

June 2018



Farm Service Agency **Electronic News Service**

# NEWSLETTER

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## Topics for June

- [Message from the SED](#)
- [USDA Resumes Continuous Conservation Reserve Program Enrollment](#)
- [USDA Enrollment Period for Safety Net Coverage in 2018](#)
- [FSA Offers Joint Financing Option on Direct Farm Ownership Loans](#)
- [2018 Acreage Reporting Dates](#)
- [2018 Signup for CRP](#)
- [Preauthorized Debit Available for Farm Loan Borrowers](#)
- [Farm Storage Facility Loans](#)
- [Farm Reconstitutions](#)
- [USDA Partners with Texas A&M to Help Veterans Seeking Agriculture Loans and Careers](#)

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## South Carolina Farm Service Agency Newsletter

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### South Carolina

#### Farm Service Agency

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

#### State Executive Director:

Boone Peeler

#### State Committee:

Anthony Grant, Chairperson  
Robert Battle  
Bill Sarratt  
Landy Weathers  
Beth White

### Message from the SED

It is time for the 2018 FSA county committee election process. County committees are an important part of the day-to-day operations of FSA. They work to make FSA farm programs serve the needs of local producers. To be eligible to serve on a county committee, producers must participate or cooperate in an FSA program and reside in the area where the election is being held. Local FSA offices started accepting nominations for county committee members on June 15, 2018.

I would like to encourage all eligible producers to visit their local FSA office to find out how to get involved in their county's election.

-Boone Peeler

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**Administrative Officer:**

Kenn Jameson

**Farm Programs Chief:**

Amy Turner

**Farm Loan Programs Chief:**

William Shelley

Producers can contact their [local FSA Office](#) for more information or to schedule an appointment.

**Important Dates and Deadlines:**

**July 4:** Offices Closed for Independence Day

**July 16:** Acreage Reporting Deadline for Spring and Summer Seeded Crops

**August 15:** Acreage Reporting Deadline for Tomatoes (planted 7/1-7/15).

## USDA Resumes Continuous Conservation Reserve Program Enrollment

One-Year Extension Available to Holders of Many Expiring Contracts through Continuous Signup

As part of a 33-year effort to protect sensitive lands and improve water quality and wildlife habitat on private lands, the U.S. Department of Agriculture (USDA) will resume accepting applications for the voluntary [Conservation Reserve Program](#) (CRP). Eligible farmers, ranchers, and private landowners can sign up at their local [Farm Service Agency \(FSA\)](#) office between June 4 and Aug. 17, 2018.

FSA stopped accepting applications last fall for the CRP continuous signup (excluding applications for the Conservation Reserve Enhancement Program (CREP) and CRP grasslands). This pause allowed USDA to review available acres and avoid exceeding the 24 million-acre CRP cap set by the 2014 Farm Bill. New limited practice availability and short sign up period helps ensure that landowners with the most sensitive acreage will enroll in the program and avoid unintended competition with new and beginning farmers seeking leases. CRP enrollment currently is about 22.7 million acres.

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## 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 may enroll for the 2018 crop year. The enrollment period will end on Aug. 1, 2018.

**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 and wheat. Upland cotton is no longer a covered commodity. For more details regarding these programs, go to [www.fsa.usda.gov/arc-plc](http://www.fsa.usda.gov/arc-plc).

For more information, producers are encouraged to visit their local FSA office. To find a local FSA office, visit <http://offices.usda.gov>.

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## FSA Offers Joint Financing Option on Direct Farm Ownership Loans

The USDA Farm Service Agency's (FSA) [Direct Farm Ownership loans](#) 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 [Direct Farm Ownership Microloan](#) 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 [www.fsa.usda.gov](http://www.fsa.usda.gov). To find your local FSA office, visit <http://offices.usda.gov>.

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## 2018 Acreage Reporting Dates

In order to comply with FSA program eligibility requirements, all producers are encouraged to visit their local FSA office to file an accurate crop certification report by the applicable deadline.

Acreage reporting dates vary by crop and by county so please contact your local FSA office for a list of county-specific deadlines.

The following exceptions apply to acreage reporting dates:

- If the crop has not been planted by the applicable acreage reporting date, then the acreage must be reported no later than 15 calendar days after planting is completed.
- If a producer acquires additional acreage after the applicable acreage reporting date, then the acreage must be reported no later than 30 calendar days after purchase or acquiring the lease. Appropriate documentation must be provided to the county office.
- If a perennial forage crop is reported with the intended use of "cover only," "green manure," "left standing," or "seed," then the acreage must be reported by July 15th.

Noninsured Crop Disaster Assistance Program (NAP) policy holders should note that the acreage reporting date for NAP covered crops is the earlier of the applicable dates or 15 calendar days before grazing or harvesting of the crop begins.

For questions regarding crop certification and crop loss reports, please contact your local FSA office.

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## 2018 Signup for CRP

For this year's signup, limited priority practices are available for continuous enrollment. They include grassed waterways, filter strips, riparian buffers, wetland restoration and others. [View a full list of practices](#).

FSA will use updated soil rental rates to make annual rental payments, reflecting current values. It will not offer incentive payments as part of the new signup.

USDA will not open a general signup this year, however, a one-year extension will be offered to existing CRP participants with expiring CRP contracts of 14 years or less. Producers eligible for an extension will receive a letter with more information.

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## 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 local FSA office. To find a local FSA office, visit <http://offices.usda.gov>.

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## Farm Storage Facility Loans

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.

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 the FSA Farm Storage Facility Loan, visit [www.fsa.usda.gov/pricesupport](http://www.fsa.usda.gov/pricesupport) or contact your local FSA county office. To find your local FSA county office, visit <http://offices.usda.gov>.

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## Farm Reconstitutions

When changes in farm ownership or operation take place, a farm reconstitution is necessary. The reconstitution — or recon — is the process of combining or dividing farms or tracts of land based on the farming operation.

To be effective for the current Fiscal Year (FY), farm combinations and farm divisions must be requested by **August 1 of the FY** for farms subject to the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) program. A reconstitution is considered to be requested when all:

- of the required signatures are on FSA-155
- other applicable documentation, such as proof of ownership, is submitted.

Total Conservation Reserve Program (CRP) and non-ARC/PLC farms may be reconstituted at any time.

The following are the different methods used when doing a farm recon:

**Estate Method** — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate;

**Designation of Landowner Method** — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding;

**DCP Cropland Method** — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract;

**Default Method** — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

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## USDA Partners with Texas A&M to Help Veterans Seeking Agriculture Loans and Careers

USDA announced a partnership between the U.S. Department of Agriculture (USDA) and Texas A&M's AgriLife Extension Service to help military veterans obtain loans and pursue careers as farmers and ranchers. Secretary Perdue joined local dignitaries, members of the Armed Forces, veterans, and community leaders at the Dallas Farmers Market to unveil the new pilot program.

USDA's [Farm Service Agency](#) (FSA) is collaborating with AgriLife Extension Service on the pilot, which is part of the Texas A&M Battleground to Breaking Ground project. The program makes it easier for veterans to meet federal requirements to get FSA direct [farm ownership](#) loans, which can help provide access to land and capital.

The pilot program, which will include 15 to 18 veterans, will roll out in three phases: an introductory workshop, a business planning curriculum, and a production curriculum over a period of 12 to 18 months.

Typically, loan applicants must participate in the business operations of a farm for at least three years during a 10-year period. However, as part of this pilot program, participants can combine the certificate they receive with their military leadership or management experience to satisfy this requirement. According to the U.S. Department of Labor, approximately 45 percent of armed service members are from rural America.

Pilot program applications will be accepted from interested veterans between June 15 and July 20, 2018, until 11 p.m. central standard time, [apply here](#). For more information about USDA programs, visit [newfarmers.usda.gov/veterans](http://newfarmers.usda.gov/veterans) or <https://www.farmers.gov>.

To learn about other ways USDA is supporting veterans, visit <https://www.usda.gov/our-agency/initiatives/veterans>, and watch <https://www.youtube.com/watch?v=OAeLqXHUU3w>.

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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).