



## Colorado

State – Wide  
January 2013

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### Dates to Remember

February 1, 2013 – NAP  
Sales Closing Date for  
Onions, Scallions and  
Shallots

March 15, 2013 – NAP  
Sales Closing Date for  
Spring Seeded and Annual  
Forage Crops

### State Committee

**Chairperson**

Marsha R Daughenbaugh

**Members**

James H Hume  
Paul A Mailander  
Armando Valdez  
William "Bill" W Warren,

### COUNTY COMMITTEE ELECTION RESULTS

Congratulations to all the elected and reelected producers to the county committee (COC). County committees represent farmers throughout Colorado. County committee members provide a link between the agricultural community and USDA. Farmers and ranchers elected to county committees help delivery 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 programs.

FSA appreciates all of the voters for taking the time to complete the election ballot. The county committee system works only because of your participation.

The committee members will hold their organizational meeting in January to determine who will serve as the county committee chairman and vice-chairman.

To find out who was elected as your county committee member, contact your local FSA Service Center.

### USDA DESIGNATED 30 COUNTIES IN COLORADO AS PRIMARY NATURAL DISASTER

#### AREAS

Agriculture Secretary Tom Vilsack announces that 43 counties in Colorado were declared a disaster on January 9, 2013, due to drought and heat using the new, streamlined Secretarial Disaster Designation process. Under this designation, producers with operations in any of the 30 primary disaster counties or 13 contiguous disaster counties in Colorado are eligible to apply for the low interest emergency loans.

The streamlined disaster designation process issues a drought disaster declaration when a county has experienced a drought intensity value of at least a D2 (severe drought) level for eight consecutive weeks based on the U.S. Drought Monitor during the crop year.

The following 30 counties were designated as primary disaster counties:

|          |            |            |         |            |
|----------|------------|------------|---------|------------|
| Adams    | Arapahoe   | Baca       | Bent    | Chaffee    |
| Cheyenne | Crowley    | Custer     | Douglas | Elbert     |
| El Paso  | Fremont    | Huerfano   | Kiowa   | Kit Carson |
| Lake     | Las Animas | Lincoln    | Logan   | Morgan     |
| Otero    | Park       | Phillips   | Prowers | Pueblo     |
| Sedgwick | Teller     | Washington | Weld    | Yuma       |

The following 13 counties were designated as contiguous disaster counties:

|         |          |            |             |          |
|---------|----------|------------|-------------|----------|
| Alamosa | Boulder  | Broomfield | Clear Creek | Costilla |
| Denver  | Eagle    | Gunnison   | Jefferson   | Larimer  |
| Pitkin  | Saguache | Summit     |             |          |

**USDA DESIGNATED 30 COUNTIES IN COLORADO AS PRIMARY NATURAL DISASTER AREAS (CONTINUE)**

Emergency loans help producers recover from production and physical losses due to drought, flooding and other natural disasters or quarantine.

Producers have eight months from the date of the declaration to apply for emergency loan assistance. FSA will consider each loan application on its own merits, taking into account the extent of losses, security available and repayment ability. Producers can borrow up to 100 percent of actual production or physical losses, to a maximum amount of \$500,000. The current emergency loan interest rate is 2.25 percent.

Producers with operations in counties that did not receive a disaster designation could be eligible for emergency loans assistance if they suffered at least a 30 percent loss in crop production or a physical loss to livestock products, real estate or chattel property.

For more information about emergency loans, please contact your local FSA office or visit [www.fsa.usda.gov](http://www.fsa.usda.gov).

**2011 SUPPLEMENTAL REVENUE ASSISTANCE PROGRAM APPLICATIONS**

The Farm Service Agency (FSA) will continue to accept SURE applications for 2011 crop losses through June 7, 2013. Under the 2008 Farm Bill, SURE authorizes assistance to farmers and ranchers who suffered crop losses caused by natural disasters occurring through Sept. 30, 2011.

During 2011, 49 Colorado counties received a Secretarial Disaster Designation, whether primary or contiguous, and producers are eligible to apply for SURE benefits if they experienced at least a 10 percent production loss that affects one crop of economic significance.

To meet program eligibility requirements, producers must have obtained a policy or plan of insurance through the Federal Crop Insurance Corporation or obtained Noninsured Crop Disaster Assistance Program (NAP) coverage for all economically significant crops. Eligible farmers and ranchers who meet the definition of a socially disadvantaged, limited resource or beginning farmer or rancher do not have to meet this requirement. Forage crops intended for grazing are not eligible for SURE benefits.

For more information on SURE program eligibility requirements contact your local FSA office or visit the website at <http://www.fsa.usda.gov/sure>

**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 the date the loss became apparent.

The following crops have a NAP application closing date of February 1, 2013: onions, scallions, shallots.

The following crops have a NAP application closing date of March 15, 2013: amaranth, artichokes, beans, beets, broccoli, Brussels sprouts, buckwheat, cabbage, melons, cantaloupe, carrots, cauliflower, celery, corn, cucumbers, eggplant, flax seed, flowers, gourds, grain sorghum, turnips, watermelon, sugar beets, sunflower, potatoes, tomatillos, tomatoes, greens, herbs, honeydew, kochia, kohlrabi, leeks, lentils, lettuce, millet, oats, okra, peas, peppers, potatoes, pumpkins, quinoa, radishes, rapeseed, rutabaga, safflower, forage sorghum, soybeans, squash, strawberries.

### **LDPs FOR UNSHORN LAMB PELTS**

Eligible producers have until Jan. 31, 2013, to apply for Loan Deficiency Payments (LDP) for unshorn pelts produced during the 2012 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 have interest in.

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

### **MARKETING ASSISTANCE LOANS (MAL)**

Short-term financing is available by obtaining low interest commodity loans for eligible harvested production. A nine-month Marketing Assistance Loan provides financing that allows producers to store production for later marketing. The crop may be stored on the farm or in the warehouse.

Loans are available for producers who share in the risk of producing the eligible commodity and maintain beneficial interest in the crop through the duration of the loan. Beneficial interest means retaining the ability to make decisions about the commodity, responsibility for loss because of damage to the commodity and title to the commodity. Once beneficial interest in a commodity is lost, it is ineligible for a loan, even if you regain beneficial interest.

Final Availability Dates for Marketing Assistance Loans & Loan Deficiency Payments

- January 31-Mohair, Peanuts, Unshorn Pelts, Wool
  - March 31-Honey, Oats, Wheat
  - May 31-Corn, Cotton, Grain Sorghum, Rice, Soybeans
- Note - \*Unshorn pelts are not eligible for MALs

### **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. Additional security is required for poured-cement open-bunker silos, renewable biomass facilities, cold storage facilities, hay barns and for all loans exceeding \$100,000. 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.

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, dry beans and dry peas
- Hay
- Renewable biomass
- Fruits (including nuts) and vegetables - cold storage facilities
- Honey

For more information about FSFL please visit your FSA county office or [www.fsa.usda.gov](http://www.fsa.usda.gov).

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### **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 within 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.

#### **Farming Operation Changes**

Producers who have bought or sold land, or added or dropped rented land from their operation must report those changes to the FSA office as soon as possible. A copy of the deed or recorded land contract for purchase property is needed to maintain accurate records with FSA. Failure to do so can lead to possible program ineligibility and penalties. While making record updates, be sure to update signature authorizations. Making record changes now will save time in the spring.

### **HIGHLY ERODIBLE LAND AND WETLAND 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 is required. Farmers with HEL determined soils must apply tillage, crop residue, and rotation requirements as specified in their conservation plan.

Producers should notify FSA prior to conducting land clearing or drainage projects to insure compliance. If you intend to clear any trees to create new cropland, these areas will need to be reviewed to ensure any work will not jeopardize your eligibility for benefits.

Landowners and operators can complete form AD-1026 Highly Erodible Land Conservation (HEL) and Wetland Conservation (WC) Certification to determine whether a referral to Natural Resources Conservation Service (NRCS) is necessary.

For more information on Highly Erodible Land and Wetland Conservation provisions, contact your local FSA Office or visit the FSA website at [www.fsa.usda.gov/](http://www.fsa.usda.gov/).

#### **Controlled Substance.**

Any person 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.

### **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.

### **POWER OF ATTORNEY**

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

### **BANK ACCOUNT CHANGES**

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

### **APPEAL PROCESS**

After an FSA official makes a decision on a request for USDA services or application, the producer will be sent a letter informing him/her of the decision and options that can be pursued.

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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. For additional clarification on proper signatures contact your local FSA office.

### **IRS 1099 CHANGES**

In past years, IRS Form 1099-G was issued to show all program payments received from the Farm Service Agency, regardless of the amount. For calendar year 2012, the 1099-G reporting will change.

IRS Form 1099-G (Report of Payments to Producers) will only be issued to producers whose reportable payments total \$600 or more for the calendar year. Additionally, if the producer has at least \$600 in reportable payments received from multiple FSA offices, only one Form 1099-G will be issued. Producers subject to voluntary withholding or backup (involuntary) withholding will receive the appropriate IRS form, even if combined payments are less than \$600.

The same changes will apply to producers and vendors who normally receive IRS Form 1099-MISC from FSA.

Any producer who receives less than \$600 in combined payments should consult a tax advisor to determine if these payments must be reported on their tax return.

For more information regarding IRS reporting changes, please contact your local County FSA office or visit the website at <http://www.fsa.usda.gov>.

### **OVER THE COUNTY CHANNEL (OTCNET)**

FSA/CCC is moving toward OTCnet, an electronic method for processing customer check payments. When a check is submitted for payment either in person or through the mail, the check will be converted into an Electronic Funds Transfer (EFT). The funds will be debited from the producer's account, usually within 24 hours of receipt. Please see the U.S. Department of Treasury legal notices posted in the Service Center or visit the following U.S. Department of Treasury Internet site for detailed information. <http://fms.treas.gov/otcnet/legal.html>

#### **What is OTCnet?**

OTCnet is a Web-based online application process for converting paper checks presented to FSA into electronic debits to the producer's bank account. It benefits customers by reducing lost/misplaced checks and the potential for human error. It also speeds the check clearing process while reducing paper handling.

#### **How will my check be handled?**

The check will be scanned into the system and voided. The customer will not receive the check back from FSA. FSA will hold checks for up to 14 calendar days to ensure that the item was successfully processed and then FSA will shred the check.

#### **How quickly will funds be transferred from my account?**

The transfer of funds from your account could occur within 24 hours. Therefore, you should be sure that you have sufficient funds in your account to process the transaction. If you do not have sufficient funds, we may initiate the transaction again.

#### **How will this transaction appear on my account statement?**

The transfer of funds will be reflected on our account statement. The transaction may be recorded in a different place on your statement than where your checks normally appear, such as under "other withdrawals" or "other transactions".

#### **What are my rights if there is a problem with the transactions?**

You have protections under Federal law for an unauthorized electronic fund transfer from your account. You should contact your financial institution immediately if you believe that the transaction reported on your account statement was not properly authorized or is otherwise incorrect.

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**COLORADO STATE UNIVERSITY DROUGHT SURVEY**

As you are well aware, Colorado is experiencing a significant drought. It is known that many producers are severely affected; however, the full impact of the drought on Colorado agriculture is unknown. To better understand these impacts, Colorado State University is conducting a survey called “Telling the Story – Drought in Colorado.” The goal is to summarize survey results in a written document as well as in presentations to the public. This effort is intended to tell the story of the drought and help farmers and ranchers prepare for the future. The link to the survey is

<http://tinyurl.com/CSU-drought>

Your participation in this research is voluntary and there are no known risks associated with completing this Internet survey. CSU is taking careful measures to protect your privacy. Your response is anonymous. Individual responses cannot and will not be tracked. Average Responses will be published as findings; individual responses will not be singled out.

**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<br>January 2013<br>(Interest rates are subject to change) |         |
|---|---------|
| 90-Day Treasury Bill  | .125%   |
| Farm Operating Loans — Direct   | 1.25%   |
| Farm Ownership Loans — Direct   | 3.125%  |
| Farm Ownership Loans — Direct Down<br>Payment, Beginning Farmer or Rancher            | 1.50%   |
| Emergency Loans   | 2.25%   |
| Farm Storage Facility Loans (7 years)   | 1.125%  |
| Sugar Storage Facility Loans  | 2.1250% |
| Commodity Loans 1996-Present  | 1.125%  |

**USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay).**