



# NEWSLETTER



August 2011

## Virginia State FSA Office

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Director

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**Hours**  
Monday - Friday  
7:30 a.m. - 4:30 p.m.

### State Staff

Pete Adamson, Chief  
Farm Loans

Nelson Link, Chief  
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Connie Washburn-Marsh,  
Chief Administration

Linda Cronin, Outreach &  
External Affairs Coordinator

**Virginia FSA Internet**  
More Information about  
Virginia FSA programs,  
activities and news can be  
found on the VA FSA  
Internet at  
<http://www.fsa.usda.gov/va>

## Disaster Assistance

The Farm Service Agency would like to remind crop and livestock producers throughout states that have recently experienced severe damage from flooding, wildfires and tornadoes that FSA programs are available to assist with recovery.

FSA administers several important programs that help producers recover from disaster damage and livestock deaths. Among the key programs available to address impacts from disasters are the Emergency Conservation Program (ECP), the Livestock Indemnity Program (LIP), Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP), the Noninsured Disaster Assistance Program (NAP) and the Supplemental Revenue Assistance Payments (SURE) Program.

Fact sheets for all of these programs can be found at [www.fsa.usda.gov](http://www.fsa.usda.gov); click on Newsroom, then Fact Sheets.

We encourage all who have suffered a disaster due to the recent severe weather conditions to read the fact sheets and visit their local FSA county office so they get a quick start in the recovery process.

## 2010 ACRE Certification Deadline Extended

The deadline for a 2010 production certification to comply with the ACRE provisions for production reports has been extended to COB September 1, 2011. Because of this extension, using a register on September 1, 2011, is **not** authorized.

The extension is for completing both the farm benchmark yield (2005 through 2009) and the actual farm yield (2010).

For more details contact the local FSA office.

## 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.

## FSA Farm Loans

FSA 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 can reach a maximum indebtedness of \$1,119,000.

FSA employees will help you complete the necessary application and other forms, and help you understand what information is required,

where to find it or who to contact to get it. To find out more about FSA loan programs, contact the county office staff.

## **Rural Youth Loans**

FSA 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 \$5000.

### **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

- 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. The FSA staff can help you with questions you may have about a particular program.

## **Beginning and Limited Resource Farmers**

FSA assists beginning farmers and or 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 your local USDA Service Center. You may also visit [www.fsa.usda.gov](http://www.fsa.usda.gov)

## **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 the group without regard to his or her individual qualities.

For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans, and Pacific Islanders.

If producers or their spouses believe they would qualify as socially disadvantaged, they should contact their local FSA office for details. FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

## **Marketing Assistance Loans**

Marketing Assistance Loans for crop years 2009 through 2012 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. Beneficial interest means retaining the ability to make decisions about the commodity; responsibility for loss or damage to the commodity; and title to the commodity. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan even if you regain beneficial interest.

Commodity loan eligibility also requires you comply with conservation and wetland protection requirements; beneficial interest requirements, report how you use cropland acreage on the farm and ensure that the commodity meets Commodity Credit Corporation (CCC) minimum grade and quality standards. For commodities to be eligible they must have been produced by an eligible producer, be in existence and in a storable condition and be merchantable for food, feed or other uses as determined by CCC. The quality of the commodity in farm storage must be maintained throughout the term of the loan.

Producers do not have to participate in the Direct and Counter-Cyclical Program to be eligible for commodity loans.

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

## **Livestock Indemnity Program**

The Livestock Indemnity Program (LIP) is an ongoing livestock disaster program aimed at producers who have lost livestock due to an adverse weather condition through September 30, 2011. A producer has until 30 days after the disaster event occurred or loss of the livestock is apparent to file a Notice of Loss with the County Office. A Notice of Loss may be accepted either by telephone, fax, e-mail, or in person. To be eligible for LIP, a livestock producer must have owned the eligible livestock on the day the livestock died and the livestock must have been maintained for commercial use as part of a farming operation.

Applicants must provide adequate proof that the eligible livestock deaths occurred as a direct result of an eligible adverse weather event for which benefits are being requested. The quantity and kind of livestock that died as a direct result of the eligible disaster event may be documented by: purchase records, veterinarian records, bank or other loan documents, rendering truck receipts or certificates, Federal Emergency Management Agency records, National Guard records, written contracts, production

records, records assembled for tax purposes, property tax records, private insurance documents, and similar documents.

## **PRF Sales Deadline Approaches**

**September 30** is sales closing deadline for the Pasture, Rangeland, and Forage Program (PRF) offered through private insurance agents. This program offers insurance on hay and pastureland in all Virginia Counties.

PRF is an area risk policy covering livestock grazing and forage land based on a Rainfall Index. The Rainfall Index, using National Oceanic Atmospheric Administration (NOAA) Climate Prediction Center data, bases insurance indemnities on the deviation from normal precipitation within the area for a specific time period selected by the producer.

For additional information, contact your local crop insurance agent.

## **Producers Must Report AGI to IRS**

Producers are reminded they must submit an Adjusted Gross Income (AGI) verification consent form (CCC-927 or CCC-928) to the IRS as soon as possible in order to maintain eligibility for 2009 and 2010 program benefits.

The consent form authorizes IRS to verify whether a payment recipient's AGI meets the eligibility requirements for FSA programs.

Producers who fail to file these forms before Sept. 2011 will receive a notice from the National Office stating that the producer is ineligible for 2009 and/or 2010 payments.

IRS requires written consent from all individuals or legal entities before verification of the average AGI can be provided to USDA. Individuals must submit form CCC-927 and legal entities must submit form CCC-928. Without these forms on file, eligible producers will not receive USDA program payments.

## **2010 ACRE Certification Deadline Extended**

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## **Actively Engaged**

FSA wants to remind producers about 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 if 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, both directly and indirectly, by the legal entity and each of the members can't exceed \$40,000.

## **Electronic Services Available**

If a producer has Internet access, program participants can access many services from home 24 hours a day, seven days a week, and receive approval and payment by direct deposit within 48 hours.

To participate in these services, you must meet all program eligibility requirements. Online services have stringent security

measures to protect your private information.

To utilize electronic services a producer needs an active USDA eAuthentication Level 2 account, which requires an e-mail address and filling out an online registration form at <http://www.eauth.egov.usda.gov/> followed by a visit to the county office for identity verification.

If you have more questions, or would like assistance establishing your account, just contact your local USDA Service Center and talk with our trained FSA personnel.

## Wetland Compliance

Producers renting or purchasing land that may have a converted wetland status need to check with the county office to learn if there are restrictions.

Farm Bill regulations provide that, unless exempt, persons are ineligible for benefits under certain programs administered by USDA if they:

- plant an agricultural commodity on wetland that was converted after December 23, 1985
- convert a wetland after November 28, 1990

FSA may not approve any loan or loan guarantee to drain, dredge, fill, level or otherwise manipulate a wetland, or to engage in

any activity that results in impairing or reducing the flow, circulation or reach of water except in the case of activity related to the maintenance of previously converted wetlands.

The following provides permitted uses and restrictions of certain wetlands for compliance with Wetland compliance provisions:

- wetlands can be farmed under natural conditions, but not converted
- wetlands converted before November 28, 1990, cannot be planted to an agricultural commodity and retain eligibility for benefits
- wetlands converted after Nov. 28, 1990, must either be restored to wetland status or mitigated to regain eligibility for program benefits.
- wetlands that can be farmed under natural conditions cannot be manipulated in any way, unless the Natural Resources Conservation Service determines the work would have a minimal effect on the wetland values
- wetlands converted before December 23, 1985, can be farmed and maintained

Additional information about wetlands is available at the USDA Service Center.

## 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, please visit:**  
[www.farmerclaims.gov](http://www.farmerclaims.gov) or call 1-888-508-4429
- **Pigford – The Black Farmers Discrimination Litigation, please visit:**  
[www.blackfarmcase.com](http://www.blackfarmcase.com) or call 1-866-950-5547
- **Keepseagle - The Native American Farmers Class Action Settlement please visit:**  
[www.IndianFarmClass.com](http://www.IndianFarmClass.com) or call 1-888-233-5506

## 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 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.

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](http://www.fsa.usda.gov).*

## **CREP Helps Livestock Beat the Heat**

As temperatures remain extraordinarily high and drought conditions worsen through late summer, producers look for ways to provide relief for suffering livestock. Water sources can quickly become scarce and pasture conditions

may deteriorate if weather conditions perpetuate.

Providing a safe, clean and reliable water source for livestock is a major function of Virginia's Conservation Reserve Program (CRP) and the Conservation Reserve Enhancement Program (CREP). These watering systems can help livestock thrive in hot, dry conditions. When livestock producers protect State waters by excluding animals from streams and ponds on their farm through CRP and CREP, the program provides cost-share to implement alternative watering systems for livestock. Wells, pipeline, troughs and other watering system components, as well as prescribed grazing systems, can be planned and engineered by NRCS, free of cost. CRP and CREP will provide substantial cost-share for producers to implement these systems on their farm.

CRP and CREP participants can ensure they remain in compliance with the program by keeping gates closed and fence in good repair. In general, buffers enrolled in CRP or CREP should be protected from livestock access. However if there is an emergency and access to water is needed, participants should contact their local USDA Service Center immediately and staff can assist with providing a limited water access area until an alternate system can be devised.

The advantage of CRP and CREP is two-fold—State waters are protected from erosion, sedimentation and livestock deposition—and livestock have access to clean water, reducing instances of disease thereby increasing productivity.

For more information on CRP and CREP contact your local USDA Service Center.

## **CREP & Continuous CRP Available**

The Conservation Reserve Enhancement Program (CREP) allows farmers and ranchers to voluntarily enroll environmentally sensitive land into a program that decreases erosion, restores wildlife habitat and safeguards ground and surface water. CREP is a partnership with federal and state government and offer participants cost-share, annual rental payments, and other incentives for implementing certain conservation practices. These programs will remain funded, and continue to provide heightened environmental benefits on select areas.

If you are currently participating in CRP or CREP then you know about the advantages of the program. Don't let your contract expire! Contracts that are scheduled to expire on September 30, 2011 can be offered for re-enrollment NOW! DO NOT WAIT! Contact your local County Office immediately to begin the re-enrollment process before it's too late. Don't risk losing benefits or valuable annual rental payments; and learn about additional cost-share that may be available for management activities such as treatment of invasive species, controlled burn, or tree-thinning.

## **Preventing Fraud**

The Farm Service Agency supports the Risk Management Agency in the prevention of fraud, waste and abuse of the Federal Crop Insurance Program. FSA has been, and will continue to, assist RMA and insurance providers by monitoring crop conditions throughout the growing season. FSA will continue to refer all suspected cases of fraud, waste and abuse directly to RMA.

Producers can report suspected cases to the FSA office, RMA, or the Office of the Inspector General.

VA State FSA Office  
 1606 Santa Rosa Rd  
 Richmond, VA 23229



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Dates to Remember	
Continues	Continuous Conservation Reserve Program

Selected Interest Rates for July 2011	
90-Day Treasury Bill	0.125%
Farm Operating Loans - Direct	2.125%
Farm Ownership Loans - Direct	4.625%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.5%
Emergency Loans	3.75%
Farm Storage Facility Loans	2.25%
Sugar Storage Facility Loans	%
Commodity Loans 1996-Present	1.125%

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