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Farm Service Agency Electronic News Service

NEWSLETTER

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Washington State FSA Newsletter

Washington State Farm Service Agency

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Farm Programs, Marketing Information and More Rely on Your Census of Agriculture Response

In December farmers and ranchers across the nation received the 2017 Census of Agriculture survey. You can mail in your completed census form, or respond online via the improved web questionnaire. The online questionnaire has been revised extensively to make it more convenient for producers.

Conducted once every five years, the census of agriculture is a complete count of all U.S. farms, ranches, and those who operate them; it is the only source of uniform, comprehensive, and impartial agriculture data for every state and county in the nation.

To find contact information for your local office go to www.fsa.usda.gov/wa

Farmers and ranchers, trade associations, government, extension educators, researchers, and many others rely on census of agriculture data when making decisions that shape American agriculture – from creating and funding farm programs to boosting services for communities and the industry. The census of agriculture is a producer's voice, future, and opportunity.

For more information about the 2017 Census of Agriculture, visit www.agcensus.usda.gov or call (800) 727-9540.

Reporting Weather-Related Losses

Winter weather poses risks for crop and livestock producers. Farmers and ranchers are reminded to report weather-related damage or losses to your <u>county FSA office</u>. FSA uses damage reports to evaluate the need for disaster designations that could trigger financial resources to assist with repairs.

Floods are one of the more common natural disasters in late winter and early spring in Washington. USDA agencies in the state have an online resource to help you prevent, respond to and repair flood damage on your land. https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdafiles/State-Offices/Washington/resources/pdfs/floodbrochure-web2016.pdf.

Report Damage or Loss of NAP Covered Crops

If winter weather causes damage to or loss of your NAP covered perennial and/or fall planted crops, you must report this to your local FSA county office.

NAP notices of loss must be submitted, in writing, to your local FSA county office for weather related events or adverse natural occurrences that cause damage to or loss of the NAP covered crop. To report crop damage or loss you must complete, sign and file form CCC-576 with your FSA office by the earlier of either of the following:

- 15 calendar days after the disaster occurrence or date of loss or damage to the crop or commodity first becomes apparent
- 15 calendar days after the normal harvest date

As the 2018 crop year progresses, it is imperative that a notice of loss is filed (for all affected NAP covered crops) within the timeframe reflected above for each weather-related event or adverse natural occurrence. This will ensure FSA is notified that your NAP covered crop or crops have been damaged or lost.

When a covered crop is lost or damage is significant, replanting is required if feasible and the final planting date has not passed. When you determine that the crop will be destroyed, abandoned, or not taken to harvest as intended, you must report this to your local FSA office so a field visit can be conducted by a certified loss adjuster. Once the crop appraisal has been completed, the loss

adjuster will release the field and you can destroy the covered crop acres and replant to a different crop or harvest the acres for a different use.

Failure to timely notify your FSA county office of NAP covered crop damage or loss will result in denial of NAP payment benefits. Destroying NAP covered crop acres or harvesting for a different use without a loss adjuster appraisal will result in those acres being determined ineligible for NAP payment benefits.

If you have any questions about NAP policy requirements, contact your local FSA county office for more information.

Production Reporting Deadlines for NAP Covered Tree Fruits, Blueberries and Cranberries

Annual reporting of actual harvested production is a requirement for producers who obtained Non-Insured Crop Disaster Assistance Program (NAP) coverage. To retain program eligibility for NAP covered crops, participating producers must annually report actual production to retain NAP program benefits and ensure the NAP actual production history (APH) reflects accurate yield data.

Producers of 2017 NAP covered tree fruits (apples, apricots, cherries, nectarines, peaches, pears, and plums), blueberries, and cranberries must report actual harvested production by January 15, 2018.

If actual harvested production for NAP covered crops is not timely submitted to your local county FSA office, NAP benefits for crop losses will not be earned and the NAP yield will begin to drop significantly, which will affect future year NAP coverage levels.

If you have any questions about production reporting or NAP payment requirements, contact your county FSA office.

Prevent Payment Delays or Losses by Reporting Operation Changes

If you have bought or sold land, or if you have picked up or dropped rented land from your operation, or if there has been a death related to your farm operation, make sure you report the changes to your county FSA office as soon as possible. You need to provide a copy of your deed or recorded land contract for purchased property for any land changes. Failure to maintain accurate records with FSA on all land you have an interest in can lead to possible program ineligibility and penalties. Making the record changes now will save you time in the spring. Make sure to update signature authorization when changes in the operation occur.

It is your responsibility to report changes timely so that records can be kept current and accurate which may prevent loss of program benefits. Contact your <u>county FSA office</u> if you need to report changes to your operation.

Payment Limitations by Program

The 2014 Farm Bill established a maximum dollar amount for each program that can be received annually, directly or indirectly, **by each person or legal entity**. Payment limitations vary by program for 2014 through 2018. Below is an overview of payment limitations by program.

Commodity and Price Support Programs

The annual limitation for the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs, Loan Deficiency Payments (LDPs) and Market Loan Gains is \$125,000 total.

Conservation Programs

The Conservation Reserve Program (CRP) annual rental payment and incentive payment is limited to \$50,000. Incentive payments subject to this limit include Signing Incentive Payment (SIP) issued shortly after contract approval for a limited number of continuous CRP practices, and typically range \$75-\$125 per newly enrolled acre. The Practice Incentive Payment (PIP) is also subject to this limit. The PIP is issued after participants report complete installation of the required cover and effectively provides an additional 40% cost reimbursement on top of the 50% cost sharing. The PIP is available on most but not all continuous CRP enrollments. Annual rental payments and incentive payments earned under all subcategories of CRP are subject to one \$50,000 annual limit. This includes general CRP, continuous CRP, SAFE, HELI, TIP, CREP and field borders. The Emergency Conservation Program (ECP) has an annual limit of \$200,000 per disaster event per eligible applicant. The Emergency Forest Restoration Program (EFRP) has an annual limit of \$500,000 per disaster event per eligible applicant.

Disaster Assistance Programs

The annual limitation of \$125,000 applies to the Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP), Livestock Forage Disaster Program (LFP) and Livestock Indemnity Program (LIP). The total payments received under ELAP, LFP and LIP may not exceed \$125,000. A separate limitation of \$125,000 applies to Tree Assistance Program (TAP) payments. There is also a separate \$125,000 payment limit for the Noninsured Crop Disaster Assistance Program (NAP).

Payment limitations also apply to Natural Resources Conservation Service (NRCS) programs. Contact your local NRCS office more information.

For more information on FSA payment limitations by program, visit https://www.fsa.usda.gov/Assets/USDA-FSA-
Public/usdafiles/FactSheets/2015/payment eligibility payment limitations.pdf.

Payments to Deceased Producers

In order to claim a Farm Service Agency (FSA) payment on behalf of a deceased producer, all program conditions for the payment must have been met before the applicable producer's date of death.

If a producer earned an FSA payment prior to becoming deceased, the following is the order of precedence of the representatives of the producer:

- administrator or executor of the estate
- the surviving spouse
- surviving sons and daughters, including adopted children

- surviving father and mother
- surviving brothers and sisters
- heirs of the deceased person who would be entitled to payment according to the State law

In order for FSA to release the payment, the legal representative of the deceased producer must file a form FSA-325, to claim the payment for themselves or an estate. The county office will verify and determine that the application, contract, loan agreement, or other similar form requesting payment issuance, was signed by the applicable deadline for such form, by the deceased or a person legally authorized to act on their behalf at that time of application.

If the application, contract or loan agreement form was signed by someone other than the participant who is deceased, FSA will determine whether the person submitting the form has the legal authority to submit the form to compel FSA to pay the deceased participant.

Payments will be issued to the respective representative's name using the deceased program participant's tax identification number. Payments made to representatives are subject to offset regulations for debts owed by the deceased.

FSA is not responsible for advising persons in obtaining legal advice on how to obtain program benefits that may be due to a participant who has died, disappeared or who has been declared incompetent.

Low Interest Facility Loans Can Assist with Meeting Storage and Handling Needs

FSA's Farm Storage Facility Loan (FSFL) program provides low-interest financing to producers to build or upgrade storage facilities and to purchase portable (new or used) structures, equipment and storage and handling trucks.

The low-interest funds can be used to build or upgrade permanent facilities to store commodities. Eligible commodities include corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley, minor oilseeds harvested as whole grain, pulse crops (lentils, chickpeas and dry peas), hay, honey, renewable biomass, fruits, nuts and vegetables for cold storage facilities, floriculture, hops, maple sap, rye, milk, cheese, butter, yogurt, meat and poultry (unprocessed), eggs, and aquaculture (excluding systems that maintain live animals through uptake and discharge of water). Qualified facilities include grain bins, hay barns and cold storage facilities for eligible commodities.

Examples of equipment that may be financed include but are not limited to the following:

- baggers or boxers
- cement flooring
- circulation fans
- cold dip tanks
- conveyors
- drying tunnels
- dumpers
- electrical equipment
- food safety-related equipment or safety equipment to meet OSHA requirements
- hoppers
- hydrocoolers
- ice machines

- quality grader
- refrigeration units or systems
- sorting bins and/or tables
- · storage and handling trucks
- washers
- waxers
- weight graders.

Loans up to \$50,000 can be secured by a promissory note/security agreement and loans between \$50,000 and \$100,000 may require additional security. Loans exceeding \$100,000 require additional security.

Producers do not need to demonstrate the lack of commercial credit availability to apply. The loans are designed to assist a diverse range of farming operations, including small and mid-sized businesses, new farmers, operations supplying local food and farmers markets, non-traditional farm products, and underserved producers.

To learn more about FSA Farm Storage Facility Loans, visit www.fsa.usda.gov/pricesupport or contact your county-FSA office.

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. If you have questions, contact your <u>county FSA office</u>.

Preauthorized Debit Available for Farm Loan Borrowers

USDA Farm Service Agency (FSA) has implemented pre-authorized debit (PAD) for Farm Loan Program (FLP) borrowers. PAD is a voluntary and alternative method for making weekly, bi-weekly, monthly, quarterly, semi-annual or annual payments on loans.

PAD payments are pre authorized transactions that allow the National Financial and Accounting Operations Center (NFAOC) to electronically collect loan payments from a customer's account at a financial institution.

PAD may be useful for borrowers who use nonfarm income from regular wages or salary to make payments on loans or adjustment offers or for payments from seasonal produce stands. PAD can only be established for future payments.

To request PAD, customers, along with their financial institution, must fill out form RD 3550-28. This form has no expiration date, but a separate form RD 3550-28 must be completed for each loan to which payments are to be applied. A fillable form can be accessed on the USDA Rural Development (RD) website at http://www.rd.usda.gov/publications/regulations-guidelines. Click forms and search for "Form 3550-28."

If you have a "filter" on the account at your financial institution, you will need to provide the financial institution with the following information: Origination ID: 1220040804, Agency Name: USDA RD DCFO.

PAD is offered by FSA at no cost. Check with your financial institution to discuss any potential cost. Preauthorized debit has no expiration date, but you can cancel at any time by submitting a written request to your local FSA office. If a preauthorized debit agreement receives three payment rejections within a three month period, the preauthorized debt agreement will be cancelled by FSA. The payment amount and due date of your loan is not affected by a cancellation of preauthorized debit. You are responsible to ensure your full payment is made by the due date.

For more information about PAD, contact your county FSA office.

Important Dates and Deadlines

Jan. 1, 2018 - New FSA county committee members take office.

Jan. 1, 2018 – FSA offices closed for New Year's holiday.

Jan. 15, 2018 – 2018 crop acreage reporting deadline for tree fruits (apples, apricots, cherries, nectarines, peaches, pears and plums), blueberries, and cranberries.

Jan. 15, 2018 – 2017 crop production reporting deadline for 2017 NAP covered tree fruits (apples, apricots, cherries, nectarines, peaches, pears and plums), blueberries, and cranberries.

Jan. 30, 2018 - Final date to submit 2017 Livestock Indemnity Program (LIP) notice of loss.

Feb. 19, 2018 – FSA offices closed for President's Day.

For previous issues of the FSA Washington newsletter and a list of annual program **reminders**, check the <u>newsletter page</u> on the FSA Washington website.

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).





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