



“SCOOP”

ARKANSAS FARM SERVICE AGENCY - - STATE OFFICE JANUARY 2014

TABLE OF CONTENTS

	Page
Conservation Reserve Program (CRP	2
Emergency Forest Restoration Program (EFRP	2
Biomass Crop Assistance Program (BCAP	3
Conservation Reserve Program (CRP	3
Emergency Conservation Program (ECP	3
2013 MAL, LDP, And Commodity Loan Sequestration	3
Final Commodity Loan Availability Dates	3
2014 Failed Acreage Provisions	4
Marketing Assistance Loans	4
Unauthorized Disposition of Grain	4
FSA Signature Policy	4
Changing Banks	5
Selling Land	5
Increased Guaranteed Loan Limit	5
Microloan Program	5
Rural Youth Loans	6
Beginning and Limited Resource Farmers	6
Loans for the Socially Disadvantaged	7
Farm Reconstitutions	7
Program Deadlines	8
Selected Interest Rates for December 2013	8
County Committee Election	8
Financial Inquiries Web Site	9
Dates To Remember	9

Conservation Reserve Program (CRP)

FSA's authority to accept or approve offers ended September 30, 2013, this continues until a new Farm Bill or an extension to the current bill is implemented.

A reminder to all current CRP participants that there are certain obligations you have made when entering the contract. The obligations and agreements are outlined in the Appendix to the CRP-1 and Conservation Plan of Operation that you were given at the time you signed the contract.

Some important things to remember:

- You have agreed to comply with the terms and conditions of the Conservation Plan;
- To establish, maintain, and replace, as specified in the CRP contract, the practices agreed to in the Conservation Plan;
- Not to harvest or sell, nor otherwise make commercial use of, trees or forage or other cover on the CRP land including the shearing or shaping of trees for future use as Christmas trees (the participants may conduct pruning, thinning, stand improvement, or other activities consistent with customary forestry practices on land that is planted to trees);
- Not to undertake any action on land under the participant's control which tends to defeat the purposes of this contract, as determined by FSA;
- To annually certify crop and land use for the farm with the FSA on the appropriate form, accurately listing all land enrolled in CRP on the farm, not later than the final reporting date determined and announced by the Farm Service Agency
- To control on land subject to a CRP contract all weeds, insects, pests and other undesirable species to the extent necessary to ensure that the establishment and maintenance of the approved cover is adequately protected and to provide such maintenance as necessary to avoid an adverse impact on surrounding land, taking into consideration water quality, wildlife and other factors;
- Not to disturb the acreage under contract during the primary nesting and brood rearing season for wildlife, which is April 1 through July 15
- To perform certain periodic management activities described in the conservation plan to maintain the approved cover such as light disking, burning, etc.

Emergency Forest Restoration Program (EFRP)

If you have been approved and funded for assistance, please be mindful of the expiration date for implementing the practice(s) for which you applied.

The 2013 Emergency Forest Restoration Program is not currently funded, if you applied for assistance in your county, they will notify you if funds become available.

Biomass Crop Assistance Program (BCAP)

BCAP Contracts that were approved for the 2011 and 2012 years will receive annual payments during the anniversary month of the contract's effective date.

If a participant has been unable to establish, or the practice failed, the participant must contact the county office to request an extension or for guidance to be sure the contract acreage is in compliance. And follow the approved Conservation Plan of Operation agreed upon at the time your contract was approved.

Conservation Reserve Program (CRP)

FSA's authority to accept or approve CRP offers ended September 30, 2013; this continues until a new Farm Bill or an extension to the current bill is implemented.

Emergency Conservation Program (ECP)

The 2013 Emergency Conservation Program signup periods have ended in Arkansas for Spring tornadoes and flooding. If you have been approved and funded for assistance, please be mindful of the expiration date for implementing the practice(s) for which you applied.

2013 MAL, LDP, AND COMMODITY LOAN SEQUESTRATION

The Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Budget Control Act of 2011, provided legislation to apply automatic spending reductions or sequestration to all Federal Agencies. A sequester of 5.1 percent will apply to FSA's 2013 crop commodity loan programs for disbursements on or after October 1, 2013 (FY 2014).

Final Commodity Loan Availability Dates

The final date to request commodity loans or LDP's for 2013 crop commodities are as follows:

Peanuts Wool Unshorn Pelts (LDP only)	January 31, 2014
Wheat Oats Honey Oilseeds – (canola, crambe, flaxseed, rapeseed, sesame seed)	March 31, 2014
Corn Grain Sorghum Rice Upland Cotton Soybeans Pulse Crops Oilseeds – (mustard seed, safflower seed, sunflower seed)	May 31, 2014

2014 Failed Acreage Provisions

It is necessary for Producers to report failed crop acres to their local FSA Office when the crop failed due to disaster related conditions. **To be timely filed the failed acreage shall be reported to FSA before the crop is destroyed.** County Committee review and action is required to receive history credit in accordance with applicable rules and regulations. The County Committee may require the office to conduct a field visit for crop residue and verification.

Marketing Assistance Loans

A Marketing Assistance Loan (MAL) is available for producers who share in the risk of producing the crop. To be eligible, a producer must maintain continual beneficial interest in the crop from harvest through the earlier of the date the loan is repaid or CCC takes title to the commodity. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan — even if the producer regains beneficial interest.

Commodity loan eligibility also requires compliance with conservation and wetland protection requirements; beneficial interest requirements, acreage reporting and ensuring that the commodity meets Commodity Credit Corporation minimum grade and quality standards. 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 and/or ACRE Programs to be eligible for commodity loans.

Violating provisions of a marketing assistance loan may result in liquidated damages, calling the loan and denial of future farm-stored loans.

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 producers name will be placed on a loan violation list for a two-year period. Always call before you haul any grain under loan.

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.

Changing Banks

Almost all Farm Service Agency payments are made electronically using direct deposit.

To keep the system running smoothly, it's critical to keep the county office staff up to date on changes you might make in your financial institutions.

If you have changed accounts or institutions that might affect the direct deposit of your FSA payments, contact the FSA county office so we can update our files to insure continued uninterrupted service.

Selling Land

If you plan on selling farmland, you should be aware of several consequences associated with FSA programs. For example, if you're planning to sell land that's enrolled in the Conservation Reserve Program, the buyer must agree to continue the enrollment. If the buyer doesn't want to continue the CRP contract, you might have to refund all of the payments you've received to date.

Reviewing program implications with your local Farm Service Agency staff before completing a sale of farmland is always a prudent precaution.

Increased Guaranteed Loan Limit

The loan limit for the Guaranteed Loan Program increased to \$1,355,000 on Oct. 1, 2013. The limit is adjusted annually based on data compiled by the National Agricultural Statistics Service.

The lending limit increases every year according to an inflation index. The maximum combined guaranteed and direct farm loan indebtedness will also increase to \$1,655,000.

As a reminder, 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.

Producers should contact their local FSA County Offices with questions about farm loans.

Microloan Program

The Farm Service Agency (FSA) developed the Microloan program to better serve the unique financial operating needs of beginning, niche and small family farm operations.

FSA offers applicants a Microloan designed to help farmers with credit needs of \$35,000 or less. The loan features a streamlined application process built to fit the needs of new and smaller producers. This loan program will also be useful to specialty crop producers and operators of community supported agriculture (CSA). Eligible applicants can apply for a maximum amount of \$35,000 to pay for initial start-up expenses such as hoop houses to extend the growing season, essential tools, irrigation and annual expenses such as seed, fertilizer, utilities, land rents, marketing, and distribution expenses. As financing needs increase, applicants can apply for a

regular operating loan up to the maximum amount of \$300,000 or obtain financing from a commercial lender under FSA's Guaranteed Loan Program.

Individuals interested in applying for a microloan or would like to discuss other farm loan programs available, should contact the local FSA office to setup an appointment with a Loan Approval Official.

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 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 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.

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.

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

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

Farm Reconstitutions

When changes in farm ownership or operation take place, a farm *reconstitution* is necessary. The reconstitution — or recon — is the process of combining or dividing farms or tracts of land based on the farming operation.

The following are the different methods used when doing a farm recon. Remember, to be effective for the current year, recons must be requested by Aug. 1 for farms enrolled in the Direct and Counter-Cyclical Program.

Estate Method — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate;

Designation of Landowner Method — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding;

DCP Cropland Method — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract;

Default Method — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system. If DCP direct payments have already been issued on a particular farm, the reconstitution will be effective for the next year, unless the payments are refunded.

PROGRAM DEADLINES	DATE
<u>Final</u> reporting date for Bee Colonies for NAP Coverage	January 2, 2014
<u>Final</u> date to report acreage of <u>2014</u> Apples, Grapes, & Peaches	January 15, 2014
<u>Final</u> date to inform FSA of crop losses	Before Crop Disposition
<u>Final</u> date to Report tomatoes	May 15, 2014
<u>Final</u> Date to Report Nursery Crops	May 31, 2014
<u>Final</u> date to Report 2012 Spring Seeded Crops	July 15, 2014

Selected Interest Rates for January 2014	
90-Day Treasury Bill	0.125%
Farm Operating Loans — Direct	1.875%
Farm Ownership Loans — Direct	4.125%
Farm Ownership Loans, Direct Down Payment, Beginning farmer or Rancher	1.500%
Emergency Loans	2.875%
Farm Storage Facility Loans	3.000%
Sugar Storage Facility Loans	3.375%
Commodity Loans 1996-Present	1.125%

NEW COUNTY COMMITTEE ELECTION BALLOTS TO BE MAILED

The County Committee Election ballots that were mailed to producers on Nov. 4 were incorrectly printed with the producer's name and address on the back of the ballot. County committee elections must use a secret ballot so the misprinted ballots cannot be used. Please destroy or recycle the misprinted ballot. If you have already voted, your ballot will be destroyed unopened.

New ballots will be mailed to producers on December 20, 2013. These ballots will indicate that they are the corrected ballot in several places, including on the outside of the mailing, on the ballot and on the outside of the return envelope.

The corrected ballot must be returned to the County FSA Office or postmarked by January 17, 2014. All newly elected county committee members will take office February 18, 2014. All county committee members whose term expires on Dec. 31, 2013, will have their term extended to January 31, 2014.

County committee members are an important component of the operations of FSA and provide a link between the agricultural community and USDA. Farmers and ranchers elected to county committees help deliver 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. FSA committees operate within official regulations designed to carry out federal laws.

To be an eligible voter, farmers and ranchers must participate or cooperate in an FSA program. A person who is not of legal voting age, but supervises and conducts the farming operations of an entire farm may also be eligible to vote.

More information on county committees, such as the new 2013 fact sheet and brochures, can be found on the FSA website at www.fsa.usda.gov/elections or at a local USDA Service Center.

Fsa Financial Inquiries Web Site

The U.S. Department of Agriculture (USDA) Farm Service Agency's (FSA) Financial Inquiries Web Site is an Internet-based service that allows agricultural producers and other customers to generate reports showing their current, and historical financial information related to FSA programs. Authorized customers may view summary and detailed information about specific payments received, collections paid, outstanding debt (excluding loans), and information reported on the Commodity Credit Corporation (CCC) Form 1099. For additional information, visit <http://www.fsa.usda.gov>. From the top menu bar, click on "Online Services." Under "Related Topics," click on "Financial Inquiries for FSA Producers."

Dates to Remember	
January 17, 2014	COC Ballots due to FSA Office

“USDA is an equal opportunity provider and employer.” To file a complaint of discrimination, write USDA, Office of the Assistant Secretary for Civil Rights, office of Adjudication, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll Free Customer Service), (800) 877-8339 (local or Federal relay), (866) 377-8642 (Relay voice users).

Linda Newkirk, State Executive Director
James Culpepper, Chief, Farm Loans
Phone (501) 301-3000

Sharon Baker, Administrative Officer
Tony Franco, Chief, Farm Programs
Website: www.fsa.usda.gov/ar