October 2019





Farm Service Agency Electronic News Service

NEWSLETTER

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Alaska State FSA Newsletter

Alaska State Farm Service Agency Alaska State Farm Service Agency

800 W Evergreen, Ste 216 Palmer, AK 99645 www.fsa.usda.gov/ak

State Executive Director

Bryan J. Scoresby 907-761-7750 Cell: 907-707-4819 Email: bryan.scoresby@usda.gov

Northern County Office

PO Box 585 Delta Junction, AK 99737

Alaska FSA State Directors News

Many thoughts come to me as we close-down this year's season and prepare for winter. One process I like to do is plan a meeting to discuss the past year, what went well, what worked well, what didn't work and what do we need to change for next year. Breaking down all the pieces that made this season what it was is a task all its own. I like to take my wife to our cabin to escape from all of life's distractions for an annual planning meeting. No one drops in, cell phones can be shut off and no errands can be run. The time is dedicated to a review of our marriage, our family, our finances and our family businesses, with goals set for the coming year. Every year, Bill Gates founder of Microsoft, would take a week and escape from his office to his hideaway cottage for what he calls "think week". He would do a lot of reading, a lot of thinking and a lot of alone time, disconnected from his usual lifestyle and schedule.

Much of our agriculture business is working with family members. Working in business with family brings in a whole new set of opportunities and challenges. Success can build stronger and more meaningful family relationships

County Executive Director/Farm Loan Manager Lloyd Wilhelm 907-895-4242 ext 150 Fax: 855-711-9095

Email:

lloyd.wilhelm@usda.gov

Southern County Office 800 W Evergreen, Ste 216 Palmer, AK 99645

County Executive
Director/Farm Loan
Manager Erin Sturdivant
907-761-7754
Fax: 907-761-7789
Email:
erin.sturdivant@usda.gov

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

Committee Meetings: Northern Co TBA Southern Co Nov 12, 10:00 am

Please contact your local FSA Office for questions specific to your operation or county

and the long-term survival of the family farm operation. "It all comes down to good communication and good planning" says David Brown from Iowa State University Extension.

I was visiting with a brother in law this summer about their family barley operation in Idaho. He says when planting in the spring, he can concentrate totally on planting and his tractor and planting equipment. Seed and fertilizer are at the end of the field, fuel comes each evening, provided by someone else. Harvesting is similar, he concentrates on his combine and cutting grain. Hauling grain away, filling bins and bringing empty trucks is provided by someone else. They help when he is ready to move to another field. These successes come because the family has their defined roles and responsibilities and are held accountable to other family members for their assigned jobs.

I wish each and every one success in your annual planning and review.

USDA Reminds Farmers and Ranchers of Nov. 1 Deadline to Submit Your RTCP Receipts

The Reimbursement Transportation Cost Program (RTCP) signup ended on September 6, 2019. This program covered transportation expenses incurred from October 1, 2018 through September 30, 2019. If you applied for the RTCP program, and have not turned all your receipts in to the FSA office, now is the time to do so. Applicants will have until COB on Nov. 1, 2019, to provide supporting documentation. If you have any questions, contact your local FSA office.

For more information on RTCP, farmers and ranchers in the eligible areas can visit their FSA county office or the FSA website at www.fsa.usda.gov/pricesupport or at https://www.fsa.usda.gov/ak.

Alaska FSA Encourages Farmers and Ranchers to Vote in County Committee Elections

The 2019 Farm Service Agency County Committee Elections will begin on Nov. 4, when ballots will be mailed to eligible voters. The deadline to return the ballots to local FSA offices, or to be postmarked, is Dec. 2, 2019.

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.

Eligible voters in the Northern County local administrative area (LAA 1) and the Southern County local administrative area (LAA 2), who do not receive a ballot can obtain one from their local USDA Service Center.

Newly elected committee members will take office Jan. 1, 2020.

The following are this year's candidates who have been nominated in their LAA's to serve as a committee member. All candidates have agreed to serve if elected.

Northern County LAA-1 Includes the area that encompasses the following areas: North Slope, Northwest Arctic, Yukon-Koyukuk and Nome Census areas, as well as the Denali and Fairbanks North Star Borough.

McLaren "Mac" Carter resides in Central, AK, a diversified farmers market vegetable producer who raises a large variety of crops from tomatoes to potatoes and has lived and farmed in the Central, Alaska community for 23 years. The Carter's are very involved with the community and each year celebrate an annual bringing in of the crops through a community festival for the whole area.

Rebecca "Becky" Hammond resides on an 80 acre farm east of Fairbanks, AK. For many years produced brome hay on their farm to feed their animals. Currently raises angora goats, merino sheep, and angora rabbits for fiber and meat. She also raises poultry for show, eggs, and meat. Becky stays very busy processing fibers by hand spinning, hand dying, and creating different wares from the fiber.

Mark W. Kern resides on Eielson Farm Road in Salcha, AK. Mark has a small farm that has produced grass hay and raised animals. Mark actively supports agriculture in Alaska.

Election Ballots will be Counted in Public at the Northern County FSA Office at 10:00 a.m. on December 5, 2019.

Southern County LAA-2 Includes the municipality of Anchorage, Valdez/Cordova Census area south of Chugach Mtns. Kenai Peninsula Borough north of Kasilof River.

Abby Ala, a 2nd generation farmer in Soldotna on land that has been in her family for over 71 years. Abby operates a greenhouse, producing vegetables for local restaurants, markets and CSA.

Amy Daugherty has been a resident of Southeast Alaska for 45 years. She and her husband owned and operated Merryweather Farm in remote Gustavus, near Glacier Bay National Park for seven years. Their farm sold to inns, restaurants and local food enthusiasts at farmer's market type venues.

Election Ballots will be Counted in Public at the Southern County FSA Office at 2:00 p.m. on December 5, 2019.

More information on county committees, such as fact sheets, can be found on the FSA website at https://www.fsa.usda.gov/elections or at https://www.fsa.usda.gov/elections or at https://www.fsa.usda.gov/elections or at https://www.fsa.usda.gov/elections or at https://www.fsa.usda.gov/elections or at https://www.fsa.usda.gov/ak.

USDA Offers Disaster Assistance for Alaska Farmers Hurt by 2018, 2019 Disasters

Agricultural producers affected by natural disasters in 2018 and 2019, can apply through the Wildfire and Hurricane Indemnity Program Plus (WHIP+). Sign-up for this U.S. Department of Agriculture (USDA) program began Sept. 11.

WHIP+ Eligibility

WHIP+ will be available for eligible producers who have suffered eligible losses of certain crops, trees, bushes or vines in counties with a Presidential Emergency Disaster Declaration or a Secretarial Disaster Designation (primary counties only). Disaster losses must have been a result of hurricanes, floods, tornadoes, typhoons, volcanic activity, snowstorms or wildfires that occurred in 2018 or 2019. Also, producers in counties that did not receive a disaster declaration or designation may still apply for WHIP+ but must provide supporting documentation to establish that the crops were directly affected by a qualifying disaster loss.

A list of counties that received qualifying disaster declarations and designations is available at farmers.gov/recover/whip-plus. Because grazing and livestock losses, other than milk losses, are covered by other disaster recovery programs offered through FSA. those losses are not eligible for WHIP+.

Eligible crops include those for which federal crop insurance or Noninsured Crop Disaster Assistance Program (NAP) coverage is available, excluding crops intended for grazing. A list of crops covered by crop insurance is available through USDA's Risk Management Agency (RMA) Actuarial Information Browser at webapp.rma.usda.gov/apps/actuarialinformationbrowser.

The WHIP+ payment factor ranges from 75 percent to 95 percent, depending on the level of crop insurance coverage or NAP coverage that a producer obtained for the crop. Producers who did not insure their crops in 2018 or 2019 will receive 70 percent of the expected value of the crop. Insured crops (either crop insurance or NAP coverage) will receive between 75 percent and 95 percent of expected value; those who purchased the highest levels of coverage will receive 95-percent of the expected value.

At the time of sign-up, producers will be asked to provide verifiable and reliable production records. If a producer is unable to provide production records, WHIP+ payments will be determined based on the lower of either the actual loss certified by the producer and determined acceptable by FSA or the county expected yield and county disaster yield. The county disaster yield is the production that a producer would have been expected to make based on the eligible disaster conditions in the county.

WHIP+ payments for 2018 disasters will be eligible for 100 percent of their calculated value. WHIP+ payments for 2019 disasters will be limited to an initial 50 percent of their calculated value, with an opportunity to receive up to the remaining 50 percent after January 1, 2020, if sufficient funding remains.

Both insured and uninsured producers are eligible to apply for WHIP+. But all producers receiving WHIP+ payments will be required to purchase crop insurance or NAP, at the 60 percent coverage level or higher, for the next two available, consecutive crop years after the crop year for which WHIP+ payments were paid. Producers who fail to purchase crop insurance for the next two applicable, consecutive years will be required to pay back the WHIP+ payment.

Additional information about WHIP+ program eligibility and payment limitations can be found at <u>farmers.gov/recover</u> or by contacting your local <u>USDA Service Center</u>.

USDA Opens Signup for Market Facilitation Program

Enrollment Open through Dec. 6

Signup is ongoing for the Market Facilitation Program (MFP), a U.S. Department of Agriculture (USDA) program to assist farmers who continue to suffer from damages because of unjustified trade retaliation from foreign nations. Through MFP, USDA will provide up to \$14.5 billion in direct payments to impacted producers, part of a broader trade relief package announced in late July. The sign-up period runs through Dec. 6, 2019.

MFP payments will be made to producers of certain non-specialty and specialty crops as well as dairy and hog producers.

Non-Specialty Crops

MFP payments will be made to producers of alfalfa hay, barley, canola, corn, crambe, dried beans, dry peas, extralong staple cotton, flaxseed, lentils, long grain and medium grain rice, millet, mustard seed, oats, peanuts, rapeseed, rye, safflower, sesame seed, small and large chickpeas, sorghum, soybeans, sunflower seed, temperate japonica rice, triticale, upland cotton, and wheat.

MFP assistance for 2019 crops is based on a single county payment rate multiplied by a farm's total plantings to the MFP-eligible crops in aggregate in 2019. Those per acre payments are not dependent on which of those crops are planted in 2019. A producer's total payment-eligible plantings cannot exceed total 2018 plantings. View payment rates by county.

Dairy and Hogs

Dairy producers who were in business as of June 1, 2019, will receive a per hundredweight payment on production history, and hog producers will receive a payment based on the number of live hogs owned on a day selected by the producer between April 1 and May 15, 2019.

Specialty Crops

MFP payments will also be made to producers of almonds, cranberries, cultivated ginseng, fresh grapes, fresh sweet cherries, hazelnuts, macadamia nuts, pecans, pistachios, and walnuts. Each specialty crop will receive a payment based on 2019 acres of fruit or nut bearing plants, or in the case of ginseng, based on harvested acres in 2019.

More Information

Payments will be made in up to three tranches, with the second and third tranches evaluated as market conditions and trade opportunities dictate. If conditions warrant, the second and third tranches will be made in November and early January.

MFP payments are limited to a combined \$250,000 for non-specialty crops per person or legal entity. MFP payments are also limited to a combined \$250,000 for dairy and hog producers and a combined \$250,000 for specialty crop producers. However, no applicant can receive more than \$500,000. Eligible applicants must also have an average adjusted gross income (AGI) for tax years 2015, 2016, and 2017 of less than \$900,000, or 75 percent of the person's or legal entity's average AGI for those tax years must have been derived from farming and ranching. Applicants must also comply with the provisions of the Highly Erodible Land and Wetland Conservation regulations.

More information can be found on farmers.gov/mfp, including payment information and a program application.

USDA Opens 2020 Enrollment for Agriculture Risk Coverage and Price Loss Coverage Programs

Agricultural producers now can enroll in the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs – two U.S. Department of Agriculture (USDA) safety net programs – for the 2020 crop year. Meanwhile, producers who enrolled farms for the 2018 crop year have started receiving more than \$1.5 billion for covered commodities for which payments were triggered under such programs.

ARC provides income support payments on historical base acres when actual crop revenue declines below a specified guaranteed level. PLC provides income support payments on historical base acres when the effective price for a covered commodity falls below its reference price. The 2018 Farm Bill reauthorized and updated both programs.

Signup for the 2020 crop year closes June 30, 2020, while signup for the 2019 crop year closes March 15, 2020. Producers who have not yet enrolled for 2019 can enroll for both 2019 and 2020 during the same visit to an FSA county office.

ARC and PLC have options for the farm operator who is actively farming the land as well as the owner of the land. Farm owners also have a one-time opportunity to update PLC payment yields beginning with crop year 2020. If the farm owner and producer visit the FSA county office together, FSA can also update yield information during that visit.

Covered commodities include barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium and short grain rice, safflower seed, seed cotton, sesame, soybeans, sunflower seed and wheat.

2018 Crop Year ARC and PLC Payments

FSA began processing payments last week for 2018 ARC-County (ARC-CO) and PLC on covered commodities that met payment triggers on enrolled farms in the 2018 crop year. In addition to the \$1.5 billion now in process, FSA anticipates it will issue another \$1 billion in November once USDA's National Agricultural Statistics Service publishes additional commodity prices for the 2018 crop.

Producers who had 2018 covered commodities enrolled in ARC-CO can visit www.fsa.usda.gov/arc-plc for payment rates applicable to their county and each covered commodity. For farms and covered commodities enrolled in 2018 PLC, the following crops met payment triggers: barley, canola, corn, dry peas, grain sorghum, lentils, peanuts, and wheat.

Oats and soybeans did not meet 2018 PLC payment triggers.

2018 PLC payment rates for the following covered commodities have not been determined: crambe, flaxseed, large and small chickpeas, long and medium grain rice, mustard seed, rapeseed, safflower, seed cotton, sesame seed, sunflower seed and temperate Japonica rice.

More Information

For more information on ARC and PLC including two online decision tools that assist producers in making enrollment and election decisions specific to their operations,the <u>ARC and PLC webpage</u>.

Higher Limits Now Available on USDA Farm Loans

Higher limits are now available for borrowers interested in USDA's farm loans, which help agricultural producers purchase farms or cover operating expenses. The 2018 Farm Bill increased the amount that producers can borrow through direct and guaranteed loans available through USDA's Farm Service Agency (FSA) and made changes to other loans, such as microloans and emergency loans.

Key changes include:

- The Direct Operating Loan limit increased from \$300,000 to \$400,000, and the Guaranteed Operating Loan limit increased from \$1.429 million to \$1.75 million. Operating loans help producers pay for normal operating expenses, including machinery and equipment, seed, livestock feed, and more.
- The Direct Farm Ownership Loan limit increased from \$300,000 to \$600,000, and the Guaranteed Farm Ownership Loan limit increased from \$1.429 million to \$1.75 million. Farm ownership loans help producers become owner-operators of family farms as well as improve and expand current operations.
- Producers can now receive both a \$50,000 Farm Ownership Microloan and a \$50,000 Operating Microloan. Previously, microloans were limited to a combined \$50,000. Microloans provide flexible access to credit for small, beginning, niche, and non-traditional farm operations.
- Producers who previously received debt forgiveness as part of an approved FSA restructuring plan are now eligible to apply for emergency loans. Previously, these producers were ineligible.
- Beginning and socially disadvantaged producers can now receive up to a 95 percent guarantee against the loss of principal and interest on a loan, up from 90 percent.

About Farm Loans

Direct farm loans, which include microloans and emergency loans, are financed and serviced by FSA, while guaranteed farm loans are financed and serviced by commercial lenders. For guaranteed loans, FSA provides a guarantee against possible financial loss of principal and interest.

For more information on FSA farm loans, visit www.fsa.usda.gov or contact your local USDA service center.

Maintaining Good Credit History

Farm Service Agency (FSA) Farm Loan programs require that applicants have a satisfactory credit history. A credit report is requested for all FSA direct farm loan applicants. These reports are reviewed to verify outstanding debts, if bills are paid timely and to determine the impact on cash flow.

Information found on a customer's credit report is strictly confidential and is used only as an aid in conducting FSA business.

Our farm loan staff will discuss options with you if you have an unfavorable credit report and will provide a copy of your report. If you dispute the accuracy of the information on the credit report, it is up to you to contact the issuing credit report company to resolve any errors or inaccuracies.

There are multiple ways to remedy an unfavorable credit score.

- Make sure to pay bills on time. Setting up automatic payments or automated reminders can be an effective way to remember payment due dates.
- Pay down existing debt.
- Keep your credit card balances low.

Avoid suddenly opening or closing existing credit accounts.FSA's farm loan staff will guide you through the
process, which may require you to reapply for a loan after improving or correcting your credit report.

For more information on FSA farm loan programs, visit www.fsa.usda.gov.

Persons with disabilities who require accommodations to attend or participate in these meetings and/or events should contact Lloyd Wilhelm, Northern CED, at (907) 895-4242, Erin Sturdivant, Southern CED, at (907) 761-7754 or Federal Relay Service at 1-800-877-8339.

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