



Colorado

State - Wide
March 2012

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Dates to Remember

March 15 - Deadline

Final NAP signup for multiple crops. Call your local office for list of crops.

April 2 – Deadline

Final date for Marketing Assistance Loan for crops as listed: Barley, Canola, Crambe, Flaxseed, Honey, Oats, Rapeseed, Wheat, Sesame Seed

April 6 – Deadline

Final date to sign-up for Conservation Reserve Program (CRP) see article in newsletter

May 31 – Deadline

Final date for Marketing Assistance Loan for crops as listed: Corn, Dry Peas, Grain Sorghum, Lentils, Mustard Seed, Rice, Safflower Seed, Chickpeas, Soybeans, Sunflower Seed

COUNTY COMMITTEE ADVISORS

FSA County Office Committee (COC) has just named individuals as COC Advisors. As the COC Advisor he or she will be a voice for under-represented groups and socially disadvantaged farmers and ranchers in the community. County committee members and their county executive directors, reach out to producer groups who are under-represented on county committees to find the right person to serve as Advisor. The advisors will join the COC's at their next meeting.

Advisors serve for a 12 month period not to exceed nine consecutive years. They attend each COC meeting, including executive sessions and they participate. One of their primary responsibilities is to increase awareness of and participation in FSA activities, including elections. They help develop interest and incentives for socially disadvantaged group members to consider FSA work as a career. Advisors also solicit candidates from socially disadvantaged groups for nomination during the election process.

CRP GENERAL SIGN-UP

The Conservation Reserve Program (CRP) is offering a general sign-up period from March 12, 2012 through April 6, 2012. CRP has successfully protected our natural resources while providing economic and environmental benefits to rural communities for the past 25 years.

Participants enrolled in CRP receive annual rental payments and cost-share assistance to establish long-term, resource conserving covers on environmentally sensitive land. Land that is not currently enrolled in CRP can be offered during signup if all eligibility requirements are met. Offers for CRP contracts will be ranked according to the Environmental Benefits Index (EBI). Each eligible offer is ranked in comparison to all other offers and then a selection is made.

Nationwide, there are currently about 30 million acres enrolled in CRP and an estimated 6.5 million acres will expire on Sept. 30, 2012.

For more CRP information, please contact your local FSA office.

NEW CONTINUOUS CRP INITIATIVE

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

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

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

LAND CONTRACT GUARANTEE PROGRAM

FSA recently unveiled a new Land Contract Guarantee Program designed to help beginning farmers and ranchers.

The Land Contract Guarantee Program provides a new approach for landowners willing to sell and finance a land purchase to a beginning or socially disadvantaged farmer. The national program offers two options: the prompt payment option guarantees up to three annual installment payments on the contract and the standard guarantee option guarantees 90% of the unpaid principal of the contract. Guarantees can be used in the purchase of land for up to \$500,000.

Please contact your local FSA office for more information about the Land Contract Guaranteed Program.

FARM LOAN PROGRAM RULE CHANGE

A recent change was made to the Agency's lending rules for all applicants. The change allows more flexibility in the *minimum experience* rule which must be met to become eligible for farm loan assistance. FSA loan officers are now allowed to consider prior farming experience, if experience was gained more than five years ago when supplemented by either on-the-job training or recent education. It is anticipated that this change will provide an opportunity for more family-sized farmers and ranchers to meet eligibility criteria for FSA Farm Operating and Ownership Loans.

For clarification or more information on this change, contact your local Farm Loan Manager.

MARKETING ASSISTANCE LOANS

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

Violating provisions of a marketing assistance loan may trigger administrative actions, such as assessing liquidated damages, calling the loan and denial of future farm-stored

loans. The most common violations are removing or disposing of a commodity being used as loan collateral without prior authorization and providing an incorrect quantity certification.

Final Availability Dates for Marketing Assistance Loans

- April 2 -Barley, Canola, Crambe, Flaxseed, Honey, Oats, Rapeseed, Wheat, Sesame Seed.
- May 31 Corn, Dry Peas, Grain Sorghum, Lentils, Mustard Seed, Rice, Safflower Seed, Chickpeas, Soybeans, Sunflower Seed .

SUPPLEMENTAL REVENUE ASSISTANCE PROGRAM (SURE)

The sign-up for 2010 losses runs through June 1, 2012.

The Supplemental Revenue Assistance Program (SURE) provides benefits for farm revenue losses due to natural disasters that occurred during the 2010 crop year. 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 percent or less than normal production of the farm.

2012 DCP/ACRE Sign-up

2012 Direct and Counter-Cyclical Program (DCP) enrollment started Jan. 23, 2012 and will end June 1, 2012. Here are some IMPORTANT REMINDERS:

- All producers with an interest in DCP base acres must be included on the DCP/ACRE contract and receive a proportionate share of DCP/ACRE payment for the farm.
- All producers receiving a share greater than zero on the DCP/ACRE contract must sign the contract no later than June 1, 2012.
- Changes on the farm after enrolling June 1st in DCP/ACRE must be reported to your local FSA office such as:

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

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

MILC PROGRAM REQUIREMENTS REMINDER

Dairy producers must meet program requirements in order to maintain eligibility in the event that prices drop and trigger a MILC payment.

To maintain program eligibility, MILC participants must notify their local FSA office of any operation changes, such as a change in producer, shares, address or bank routing number. In order for dairy producers to receive a MILC payment, they must meet adjusted gross income (AGI) requirements by completing, "CCC-931 - AGI Certification and Consent to Disclosure of Tax Information."

Dairy producers who want to enroll in MILC must fill out, "CCC-580 - Milk Income Loss Contract" and select a start-month for which the Commodity Credit Corporation (CCC) will begin issuing payments to the dairy operation. Current dairies that participate in MILC can make changes to their start-month with certain restrictions.

Any start-month changes must be made on or before the 14th of the month before the selected MILC production start-month. The change must also be made before requesting payment and before the original MILC production start-month has passed.

Changes to the dairy operation start-month must be designated on FSA's form, "CCC-580M - Milk Income Loss Contract (MILC) Modification."

For more information about the MILC program, please contact your local FSA office or visit the web at: www.fsa.usda.gov.

HONEY LOANS

Honey loans are a type of marketing assistance loan and they are available until April 2, 2012. The national loan rate for honey is \$0.69 per pound. Market prices

currently exceed the loan rate, so LDPs are not available at this time.

To be eligible for a loan, the producer must have produced honey in the United States during the calendar year for which the loan is requested, and extracted the honey on or before Dec. 31 of the applicable crop year; have continuous beneficial interest in the honey through date of repayment of the loan; and been responsible for the financial risk of keeping. Producers are responsible for maintaining the quality of farm-stored honey during the term of the loan.

The containers must be marked with the producer's name, type of honey, number of container and net weight. Pre-loan inspections are required before the loans can be disbursed.

Honey used as collateral may not be disposed of without approval of the county office staff.

ACTIVELY ENGAGED

USDA has amended the rules that govern the requirements to be 'actively engaged' in farming. These rules apply to eligibility for payments under the Direct and Counter-cyclical Program (DCP) or Average Crop Revenue Election (ACRE) program administered by FSA.

Normally the stockholder or a member of a legal entity must make contributions of active personal labor and/or active personal management for the farming operation. The contributions are to be performed on regular basis, must be identifiable, and separate from the contributions of others.

The exception to this rule for a stockholder or member of a legal entity only occurs when both of the following apply:

- At least half of the interest in the legal entity is held by stockholders or members who are providing active personal labor or active personal management; and
- The total direct payments received by the legal entity and each of the members can't exceed \$40,000.

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Important - AGI Reconciliation Process

FSA's "*Adjusted Gross Income (AGI) Reconciliation Process*" begins when FSA is notified that the IRS has not received a valid "*Consent to Disclosure of Tax Information*" form. There are two distinct reasons a producer is included on an FSA AGI Reconciliation Report:

1. IRS did not receive a consent form from the producer or
2. IRS rejected the consent form.

If IRS notifies FSA of one of the above situations, FSA's National Office directs the producer's Recording FSA County office to reconcile the report. The county office staff will then contact a producer and have them complete a CCC-931 "*Average Adjusted Gross Income (AGI) and Consent to Disclosure of Tax Information*". It is the responsibility of the FSA County Office to mail the completed CCC-931 consent form to IRS.

Failure to provide the required "*Consent to Disclosure of Tax Information*" forms may render a producer ineligible for FSA program benefits and require repayment of benefits received.

Producers who have already submitted CCC-931 for 2009, 2010 and 2011 require no further action.

REMEMBER HAY NET

Producers are encouraged to use Hay Net on the FSA website (<http://www.fsa.usda.gov/haynet>). This online service allows producers with hay and those who need hay to post ads so they can make connections. Hay Net is a popular site for farmers and ranchers who have an emergency need. Individual ads can be posted free of charge by producers who complete a simple online registration form the first time they use the site.

HISPANIC AND WOMEN FARMERS

A process to resolve the claims of Hispanic and women farmers and ranchers who believe they were discriminated against when seeking USDA farm loans has been established.

If you believe that the United States Department of Agriculture (USDA) improperly denied farm loan

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benefits to you between 1981 and 2000 because you are Hispanic, or because you are female, you may be eligible to apply for compensation.

For additional information on this and other settlement issues contact:

Hispanic and Women Farmer Claims Process:
www.farmerclaims.gov or call 1-888-508-4429

Pigford – The Black Farmers Discrimination Litigation:
www.blackfarmercase.com or call 1-866-950-5547

Keepseagle - The Native American Farmers Class Action Settlement: www.IndianFarmClass.com or call 1-888-233-5506

Readers are advised that dates for FSA programs in Colorado are often county-specific. Please contact your local FSA office for detailed information pertaining to your operation.

Selected Interest Rates for February 2012 (Interest rates are subject to change)	
90-Day Treasury Bill	.125%
Farm Operating Loans — Direct	1.375%
Farm Ownership Loans — Direct	3.375%
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	2.50%
Commodity Loans 1996-Present	1.125%

Colorado Farm Service Agency

State Committee

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Trudy Kareus, State Executive Director

