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Farm Service Agency **Electronic News Service**

NEWSLETTER

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- [A Special 2018 Ag Day Message from Joe Martin, State Executive Director, MN Farm Service Agency](#)
- [Wetland Mitigation Banks](#)
- [Annual Review of Payment Eligibility for New Crop Year](#)
- [Payments to Deceased Producers](#)
- [Maintaining the Quality of Farm-Stored Loan Grain](#)
- [USDA Microloans Help Farmers Purchase Farmland and Improve Property](#)
- [Guaranteed Conservation Loans](#)
- [USDA Announces Changes to Fruit, Vegetable and Wild Rice Planting Rules](#)
- [USDA Enrollment Period for Safety Net Coverage in 2018](#)

MN FSA Newsletter: March 2018

MN Farm Service Agency

375 Jackson Street, Ste 400
Saint Paul, MN 55101

Phone: 651-602-7700
Fax: 855-719-9917

www.fsa.usda.gov/mn

State Executive Director:
Joe Martin

Executive Officer:
Michelle Page

Division Chiefs:
Angela Hanson

A Special 2018 Ag Day Message from Joe Martin, State Executive Director, MN Farm Service Agency

National Agriculture Day Celebrates American Food and Fiber Production

It's National Agriculture Day, a day designated each year by the [Agriculture Council of America \(ACA\)](#) to celebrate the accomplishments of agriculture. Minnesota [Farm Service Agency \(FSA\)](#) joins the council in recognizing farmers, ranchers and foresters for their contributions to the nation's outstanding quality of life.

This year's theme, ***Agriculture: Food for Life***, spotlights the hard work of American producers who diligently work to provide food, fiber and more to the United States and countries around the world.

Stuart Shelstad
Cassie Buck
Laurie Moss
Raj Kohli

State Committee:

Scott Winslow, Chair
Kurt Blomgren, Member
Jay Nord, Member
Mike Yost, Member
Karolyn Zurn, Member

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

To ensure a prosperous future for American agriculture, FSA provides continuous support to agriculturalists across the country.

FSA is rural America's engine for economic growth, job creation and development, offering local service to millions of rural producers. In fiscal year 2017, [USDA Farm Loan programs](#) provided \$6 billion in support to producers across America, the second highest total in FSA history. FSA also distributed \$1.6 billion in [Conservation Reserve Program \(CRP\)](#) payments to over 375,000 Americans to improve water quality, reduce soil erosion and increase wildlife habitat.

For agricultural producers who suffered market downturns in 2016, USDA is issuing approximately \$8 billion in payments under the [Agriculture Risk Coverage \(ARC\) and Price Loss Coverage \(PLC\) programs](#). USDA also continues to provide extensive assistance in response to natural [disasters](#) throughout the country, including last year's hurricanes in Florida, Texas, Puerto Rico and the Virgin Islands, drought in the northern high plains, wildfires in the west and central plains, floods, tornadoes, freezes and other catastrophic weather events.

To support [beginning farmers and ranchers](#), Agriculture Secretary Sonny Perdue signed a Memorandum of Understanding with officials from [SCORE](#), the nation's largest volunteer network of expert business mentors, to support new and beginning farmers. The agreement provides new help and resources for beginning ranchers, veterans, women, socially disadvantaged Americans and others, providing new tools to help them both grow and thrive in agribusiness.

I am honored to administer programs that enable our producers to manage their risks when the agriculture industry faces hardship. On behalf of the Minnesota Farm Service Agency, I would like to thank our agricultural producers for continuing to feed our nation and the world.

Wetland Mitigation Banks

Producers participating in programs administered by the USDA are required to abide by certain conditions on any land owned or farmed that is considered a wetland. To maintain compliance with wetland conservation provisions, producers must agree, by certifying on form AD-1026, they will not plant an agricultural commodity on a converted wetland or convert a wetland to produce an agricultural commodity.

USDA conservation compliance requires any farmer who converts a wetland for commodity production to offset that loss through mitigation to maintain eligibility for USDA benefits.

Wetland mitigation banks allow farmers to remove or alter wetlands in their fields in exchange for purchasing credits in a mitigation bank. The credits correspond to an area of the mitigation bank that at least equals the size of the altered field wetlands. The price of the credits is negotiated between the buyer and seller.

There are 10 wetland mitigation banks in the nation, including one in Minnesota. To learn more about purchasing credits in a mitigation bank, contact your local USDA service center or [BWSR](#).

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.

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 a 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.

Maintaining the Quality of Farm-Stored Loan Grain

Bins are ideally designed to hold a level volume of grain. When bins are overfilled and grain is heaped up, airflow is hindered and the chance of spoilage increases.

Producers who take out marketing assistance loans and use the farm-stored grain as collateral should remember that they are responsible for maintaining the quality of the grain through the term of the loan.

USDA Microloans 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 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).

To learn more about the FSA microloan program visit www.fsa.usda.gov/microloans, or contact your local FSA office.

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 Announces Changes to Fruit, Vegetable and Wild Rice Planting Rules

Farm Service Agency (FSA) has announced fruit, vegetable and wild rice provisions that affect producers who intend to participate in certain programs authorized by the Agricultural Act of 2014.

Producers who intend to participate in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs are subject to an acre-for-acre payment reduction when fruits and nuts, vegetables or wild rice are planted on the payment acres of a farm. Payment reductions do not apply to mung beans, dry peas, lentils or chickpeas. Planting fruits, vegetables or wild rice on acres that are not considered payment acres will not result in a payment reduction. Farms that are eligible to participate in ARC/PLC but are not enrolled for a particular year may plant unlimited fruits, vegetables and wild rice for that year but will not receive ARC/PLC payments for that year. Eligibility for succeeding years is not affected.

Planting and harvesting fruits, vegetables and wild rice on ARC/PLC acreage is subject to the acre-for-acre payment reduction when those crops are planted on either more than 15 percent of the base acres of a farm enrolled in ARC using the county coverage or PLC, or more than 35 percent of the base acres of a farm enrolled in ARC using the individual coverage.

Fruits, vegetables and wild rice that are planted in a double-cropping practice will not cause a payment reduction if the farm is in a double-cropping region as designated by the USDA's Commodity Credit Corporation.

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.

For more information, producers are encouraged to visit their local FSA office. To find a local FSA office, visit <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).

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