

October 2013



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## Virginia FSA State Office Updates

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### Virginia FSA State Office October 2013 Topics

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#### Hours

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

**State Office Staff**  
Pete Adamson, Chief  
Farm Loans

Brent L. Whitlock, Chief  
Farm Programs

Connie Washburn-Marsh, Chief  
Administration Officer

Linda Cronin, Public Affairs &  
Outreach Specialist

#### Virginia FSA Internet

More Information about Virginia  
FSA programs, activities and  
news can be found on the VA

- [County Committee Elections](#)
- [Increased Guaranteed Loan Limit](#)
- [2013 DCP Final Payments](#)
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## County Committee Elections

Watch your mailbox for your official county office committee election ballot starting early next month. Ballots will be mailed to all eligible voters on Nov. 4, 2013. If for some reason you don't receive a ballot, feel free to notify the county FSA office.

Completed and signed ballots must be returned to the county office by close of business on Dec.2, 2013.

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## Increased Guaranteed Loan Limit

FSA Internet at

<http://www.fsa.usda.gov/va>

To learn more about FSA programs you can also visit the National website at

The Farm Service Agency has announced that the loan limit for the Guaranteed Loan Program will increase 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.

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## 2013 DCP Final Payments

DCP payments for 2013 will be issued after October 28, 2013. These payments will be deposited directly into participating producers' bank accounts.

If there are any unearned payments, Commodity Credit Corporation will automatically subtract those amounts from the October Direct and Counter-Cyclical Program payments.

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## Crop Report Deadline November 15th – Pasture, Hay, & Forage Crops

Producers participating in Farm Service Agency programs are required to report what's been planted. Last year deadline dates were changed to match crop insurance dates. In Virginia the final date for reporting pasture, hay, and forage crops intended to be harvested in crop year 2014 is now November 15. Also, fall seeded perennial forages must be reported by this date.

Cover crops not for harvest may be reported any time up to July 15th.

Crop reports submitted after the deadline will be accepted, but fees will be charged. The amount is based on the number of farms involved and the time required to complete field inspections. Charges include a flat fee of \$30 for each farm and \$16 an hour for the time required to conduct the required field inspection. Hourly charges start and stop at the FSA office door. There is a one hour minimum. After the first hour, the rate is calculated in half-hour increments. The minimum charge is \$46 (\$30 flat fee plus one hour at \$16/hour).

Q: If I seed a perennial forage crop in the fall after the November 15th deadline, or, in the spring, will I be charged a late fee?

A: No as long as you report the planting within 15 calendar days. This is true for any crop planted after the deadline.

Q: I don't know what hay ground I might be able to rent until after January 1st. If I report this acreage will I be charged a late fee?

A: No. You have 30 calendar days after acquiring the lease to report. You must provide appropriate

documentation satisfactory to your local FSA office. The document must contain the date the lease was

Other crop reporting deadlines :

January 15th : Fall Seeded Small Grains, Apples, peaches

May 15th: Cabbage (planted 3/16-4/15), Spring Oats, Potatoes, Tomatoes (Fresh, planted 4/10-5/15)

June 15th: Beans (Planted 3/4-5/25)

July 15th: Beans (Planted 5/26-7/10), Tomatoes (Fresh, planted 5/16- 7/5), Tomatoes (all other uses, planted on or before 6/15), all other crops

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## 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 operation 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.

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## 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.

County Committee ballots will continue to be mailed to all eligible producers.

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

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

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## 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. 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 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. 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 and/or ACRE programs 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 without prior authorization and providing an incorrect quantity certification.

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## 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.

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## 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.

For more information you can stop by your FSA county office. Our staff can help with preparing and processing the application forms.

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## Beginning and Limited Resource Loans

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

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## Loans for the Socially Disadvantaged

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Farm operating loans are available as well as loans to 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.

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## Land Contract (LC) Guarantees

The Land Contract (LC) Guarantee Program is a valuable tool to transfer farm real estate to the next generation of farmers and ranchers. Guarantees will be offered to the owner of a farm who wishes to sell real estate through a land contract to a beginning or socially disadvantaged farmer or rancher. The guarantee reduces the financial risk to the seller.

FSA offers two types of guarantees:

- Prompt Payment Guarantee - A guarantee up to the amount of three amortized annual installments plus the cost of any related real estate taxes and insurance.
- Standard Guarantee - A guarantee of 90 percent of the outstanding principal balance under the land contract.

The guarantee period is 10 years and the contract payments must be amortized for a minimum of 20 years. The purchase price of the farm cannot exceed the lesser of \$500,000 or the market value of the property.

For additional information you can read the [Land Contract Guarantee Program Fact Sheet](#).

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## 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 [www.eauth.egov.usda.gov/](http://www.eauth.egov.usda.gov/) followed by a visit to the county office for identity verification.

If you would like assistance establishing your account, just contact your local USDA Service Center.

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## Selected Interest Rates for October 2013

90-Day Treasury Bill - 0.125%

Farm Operating - Direct - 1.875%

Farm Ownership - Direct - 4.125%

Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher - 1.5%

Emergency - 2.875%

Farm Storage Facility – 7 year - 2.250%

Farm Storage Facility – 10 year - 2.875%

Farm Storage Facility – 12 year - 3.000%

Commodity Loans 1996-Present - 1.125%

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## Dates to Remember

Nov. 15 - Reporting deadline for hay, crops intended for forage and pasture, apiculture, and PRF

Nov. 20 - NAP application for coverage deadline for apples, blueberries, caneberries, cherries, grapes, peaches, pears and strawberries

Dec. 1 - NAP application for coverage deadline for honey and maple sap

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For more information on bulletin subjects or details regarding your GovDelivery subscription with the Virginia FSA State Office, contact Linda Cronin, Outreach/Information Coordinator at [linda.cronin@va.usda.gov](mailto:linda.cronin@va.usda.gov) or call at 804-287-1537.

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