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Texas FSA Newsletter

Farm Service Agency Texas State Office

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From the Texas State Executive Director

The Innovative Texan Spirit

Successful companies, organizations, and family businesses continually seek ways to modernize, become more efficient, expand opportunities, and reach new customers. The U.S. Department of Agriculture (USDA) and Texas Farm Service Agency (FSA) have several ways to support our producers, respond to anyone seeking answers about agriculture, and reach out to those who may not yet realize their potential as a new producer.

Bridges to Opportunities (BTO) is one rapidly-growing program in FSA's effort to both reach new potential producers and assist existing farmers and ranchers looking for resources to grow or diversify their operation. BTO search results direct FSA customers toward resources and programs suited to their specific needs, including government programs, access to capital, pest and animal control, and disaster recovery resources.

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

BTO, also known as "Bridges," started as a pilot program in a handful of states, including two counties in Texas. The program has since grown nationally, and has expanded in Texas to 25 counties.

Innovative producers look for new ways to remain successful. One quickly growing trend is the local Farmers Market concept. Producers may discover an opportunity to provide availability of fresh, local foods in their community while expanding their business.

According to the USDA Agricultural Marketing Service (AMS), there are more than 200 Farmers Markets in Texas. To learn more about Farmers Markets and to find a market near you, visit the National Farmers Market Directory online.

These are just a couple of the many USDA programs available to assist Texas farmers and ranchers looking for ways to grow their business. To learn more about FSA programs, visit www.fsa.usda.gov or contact a local FSA county office. To find your local FSA county office, visit http://offices.usda.gov.

Sincerely,
Judith A. Canales
Texas Farm Service Agency Executive Director

USDA Program Deadline Reminders

Agriculture Risk Coverage and/or Price Loss Coverage - August 1, 2016
Farmers and ranchers have until August 1 to enroll in Agriculture Risk Coverage (ARC) and/or Price Loss Coverage (PLC) programs for the 2016 crop year. The programs trigger financial protections for participating agricultural producers when market forces cause substantial drops in crop prices or revenues. Producers may have already elected ARC or PLC, but must also enroll for the 2016 crop year by signing a contract before the August 1 deadline to receive program benefits.

County Committee Nomination Period - August 1, 2016
The nomination period for farmers and ranchers to serve on local Farm Service Agency (FSA) county committees (COC) began Wednesday, June 15, and ends August 1, 2016. To be eligible to serve on an FSA county committee, a person must participate or cooperate in an FSA-administered program, be eligible to vote in a county committee election, and reside in the local administrative area where they are nominated.

Cotton Ginning Cost-Share program - August 5, 2016
Sign-up for the Cotton Ginning Cost-Share (CGCS) program began June 20 and ends August 5, 2016. Eligible producers can receive a one-time cost share payment, which is based on a producer’s 2015 cotton acres reported to FSA, multiplied by 40 percent of the average ginning cost for each production region.at the producer’s local FSA office.

Margin Protection Program - September 30, 2016
The Margin Protection Program (MPP) enrollment began July 1 and ends September 30, 2016, for coverage in calendar year 2017. MPP provides financial assistance to participating dairy producers when the margin – the difference between the price of milk and feed costs – falls below the

coverage level selected by the producer. MPP gives participating dairy producers the flexibility to select coverage levels best suited for their operation.

To learn more about any of these programs, contact a local FSA county office. To find a local FSA county office, visit http://offices.usda.gov.

USDA Encourages Producers to Consider Risk Protection Coverage Before Crop Sales Deadlines

The Farm Service Agency encourages producers to examine available USDA crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the applicable crop sales deadline.

Producers are reminded that crops not covered by insurance may be eligible for the Noninsured Crop Disaster Assistance Program (NAP). The 2014 Farm Bill expanded NAP to include higher levels of protection. Beginning, underserved and limited resource farmers are now eligible for free catastrophic level coverage, as well as discounted premiums for additional levels of protection."

Federal crop insurance covers crop losses from natural adversities such as drought, hail and excessive moisture. NAP covers losses from natural disasters on crops for which no permanent federal crop insurance program is available, including perennial grass forage and grazing crops, fruits, vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

USDA has partnered with Michigan State University and the University of Illinois to create an online tool at www.fsa.usda.gov/nap that allows producers to determine whether their crops are eligible for federal crop insurance or NAP and to explore the best level of protection for their operation. NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production, with higher levels of coverage, up to 65 percent of their expected production at 100 percent of the average market price, including coverage for organics and crops marketed directly to consumers.

Deadlines for coverage vary by state and crop. To learn more about NAP visit www.fsa.usda.gov/nap or contact your local USDA Service Center. To find your local USDA Service Centers go to http://offices.usda.gov.

Federal crop insurance coverage is sold and delivered solely through private insurance agents. Agent lists are available at all USDA Service Centers or at USDA's online Agent Locator: http://prodwebnlb.rma.usda.gov/apps/AgentLocator/#. Producers can use the USDA Cost Estimator, https://ewebapp.rma.usda.gov/apps/costestimator/Default.aspx, to predict insurance premium costs.

2016 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 calendars 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 15

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.

FSAfarm+, FSA's Customer Self-Service Portal

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) has launched a new tool to provide farmers and ranchers with remote access to their personal farm information using their home computers. Farmers and ranchers can now view, print or export their personal farm data all without visiting an FSA county office.

The program, known as **FSA**farm+, provides you with secure access to view your personal FSA data, such as base and yields, Conservation Reserve Program data, other conservation program acreage, Highly Erodible Land Conservation and Wetland Conservation status information, field boundaries, farm imagery, name and address details, contact information and membership interest and shares in the operation. This data will be available in real time, at no cost to the producer and allow operators and owners to export and print farm records, including maps. Producers also can electronically share their data with a crop insurance agent from their own personal computer.

Farm operators and owners first will need "Level 2 eAuthentication" to access the webportal. This level of security ensures that personal information is protected for each user. Level 2 access can be obtained by going to www.eauth.usda.gov, completing the required information and then visiting your local FSA office to finalize access.

For more information on **FSA**farm+, the customer self-service portal, contact your local FSA office. To find your local FSA county office, click http://offices.usda.gov.

Emergency Loans Available Following Presidential Disaster Declarations in Texas Counties

Producers with operations in Texas Counties declared a primary or contiguous disaster due to severe storms, tornadoes, straight-line winds, or flooding, are eligible to apply for low interest emergency loans.

Emergency loans help producers recover from production and physical losses due to drought, flooding and other natural disasters or quarantine.

Producers have eight months from the date of the Presidential 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 percent of actual production or physical losses, to a maximum amount of $500,000.

For more information about emergency loans, please contact your local FSA office or visit www.fsa.usda.gov.

Emergency Conservation Program Assistance May be Available in Texas Counties

The Emergency Conservation Program (ECP) provides emergency funding and technical assistance to farmers and ranchers to rehabilitate farmland damaged by natural disasters and to implement emergency water conservation measures in periods of severe drought.

Producers who suffered a loss from a natural disaster should contact their local FSA Office for ECP deadlines.

For land to be eligible, the natural disaster must create new conservation problems that, if untreated, would:

- be so costly to rehabilitate that Federal assistance is or will be needed to return the land to productive agricultural use
- is unusual and is not the type that would recur frequently in the same area
- affect the productive capacity of the farmland
- impair or endanger the land

A producer qualifying for ECP assistance may receive cost-share levels not to exceed 75 percent of the eligible cost of restoration measures. No producer is eligible for more than $200,000 cost sharing per natural disaster occurrence. The following types of measures may be eligible:

- removing debris from farmland
- grading, shaping, or releveling severely damaged farmland
- restoring permanent fences
- restoring conservation structures and other similar installations

To be eligible for assistance, practices must not be started until all of the following are met:

- an application for cost-share assistance has been filed
- the local FSA County Committee (COC) or its representative has conducted an onsite inspection of the damaged area
- the Agency responsible for technical assistance, such as the Natural Resource Conservation Service (NRCS), has made a needs determination, which may include cubic yards of earthmoving, etc., required for rehabilitation

For more information about ECP, please visit www.fsa.usda.gov/tx.

Guaranteed Conservation Loans

Guaranteed Conservation Loans are available for applicants to install a conservation practice. These funds may be used for any conservation activities included in a conservation plan or Forest Stewardship Management plan. A copy of the conservation plan is required to complete the application. These loans are not limited to just family farmers. In some cases, applicants can operate non-eligible enterprises. Loan funds are issued by a participating commercial lender and guaranteed up to 80 percent by FSA or up to 90 percent for beginning and historically underserved producers.

USDA Provides Targeted Assistance to Cotton Producers to Share in the Cost of Ginning

One-time Payments to Assist with 2016 Ginning Season

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) will provide an estimated $300 million in cost-share assistance payments to cotton producers through the new Cotton Ginning Cost-Share program, in order to expand and maintain the domestic marketing of cotton.

The Cotton Ginning Cost Share program will offer meaningful, timely and targeted assistance to cotton growers to help with their anticipated ginning costs and to facilitate marketing. The program will provide, on average, approximately 60 percent more assistance per farm and per producer than the 2014 program that provided cotton transition assistance."

Through the Cotton Ginning Cost-Share program, eligible producers can receive a one-time cost share payment, which is based on a producer's 2015 cotton acres reported to FSA, multiplied by 40 percent of the average ginning cost for each production region. With the pressing need to provide assistance ahead of the 2016 ginning season this fall, USDA will ensure the application process is straight-forward and efficient. The program estimates the costs based on planting of cotton in 2015, and therefore the local FSA offices already have this information for the vast majority of eligible producers and the applications will be pre-populated with existing data. Sign-up for the program began June 20 and runs through Aug. 5, 2016, at the producer's local FSA office. Payments will be processed as applications are received.

Since 2011, cotton fiber markets have experienced dramatic changes. As a result of low cotton prices and global oversupply, cotton producers are facing economic uncertainty that has led to many producers having lost equity and having been forced to liquidate equipment and land to satisfy loans. The ginning of cotton is necessary prior to marketing the lint for fiber, or the seed for oil or feed. While the Cotton Ginning Cost-Share program makes payments to cotton producers for cotton ginning costs, the benefits of the program will be felt by the broader marketing chain associated with cotton and cottonseed, including cotton gins, cooperatives, marketers and cottonseed crushers and the rural communities that depend on them.

The program has the same eligibility requirements as were used for the 2014 Cotton Transition Assistance Program, including a $40,000 per producer payment limit, requirement to be actively engaged in farming, meet conservation compliance and a $900,000 adjusted gross income limit.

To learn more about the Cotton Ginning Cost-Share program, visit www.fsa.usda.gov/cgcs or contact a local FSA county office. To find your local FSA county office, visit http://offices.usda.gov.

MAL and LDP Policy Changes for Crop Years 2015-2018

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 2016 MALs and LDPs for all eligible commodities after harvest.

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 CCC-633EZ, 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 www.fsa.usda.gov.

Farm Storage Facility Loans

FSA's Farm Storage Facility Loan (FSFL) program provides low-interest financing to producers to build or upgrade storage facilities.

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 some loans between $50,000 and $100,000 will no longer 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 or contact your local FSA county office. To find your local FSA county office, visit http://offices.usda.gov.
