September 2018





Farm Service Agency Electronic News Service

NEWSLETTER

GovDelivery

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Louisiana FSA Newsletter

Louisiana Farm Service Agency

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www.fsa.usda.gov/la

State Executive Director: Craig A. McCain

State Committee:

Ray Young, Chairperson John Earles Emery Jones

Message from Craig A. McCain, FSA State Executive Director

Labor Day always seems to bring just that....labor and a little stress about the weather. With crops in their most vulnerable and costly stage, weather is even more of a point of worry than it normally is..... if that is even possible! As cattle and other livestock producers in North Louisiana try to manage a season long drought which has stressed livestock and caused a significant shortage of forage for both grazing and hay, producers in the Southern regions of the State are looking for favorable weather to harvest hay for winter feeding. Many other crop producers report good yields with some reports being extremely good, however, Julie Richard Donna Winters

Next State Committee Meeting:

To be determined

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

To find contact information for your local office go to www.fsa.usda.gov/la economic pressure resulting from lower commodity prices continues to create stress in spite of good yields. What a season!

FSA is ready to assist you and your farming operation during this difficult season. If you need additional financing to expand your operation or if you have been affected by a natural disaster and simply need some additional capital investment to weather the storm, FSA can assist. We offer a variety of direct and guaranteed loan products for customers ranging from New and Beginning Farmers to large, well established operations. These loan products can provide capital investment or may be used for other purposes such as to purchase agricultural land. For livestock producers in Northwest and North Central portions of the State that are currently in a significant drought, assistance for lost grazing may be available through the Livestock Forage Program. Producers suffering crop losses which were the result of Hurricane Harvey, which affected the State in 2017, may be eligible for assistance through the WHIP program. Producers of hogs, milk, wheat, sorghum, corn, soybeans and cotton during 2018 may be interested in the recently announced Market Facilitation Program or MFP; which offers assistance to producers of 2018 crops adversely affected by unfair trades practices. And lastly, but certainly not least among ongoing programs at FSA, is the implementation of the 2018 Seed Cotton program, which allows farms which currently have "Generic Base" acres to allocate those base acres to Seed Cotton or another covered commodity, according to their planting history and choice of options.

Recognizing that this is a lot of information, producers are encouraged to contact their local USDA Service Center and inquire about programs or loans which may be of benefit to your individual farming operation. You may find contact information for your local Service Center at <u>www.usda.gov</u>. You may apply for the WHIP and/or MFP program; or find information about benefits and services offered by FSA or other USDA Agencies at <u>www.farmers.gov</u>.

As has become our custom, I'll leave you with the challenge issued to all of USDA by our Secretary of Agriculture, Sonny Perdue... "Do right and feed everyone"! Thanks for what you do to serve the people of this State, our Nation and the World!

Upcoming Important Dates

- July 16 Nov. 16; WHIP signup period
- July 30 Dec. 7; ARCPLC signup period for Seed Cotton
- Sept. 4 Jan. 15; MFP signup period
- Sept. 28 Deadline to enroll ARCPLC Non-Generic Base Acreage Farms
- Sept. 28 Due date for MPP-Dairy Premiums
- Sept. 30 NAP sales closing date for forage for grazing and mechanically harvested forage
- Sept. 30 Final MAL availability date for sugar
- Oct. 8 All USDA Service Centers will be closed in observance of Columbus Day

Louisiana FSA now offers SMS texting; receive text message alerts on your cell phone regarding important deadlines, reporting requirements and updates.

Whether you are in the field, on a tractor or even on horseback, this service enables FSA customers and stakeholders to receive notifications while on the go.

Contact your local FSA Office for more information.

2019 NAP Risk Protection Coverage: Oct. 1, 2018 Deadline

Louisiana producers have until **Oct. 1, 2018** to sign-up for FSA's Noninsurable Crop Disaster Assistance Program (NAP) coverage for all **2019 wheat, oats, small grains, mixed forage, full season perennial and annual grasses for grazing or mechanically harvested forage.**

NAP provides a catastrophic level (CAT) coverage based on the amount of loss that exceeds 50 percent of the expected production at 55 percent of the average market price for the crop.

In order to meet eligibility requirements for NAP, crops must be noninsurable, commerciallyproduced agricultural commodity crops for which the catastrophic risk protection level of crop insurance is not available. If the Risk Management Agency (RMA) offers coverage for a crop in the county, NAP coverage is not available for that crop. For questions regarding insurability of a crop, please contact your local crop insurance agent. For information on whether a crop is eligible for NAP coverage, please contact your local FSA office.

The NAP service fee for all coverage levels is the lesser of \$250 per crop or \$750 per producer per administrative county, not to exceed a total of \$1,875 for a producer with farming interest in multiple counties. FSA will waive NAP service fees for underserved, limited resource, and beginning farmers. For questions regarding NAP, please contact your local FSA office.

For more information, visit the national NAP page at: <u>http://www.fsa.usda.gov/nap</u>.

Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Educational Tool Available for Farms with Generic Base Acres that Planted Seed Cotton

Farm Service Agency (FSA) is notifying farmers with generic base acres that planted seed cotton that a new tool is available to assist them in understanding how the new seed cotton program may affect their FSA payments. It helps a producer make decisions on how to allocate generic base acres to other covered crops based on a producer's planting history.

The educational tool can be viewed at https://www.afpc.tamu.edu/tools/cotton-base.

Developed by Texas A&M University, the tool is for educational purposes only, and by using the tool, it is agreed that the results are not a guarantee of future FSA program parameters or payments. Users also acknowledge that this tool is provided with absolutely no warranty, without even the implied warranty of fitness for a particular purpose.

The Bipartisan Budget Act of 2018 included <u>seed cotton as a covered commodity</u> under the Agriculture Risk Coverage (**ARC**) and Price Loss Coverage (**PLC**) program effective for the 2018 crop year. The Act also authorizes owners of a farm with generic base acres and a recent history of covered commodities a one-time opportunity to update the farm's payment yield for seed cotton.

Complete details of this decision are available by reading the <u>Notice</u> (https://www.fsa.usda.gov/Internet/FSA_Notice/arcplc50.pdf)

Or by contacting your State or County FSA office http://offices.usda.gov.

Nearly \$2 Billion Now Available for Eligible Producers Affected by 2017 Hurricanes and Wildfires

Agricultural producers affected by hurricanes and wildfires in 2017 now may apply for assistance to help recover and rebuild their farming operations. Signup continues through Nov. 16, 2018.

Hurricanes and wildfires caused billions of dollars in losses to America's farmers last year. Our objective is to get relief funds into the hands of eligible producers as quickly as possible. We are making immediate, initial payments of up to 50 percent of the calculated assistance so producers can pay their bills.

Additional payments will be issued, if funds remain available, later in the year.

The program, known as the 2017 Wildfires and Hurricanes Indemnity Program (2017 WHIP) was authorized by Congress earlier this year by the Bipartisan Budget Act of 2018.

Eligible crops, trees, bushes, or vines, located in a county declared in a Presidential Emergency Disaster Declaration or Secretarial Disaster Designation as a primary county are eligible for assistance if the producer suffered a loss as a result of a 2017 hurricane. Also, losses located in a county not designated as a primary county may be eligible if the producer provides documentation showing that the loss was due to a hurricane or wildfire in 2017. A list of counties that received qualifying hurricane declarations and designations is available at https://www.fsa.usda.gov/programs-and-services/disaster-assistance-program/wildfires-andhurricanes-indemnity-program/index. Eligibility is determined by Farm Service Agency (FSA) county committees.

Agricultural production losses due to conditions caused by last year's wildfires and hurricanes, including excessive rain, high winds, flooding, mudslides, fire, and heavy smoke, could qualify for assistance through the program. Typically, 2017 WHIP is only designed to provide assistance for production losses, however, if quality was taken into consideration under the insurance or Noninsured Crop Disaster Assistance Program (NAP) policy, where production was further adjusted, the adjusted production will be used in calculating assistance under this program.

Eligible crops include those for which federal crop insurance or NAP coverage is available, excluding crops intended for grazing. A list of crops covered by crop insurance is available through the U.S. Department of Agriculture's (USDA) Actuarial Information Browser at https://webapp.rma.usda.gov/apps/actuarialinformationbrowser.

Eligibility will be determined for each producer based on the size of the loss and the level of insurance coverage elected by the producer. A WHIP factor will be determined for each crop based on the producer's coverage level. Producers who elected higher coverage levels will receive a higher WHIP factor.

The 2017 WHIP payment factor ranges from 65 percent to 95 percent, depending upon the level of crop insurance coverage or NAP coverage that a producer obtained for the crop. Producers who did not insure their crops in 2017 will receive 65 percent of the expected value of the crop. Insured producers will receive between 70 percent and 95 percent of expected value; those who purchased the highest levels of coverage will receive 95-percent coverage.

Each eligible producer requesting 2017 WHIP benefits will be subject to a payment limitation of either \$125,000 or \$900,000, depending upon their average adjusted gross income, which will be verified. The payment limit is \$125,000 if less than 75 percent of the person or legal entity's average adjusted gross income is average adjusted gross farm income. The payment limit is \$900,000, if 75 percent or more of the average adjusted gross income of the person or legal entity is average adjusted gross farm income.

Both insured and uninsured producers are eligible to apply for 2017 WHIP. However, all producers receiving 2017 WHIP payments will be required to purchase crop insurance and/or NAP, at the 60 percent coverage level or higher, for the next two available crop years to meet statutory requirements. Producers who fail to purchase crop insurance for the next two applicable years will be required to pay back the 2017 WHIP payment.

To help expedite payments, a producer who does not have records established at the <u>local USDA</u> <u>service center</u> are encouraged to do so early in the process. To establish a record for a farm, a producer needs:

- Proof of identity: driver's license and Social Security number/card;
- Copy of recorder deed, survey plat, rental, or lease agreement of the land. A producer does not have to own property to participate in FSA programs;
- Corporation, estate, or trust documents, if applicable

Once signup begins, a producer will be asked to provide verifiable and reliable production records. If a producer is unable to provide production records, USDA will calculate the yield based on the county average yield. A producer with this information on file does not need to provide the information again.

For more information on FSA disaster assistance programs, please contact your local USDA service center or visit <u>https://www.farmers.gov/recover/whip</u>.

USDA Assistance is Available to Louisiana Pecan Growers Affected by 2017 Weather Events

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) announced that assistance is available for pecan growers in Louisiana to replant and replace trees through the Tree Assistance Program (TAP) as they recover from the impacts of 2017 weather events.

Funding will be provided through TAP, a program administered by FSA. Up to \$15 million is available to eligible pecan orchardists or pecan nursery tree growers for certain mortality losses incurred during 2017. To be eligible, the grower must have suffered a mortality loss on a stand in excess of 7.5 percent, but less than 15 percent, adjusted for normal mortality.

The assistance was made to eligible pecan orchardists and pecan nursery tree growers by Congress through the Consolidated Appropriations Act of 2018. To qualify for a TAP payment for pecan tree losses, orchardists and nursery tree growers must have:

- planted, or be considered to have planted (by purchase before the loss of existing stock planted for commercial purposes) pecan trees for commercial purposes, or have a production history, for commercial purposes, of planted or existing trees;
- suffered a qualifying pecan tree loss in excess of 7.5 percent mortality (after adjustment for normal mortality), from Jan. 1, 2017, through Dec. 31, 2017; and
- continuously owned the stand from the time of the disaster until the time that the TAP application is submitted.

For more information about TAP, visit <u>www.fsa.usda.gov/tap</u> or contact your local FSA office. To find your local FSA office, visit <u>www.farmers.gov</u>.

USDA Enrollment Period for Safety Net Coverage in 2018

Farmers and ranchers with base acres in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) safety net program still have time to enroll for the 2018 crop year. The enrollment

period for farms without generic base acres will end on Sept. 28, 2018. Producers with generic base acres have until Dec. 7, 2018, to allocate generic base acres, update yields, make a program election for seed cotton base acres and enroll farms that formerly contained generic base acres.

Since shares and ownership of a farm can change year-to-year, producers must enroll by signing a contract each program year.

The producers on a farm that are not enrolled for the 2018 enrollment period will not be eligible for financial assistance from the ARC or PLC programs for the 2018 crop should crop prices or farm revenues fall below the historical price or revenue benchmarks established by the program. Producers who made their elections in previous years must still enroll during the 2018 enrollment period.

The ARC and PLC programs were authorized by the 2014 Farm Bill and offer a safety net to agricultural producers when there is a substantial drop in prices or revenues for covered commodities. 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 grain rice (which includes short grain and sweet rice), safflower seed, sesame, soybeans, sunflower seed, wheat and upland cotton. For more details regarding these programs, go to <u>www.fsa.usda.gov/arc-plc</u>.

For more information, producers are encouraged to visit their local FSA office. To find a local FSA office, visit <u>https://www.farmers.gov/</u>.

Environmental Review Required Before Project Implementation

The National Environmental Policy Act (NEPA) requires Federal agencies to consider all potential environmental impacts for federally-funded projects before the project is approved.

For all Farm Service Agency (FSA) programs, an environmental review must be completed before actions are approved, such as site preparation or ground disturbance. These programs include, **but are not limited to**, the Emergency Conservation Program (ECP), Farm Storage Facility Loan (FSFL) program and farm loans. If project implementation begins before FSA has completed an environmental review, this will result in a denial of the request. There are exceptions regarding the Stafford Act and emergencies. It is important to wait until you receive written approval of your project proposal before starting any actions, including, but not limited to, vegetation clearing, site preparation or ground disturbance.

Remember to contact your local FSA office early in your planning process to determine what level of environmental review is required for your program application so that it can be completed timely.

Applications cannot be approved contingent upon the completion of an environmental review. FSA must have copies of all permits and plans before an application can be approved

MAL and LDP Policy

The Agricultural Act of 2014 authorized 2014-2018 crop year Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs), with a few minor policy changes.

Among the changes, farm-stored MAL collateral transferred to warehouse storage will retain the original loan rate, be allowed to transfer only the outstanding farm-stored quantity with no additional quantity allowed and will no longer require producers to have a paid for measurement service when moving or commingling loan collateral.

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, pulse crops, rice, peanuts, cotton, wool and honey. MALs provide producers interim financing after harvest to help them meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows. A producer who is eligible to obtain a loan, but agrees to forgo the loan, may obtain an LDP if such a payment is available. Marketing loan provisions and LDPs are not available for sugar and extra-long staple cotton.

FSA is now accepting requests for 2018 MALs and LDPs for all eligible commodities after harvest. Requests for loans and LDPs shall be made on or before the final availability date for the respective commodities.

Before MAL repayments with a market loan gain or LDP disbursements can be made, producers must meet the requirements of actively engaged in farming, cash rent tenant and member contribution.

Commodity certificates are available to loan holders who have outstanding nonrecourse loans for wheat, upland cotton, rice, feed grains, pulse crops (dry peas, lentils, large and small chickpeas), peanuts, wool, soybeans and designated minor oilseeds. These certificates can be purchased at the posted county price (or adjusted world price or national posted price) for the quantity of commodity under loan, and must be immediately exchanged for the collateral, satisfying the loan. MALs redeemed with commodity certificates are not subject to the actively engaged in farming, cash-rent tenant, Adjusted Gross Income provisions or the payment limitation.

To be considered eligible for an LDP, producers must have form <u>CCC-633EZ</u>, Page 1 on file at their local FSA Office before losing beneficial interest in the crop. Pages 2, 3 or 4 of the form must be submitted when payment is requested.

The 2014 Farm Bill also establishes payment limitations per individual or entity not to exceed \$125,000 annually on certain commodities for the following program benefits: price loss coverage payments, agriculture risk coverage payments, marketing loan gains (MLGs) and LDPs. These payment limitations do not apply to MAL loan disbursements or redemptions using commodity certificate exchange.

Adjusted Gross Income (AGI) provisions were modified by the 2014 Farm Bill, which states that a producer whose total applicable three-year average AGI exceeds \$900,000 is not eligible to receive an MLG or LDP. Producers must have a valid CCC-941 on file to earn a market gain of LDP. The AGI does not apply to MALs redeemed with commodity certificate exchange.

For more information and additional eligibility requirements, please visit a nearby USDA Service Center or FSA's website <u>www.fsa.usda.gov</u>.

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 <u>www.fsa.usda.gov</u>.

FSA Offers Joint Financing Option on Direct Farm Ownership Loans

The USDA Farm Service Agency's (FSA) <u>Direct Farm Ownership loans</u> are a resource to help farmers and ranchers become owner-operators of family farms, improve and expand current operations, increase agricultural productivity, and assist with land tenure to save farmland for future generations.

Depending on the applicant's needs, there are three types of Direct Farm Ownership Loans: regular, down payment and joint financing. FSA also offers a <u>Direct Farm Ownership Microloan</u> option for smaller financial needs up to \$50,000.

Joint financing allows FSA to provide more farmers and ranchers with access to capital. FSA lends up to 50 percent of the total amount financed. A commercial lender, a State program or the seller of the property being purchased, provides the balance of loan funds, with or without an FSA guarantee. The maximum loan amount for a Joint Financing loan is \$300,000 and the repayment period for the loan is up to 40 years.

To be eligible, the operation must be an eligible farm enterprise. Farm Ownership loan funds cannot be used to finance nonfarm enterprises and all applicants must be able to meet general eligibility requirements. Loan applicants are also required to have participated in the business operations of a farm or ranch for at least three years out of the 10 years prior to the date the application is submitted. The applicant must show documentation that their participation in the business operation of the farm or ranch was not solely as a laborer.

For more information about FSA Loan programs, contact your local FSA office or visit <u>www.fsa.usda.gov</u>. To find your local FSA office, visit <u>http://offices.usda.gov</u>.

USDA Makes it Easier to Transfer Land to the Next Generation of Farmers and Ranchers

U.S. Department of Agriculture (USDA) is offering an early termination opportunity for certain Conservation Reserve Program (CRP) contracts, making it easier to transfer property to the next generation of farmers and ranchers, including family members. The land that is eligible for the early termination is among the least environmentally sensitive land enrolled in CRP.

Normally if a landowner terminates a CRP contract early, they are required to repay all previous payments plus interest. The new policy waives this repayment if the land is transferred to a beginning farmer or rancher through a sale or lease with an option to buy. With CRP enrollment close to the Congressionally-mandated cap of 24 million acres, the early termination will also allow USDA to enroll other land with higher conservation value elsewhere.

Acres terminated early from CRP under these land tenure provisions will be eligible for priority enrollment consideration into the CRP Grasslands, if eligible; or the Conservation Stewardship Program or Environmental Quality Incentives Program, as determined by the Natural Resources Conservation Service.

According to the Tenure, Ownership and Transition of Agricultural Land survey, conducted by USDA in 2014, U.S. farmland owners expect to transfer 93 million acres to new ownership during 2015-2019. This represents 10 percent of all farmland across the nation. Details on the early termination opportunity will be available starting on Jan. 9, 2017, at local USDA service centers. For more information about CRP and to find out if your acreage is eligible for early contract termination, contact your local Farm Service Agency (FSA) office or go online at www.fsa.usda.gov/crp.

Authorization Required for Incidental Grazing of CRP Acres

In certain situations, landowners and operators may need to graze a field containing Conservation Reserve Program (CRP) continuous practices such as grass waterways (CP8A), contour grass strips (CP15A); filter strips (CP21); quail and upland bird habitat buffers (CP33), denitrifying bioreactor on filter strips (CP21B), or saturated filter strips (CP21S). FSA must first authorize the incidental grazing on CRP in a field intended to be gleaned.

Grazing is incidental to the gleaning of the crop residue in a field, or before the harvest of a small grain and occurs after the harvest of crops from within the surrounding field, or during the dormant period of a small grain intended for harvest. The grazing cannot occur during the primary nesting season, which for Louisiana is April 15 through July 15. In addition, grazing can only occur if the approved cover for that practice has been established and the grazing will not adversely impact the purpose or performance of the practice.

All livestock shall be removed from CRP acreage **no later than two months** after incidental grazing begins. CRP participants utilizing incidental grazing will have a payment reduction for the acreage being grazed. Participants are also responsible, at their own expense, to reestablish a cover destroyed or damaged as a result of the incidental grazing.

If the acreage to be grazed is separated from the surrounding cropland by a fence, the CRP acreage shall not be grazed.

Breaking New Ground

Agricultural producers are reminded to consult with FSA and NRCS before breaking out new ground for production purposes as doing so without prior authorization may put a producer's federal farm program benefits in jeopardy. This is especially true for land that must meet Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions.

Producers with HEL determined soils are required to apply tillage, crop residue and rotational requirements as specified in their conservation plan.

Producers should notify FSA as a first point of contact prior to conducting land clearing or drainage type projects to ensure the proposed actions meet compliance criteria such as clearing any trees to create new cropland, then these areas will need to be reviewed to ensure such work will not risk your eligibility for benefits.

Landowners and operators complete the form AD-1026 - Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification to identify the proposed action and allow FSA to determine whether a referral to Natural Resources Conservation Service (NRCS) for further review is necessary

Selected Interest Rates for September 2018

- Farm Operating Loans Direct 3.750%
- Farm Ownership Loans Direct 4.000%
- Farm Ownership Loans Direct Down Payment, Beginning Farmer or Rancher 1.50%
- Emergency Loans 3.750%
- Farm Storage Facility Loans (3 years) 2.750%
- Farm Storage Facility Loans (5 years) 2.750%
- Farm Storage Facility Loans (7 years) 2.875%
- Farm Storage Facility Loans (10 years) 2.875%
- Farm Storage Facility Loans (12 years) 3.000%
- Sugar Storage Facility Loans (15 year term) 3.000%
- Commodity Loans 3.375%

USDA is an equal opportunity provider, employer and lender. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., 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).