

June 2018



Farm Service Agency Electronic News Service

# NEWSLETTER

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- [USDA Resumes Continuous Conservation Reserve Program Enrollment](#)
- [USDA Partners with Texas A&M to Help Veterans Seeking Agriculture Loans and Careers](#)
- [Report Non-Insured Crop Disaster Assistance Program \(NAP\) Losses](#)
- [Farm Service Agency Makes Administrative Change to the Livestock Indemnity Program](#)
- [FSA Releases Signup Information for Tree Assistance Program](#)
- [Using FSA Direct Farm Ownership Loans for Construction](#)

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## Iowa FSA Newsletter

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### Iowa Farm Service Agency

10500 Buena Vista Court  
Des Moines, IA 50322

Phone: 515-254-1540  
Fax: 855-218-8672

[www.fsa.usda.gov/ia](http://www.fsa.usda.gov/ia)

**State Executive Director:**  
Amanda De Jong

**State Committee:**  
James Stillman (Chair)  
Laura Cunningham  
Patricia Swanson

To find contact information for your local office go to [www.fsa.usda.gov/ia](http://www.fsa.usda.gov/ia)

### USDA Resumes Continuous Conservation Reserve Program Enrollment

*One-Year Extension Available to Holders of Many Expiring Contracts through Continuous Signup*

As part of a 33-year effort to protect sensitive lands and improve water quality and wildlife habitat on private lands, the U.S. Department of Agriculture (USDA) will resume accepting applications for the voluntary [Conservation Reserve Program](#) (CRP). Eligible farmers, ranchers, and private landowners can sign up at their local [Farm Service Agency \(FSA\)](#) office between June 4 and Aug. 17, 2018.

FSA stopped accepting applications last fall for the CRP continuous signup (excluding applications for the Conservation Reserve Enhancement Program (CREP) and CRP grasslands). This pause allowed USDA to review available acres and avoid exceeding the 24 million-acre CRP cap set by the 2014 Farm Bill. New limited practice availability and short sign up period helps ensure that landowners with the most sensitive acreage will enroll in the program and avoid unintended competition with new and beginning farmers seeking leases. CRP enrollment currently is about 22.7 million acres.

#### 2018 Signup for CRP

For this year's signup, limited priority practices are available for continuous enrollment. They include grassed waterways, filter strips, riparian buffers, wetland restoration and others. [View a full list of practices.](#)

FSA will use updated soil rental rates to make annual rental payments, reflecting current values. It will not offer incentive payments as part of the new signup.

USDA will not open a general signup this year, however, a one-year extension will be offered to existing CRP participants with expiring CRP contracts of 14 years or less. Producers eligible for an extension will receive a letter with more information.

### **CRP Grasslands**

Additionally, FSA established new [ranking criteria](#) for [CRP Grasslands](#). To guarantee all CRP grasslands offers are treated equally, applicants who previously applied will be asked to reapply using the new ranking criteria. Producers with pending applications will receive a letter providing the options.

### **About CRP**

In return for enrolling land in CRP, USDA, through FSA on behalf of the Commodity Credit Corporation (CCC), provides participants with annual rental payments and cost-share assistance. Landowners enter into contracts that last between 10 and 15 years. CRP pays producers who remove sensitive lands from production and plant certain grasses, shrubs and trees that improve water quality, prevent soil erosion and increase wildlife habitat.

The new changes to CRP do not impact the Conservation Reserve Enhancement Program, a related program offered by CCC and state partners.

Producers wanting to apply for the CRP continuous signup or CRP grasslands should contact their USDA service center. To locate your local FSA office, visit <https://www.farmers.gov>. More information on CRP can be found at [www.fsa.usda.gov/crp](http://www.fsa.usda.gov/crp)

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## **USDA Partners with Texas A&M to Help Veterans Seeking Agriculture Loans and Careers**

USDA announced a partnership between the U.S. Department of Agriculture (USDA) and Texas A&M's AgriLife Extension Service to help military veterans obtain loans and pursue careers as farmers and ranchers. Secretary Perdue joined local dignitaries, members of the Armed Forces, veterans, and community leaders at the Dallas Farmers Market to unveil the new pilot program.

USDA's [Farm Service Agency](#) (FSA) is collaborating with AgriLife Extension Service on the pilot, which is part of the Texas A&M Battleground to Breaking Ground project. The program makes it easier for veterans to meet federal requirements to get FSA direct [farm ownership](#) loans, which can help provide access to land and capital.

The pilot program, which will include 15 to 18 veterans, will roll out in three phases: an introductory workshop, a business planning curriculum, and a production curriculum over a period of 12 to 18 months.

Typically, loan applicants must participate in the business operations of a farm for at least three years during a 10-year period. However, as part of this pilot program, participants can combine the certificate they receive with their military leadership or management experience to satisfy this requirement. According to the U.S. Department of Labor, approximately 45 percent of armed service members are from rural America.

Pilot program applications will be accepted from interested veterans between June 15 and July 20, 2018, until 11 p.m. central standard time, [apply here](#). For more information about USDA programs, visit [newfarmers.usda.gov/veterans](http://newfarmers.usda.gov/veterans) or <https://www.farmers.gov>.

To learn about other ways USDA is supporting veterans, visit <https://www.usda.gov/our-agency/initiatives/veterans>, and watch <https://www.youtube.com/watch?v=OAeLqXHUU3w>.

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## Report Non-Insured Crop Disaster Assistance Program (NAP) Losses

The Non-Insured Crop Disaster Assistance Program (NAP) provides financial assistance to producers of non-insurable crops when low yields, loss of inventory, or prevented planting occur due to natural disasters including hail, flooding and drought (includes native grass for grazing).

Eligible producers must have purchased NAP coverage for 2018 crops. A notice of loss must be filed the earlier of 15 days of the occurrence of the disaster or when losses become apparent or 15 days of the final harvest date.

Eligible crops must be commercially produced agricultural commodities for which crop insurance is not available, including perennial grass forage and grazing crops, fruits, vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

For more information on NAP, contact your local FSA office or visit [www.fsa.usda.gov/nap](http://www.fsa.usda.gov/nap).

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## Farm Service Agency Makes Administrative Change to the Livestock Indemnity Program

Agricultural producers who have lost livestock to disease, resulting from a weather disaster, have an additional way to become eligible for the [Livestock Indemnity Program](#).

In the event of disease, this change by USDA's Farm Service Agency (FSA) authorizes local FSA county committees to accept veterinarian certifications that livestock deaths were directly related to adverse weather and unpreventable through good animal husbandry and management. The committees may then use this certification to allow eligibility for producers on a case-by-case basis for LIP.

LIP provides benefits to agricultural producers for livestock deaths in excess of normal mortality caused by adverse weather, disease or by attacks by animals reintroduced into the wild by the federal government. Eligible weather events include earthquakes, hail, tornadoes, hurricanes, storms, blizzard and flooding.

Producers interested in LIP or other USDA disaster assistance programs should contact their [local USDA service center](#).

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## FSA Releases Signup Information for Tree Assistance Program

USDA's Farm Service Agency recently released signup information for the [Tree Assistance Program](#), a nationwide program that provides orchardists and nursery tree growers with cost share assistance to replant eligible trees, bushes, and vines following a natural disaster.

The Bipartisan Budget Act of 2018 prescribed several changes to the program, including the removal of the \$125,000 per person and legal entity payment limitation. The [notice](#) outlined when producers should file applications for any recent losses, given the changes to the program.

Eligible producers should file for TAP assistance by the later of these two dates:

- 90 days of the disaster or when damages from the disaster are noticed; or
- 60 days after the regulation is published on the Federal Register later this summer.

The following producers can file applications:

- Producers who did not previously apply for TAP for 2017 or 2018 losses; and

- Producers who had applied and received an adverse determination that their 2017 or 2018 TAP application was filed late.

Additionally, producers with 2017 losses can also file an application or revise an original application because of the changes made through the Act.

For more information on TAP, producers should contact their [local USDA service center](#).

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## 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](http://www.fsa.usda.gov). To find your local FSA office, visit <http://offices.usda.gov>.

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Selected Interest Rates for June 2018	
Farm Storage Facility Loans	
3 years	2.625%
5 years	2.875%
7 years	3.000%
10 years	3.000%
12 years	3.000%
Commodity Loans 1996- Present	3.250%

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