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Minnesota FSA Newsletter: April 2018

Minnesota Farm Service Agency

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Greetings from Minnesota FSA

This Spring certainly has not felt like Spring, and has left many of us wondering when the grass will green up and we can get a crop in the ground.

In times like this, FSA wants to remind you that we have programs available to help you through disasters and damages to your operation because of weather events. Remember, please contact your local FSA office to report any damages you may have incurred because of the recent blizzard events, whether they be livestock losses or structural damage.

Looking ahead, we may have some trouble with timely planting this year. As a reminder, acreage certification is due July 15. I know many of us like to complete ARC/PLC sign-up at the same time as acreage certification, but I would ask that you please come into

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

your local office before planting starts to get that work done, so we are able to have a timely and efficient acreage reporting process.

If you are wondering about final planting dates for crop insurance. You can find the information via the following link: https://www.rma.usda.gov/aboutrma/fields/mn_rso/. Depending on what part of the state you live, corn planting date is either May 25 or May 31, wheat is May 15, May 31 or June 5, soybeans is June 10 and sugarbeets is May 31 for the entire state.

From all of us at FSA, wishing you a safe planting and productive season!

- Joe

How to Document Blizzard Losses

Producers who suffered excessive livestock death losses and grazing or feed losses due to recent blizzards may be eligible for disaster assistance programs through the USDA Farm Service Agency (FSA).

The Livestock Indemnity Program (LIP) offers payments to eligible producers for livestock death losses in excess of normal mortality due to adverse weather and the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP) provides emergency relief for losses due to feed or water shortages, disease, adverse weather, or other conditions, which are not adequately addressed by other disaster programs.

To participate in LIP, producers will be required to provide verifiable documentation of death losses resulting from an eligible adverse weather event and must submit a notice of loss to their local FSA office within 30 calendar days of when the loss of livestock is apparent. To participate in ELAP, producers must submit a notice of loss to their local FSA office within 30 calendar days of when the loss is apparent and should maintain documentation and receipts.

Producers should record all pertinent information regarding livestock losses due to the eligible adverse weather or loss condition, including:

- Documentation of the number, kind, type, and weight range of livestock that have died, supplemented if possible by photographs or video records of ownership and losses;
- Rendering truck receipts by kind, type and weight - important to document prior to disposal;
- Beginning inventory supported by birth recordings or purchase receipts;
- Documentation from Animal Plant Health Inspection Service, Department of Natural Resources, or other sources to substantiate eligible death losses due to an eligible loss condition;
- Documentation that livestock were removed from grazing pastures due to an eligible adverse weather or loss condition;
- Costs of transporting livestock feed to eligible livestock, such as receipts for equipment rental fees for hay lifts and snow removal;

- Feed purchase receipts if feed supplies or grazing pastures are destroyed;

For more information on these programs and documentation requirements, visit www.fsa.usda.gov/disaster or contact your local FSA office.

Livestock Inventory Records

Producers are reminded to keep updated livestock inventory records. These records are necessary in the event of a natural disaster.

When disasters strike, the USDA Farm Service Agency (FSA) can assist producers who suffered excessive livestock death losses and grazing or feed losses due to eligible natural disasters.

To participate in livestock disaster assistance programs, producers will be required to provide verifiable documentation of death losses resulting from an eligible adverse weather event and must submit a notice of loss to their local FSA office within 30 calendar days of when the loss of livestock is apparent. For grazing or feed losses, producers must submit a notice of loss to their local FSA office within 30 calendar days of when the loss is apparent and should maintain documentation and receipts.

Producers should record all pertinent information regarding livestock inventory records including:

- Documentation of the number, kind, type, and weight range of livestock
- Beginning inventory supported by birth recordings or purchase receipts

For more information on documentation requirements, contact your local FSA office.

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 to Immediately Assist Producers for Qualifying Livestock, Honeybee and Farm-raised Fish Program Losses

$34 Million in Payments for 2017 Losses Part of Broad Suite of Programs Aiding Ag Operations

USDA will issue $34 million to help agricultural producers recover from 2017 natural disasters through the Emergency Assistance for Livestock, Honeybees and Farm-raised Fish Program (ELAP), which covers losses not covered by certain other USDA disaster assistance programs. These payments are being made available today, and they are part of a broader USDA effort to help producers recover from hurricanes Harvey, Irma and Maria, wildfires and drought. A large portion of this assistance will be made available in federally designated disaster areas.

ELAP aims to help eligible producers of livestock, honeybees and farm-raised fish for losses due to disease, certain adverse weather events or loss conditions, including blizzards and wildfires, as determined by the Secretary. ELAP assistance is provided for losses not covered by other disaster assistance programs such as the Livestock Forage Disaster Program (LFP) and the Livestock Indemnity Program (LIP).

The increased amount of assistance through ELAP was made possible by the Bipartisan Budget Act of 2018, signed earlier this year. The Act amended the 2014 Farm Bill to enable USDA's Farm Service Agency (FSA) to provide assistance to producers without an annual funding cap and immediately for 2017. It also enables FSA to pay ELAP applications as they are filed for 2018 and subsequent program years.

Other USDA Disaster Assistance Programs
The Act removed program year payment limitations and increased the acreage cap for the Tree Assistance Program (TAP), a nationwide program that provides owners of orchards, vineyards and nurseries with cost share assistance to replant eligible trees, bushes, and vines following a natural disaster. For example, the program will help owners of citrus groves in Florida, avocado trees in California, coffee plantations in Puerto Rico and vineyards reduce the cost of replanting, and speed recovery from the loss of fruit and nut trees, bushes, and vines.

Prior to the Act, there was a combined program year payment limitation of $125,000 for ELAP, LIP and LFP per person or legal entity. The Tree Assistance Program (TAP) had its own $125,000 payment limitation. The Act removed the program year per person and legal entity payment limitation for LIP and TAP. As a result of the Act, a $125,000 per person and legal entity single payment limitation applies to the total amount of program year payments received under both ELAP and the Livestock Forage Disaster Program (LFP) and program payments under LIP and TAP no longer have payment limits.

Under the updated program, as amended by the Act, growers are eligible to be partly reimbursed for losses on up to 1,000 acres per program year, double the previous acreage limit of 500 acres.

In total, it is estimated that the Act will enable USDA to provide more than $3 billion in disaster assistance, including the $2.36 billion announced last week to be made available through FSA's new 2017 Wildfires and Hurricanes Indemnity Program. This includes $400 million made available for the Emergency Conservation Program, which helps farmers and ranchers repair damage to farmlands caused by natural disasters. As signups across the country are completed, additional applications will be funded.

According to the U.S. National Oceanic and Atmospheric Administration (NOAA), the United States was impacted by 16 separate billion-dollar disaster events in 2017 including: three tropical cyclones, eight severe storms, two inland floods, a crop freeze, drought and wildfire. More than 25 million people – almost eight percent of the population – were affected by major disasters. From severe flooding in Puerto Rico and Texas to mudslides and wildfires in California, major natural disasters caused catastrophic damages, with an economic impact totaling more than $300 billion.

For Assistance
Producers with operations impacted by natural disasters and diseases in 2018 are encouraged to contact their local USDA service center to apply for assistance through ELAP, TAP, LIP and LFP. Producers with 2017 ELAP claims need to take no action as FSA will begin paying those claims.

Using FSA Direct Farm Ownership Loans for Construction

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.

Amongst other purposes, Direct Farm Ownership Loans can be used to construct, purchase or improve farm dwellings, service buildings or other facilities and improvements essential to an operation.

To do this, applicants must provide FSA with an estimate of the total cost of all planned development that completely describe the work, prior to loan approval and must show proof of sufficient funds to pay for the total cost of all planned development at or before loan closing. In some instances, applicants may be asked to provide certified plans, specifications or contract documents. The applicant cannot incur any debts for materials or labor or make any expenditures for development purposes prior to loan closing with the expectation of being reimbursed from FSA funds.

Construction and development work may be performed either by the contract method or the borrower method. Under the contract method, construction and development contractors perform work according to a written contract with the applicant or borrower. An applicant for a direct loan to finance a construction project must obtain a surety bond that guarantees both payment and performance in the amount of the construction contract from a construction contractor.

A surety bond is required when a contract exceeds $100,000, an authorized agency official determines that a surety bond appears advisable to protect the borrower against default of the contractor or a contract provides for partial payments in excess of the amount of 60 percent of the value of the work in place.

Under the borrower method, the applicant or borrower will perform the construction and development work. The borrower method may only be used when the authorized agency official determines, based on information from the applicant, that the applicant possesses or arranges to obtain the necessary skill and managerial ability to complete the work satisfactorily and that such work will not interfere with the applicant's farming operation or work schedule.

Potential applicants should visit with FSA early in the initial project planning process to ensure environmental compliance.

For more eligibility requirements and information about FSA Loan programs, contact your local FSA office or visit www.fsa.usda.gov. To find your local FSA office, visit http://offices.usda.gov.

Youth Loans

The Farm Service Agency makes loans to youth to establish and operate agricultural income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is $5000.

Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Comply with FSA's general eligibility requirements
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the youth loan applicant, along with providing adequate supervision.

Stop by the county office for help preparing and processing the application forms.

Transitioning Expiring CRP Land to Beginning, Veteran or Underserved Farmers and Ranchers

Retired or retiring landowners or operators are encouraged to transition their Conservation Reserve Program (CRP) acres to beginning, veteran or underserved farmers or ranchers through the Transition Incentives Program (TIP). TIP provides annual rental payments to the retiring farmer for up to two additional years after the CRP contract expires, provided the transition is not to a family member.

Enrollment in TIP is on a continuous basis. Beginning, veteran or underserved farmers and ranchers and retiring CRP participants may enroll in TIP beginning one year before the expiration date of the CRP contract or Aug. 15. For example, if a CRP contract is scheduled to expire on Sept. 30, 2018, the land may be offered for enrollment in TIP beginning Oct. 1, 2017, through Aug. 15, 2018. The Aug. 15 deadline allows the Natural Resources Conservation Service (NRCS) time to complete the TIP sustainable grazing or crop production conservation plans. The TIP application must be submitted prior to completing the lease or sale of the affected lands.

New landowners or renters must return the land to production using sustainable grazing or farming methods.

For more information on TIP, visit https://www.fsa.usda.gov/conservation.

Environmental Review Required Before Project Implementation

The National Environmental Policy Act (NEPA) requires Federal agencies to consider all potential environmental impacts for federally-funded projects before the project is approved.

For all Farm Service Agency (FSA) programs, an environmental review must be completed before actions are approved, such as site preparation or ground disturbance. These programs include, **but are not limited to**, the Emergency Conservation Program (ECP), Farm Storage Facility Loan (FSFL) program and farm loans. If project implementation begins before FSA has completed an environmental review, this will result in a denial of the request. There are exceptions regarding the Stafford Act and emergencies. It is important to wait until you receive written approval of your project proposal before starting any actions, including, but not limited to, vegetation clearing, site preparation or ground disturbance.

Remember to contact your local FSA office early in your planning process to determine what level of environmental review is required for your program application so that it can be completed timely.

Applications cannot be approved contingent upon the completion of an environmental review. FSA must have copies of all permits and plans before an application can be approved.

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 states with wetland mitigation banks in the nation, including Minnesota. To learn more about purchasing credits in a mitigation bank, contact your local USDA service center or MN Agricultural Wetland Banking.

Filing CCC-941 Adjusting Gross Income (AGI) Certifications

Many producers have experienced delays in receiving Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) payments, Loan Deficiency Payments (LDPs) and Market Gains on Marketing Assistance Loans (MALs) because they have not filed form CCC-941, Adjusted Gross Income Certification. LDPs will not be paid until all eligible producers, including landowners who share in the crop, have filed a valid CCC-941.

Producers without a valid CCC-941 certifying their compliance with the average adjusted gross income provisions will not receive payments that have been processed. All farm operator/tenants/owners who have not filed a CCC-941 and have pending payments should IMMEDIATELY file the form with their recording county FSA office. Farm operators and tenants are encouraged to ensure that their landowners have filed the form.

FSA can accept the CCC-941 for 2015, 2016, 2017 and 2018. Unlike the past, producers must have the CCC-941 certifying their AGI compliance before any payments can be issued.
