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AZ FSA Newsletter

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www.fsa.usda.gov/az

USDA Expands Microloans to Help Farmers Purchase Farmland and Improve Property

Producers, Including Beginning and Underserved Farmers, Have a
New Option to Gain Access to Land

The U.S. Department of Agriculture (USDA) is offering farm ownership microloans, creating a new financing avenue for farmers to buy and improve property. These microloans are especially helpful to beginning or underserved farmers, U.S. veterans looking for a career in farming, and those who have small and mid-sized farming operations.

The microloan program, which celebrates its third anniversary this week, has been hugely successful, providing more than 16,800 low-interest loans, totaling over \$373 million to producers across the country. Microloans have helped farmers and ranchers with operating costs, such as feed, fertilizer, tools, fencing, equipment, and living expenses since 2013. Seventy percent of loans have gone to new farmers.

Now, microloans will be available to also help with farm land and building purchases, and soil and water conservation improvements. FSA designed the expanded program to simplify the application process, expand eligibility requirements and expedite smaller real estate loans to help farmers strengthen their operations. Microloans provide up to \$50,000 to qualified producers, and can be issued to the applicant directly from the USDA Farm Service Agency (FSA).

This microloan announcement is another USDA resource for America's farmers and ranchers to utilize, especially as [new and beginning farmers and ranchers](#) look for the assistance they need to get started. To learn more about the FSA microloan program visit www.fsa.usda.gov/microloans, or contact your local FSA office. To find your nearest office location, please visit <http://offices.usda.gov>.

Loan Servicing

There are options for Farm Service Agency loan customers during financial stress. If you are a borrower who is unable to make payments on a loan, contact your local FSA Farm Loan Manager to learn about the options available to you.

USDA Resumes Incentives to Grow the Bioeconomy and Improve Forest Health

USDA announced that \$1.5 million will be available in fiscal year 2017 for farmers and foresters who harvest and deliver biomass for renewable energy. The funds are from the Biomass Crop Assistance Program (BCAP), which was reauthorized by the 2014 Farm Bill.

In fiscal year 2017, there is \$3 million total available for BCAP, half of which is for harvesting and delivering forest or agricultural residues to a USDA-approved energy facility. BCAP also provides financial assistance to farmers and ranchers who establish and maintain new crops of biomass for energy or biobased products; additional information on the resumption of those funds will be announced at a later date.

Facilities seeking to be qualified by USDA to accept BCAP-funded biomass can begin enrollment Nov. 14 through Dec. 5, 2016. Also, between Jan. 9, 2017, through March 15, 2017, USDA will accept applications from foresters and farmers seeking incentives to remove biomass residues from fields or national forests for delivery to energy generation facilities. The retrieval payments are provided at match of \$1 for \$1, up to \$20 per dry ton. Eligible crops include corn residue, orchard waste or diseased or insect-infested wood materials.

To learn more about BCAP or to enroll in updates, visit www.fsa.usda.gov/bcap or contact your local FSA county office. To find your local county office, visit <http://offices.usda.gov>

USDA Expands Farm Loans for Native Americans Farming and Ranching on Tribal Land

Department Awards First Loan Under Highly Fractionated Indian Land Program

USDA has approved and obligated the first loan under the Highly Fractionated Indian Land Loan program (HFIL). The program, made possible by the 2014 Farm Bill, provides revolving loan funds to qualified intermediary lenders, allowing qualified tribes and individuals the ability to purchase tribal farmland that has multiple owners.

The first recipient, the Native American Community Development Corporation Financial Services, Inc. (NACDCFS) of Browning, Mont., will lend funds directly to tribal members through a \$10 million intermediary HFIL loan from USDA's Farm Service Agency (FSA). NACDCFS addresses critical needs in Native American communities related to the growth of family assets, supports economic development, and enhances the quality of life for communities and residents located on or near Montana's seven Indian reservations. NACDCFS provides one-on-one technical assistance to Native American entrepreneurs and agricultural producers. NACDCFS is a 501(c) (3), certified Native Community Development Financial Institution (CDFI), through the U.S. Department of Treasury.

Under the [1887 Dawes Act](#), Indian reservation land was divided and allotted to individual tribal members such that with the passing of each generation, title ownership was divided and parceled among heirs, while the land was not. As a result, land once owned by a single person could today be owned by hundreds or thousands of individuals, resulting in what is known as "highly fractionated Indian land." In many instances, landowners are unknown or cannot be located, which complicates the coordination of ownership or prevents the use of the property altogether. There are more than 245,000 owners of three million fractionated land interests, spanning approximately 150 Indian reservations.

Under HFIL, tribes and tribal members can submit an application directly to an intermediary lender. To participate, intermediary lenders first must be approved by USDA. The lenders may be private and tribal nonprofit corporations, public agencies, Indian tribes or lenders subject to federal or state regulation (such as a credit union or other financial institution). FSA will lend to the intermediary, which will relend to the applicant. The intermediary lender also will administer the loan for the applicant.

For more information on the program, visit www.fsa.usda.gov/farmloans or contact the local FSA county office. To find the local FSA office, visit <http://offices.usda.gov>

USDA Climate Hub 'Energy Generation and Efficiency' Building Block

Through the Agricultural Act of 2014, USDA has several authorities that encourage the adoption of renewable energy and energy efficiency technologies. The Energy Generation and Efficiency Building Block supports energy efficiency improvements in rural homes and on farm operations, for example, through EQIP's National On-Farm Energy Initiative. This Building Block also provides opportunities to reduce Greenhouse Gas (GHG) emissions from energy generation and use, for example, through the Rural Energy for America Program. To learn more about energy generation and efficiency opportunities from USDA click the following link:

http://www.usda.gov/oce/climate_change/building_blocks/10_EnergyGenerationEfficiency.pdf

For more information about the USDA Climate Hubs click here:

<http://www.climatehubs.oce.usda.gov/>

Organic Producers and Handlers May Apply for Certification Cost Share Reimbursements; Expanded Eligibility for Transition and State Certification Cost

The U.S. Department of Agriculture (USDA) today announced that starting March 20, 2017, organic producers and handlers will be able to visit over 2,100 USDA Farm Service Agency (FSA) offices to apply for federal reimbursement to assist with the cost of receiving and maintaining organic or transitional certification.

USDA reimburses organic producers up to 75 percent of the cost of organic certification, but only about half of the nation's organic operations currently participate in the program. Starting March 20, USDA will provide a uniform, streamlined process for organic producers and handlers to apply for organic cost share assistance either by mail or in person.

USDA is making changes to increase participation in the National Organic Certification Cost Share Program (NOCCSP) and the Agricultural Management Assistance Organic Certification Cost Share Program, and at the same time provide more opportunities for organic producers to access other USDA programs, such as disaster protection and loans for farms, facilities and marketing. Producers can also access information on nonfederal agricultural resources, and get referrals to local experts, including organic agriculture, through USDA's Bridges to Opportunity service at the local FSA office.

Historically, many state departments of agriculture have obtained grants to disburse reimbursements to those producers and handlers qualifying for cost share assistance. FSA will continue to partner with states to administer the programs. For states that want to continue to directly administer the programs, applications will be due Feb. 17, 2017.

Eligible producers include any certified producers or handlers who have paid organic or transitional certification fees to a [USDA-accredited certifying](#) agent. Application fees, inspection costs, fees related to equivalency agreement/ arrangement requirements, travel/per diem for inspectors, user fees, sales assessments and postage are all eligible for a cost share reimbursement from USDA.

Once certified, producers and handlers are eligible to receive reimbursement for up to 75 percent of certification costs each year up to a maximum of \$750 per certification scope—crops, livestock, wild crops and handling. Today's announcement also adds transitional certification and state organic program fees as additional scopes.

To learn more about organic certification cost share, please visit www.fsa.usda.gov/organic or contact a local FSA office by visiting <http://offices.usda.gov>.

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).