drought or fire between Oct. 1, 2011 and Dec. 31, 2014. Eligible livestock includes alpacas, beef cattle, buffalo, beefalo, dairy cattle, deer, elk, emus, equine, goats, llamas, poultry, reindeer, sheep or swine that have been or would have been grazing the eligible grazing land or pastureland. Producers forced to liquidate their livestock may also be eligible for program benefits.

Additionally, the 2014 Farm Bill eliminated the risk management purchase requirement. Livestock producers are no longer required to purchase coverage under the federal crop insurance program or Noninsured Crop Disaster Assistance Program to be eligible for Livestock Forage Disaster Program assistance.

To learn more about USDA disaster relief program, producers can review the 2014 Farm Bill fact sheet at [www.fsa.usda.gov/farmbill](http://www.fsa.usda.gov/farmbill), the LFP program fact sheet, <http://go.usa.gov/5JTk>, or contact their [local FSA office](#).

### **DAIRY PRODUCT DONATION PROGRAM**

The Dairy Product Donation Program (DPDP) assists dairy operations when margins are low by using Commodity Credit Corporation (CCC) funds to purchase dairy products for donation to public and private nonprofit organizations that provide nutrition assistance to low-income populations. Purchases are only made by USDA during periods of low margins. Dairy operators do not have to enroll to benefit from DPDP. The Farm Service Agency (FSA) and Food and Nutrition Service (FNS) will administer the program when FSA determines that the actual dairy production margin has been \$4 or less per hundredweight (CWT) for each of the preceding two months.

### **USDA FARM SERVICE AGENCY REMINDS PRODUCERS: FARM BILL ALLOWS EARLY TERMINATION FOR CERTAIN CRP CONTRACTS**

USDA Farm Service Agency reminds producers that as of Aug. 6, producers with acres under contract through the Conservation Reserve Program (CRP) can apply for early contract termination, as required by the 2014 Farm Bill. The deadline to request early CRP contract termination is Jan. 30, 2015.

The effective date for early termination is no earlier than October 1, 2014. The CRP contract must have been in effect for at least five years and other conditions must be met. The 2014 Farm Bill identifies 10 exceptions whereby land will not be eligible for the early-out provisions. For a complete list of these exceptions, please view the program fact sheet online at [www.fsa.usda.gov/Internet/FSA\\_File/crp\\_opt\\_out\\_fact\\_sht.pdf](http://www.fsa.usda.gov/Internet/FSA_File/crp_opt_out_fact_sht.pdf)

Once a CRP contract termination request is approved by the FSA County Committee, the decision cannot be reversed and the contract cannot be reinstated. Producers must meet conservation compliance provisions for all land that will be returned to production.

For more information on or to determine eligibility for early termination of existing CRP contracts, please contact your local FSA office. For local FSA Service Center contact information, please visit: <http://offices.sc.egov.usda.gov/locator/app>.

### **USDA NOTIFIES PRODUCERS ON ACREAGE HISTORY AND YIELDS**

Written notifications from USDA are underway to farmers that provide updates on their current base acres, yields and 2009-2012 planting history.

Please cross check the letter from USDA with your farm records. If the information is correct, no further action is needed at this time, but if our letter is incomplete or incorrect, contact your local FSA office as soon as possible.

Verifying the accuracy of data on a farm's acreage history is a required early step for enrolling in the upcoming Agriculture Risk Coverage (ARC) program and the Price Loss Coverage (PLC) program. Farmers and ranchers can update their crop yield information and reallocate base acres.

By mid-winter all producers on a farm will be required to make a one-time, unanimous and irrevocable election between price protection and county revenue protection or individual revenue protection for 2014-2018 crop years. Producers can expect to sign contracts for ARC or PLC for the 2014 and 2015 crop years in the spring of 2015.

Covered commodities include barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium grain rice (includes short grain rice and temperate japonica rice), safflower seed, sesame, soybeans, sunflower seed, and wheat. Upland cotton is no longer a covered commodity.

Visit [www.fsa.usda.gov](http://www.fsa.usda.gov) or the local FSA office for information about FSA and the 2014 Farm Bill programs.

## **FARM BILL RELATED ARTICLES**

### **USDA REMINDS FARMERS OF 2014 FARM BILL CONSERVATION COMPLIANCE CHANGES**

Changes mandated through the 2014 Farm Bill require producers to have a Highly Erodible Land Conservation and Wetland Conservation Certification (AD-1026) on file.

For farmers to be eligible for premium support on their federal crop insurance, a completed and signed AD-1026 form must be on file with the FSA. Since many FSA and Natural Resource Conservation (NRCS) programs have this requirement, most producers should already have an AD-1026 on file. If producers have not filed, they must do so by June 1, 2015.

When a farmer completes the AD-1026, FSA and NRCS staff will outline any additional actions that may be required for compliance with the provisions. The Risk Management Agency, through the Federal Crop Insurance Corporation (FCIC), manages the federal crop insurance program that provides the modern farm safety net for American farmers and ranchers.

Since enactment of the 1985 Farm Bill, eligibility for most commodity, disaster, and conservation programs has been linked to compliance with the highly erodible land conservation and wetland conservation provisions. The 2014 Farm Bill continues the requirement that producers adhere to conservation compliance guidelines to be eligible for most programs administered by FSA and NRCS. This includes the new price and revenue protection programs, the Conservation Reserve Program, the Livestock Disaster Assistance programs and Marketing Assistance Loans implemented by FSA. It also includes the Environmental Quality Incentives Program, the Conservation Stewardship Program, and other conservation programs.

FSA recently released a revised form AD-1026, which is available at USDA Service Centers and online at: [www.fsa.usda.gov](http://www.fsa.usda.gov). USDA will publish a rule later this year that will provide details outlining the connection of conservation compliance with crop insurance premium support. Producers can also contact their local USDA Service Center for information. A listing of service center locations is available at [www.nrcs.usda.gov/wps/portal/nrcs/main/national/contact/local/](http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/contact/local/).

### **MARGIN PROTECTION PROGRAM FOR DAIRY PRODUCERS**

The 2014 Farm Bill authorized the Margin Protection Program (MPP-Dairy) for dairy producers. The new, voluntary risk management program replaces the Milk Income Loss Contract (MILC) program which expires on Sept. 1, 2014.

MPP-Dairy offers protection to dairy producers when the difference (the margin) between the all-milk price and national average feed cost falls below a certain producer selected amount.

Eligible producers may purchase coverage for their dairy operation by paying an annual administrative fee of \$100 and a premium, as applicable, for higher levels of coverage. Producers in the dairy operation will have to select a desired coverage level ranging from \$4.00 to \$8.00, in \$0.50 increments and a desired coverage percentage level ranging from 25 to 90 percent, in 5 percent increments. Producers will also have to decide whether or not to participate in the MPP-Dairy Program or the Livestock Gross Margin program administered by the Risk Management Agency (RMA), but they will not be allowed to participate in both.

A decision tool will be made available in the fall of 2014 to help producers make coverage level decisions. Enrollment will also begin this fall. Dairy operators will establish their production history during signup. Verification of the production records will be required. The regulations for MPP-dairy are still being developed. Additional information will be provided as it becomes available.

### **USDA ANNOUNCES NEW SUPPORT FOR BEGINNING FARMERS AND RANCHERS**

*Department Implementing New Farm Bill Programs, Unveiling New Centralized Online Resource to Support Next Generation of Farmers*

USDA has announced the implementation of new Farm Bill measures and other policy changes to improve the financial security of new and beginning farmers and ranchers. USDA also unveiled [www.USDA.gov/newfarmers](http://www.USDA.gov/newfarmers), a new website that will provide a centralized, one-stop resource where beginning farmers and ranchers can explore the variety of USDA initiatives designed to help them succeed.

USDA's [www.usda.gov/newfarmers](http://www.usda.gov/newfarmers) has in depth information for new farmers and ranchers, including: how to increase access to land and capital; build new market opportunities; participate in conservation opportunities; select and use the right risk management tools; and access USDA education, and technical support

programs. These issues have been identified as top priorities by new farmers. The website will also feature instructive case studies about beginning farmers who have successfully utilized USDA resources to start or expand their business operations.

Policy announcements in support of beginning farmers and ranchers include:

- Waiving service fees for new and beginning farmers or ranchers to enroll in the Non-Insured Crop Disaster Assistance Program (NAP) for the 2014 crop year. NAP provides risk management tools to farmers who grow crops for which there is no crop insurance product. Under this waiver, announced via an [official notice](#) to Farm Service Agency offices, farmers and ranchers whom already enrolled in NAP for the 2014 crop year and certified to being a beginning farmer or social disadvantaged farmer are eligible for a service fee refund.
- Eliminating payment reductions under the [Conservation Reserve Program](#) (CRP) for new and beginning farmers which will allow routine, prescribed, and emergency grazing outside the primary nesting season on enrolled land consistent with approved conservation plans. Previously, farmers and ranchers grazing on CRP land were subject to a reduction in CRP payments of up to 25 percent. Waiving these reductions for new and beginning farmers will provide extra financial support during times of emergency like drought and other natural disasters.
- Increasing payment rates to beginning farmers and ranchers under Emergency Assistance for [Livestock, Honeybees and Farm-Raised Fish Program \(ELAP\)](#). Under this provision, beginning farmers can claim up to 90 percent of losses for lost livestock, such as bees, under ELAP. This is a fifty percent increase over previously available payment amounts to new and beginning farmers.

In the near future, USDA will also announce additional crop insurance program changes for beginning farmers and ranchers – including discounted premiums, waiver of administrative fees, and other benefits.

Additional information about USDA actions in support of beginning farmers and ranchers is available [here](#).

### **USDA'S FARM SERVICE AGENCY (FSA) OFFERS FARM BILL WEBSITE AND ONLINE OVERVIEW OF FARM BILL PROGRAMS**

The Agricultural Act of 2014 (the Act), also known as the 2014 Farm Bill, was signed by President Obama on Feb. 7, 2014. The Act repeals certain programs, continues some programs with modifications, and authorizes several new programs administered by the Farm Service Agency (FSA). Most of these programs are authorized and funded through 2018.

For the latest on 2014 Farm Bill programs administered by FSA, please visit our Farm Bill website at [www.fsa.usda.gov/farmbill](http://www.fsa.usda.gov/farmbill) and for an FSA program overview please read, download and/or print our recently posted FSA Farm Bill Fact Sheet titled, [What's in the 2014 Farm Bill for Farm Service Agency Customers?](#)

For more information on FSA, please contact your local USDA Service Center or visit us online at [www.fsa.usda.gov](http://www.fsa.usda.gov).

### **NEW FARM BILL OFFERS INCREASED OPPORTUNITIES FOR PRODUCERS**

The 2014 Farm Bill offers increased opportunities for producers including farm loan program modifications that create flexibility for new and existing farmers. A fact sheet outlining modifications to the U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) Farm Loan Programs is available [here](#).

The Farm Bill expands lending opportunities for thousands of farmers and ranchers to begin and continue operations, including greater flexibility in determining eligibility, raising loan limits, and emphasizing beginning and socially disadvantaged producers.

Changes that will take effect immediately include:

- Elimination of the 15 year term limit for guaranteed operating loans.
- Modification of the definition of beginning farmer, using the average farm size for the county as a qualifier instead of the median farm size.

- Modification of the Joint Financing Direct Farm Ownership Interest Rate to 2 percent less than regular Direct Farm Ownership rate, with a floor of 2.5 percent. Previously, the rate was established at 5 percent.
- Increase of the maximum loan amount for Direct Farm Ownership Down Payment Loan Program from \$225,000 to \$300,000.
- Elimination of rural residency requirement for Youth Loans, allowing urban youth to benefit.
- Debt forgiveness on Youth Loans, which will not prevent borrowers from obtaining additional loans from the federal government.
- Increase of the guaranteed percentage on Conservation Loans from 75 to 80 percent and 90 percent for socially disadvantaged borrowers and beginning farmers.
- Microloans will not count toward direct operating loan term limits for veterans and beginning farmers.

Additional modifications must be implemented through the rulemaking processes. Visit the [FSA Farm Bill website](#) for detailed information and updates to farm loan programs.

## **FARM PROGRAM ARTICLES:**

### **TREE ASSISTANCE PROGRAM (TAP) SIGN-UP CONTINUES**

As of Tuesday, April 15, 2014, orchardists and nursery tree growers who experienced losses from natural disasters that occurred on or after Oct. 1, 2011, can sign up for the Tree Assistance Program (TAP). TAP was authorized by the Agricultural Act of 2014 as a permanent disaster program. TAP provides financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes and vines damaged by natural disasters.

Eligible tree types include trees, bushes or vines that produce an annual crop for commercial purposes. Nursery trees include ornamental, fruit, nut and Christmas trees that are produced for commercial sale. Trees used for pulp or timber are ineligible.

To qualify for TAP, orchardists must suffer a qualifying tree, bush or vine loss in excess of 15 percent mortality from an eligible natural disaster. The eligible trees, bushes or vines must have been owned when the natural disaster occurred; however, eligible growers are not required to own the land on which the eligible trees, bushes and vines were planted.

If the TAP application is approved, the eligible trees, bushes and vines must be replaced within 12 months from the date the application is approved. The cumulative total quantity of acres planted to trees, bushes or vines, for which a producer can receive TAP payments, cannot exceed 500 acres annually.

### **LIVESTOCK DISASTER ASSISTANCE SIGN-UP UNDERWAY**

Livestock disaster program enrollment opened on April 15, 2014. These disaster programs are authorized by the 2014 Farm Bill as permanent programs and provide retroactive authority to cover losses that occurred on or after Oct. 1, 2011.

Eligible producers can sign-up for the following livestock disaster assistance programs:

#### **Livestock Forage Disaster Program (LFP):**

LFP provides compensation to eligible livestock producers that have suffered grazing losses due to drought on privately owned or cash leased land or fire on federally managed land. Eligible producers must physically be located in a county affected by a qualifying drought during the normal grazing period for the county. Producers who suffered eligible grazing losses should submit a completed CCC-853 and supporting documentation by January 30, 2015.

#### **Livestock Indemnity Program (LIP):**

LIP provides compensation to eligible livestock producers that have suffered livestock death losses in excess of normal mortality due to adverse weather and attacks by animals reintroduced into the wild by the federal government or protected by federal law. Producers who suffered livestock death losses should submit a notice of loss and an application for payment to their local FSA office by January 30, 2015.

#### **Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP)**

The enrollment deadline for the 2014 Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP) is Nov. 1, 2014. The deadline for 2012 and 2013 ELAP has already passed.

ELAP provides emergency assistance to eligible producers of livestock, honeybees and farm-raised fish that have losses due to disease, adverse weather, or other conditions, such as blizzards and wildfires. ELAP assistance is provided for losses not covered by LFP and LIP. For 2014 program year losses, the notice of loss and an application for payment must be submitted by November 1, 2014.

For more information, producers can review the LFP, LIP and ELAP Fact Sheets on the [Farm Bill webpage](#). Producers are encouraged to make an appointment with their local FSA office to apply for these programs.

### **USDA FARM SERVICE AGENCY (FSA) ANNOUNCES ONLINE HAY AND GRAZING ACRES LOCATOR TOOL**

For many years, FSA's *Hay Net* website [www.fsa.usda.gov/haynet](http://www.fsa.usda.gov/haynet) has been the "go to" online resource for agricultural producers to list information concerning the need for hay or the availability of hay.

Now, in response to requests from livestock producers and landowners, FSA has expanded the site to include the option to list a need for grazing acres or to list acres available for grazing.

If, due to extenuating circumstances, producers are in need of hay and/or grazing acres to support livestock, please use **Hay Net** to post an advertisement seeking these resources. Likewise, landowners who have hay and/or grazing acres available for livestock producers should post a Hay Net advertisement as well.

A few things to remember when using the **Hay Net** website:

- There is a one-time registration process that should be completed by all users who want to post an ad online.
- Users who just want to browse ads DO NOT NEED to have an eAuthentication user id.
- Hay and grazing acre ads will be automatically removed after a period of 13 months.
- Please help your fellow farmer and rancher by keeping ads current and up to date and remove ads you no longer need or want advertised on **Hay Net**. Please, no corporate advertisements on this site.

**Hay Net** is brought to you by FSA as a public service. The sole purpose of this online resource is to provide a site for the exchange of information. FSA does not endorse, guarantee, or otherwise make representations of any kind regarding any user of this site and FSA is not responsible for defining the terms of grazing agreements or lease contracts.

For more information about **Hay Net** and other FSA services and programs, please contact your local FSA office. For local FSA Service Center contact information, please visit: <http://offices.sc.egov.usda.gov/locator/app>.

### **USDA ANNOUNCES CHANGES TO FRUIT, VEGETABLE AND WILD RICE PLANTING RULES**

Farm Service Agency (FSA) has announced fruit, vegetable and wild rice provisions that affect producers who intend to participate in certain programs authorized by the Agricultural Act of 2014.

Producers who intend to participate in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs are subject to an acre-for-acre payment reduction when fruits and nuts, vegetables or wild rice are planted on the payment acres of a farm. Payment reductions do not apply to mung beans, dry peas, lentils or chickpeas. Planting fruits, vegetables or wild rice on acres that are not considered payment acres will not result in a payment reduction. Farms that are eligible to participate in ARC/PLC but are not enrolled for a particular year may plant unlimited fruits, vegetables and wild rice for that year but will not receive ARC/PLC payments for that year. Eligibility for succeeding years is not affected.

Planting and harvesting fruits, vegetables and wild rice on ARC/PLC acreage is subject to the acre-for-acre payment reduction when those crops are planted on either more than 15 percent of the base acres of a farm enrolled in ARC using the county coverage or PLC, or more than 35 percent of the base acres of a farm enrolled in ARC using the individual coverage.

Fruits, vegetables and wild rice that are planted in a double-cropping practice will not cause a payment reduction if the farm is in a double-cropping region as designated by the USDA's Commodity Credit Corporation.

### **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.

### **2014 MAL AND LDP REQUESTS**

The USDA Farm Service Agency (FSA) is accepting requests for marketing assistance loans (MALs) and loan deficiency payments (LDPs) for eligible 2014 commodities.

MALs and LDPs for the 2014 crop year become available to eligible producers beginning with harvest/shearing season and extending through a specific commodity's final loan availability date. Sugar commodity loans for the 2014 crop will be available to sugar processors beginning Oct. 1, 2014.

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, pulse crops, rice, peanuts, cotton, wool, mohair and honey. MALs provide producers interim financing after harvest to help them meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows. A producer who is eligible to obtain a loan, but agrees to forgo the loan, may obtain an LDP if such a payment is available. Marketing loan provisions and LDPs are not available for sugar and extra-long staple cotton.

The 2014 Farm Bill also establishes payment limitations per individual or entity not to exceed \$125,000 annually on certain commodities for the following program benefits: price loss coverage payments, agriculture risk coverage payments, marketing loan gains (MLGs) and LDPs. These payment limitations do not apply to MAL loan disbursements.

Adjusted Gross Income (AGI) provisions were modified by the 2014 Farm Bill, which states that a producer whose total applicable three-year average AGI exceeds \$900,000 is not eligible to receive an MLG or LDP.

National and county loans rates for 2014 crops are posted on the FSA website at: [www.fsa.usda.gov/pricesupport](http://www.fsa.usda.gov/pricesupport).

For more information, please visit a nearby USDA Service Center or FSA's website [www.fsa.usda.gov](http://www.fsa.usda.gov).

### **USDA ENHANCES FARM STORAGE FACILITY LOAN PROGRAM**

The U.S. Department of Agriculture (USDA) today announced the expansion of the Farm Storage and Facility Loan program, which provides low-interest financing to producers. The enhanced program includes 22 new categories of eligible equipment for fruit and vegetable producers.

Producers with small and mid-sized operations, and specialty crop fruit and vegetable growers, now have access to needed capital for a variety of supplies including sorting bins, wash stations and other food safety-related equipment. A new more flexible alternative is also provided for determining storage needs for fruit and vegetable producers, and waivers are available on a case-by-case basis for disaster assistance or insurance coverage if available products are not relevant or feasible for a particular producer.

Additionally, Farm Storage Facility Loan security requirements have been eased for loans up to \$100,000. Previously, all loans in excess of \$50,000 and any loan with little resale value required a promissory note/security agreement and additional security, such as a lien on real estate. Now loans up to \$50,000 can be secured by only a promissory note/security agreement and some loans between \$50,000 and \$100,000 will no longer require additional security.

The low-interest funds can be used to build or upgrade permanent facilities to store commodities. Eligible commodities include grains, oilseeds, peanuts, pulse crops, hay, honey, renewable biomass commodities, fruits and vegetables. Qualified facilities include grain bins, hay barns and cold storage facilities for fruits and vegetables.

Contact your local FSA office or visit [www.fsa.usda.gov](http://www.fsa.usda.gov) for more about FSA programs and loans, including the Farm Storage Facility Loan Program.

### **COMPLIANCE SPOT CHECKS**

Compliance spot checks will be conducted on 2014 crops. Instead of locally selecting farms, contracts, deficiency loans, etc. for review, a nationwide selection of producers is employed. Spot check selections are to be conducted based on a producer's participation in 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 Farm Service Agency office for additional clarification.

### **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.

### **FOREIGN BUYERS 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.

All individuals who are not U.S. citizens, and 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 (FSA-153) could result in civil penalties of up to 25 percent of the fair market value of the property. County government offices, Realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

### **PREVENTING FRAUD**

The Farm Service Agency supports the Risk Management Agency 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.

## **FARM LOAN PROGRAMS:**

### **AGRICULTURAL PRODUCERS IN WEST VIRGINIA STILL HAVE TIME TO APPLY FOR DIRECT FARM OWNERSHIP LOAN PROGRAM**

*Low-Interest Loans Can Help Producers Start or Expand Farms*

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) today announced that farmers and ranchers still have time to apply for low interest 2014 loans available through FSA's direct farm ownership program.

Eligible producers can borrow up to \$300,000 in direct farm ownership loans to buy or enlarge a farm, construct new farm buildings or improve structures, pay closing costs, or promote soil and water conservation and protection. The interest rate on select loans can be as low as 1.5 percent with up to 40 years to repay.

FSA encourages all interested applicants to apply for direct farm ownership loans. For more information about the program and other loans administered by FSA, visit any FSA county office or [www.fsa.usda.gov](http://www.fsa.usda.gov). For local FSA Service Center contact information, visit <http://offices.sc.egov.usda.gov/locator/app>

### **MICROLOAN PROGRAM**

The Farm Service Agency (FSA) developed the Microloan (ML) 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 who are interested in applying for a microloan or would like to discuss other farm loan programs available should contact their local FSA office to set up an appointment with a loan official.

### **GUARANTEED LOAN ELIGIBILITY**

Changes to FSA regulations have removed Guaranteed Operating Loan term limits. Previous and current guaranteed loan borrowers who were not eligible for further guaranteed loans due to the previous 15 year eligibility term limit may now be eligible for further guaranteed loans through their commercial lender.

### **YOUTH LOANS**

The Farm Service Agency makes loans to youth to establish and operate agricultural 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
- 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 youth loan applicant, along with providing adequate supervision.

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

## **BEGINNING FARMER LOANS**

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 percent of the county's average size farm.

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

## **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](#).

## MISCELLANEOUS:

### KNOW YOUR FARMER, KNOW YOUR FOOD

The *Know Your Farmer, Know Your Food* (KYF2) initiative is a USDA-wide effort focused on strengthening local and regional food systems.

In recent years, consumers have shown an increased interest in purchasing locally-produced foods and many farmers and ranchers followed the trend and offer fresh foods through local markets.

USDA followed suit, developing KYF2, which helps connect consumers with producers in their community. USDA offers a wide range of programs that can assist farmers, ranchers, businesses, communities and individuals. To learn more about grants, loans and support that is available, visit [http://www.usda.gov/wps/portal/usda/usdahome?navid=KYF\\_GRANTS](http://www.usda.gov/wps/portal/usda/usdahome?navid=KYF_GRANTS).

These USDA programs stimulate economic development in agricultural communities, foster new opportunities for farmers and ranchers, promote locally and regionally grown and processed foods, cultivate healthy eating habits and educated consumers, expand access to affordable fresh and local food and develop a connection between food, agriculture, community and the environment.

For more information on KYF2, visit

<http://www.usda.gov/wps/portal/usda/knowyourfarmer?navid=KNOWYOURFARMER>



**SAVE TIME – MAKE AN APPOINTMENT WITH FSA**

As we roll out the Farm Bill programs administered by FSA, there will be related signups and in some cases multiple management decisions that need to be made by you, the producer, in consult with FSA staff. To insure maximum use of your time and to insure that you are afforded our full attention to your important business needs, please call our office ahead of your visit to set an appointment and to discuss any records or documentation that you may need to have with you when you arrive for your appointment. For local FSA Service Center contact information, please visit: <http://offices.sc.egov.usda.gov/locator/app> .

**Dates to Remember**


**Selected Interest Rates for  
 September 2014**

90-Day Treasury Bill	.125%
Farm Operating Loans — Direct	2.125%
Farm Ownership Loans — Direct	3.75%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency Loans	3.125%
Farm Storage Facility Loans (7 years)	2.125%
Sugar Storage Facility Loans	2.75%
Commodity Loans 1996- Present	1.125%

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To file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax at (202) 690-7442 or e-mail at [program.intake@usda.gov](mailto:program.intake@usda.gov). USDA is an equal opportunity provider and employer.