



Colorado

State - Wide
April 2012

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State Executive Director

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Dates to Remember

April 13 – Deadline

Last day to enroll land into the Conservation Reserve Program

May 31 – Deadline

Final availability Date for Marketing Assistance
Loans for: corn, dry peas, grain sorghum, lentils, mustard seed, safflower seed, chickpeas, soybeans, sunflower seeds

June 1 - Deadlines

SURE Sign-up
DCP/ACRE Sign-up
Reporting Farm Record Changes

Readers are advised to contact your local FSA office for detailed information pertaining to your operation.

CRP Signup Ends April 13, 2012

Farmers and ranchers have until April 13, 2012 to enroll eligible land into the Conservation Reserve Program (CRP) during the general sign-up period, which opened March 12th.

Contracts awarded under this sign-up are scheduled to become effective Oct. 1, 2012. Additionally, current CRP participants with contracts expiring this fall may make new contract offers.

FSA will evaluate and rank eligible CRP offers using an Environmental Benefits Index (EBI) that shows the wildlife, water, soil, and air benefits of enrolling the land in CRP. Decisions on the EBI cutoff will be made after the sign-up ends and after analyzing the EBI data of all the offers.

For more information on this and other programs contact the local FSA office in a USDA Service Center near you.

Equine Operations Now Eligible for Emergency Loans

Equine operations whose primary enterprise is to breed, raise and sell horses are now eligible for loan assistance under FSA's emergency loan program. Emergency loans are part of the farm safety net that will assist eligible producers who suffer losses due to drought, flooding, quarantine or other natural disasters.

Emergency loan funds may be used to:

- Restore or replace essential property;
- Pay all or part of production costs associated with the disaster year (the calendar year in which the disaster occurred);
- Pay essential family living expenses;
- Reorganize the farming operation; and
- Refinance certain debts.

Emergency loans can be made to farmers and ranchers who own and operate land in a county or contiguous county declared by the President or designated by the Secretary of Agriculture as a disaster area. Producers can borrow up to 100 percent of actual production or physical losses up to a maximum of \$500,000. Terms of the loans include an interest rate of 3.75 percent and repayment over a period of one to 40 years depending on the nature of the loss and the collateral available to secure the loan.

Farm Record Changes

June 1, 2012 is the deadline to provide changes to your farm records at the local FSA office for the 2012 crop year. If you are changing your operation entity type, adding or dropping cropland or farms, or adding entities to your operation, contact the FSA county office by June 1.

Acreage Certification

Time is nearing for producers to certify their 2012 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.

Please Note that 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.

Acreage reports are required for many Farm Service Agency programs. For crops enrolled in programs other than NAP (Noninsured Crop Disaster Assistance Program), acreage reports are to be certified by the July 15, 2012 deadline for all crops except for Apiculture, fall Barley, Perennial Forage, Pasture Rainfall Forage, Fall Wheat and other Fall seeded small grains. The reporting deadline for these crops is November 15, 2012.

NOTE: 2013 will bring about many changes in acreage reporting deadlines: 11/15/12 – for Apiculture, PRF; 1/15/13 – for Apples, Forage Production, Grapes, Peaches, Wheat; 6/15/13 – for Barley, Oats, Onions, Sugar Beets; 7/15/13 for all other crops, or 15 calendar days before the onset of harvest or grazing of the specific crop acreage being reported.

Adjusted Gross Income

USDA and the Internal Revenue Service have established an electronic information exchange process for verifying compliance with the adjusted gross income (AGI) provisions for farm programs. Written consent is required from each producer or payment recipient for the tax review process. No actual tax data will be included in the report that IRS sends to FSA.

This ensures that payments are not issued to producers whose AGI exceeds certain limits. The limits set in the 2008 Farm Bill are \$500,000 nonfarm average AGI for commodity and disaster programs; \$750,000 farm average AGI for direct payments; and \$1 million nonfarm average AGI for conservation programs.

Participants in CCC programs subject to average AGI rules must submit form CCC-931- “Average Adjusted Gross Income (AGI) Certification and Consent to

Disclosure of Tax Information” to the Internal Revenue Service by June 15 to avoid interruption of program benefits. These forms may be obtained from local FSA and NRCS offices or online at: <http://forms.sc.egov.usda.gov/efcommon/eFileService/eForms/CCC931.PDF>.

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.

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 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.

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.

Direct and Guaranteed Loans

The Farm Service Agency is committed to providing family farmers with loans to meet their farm credit needs. If you are having trouble getting the credit you need for your farm, or regularly borrow from FSA, direct and guaranteed loans are currently available. Ask your lender about an FSA loan guarantee if you've had a setback and your lender is reluctant to extend or renew your loan.

Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of up to \$300,000. Guaranteed loans have a maximum limit of \$1,214,000.

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.

To find out more about FSA loan programs, contact the county office staff.

Beginning and Limited Resource Loans

FSA has a program to assist beginning farmers and 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.

Each member of an entity must meet the eligibility requirements. Loan approval is not guaranteed.

Additional program information, loan applications, and other materials are available at the local USDA Service Center or visit www.fsa.usda.gov and www.nrcs.usda.gov.

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's advisor,

produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5,000.

Youth Loan Eligibility Requirements:

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

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

Farm Safety

Flowing grain in a storage bin or gravity-flow wagon is like quicksand, it can kill quickly. It takes less than five seconds for a person caught in flowing grain to be trapped.

The mechanical aspects of grain handling equipment, also presents a real danger. Augers, power take offs, and other moving parts can grab people or clothing.

These hazards, along with pinch points and missing shields, are dangerous enough for adults, not to mention children. It is always advisable to keep children a safe distance from operating farm equipment. Always use extra caution when backing or maneuvering farm machinery. Ensure everyone is visibly clear and accounted for before machinery is engaged.

FSA wants all farmers to have a productive crop year, and that begins with putting safety first.

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 mail.

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

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 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

Colorado Farm Service Agency

State Committee

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Paul A Mailander, Member

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William "Bill" W Warren, Member

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Selected Interest Rates for February 2012 (Interest rates are subject to change)	
90-Day Treasury Bill	.125%
Farm Operating Loans — Direct	1.25%
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	2.375%
Commodity Loans 1996-Present	1.125%