



Colorado

State - Wide
January 2012

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State Executive Director

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Dates to Remember

January 16

Martin Luther King, Jr. Birthday
Holiday, FSA offices closed

Jan 23 - June 1

2012-DCP/ACRE Enrollment
ACRE Election

Jan. 30 Signup ends

for LFP, LIP, and ELAP

Jan. 31 Deadline

to apply for Unshorn Lamb Pelts
Loan Deficiency Payments

Feb 1- Deadline

Final NAP signup date for onions
and scallions

Feb. 20

George Washington's Birthday
Holiday. FSA offices closed

PROPOSED OFFICE CONSOLIDATION FOR COLORADO FSA COUNTY OFFICES

USDA will conduct public meetings in Huerfano, Rio Grande and Boulder Counties on January 25, January 26 and February 3, 2012 to take comments on the proposed consolidation of the FSA offices in those three counties. FSA has faced a variety of budget-related challenges, including managing the Agency through a period of staff attrition, continuing budget reductions and an ever-increasing workload. Through a targeted office consolidation effort of 131 offices nationwide, including these three in Colorado, FSA is striving to balance significant budget cuts, staff reductions, and increasing workloads while focusing the efforts of our staff to provide high quality service from the remaining locations.

Walsenburg Meeting: January 25, 2012 from 2 PM to 4 PM at the

Monte Vista Meeting: January 26, 2012 from 2 PM to 4 PM at the San Luis

Longmont Meeting: February 3, 2012 from 10 AM to noon at the Longmont Public Library,

Comments can also be emailed to trudy.kareus@co.usda.gov or mailed to Trudy Kareus, Denver Federal Center, PO Box 25426, Denver, Colorado 80225-0426 up to ten days after the public meeting.

FSA ADOPTING GOVDELIVERY

The USDA Farm Service Agency offices are moving toward a paperless operation. Producers are asked to enroll in the new GovDelivery system which will provide notices, newsletters and electronic reminders instead of a hard copy through the email.

FSA, like many other organizations, is trying to work smarter and be more efficient. Moving to electronic notifications via email will help conserve resources and save taxpayer dollars. County Committee ballots will continue to be mailed to all eligible producers.

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

County Committee Election Results

Congratulations to all the elected and re-elected producers to the county committee (COC). Our county committee members play a vital role in the funding and operation of our government. County committee members provide a link between the agricultural community and USDA. Farmers and ranchers elected to county committees help deliver FSA programs at the local level, applying their knowledge and judgment to make decisions on commodity price support programs; conservation programs; incentive indemnity and disaster programs for some commodities; emergency programs and eligibility

Please contact your local County FSA Office for more information on County Committees and how to become a member or the results of the 2011 election.

2012 DCP/ACRE Enrollment

Sign-up for the 2012 Direct and Counter-cyclical Program (DCP) and Average Crop Revenue Election (ACRE) program will begin January 23 and end June 1, 2012. All producers with an interest in base acres must be identified on the DCP/ACRE contract and receive a proportionate share of the DCP/ACRE direct payment for the farm. Producers with an interest in ACRE commodities must be enrolled on the ACRE contract in order to be eligible for potential ACRE revenue payments. Changes on the farm after DCP/ACRE enrollment must be reported to your local FSA office, and all necessary signatures obtained on a revised contract, no later than September 30, 2012. This includes changes in cropland and crop share, changes in producers on the farm, transfer of land ownership, etc. For 2012, the farm bill authorizes an increase in the payment acres from 83.3% to 85% of the base acres. Advance direct payments are not authorized for 2012.

Signup for 2010 Crop Revenue Losses (SURE Program) Continues

The sign up for 2010 crop losses started November 14, 2011 and runs through June 1, 2012.

The Supplemental Revenue Assistance Payment Program (SURE) provides benefits for farm revenue losses due to natural disasters that occurred in 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
- any farm in which, for the crop year, the actual production on the farm because of disaster-related conditions is 50% or less than normal production on the farm.

A SURE fact sheet is available on the national FSA website at <http://www.fsa.usda.gov> under the Disaster Assistance Programs tab on the left hand side, then listed under related topics.

NONINSURED CROP DISASTER ASSISTANCE PROGRAM (NAP)

The noninsured crop disaster assistance program (NAP) is a federally funded program that helps producers reduce their risk when growing food and fiber crops, specialty crops and crops for livestock feed. These

benefits are only available for crops for which the catastrophic level of crop insurance is not available. Application for coverage must be filed by the applicable crop's application closing date.

Production records for all crops must be reported to FSA no later than the acreage reporting date for the crop for the following year. FSA requires that any production reported in a loss year be verifiable according to Agency specifications. ***NAP Losses must be reported within 15 days of loss.***

COMMODITY LOANS

Commodity loans, also referred to as Marketing Assistance 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.

HIGHLY ERODIBLE LAND 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 USDA Farm Service Agency 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.

Farm Storage Facility Loan Program

The Farm Storage Facility Loan (FSFL) program 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 required to provide a minimum 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. If a participant provides 20% or greater down payment, then the requirement for a severance agreement for loans under \$50,000 will be waived. New loan terms of 7, 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 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 not to exceed \$250,000.

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.

- The following commodities are eligible for farm storage facility loans:
Corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley or minor oilseeds harvested as whole grain
- Corn, grain sorghum, wheat, oats or barley harvested as other-than-whole grain
- Pulse crops - lentils, small chickpeas and dry peas
- Hay
- Renewable biomass
- Fruits (including nuts) and vegetables - cold storage facilities

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

CUSTOMER STATEMENT

January signals the beginning of a new year, and a time to starting thinking about filing taxes. Producers who have signed up for a USDA eAuthentication Level 2 account will be able to access their farm data via their Customer Statement.

The Customer Statement puts a range of USDA services and programs into a single report that's at your fingertips and available online, 24 hours a day, seven days a week. It allows USDA customers to view their participation, application and payment status in various commodity and conservation programs; information on farm loans; and conservation plan and land unit information.

FARMING OPERATION CHANGES

If you have bought or sold land, or if you have added or dropped rented land from your operation, make sure you report the changes to the office as soon as possible. You need to provide a copy of your deed or recorded land contract for purchased property.

Failure to maintain accurate records with FSA on all land you have an interest in can lead to possible program ineligibility and penalties. Making the record changes now will save you time in the spring. Update signature authorization when changes in the operation occur. Producers are reminded to contact the office of a change in operations on a farm so that records can be kept current and accurate.

LDPS FOR UNSHORN LAMB PELTS

Eligible producers have until Jan. 31, 2012, to apply for Loan Deficiency Payments (LDP) for unshorn pelts produced during the 2011 crop year.

Eligible producers must have beneficial interest in the pelts, owned the lamb for at least 30 calendar days before the date of slaughter and sell the unshorn lamb for immediate slaughter. Producers must also comply with wetland conservation and highly erodible land

conservation provisions on all lands they operate or in which they have an interest.

To qualify for payment, pelts must have been produced by an eligible producer from live unshorn lambs of domestic origin in the United States.

CONTROLLED SUBSTANCE

Any person who is convicted under federal or state law of a controlled substance violation could be ineligible for USDA payments or benefits. Violations include planting, harvesting or growing a prohibited plant. Prohibited plants include marijuana, opium, poppies and other drug producing plants.

POWER OF ATTORNEY

For those who find it difficult to visit the county office personally because of work schedules, distance, health, etc., FSA has a power of attorney form available that enables you to designate another person to conduct your business at the office. If you are interested, please contact our office or any Farm Service Agency office near you for more information.

BANK ACCOUNT CHANGES

Current policy mandates that FSA payments be electronically transferred into your bank account. In order for timely payments to be made, producers need to notify the FSA county office if your account has been changed or if another financial institution purchases your bank. Payments can be delayed if the FSA office is not aware of updates to your account and routing numbers.

APPEAL PROCESS

After an FSA official makes a decision on your request for USDA services or application, you will be sent a letter informing you of the decision and options you can pursue if you disagree. Generally, program participants have three choices — an informal review with the original agency decision-maker, an opportunity for mediation and finally an appeal to the next level of authority within the agency.

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
- Spouses shall not sign on behalf of each other on a CCC-931 Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information

Individual signatures are also required on certain Farm Loan Program and Farm Storage Facility Loan documents.

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.

Special Accommodations

Special accommodations will be made upon request for individuals with disabilities, vision impairment or hearing impairment. If accommodations are required, individuals should contact the county FSA office staff directly or by phone.

IRS Form 1099-G

Producers annually receive CCC-1099-Gs detailing payments producers have received from the Commodity Credit Corporation. The annual report of program payments on CCC-1099-Gs is a service intended to help our customers report taxable income. It is not intended to replace the producers' responsibilities to report income to IRS.

FSA staff cannot interpret IRS regulations or advise producers about which payments to report on their income tax returns. However, county office staff can review payments for accuracy.

Selected Interest Rates for January 2012 (Interest rates are subject to change)	
90-Day Treasury Bill	.125%
Farm Operating Loans — Direct	1.50%
Farm Ownership Loans — Direct	3.50%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency Loans	3.75%
Farm Storage Facility Loans (7 years)	1.375%
Sugar Storage Facility Loans	2.375%
Commodity Loans 1996-Present	1.125%

Colorado Farm Service Agency

State Committee

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James H Hume, Member

Paul A Mailander, Member

Armando Valdez, Member

William "Bill" W Warren, Member

Trudy Kareus, State Executive Director

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