

April 2017



Farm Service Agency

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NEWSLETTER



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Minnesota FSA Newsletter: April 2017

Minnesota Farm Service Agency

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Earth Day and Every Day, American Farmers and Ranchers are Stewards of the Earth

Farmers and ranchers are stewards of the Earth. Understanding the fragility of the land, agricultural producers want to sustain and protect the land they operate on to ensure its availability generations to come.

According to the 2012 Agriculture Census, there are 3.2 million farmers and ranchers in the United States. These producers are always looking for new and sustainable ways to operate to help preserve our natural resources.

Through their voluntary participation in the various conservation programs the U.S. Department of

Raj Kohli
Laurie Moss

State Committee:

Debra Crusoe, member
Richard Peterson, member
Roger Vogt, member
Scott Winslow, member

Agriculture's Farm Service Agency (FSA) oversees, farmers and ranchers help protect drinking water, reduce soil erosion, and help preserve and restore wildlife habitats, forests and wetlands. Thanks to American agricultural producers, there are currently more than 23 million acres enrolled in the Conservation Reserve Program.

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

As we recognize Earth Day on April 22, we thank our farmers and ranchers for caring for the land, and ensuring the air we breathe and the water we drink is safe and clean.

For more information on FSA conservation programs, visit www.fsa.usda.gov.

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 Minnesota is May 15 through August 01 for counties including Big Stone, Swift, Kandiyohi, Meeker, Wright, Sherburne, Isanti, and Chisago and going south to the IA border. Counties north of those listed having a primary nesting season of June 01 through August 01. 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.

CRP Participants Must Maintain Approved Cover on Acreages Enrolled in CRP and the Farm Programs

Conservation Reserve Program (CRP) participants are responsible for ensuring adequate, approved vegetative and practice cover is maintained to control erosion throughout the life of the contract after the practice has been established. Participants must also control undesirable

vegetation, weeds (including noxious weeds), insects and rodents that may pose a threat to existing cover or adversely impact other landowners in the area.

All CRP maintenance activities, such as mowing, burning, disking and spraying, must be conducted outside the primary nesting or brood rearing season for wildlife, which for Minnesota is May 15 through August 01 for counties including Big Stone, Swift, Kandiyohi, Meeker, Wright, Sherburne, Isanti, and Chisago and going south to the IA border. Counties north of those listed having a primary nesting season of June 01 through August 01. However, spot treatment of the acreage may be allowed during the primary nesting or brood rearing season if, left untreated, the weeds, insects or undesirable species would adversely impact the approved cover. In this instance, spot treatment is limited to the affected areas in the field and requires County Committee approval prior to beginning the spot treatment. The County Committee will consult with NRCS to determine if such activities are needed to maintain the approved cover.

In addition, the county FSA Office will be cooperating with the county weed commissioner to jointly complete field visits and spot-checks of CRP acreage. This joint effort usually begins the later part of May and continues through the summer months.

Annual mowing of CRP for generic weed control, or for cosmetic purposes, is prohibited at all times.

Annual Review of Payment Eligibility for New Crop Year

All participants of FSA programs who request program benefits are required to submit a completed CCC-902 (Farming Operation Plan) and CCC-941 Average Gross Income (AGI) Certification and Consent to Disclosure of Tax Information to be considered for payment eligibility and payment limitation applicable for the program benefits.

Participants are not required to annually submit new CCC-902s for payment eligibility and payment limitation purposes unless a change in the farming operation occurs that may affect the determination of record. A valid CCC-902 filed by the participant is considered to be a continuous certification used for all payment eligibility and payment limitation determinations applicable for the program benefits requested.

Participants are responsible for ensuring that all CCC-902 and CCC-941 and related forms on file in the county Office are correct at all times. Participants are required to timely notify the county office of any changes in the farming operation that may affect the determination of record by filing a new or updated CCC-902 as applicable.

Changes that may require a NEW determination include, but are not limited to, a change of:

- Shares of a contract, which may reflect:
 - A land lease from cash rent to share rent
 - A land lease from share rent to cash rent (subject to the cash rent tenant rule)
 - A modification of a variable/fixed bushel-rent arrangement
- The size of the producer's farming operation by the addition or reduction of cropland that may affect the application of a cropland factor
- The structure of the farming operation, including any change to a member's share
- The contribution of farm inputs of capital, land, equipment, active personal labor, and/or active personal management
- Farming interests not previously disclosed on CCC-902 including the farming interests of a spouse or minor child
- Financial status that may affect the 3-year average for the determination of average AGI or other changes that affects eligibility under the average adjusted gross income limitations.

Participants are encouraged to file or review these forms within the deadlines established for each applicable program for which program benefits are being requested.

Adjusted Gross Income Requirements

The average adjusted gross income (AGI) limitation for commodity and disaster programs under the 2014 Farm Bill was changed to a \$900,000 limitation from all income sources. A person or legal entity, other than a joint venture or general partnership, is eligible to receive, directly or indirectly, certain program payments or benefits if the average adjusted gross income of the person or legal entity falls below the \$900,000 threshold for the three taxable years preceding the most immediately preceding complete taxable year. However, the AGI limitation for conservation programs may be waived on a case-by-case basis if it is determined that environmentally sensitive land of special significance would be protected.

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 www.fsa.usda.gov.

Communication is Key in Lending

Farm Service Agency (FSA) is committed to providing our farm loan borrowers the tools necessary to be a success. A part of ensuring this success is providing guidance and counsel from the loan application process through the borrower's graduation to commercial lending institutions. While it is FSA's commitment to advise borrowers as they identify goals and evaluate progress, it is crucial for borrowers to communicate with their farm loan staff when changes occur. It is the borrower's responsibility to alert FSA to any of the following:

- Any proposed or significant changes in the farming operation;

- Any significant changes to family income or expenses;
- The development of problem situations;
- Any losses or proposed significant changes in security

In addition, if a farm loan borrower cannot make payments to suppliers, other creditors, or FSA on time, contact your farm loan staff immediately to discuss loan servicing options.

For more information on FSA farm loan programs, visit www.fsa.usda.gov.

Enrollment Period for 2017 Safety Net Coverage Continues Through Aug. 1

Producers on farms with base acres under the safety net programs established by the 2014 Farm Bill, known as the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs, can visit their local FSA office to sign contracts and enroll for the 2017 crop year. The enrollment period will continue until Aug. 1, 2017.

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

If a farm is not enrolled during the 2017 enrollment period, the producers on that farm will not be eligible for financial assistance from the ARC or PLC programs for the 2017 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 2015 must still enroll during the 2017 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.

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

Tree Assistance Program (TAP) Sign-up

Orchardists and nursery tree growers who experience losses from natural disasters during calendar year 2016 must submit a TAP application either 90 calendar days after the disaster event or the date when the loss is apparent. TAP was authorized by the Agricultural Act of 2014 as a permanent disaster program. TAP provides financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes and vines damaged by natural disasters.

Eligible tree types include trees, bushes or vines that produce an annual crop for commercial purposes. Nursery trees include ornamental, fruit, nut and Christmas trees that are produced for commercial sale. Trees used for pulp or timber are ineligible.

To qualify for TAP, orchardists must suffer a qualifying tree, bush or vine loss in excess of 15 percent mortality from an eligible natural disaster. The eligible trees, bushes or vines must have been owned when the natural disaster occurred; however, eligible growers are not required to own the land on which the eligible trees, bushes and vines were planted.

If the TAP application is approved, the eligible trees, bushes and vines must be replaced within 12 months from the date the application is approved. The cumulative total quantity of acres planted to trees, bushes or vines, for which a producer can receive TAP payments, cannot exceed 500 acres annually.

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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