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Weston County FSA Updates

Weston County FSA Office

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County Committee Election and Minority Advisor Results

Tim Tysdal of Four Corners, WY was elected Farm Service Agency County Committee to represent producers in northeastern Weston County in Local Administrative Area #1. Tim and his wife Sonya ranch with Tim's family near the Four Corners area. They raise beef cattle and produce hay for forage. We are pleased to have Tim serving on the Committee for a second consecutive 3 year term. Tim joins Doug Materi representing producers in the Upton area and Shane Sweet representing southern Weston County area producers.

Edye Ready accepted the position of Minority Advisor to the County Committee. Edye's responsibility is to participate in all County Committees and insure that problems and viewpoints of the under-represented groups (females and minorities) are understood and considered in actions taken by FSA at the local level. Edye and Todd Tavegie ranch outside of the Newcastle area with Todd's brother Troy and family. They raise beef cattle and produce hay for forage.

County Committees are responsible for making decisions on FSA disaster, conservation commodity, and price support programs, as well as other important federal farm program issues. The Committee is a valuable asset because they are comprised of local producers who participate in FSA programs themselves and have a direct connection to farmers and ranchers in the community. For more information about County Committees and the election process, please contact the County Office or visit www.fsa.usda.gov.

Producers Need to be Aware of Potential Payment Reductions Due to Mandated Sequester

We remind producers who participate in FSA programs to plan accordingly in FY2014 for automatic spending reductions known as sequestration. The Budget Control Act of 2011 mandates that federal agencies implement automatic, annual reductions to discretionary and mandatory spending limits. For mandatory programs, the sequestration rate for FY2014 is 7.2%. The following FSA programs will be sequestered:

Marketing Assistance Loans
Loan Deficiency Payments
Noninsured Crop Disaster Assistance Program Payments
2013 Direct and Counter-Cyclical Payments

2013 Average Crop Revenue Election Program Payments

Conservation Reserve Program payments are specifically exempt by statue from sequestration, thus these payments will not be reduced.

These sequester percentages reflect current law estimates; however with the continuing budget uncertainty, Congress still may adjust the exact percentage reduction. Today's announcement intends to help producers plan for the impact of sequestration cuts in FY 2014.

Weston County is Eligible for Emergency Loans

Lawrence, Pennington, Custer, and Fall River Counties in South Dakota have received a Secretarial Disaster Designation due to physical damage and losses caused by extreme winds, freezing rain and heavy snow that occurred from October 3 through October 6, 2013. Because Weston County is contiguous to all of the following counties, producers are eligible to apply for low interest emergency loans. Emergency loans assist producers in recovering from production and physical losses due to natural disasters. 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% of actual production and physical losses, to a maximum amount of $500,000. For more information about emergency loans, please contact the County Office or visit www.fsa.usda.gov.

Maintaining the Quality of Loaned Grain

Bins are ideally designed to hold a level volume of grain. When bins are overfilled and grain in is heaped up, airflow is hindered and the chance of spoilage increases.

Producers who take out marketing assistance loans and use the farm-stored grain as collateral should remember that they are responsible for maintaining the quality of the grain through the term of the loan.

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 2 year period. Always call before you haul any grain under loan.

FSA Allows Lenders to Use Evaluations Instead of Appraisals for Loans of $250,000 or Less

Lenders that originate FSA guaranteed loans may now use internal real estate "collateral evaluations" to support loan requests of $250,000 or less, rather than appraisals.

This policy change will allow lenders more flexibility and a faster underwriting process, and is consistent with industry standards.

Lenders must follow their regulator's "Interagency Appraisal and Evaluation Guidelines" and apply these same polices to FSA guaranteed loans as non-guaranteed loans. In addition, lenders should request an appraisal when they would do so for unguaranteed loans even if the loan is under the threshold, such as when the expected loan-to-value is above their established standards. A description of the method of establishing the real estate value, whether appraisal or evaluation, needs to be described to FSA in their credit presentation.

Types of Loans Offered by USDA

MARKETING ASSISTANCE LOANS

Short-term financing is available by obtaining low interest commodity loans for eligible harvested production. A 9 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.

FARM STORAGE FACILITY LOAN PROGRAM

The Farm Storage Facility Loan 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%, with CCC providing a loan for the remaining 85% of the net cost of the eligible storage facility and permanent drying and handling biomass facilities, cold storage facilities, and hay barns and for all loans exceeding $50,000. 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 borrow 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% of the projected and approved total loan amount. The following commodities are eligible for farm storage facility loans:

- Corn, grain sorghum, soybeans, oats, wheat, barley, or minor oilseeds harvested as whole grain
- Corn, grain sorghum, wheat, oats or barley harvested as other than whole grain
- Pulse crops such as lentils, small chickpeas, dry beans and dry peas
- Hay
- Renewable biomass

Fruits (including nuts) and vegetables – cold storage facilities

MICROLOAN PROGRAM

FSA developed the Microloan Program to better serve the unique financial operating needs of beginning, niche, and small family farm operations. A Microloan is 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 small producers. This loan program will also be useful to specialty crop producers and operators of community supported agriculture. 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. Individual who are interested in applying for a microloan or would like to discuss other farm loan programs available should contact the County Office to set up an appointment with a loan official.

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 $5,000.

Youth Loan Eligibility Requirements:

- Be a citizen of the US
- 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
- 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

BEGINNING FARMER/RANCHER LOANS

FSA assists beginning farmers/ranchers to finance agricultural enterprises. Under these designated farm loan program, 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

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, 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 purpose 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.
