



February 2012

From the Desk of the State Director

Maine State FSA Office

Donovan E. Todd
State Executive Director

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Monday - Friday
8:00 a.m. - 4:30 p.m.

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Ken Gustin,
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Maine State Committee

Annie Allen, Chair
Anthony Carroll
Jackie Lundeen
Sandra Nutting
Ralph Turner

On February 1, 2012, Maine FSA held its public meeting for the proposed office consolidation/closure of our Warren Office (Knox/Lincoln Counties). All of the comments received both at the meeting and by mail have been consolidated and forwarded to the Secretary of Agriculture. I anticipate that the Secretary will review all of the comments collected nationwide from the 131 public meetings that were held and make a decision as to which offices will be closed. This action has been carried out in accordance with the 2008 farm bill. All of us here at FSA from the Secretary to our local Program Technicians have done our best to follow procedure to the letter of the law to assure we are abiding by the intent of Congress.



Understandably, those in attendance were upset that they may lose their local county office. They were all very gracious and thanked the former FSA employees who had served that office for many years. I want to thank those who attended and shared their concerns with us, their heartfelt words meant so much to us as an agency.

Due to the severe budget reductions over the past couple of years, I remain proud of the fact that FSA employees in the state have continued their focus on how we can best continue to serve the public under such difficult circumstances. I am hoping that through all the reductions in personnel nationwide and here in the State of Maine (we have lost 12 positions over the past twelve months) plus the possibility of losing 131 offices, that the savings, associated with those reductions, will help us stabilize our 2013 budget.

This newsletter itself is a reflection of our challenges and I trust that all the changes that we are forced to do, may somehow in the end make us stronger and allow us to serve you perhaps in better ways than before.

If you have any comments about the letter or things you would like to see us add to future newsletters please contact Mary Anne Coffin at: maryanne.coffin@me.usda.gov or feel free to contact me at don.todd@me.usda.gov.

Until next month, enjoy the newsletter and please stop in and visit your local office or us here in the State Office at any time.

DCP/ACRE Sign-up

2012 Direct and Counter-Cyclical Program (DCP) enrollment runs from Jan. 23, 2012 through June 1, 2012. Here are some IMPORTANT REMINDERS:

All producers planting on **DCP base** acres must be identified on the DCP/ACRE contract and receive a proportionate share of DCP/ACRE payment for the farm.

Changes on the farm after enrolling June 1st in DCP/ACRE **must** be reported to your local FSA office such as:

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

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

Supplemental Revenue Assistance Program (SURE)

The sign-up for 2010 SURE losses continue through **June 1, 2012**. The Supplemental Revenue Assistance Program (SURE) provides benefits for farm revenue losses due to natural disasters that incurred in the 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; and

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.

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: 1) 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 2) The total direct payments received by the legal entity and each of the members can't exceed \$40,000.

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

USDA Announces CRP General Sign-up

The Farm Service Agency (FSA) State Executive Director, Donovan E. Todd, III, announced that the U.S. Department of Agriculture (USDA) will conduct a four-week Conservation Reserve Program (CRP) general signup. This CRP signup will begin on March 12, 2012 and end on April 6, 2012. CRP has a 25-year legacy of successfully protecting the nation's natural resources, while providing significant economic and environmental benefits to rural communities across the United States.

CRP is a voluntary program available to agricultural producers to help them use environmentally sensitive land for conservation benefits. Producers enrolled in CRP plant long-term, resource-conserving covers to improve the quality of water, control soil erosion and develop wildlife habitat. In return, USDA provides participants with rental payments and cost-share assistance. Contract duration is between 10 and 15 years. Producers with expiring contracts and producers with environmentally sensitive land are encouraged to evaluate their options under CRP. Producers also are encouraged to look into CRP's other enrollment opportunities offered on a continuous, non-competitive, signup basis.

Offers for CRP contracts are ranked according to the Environmental Benefits Index (EBI). USDA's Farm Service Agency (FSA) collects data for each of the EBI factors based on the relative environmental benefits for the land offered. Each eligible offer is ranked in comparison to all other offers and selections made from that ranking. FSA uses the following EBI factors to assess the environmental benefits for the land offered:

- Wildlife habitat benefits resulting from covers on contract acreage;
- Water quality benefits from reduced erosion, runoff and leaching;
- On-farm benefits from reduced erosion;
- Benefits that will likely endure beyond the contract period;
- Air quality benefits from reduced wind erosion; and
- Cost.

For more information on CRP and other FSA programs, visit a local FSA service center or go online at www.fsa.usda.gov.

Farm Loan Programs

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. This makes the maximum combination of direct and guaranteed loan indebtedness \$1,514,000.

The one-time loan origination fee charged on FSA guaranteed farm ownership and operating loans has increased from 1 percent to 1.5 percent of the guaranteed portion of the loan, for loans obligated after October 1, 2011.

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 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.

Land Contract (LC) Guarantee Program

The Farm Service Agency (FSA) makes loans through the Land Contract (LC) Guarantee Program. The LC Guaranteed Loans will be offered to the owner of a farm who wishes to sell real estate through a land contract to a beginning farmer or a farmer who is a member of a socially disadvantaged group.

A land contract is an installment contract between a buyer and a seller for the sale of real property, in which complete ownership of the property is not transferred until all payments under the contract have been made.

Guarantees can be used for financing the purchase of a farm with a purchase price up to \$500,000 on a new land contract. FSA offers two types of guarantees under this program.

Prompt Payment Guarantee: A guarantee of up to the amount of three amortized annual installments plus the cost of any related real estate taxes and insurance; or

Standard Guarantee: A guarantee of 90 percent of the outstanding principal balance under the land contract.

Beginning and Limited Resource

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 % of the county's median size.

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

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.*

Dates to Remember

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Mar 15	NAP Signup Deadline for all spring seeded crops
Jan. 23	2012 DCP Enrollment begins
April 6	Sign-up ends for CRP
June 1	Sign-up ends for SURE

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 a group.

FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

Spousal Signatures

Husbands and wives may sign documents on behalf of each other for FSA and Commodity Credit Corporation programs in which either has an interest. This option is automatically available unless a written request for exclusion is made to the county office staff by either spouse.

There are exceptions to the rule, where spouses may not sign on behalf of each other for partnerships, joint ventures, corporations or other similar entities.

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

For more clarification on spousal signature authority, feel free to contact your local FSA office.

Disposal of Loan 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.

1099-G

Producers who have received payments from FSA should have received a CCC-1099-G. A CCC-1099-G is a report to the Internal Revenue Service about FSA payments made to producers during the previous calendar year. The CCC-1099-G is a service to help participating producers report taxable income. It is not intended to replace the program participant's responsibility to report income to the IRS.

When the CCC-1099-G is received, it should be checked with your records to see that the amounts are correct. Refunds will no longer be reported on the 1099-G, but will be available online from the FSA Financial Inquiries (FSA-FI) web-based database. Program participants with an eAuthentication user ID and password may access their refund information at FSA-FI and select "Inquiry Type 1099/Refund Reports". Refund amounts are displayed on the Producer's Year-to-Date Activity web page.

Selected Interest Rates for February 2012

90-Day Treasury Bill	0.125
Farm Operating - Direct	1.375
Farm Ownership - Direct	3.375
Limited Resource	5.0
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.5
Emergency	3.75
Farm Storage Facility—7 Year	1.375
Farm Storage Facility—10 Year	2.0
Farm Storage Facility—12 Year	2.250
9 Month Commodity Loan	1.125

2012 State Committee Members

Annie Allen, Chair

Anthony Carroll, Vice-Chairman

Jacqueline Lundeen, Member

Sandra Nutting, Member

Ralph Turner, Member

2012 County Committee Members

Androscoggin-Sagadahoc Aroostook

Dwight Buckley

William Bullard

Cathy Karonis

Virginia Roseberry

Adam Trundy

Joey Bouchard

James Lilley

Sue McCrum

Scott Moir

Cumberland-York

Tim Bartlett

Jennifer Grant

Edward LeBlanc

John Snell, Jr.

Dave Tuttle

Franklin

Randall Hall

Teresa Hardy

Rupert Pratt

L. Hebert York

Kennebec

Neal Caverly

Berndt Graf

Jeremiah Smith

Bridget Wright

Knox-Lincoln

Donald Burke

Robert E. Clark

Linda Dean

Joanne Myers

Julie Russell

Oxford

Carole Robbins

Laurie Weston

Peter Young

Penobscot-Hancock

Seth Bradstreet, III

Ruth Allen Gray

Terry Hicks

Barry Higgins, Jr.

Shannon Lion

Piscataquis

Owen Brown

Olive Buck

Blake Smith

Somerset

Richard Calder

Andrew Sevey

Luke Sites

Ann Wishart-Strout

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Janet Aitken

Jeff Keene

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