February 2018





Farm Service Agency Electronic News Service

NEWSLETTER

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February 2018 Pennsylvania FSA Newsletter

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USDA Encourages Producers to Consider USDA Risk Protection Coverage before Crop Sales Deadlines

The USDA Farm Service Agency (FSA) reminds producers to review available USDA crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the crop deadline of March 15.

Federal crop insurance covers crop losses from natural adversities such as drought, hail and excessive moisture. NAP covers losses from natural disasters on crops for which no permanent federal crop insurance program is available, including perennial grass forage and grazing crops, fruits, vegetables,

www.fsa.usda.gov/p mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

State Executive Director: **Gary Groves**

The following crops have a NAP application deadline of March 15, 2018 in Pennsylvania:

State Committee Members: Bonnie Wenger, Chair

George Greig Doug Graybill Bill Hoover

Most annual spring-seeded vegetables and fruits including Asparagus, Beans, Beets, Broccoli, Brussels Sprouts, Cabbage, Cantaloupes, Cauliflower, Cucumbers, Eggplant, Greens, Herbs, Leeks, Lettuce, Melons, Okra, Onions, Peas, Peppers, Potatoes, Pumpkins, Radishes, Scallions, Spinach, Squash, Sunflower Seed, Sweet Potatoes, Tomatoes, Turnips, Watermelon, Yams, and Zucchini.

Producers can determine if crops are eligible for federal crop insurance or NAP by visitina Division Chiefs:

https://webapp.rma.usda.gov/apps/actuarialinformationbrowser2017/CropCriteria. aspx.

Hunter Stambaugh (acting) Farm Programs

David Poorbaugh: Farm Loan **Programs**

NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production, with higher levels of coverage, up to 65 percent of their expected production at 100 percent of the average market price, including coverage for organics and crops marketed directly to consumers.

Please contact your local FSA Office for questions specific to your operation or county. For local FSA service center contact information. please visit: offices.usda.gov

Federal crop insurance coverage is sold and delivered solely through private insurance agents. Agent lists are available at all USDA Service Centers or at USDA's online Agent Locator:

http://prodwebnlb.rma.usda.gov/apps/AgentLocator/#. Producers can use the USDA Cost Estimator,

https://ewebapp.rma.usda.gov/apps/costestimator/Default.aspx, to predict insurance premium costs.

For more information on NAP, service fees, premiums and sales deadlines, contact your local FSA office or visit the web at www.fsa.usda.gov/nap.

Dates to Remember:

February 19: Federal Holiday -Offices Closed

March 15: NAP Application for Coverage Deadline for Spring-Seeded Crops

April 2: Final Availability Date for 2017 Small Grain and Honey MAL/LDP

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.

May 28: Federal Holiday - Offices Closed

May 31: Final Availability Date for 2017 Corn, Dry Peas, Grain Sorghum, Lentils, Mustard Seed, Rice, Safflower Seed, Chickpeas, Soybeans, Sunflower Seed MAL/LDP

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.

Continuing: Continuous CRP Signup (CREP only)

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.

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.

2018 Livestock Losses

The Livestock Indemnity Program (LIP) provides assistance to eligible producers for livestock death losses in excess of normal mortality due to adverse weather and attacks by animals reintroduced into the wild by the federal government or protected by federal law. LIP compensates livestock owners and contract growers for livestock death losses in excess of normal mortality due to adverse weather, including losses due to hurricanes, floods, blizzards, wildfires, extreme heat or extreme cold.

For 2018, eligible losses must occur on or after Jan. 1, 2018, and no later than 60 calendar days from the ending date of the applicable adverse weather event or attack. A notice of loss must be filed with FSA within 30 days of when the loss of livestock is apparent. Participants must provide the following supporting documentation to their local FSA office no later than 90 calendar days after the end of the calendar year in which the eligible loss condition occurred.

- Proof of death documentation
- Copy of growers contracts
- · Proof of normal mortality documentation

USDA has established normal mortality rates for each type and weight range of eligible livestock. These established percentages reflect losses that are considered expected or typical under "normal" conditions. Producers who suffer livestock losses in 2018 must file both of the following:

- A notice of loss the earlier of 30 calendar days of when the loss was apparent
- An application for payment by March 31, 2019.

Additional Information about LIP is available at your local FSA office or online at: www.fsa.usda.gov.

USDA Processing Pending Conservation Reserve Program Continuous Enrollment Offers

Acceptance of Most 2018 Offers Temporarily Suspended

USDA's Farm Service Agency (FSA) will process many pending eligible offers for land enrollment in the Conservation Reserve Program (CRP), and will temporarily suspend accepting most new offers until later in the 2018 fiscal year.

All current, eligible CRP continuous enrollment offers made through Sept. 30, 2017, except for those made under the Pollinator Habitat Initiative (CP42), will be approved. Additionally, FSA is temporarily suspending acceptance of most offers going forward to provide time to review CRP allocation levels, and to avoid exceeding the statutory cap of 24 million acres.

The CRP acreage cap is a provision of the 2014 Farm Bill. Current enrollment is about 23.5 million acres nationwide. USDA is accepting all pending continuous enrollment offers that were made beginning on May 4, 2017, and extending through Sept. 30, 2017, except Pollinator Habitat Initiative offers. Pollinator acreage offers are being declined because the program has met its acreage enrollment goal. Effective immediately, USDA is suspending acceptance of all new CRP continuous offers received or submitted after Sept. 30, 2017. The suspension will continue until later in the 2018 fiscal year.

The temporary suspension of accepting new offers for CRP does not apply to any of the state-specific Conservation Reserve Enhancement Program (CREP) and CRP Grasslands enrollment. FSA will continue to accept eligible offers for state-specific CREP and CRP Grasslands enrollment. Offers received on or after Oct. 1, 2017, are subject to fiscal year 2018 rental rates which have been adjusted to reflect current market conditions and were established after careful review of the latest USDA National Agricultural Statistics Service (NASS) cash rent data.

In return for enrolling in CRP, USDA, through FSA, provides participants with rental payments and costshare assistance. Landowners enter into contracts that last between 10 and 15 years. CRP pays farmers and ranchers who remove sensitive lands from production and plant certain grasses, shrubs and trees that improve water quality, prevent soil erosion and increase wildlife habitat. Payment totals for 2017 were announced earlier this week totaling over \$1.6 billion.

For more information about CRP, contact your local FSA office or visit www.fsa.usda.gov/crp. To locate your local FSA office, visit http://offices.usda.gov.

Filing a Notice of Loss

The CCC-576, Notice of Loss, is used to report failed acreage and prevented planting and may be completed by any producer with an interest in the crop. Timely filing a Notice of Loss is required for all

crops including grasses. For losses on crops covered by the Non-Insured Crop Disaster Assistance Program (NAP), you must file a CCC-576, Notice of Loss, in the FSA County Office the earlier of 15 days of the occurrence of the disaster or when losses become apparent or 15 days of the final harvest date.

Producers of hand-harvested crops must notify FSA of damage or loss through the administrative County Office within 72 hours of the date of damage or loss first becomes apparent. This notification can be provided by filing a CCC-576, email, fax or phone. Producers who notify the County Office by any method other than by filing the CCC-576 are still required to file a CCC-576, Notice of Loss, within the required 15 calendar days.

If filing for prevented planting, an acreage report and CCC-576 must be filed within 15 calendar days of the final planting date for the crop.

Organic Certification Cost Share Program

The Organic Certification Cost Share Program (OCCSP) provides cost share assistance to producers and handlers of agricultural products who are obtaining or renewing their certification under the National Organic Program (NOP). Certified operations may receive up to 75 percent of their certification costs paid from Oct. 1, 2017, through Sept. 30, 2018, not to exceed \$750 per certification scope.

Eligible costs include application fees, inspection costs, fees related to equivalency agreement/arrangement requirements, travel/per diem for inspectors, user fees, sales assessments and postage.

Ineligible costs include equipment, materials, supplies, transitional certification fees, late fees and inspections necessary to address National Organic Program regulatory violations.

Producers and handlers may submit OCCSP applications to FSA county offices or they may apply through participating State Agencies, which will be listed at https://www.fsa.usda.gov/programs-and-services/occsp/index as their agreements to administer the program are finalized.

The FSA OCCSP application form is available at <u>USDA's eForms site</u>, by selecting "Browse forms" and entering "OCCSP" in the "title or keywords" field on the search page.

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

Emergency Disaster Declarations and Designations

Farmers and ranchers know all too well that natural disasters can be a common, and likely a costly, variable to their operation. The Farm Service Agency (FSA) has emergency assistance programs to provide assistance when disasters strike, and for some of those programs, a disaster designation may be the eligibility trigger. When natural disaster occurs, there is a process for requesting a USDA Secretarial disaster designation for a county. Agricultural producers can play a vital role in this process.

If you have experienced a production loss as a result of a natural disaster you may submit a request to your local FSA county office for your county to be evaluated for a Secretarial disaster designation. Once a request is received, the county office will collect disaster data and create a Loss Assessment Report.

The County Emergency Board will review the Loss Assessment Report and determine if a recommendation is sent forward to the U.S. Secretary of Agriculture for the designation.

For more information on FSA disaster programs and disaster designations, visit www.fsa.usda.gov/disaster.

Measurement Service

Farmers who would like a guarantee on their crop plantings and land use acreages can make it official by using the FSA measurement service. Producers must file a request with the county office staff and pay the cost of a field visit to have stake and referencing done on the farm. Measurement service is available using digital imagery. If an on-site visit is not required producers are charged a reduced rate.

Incorrect acreage self-certification can result in reduced program payments, penalty or loss of eligibility.

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.

Contact your local county office for help preparing and processing the application forms.

Selected Interest Rates for February 2018

Farm Operating Loans - Direct: 3.125%

Farm Operating Loans - Microloan: 3.125%

Farm Ownership Loans:

Direct: 3.750%Microloan: 3.750%Joint Financing: 2.500%

Direct Down Payment, Beginning Farmer or Rancher: 1.500%

Emergency Loans: 3.750%

Farm Storage Facility Loans (3 years): 2.125% Farm Storage Facility Loans (5 years): 2.250% Farm Storage Facility Loans (7 years): 2.375% Farm Storage Facility Loans (10 years): 2.500% Farm Storage Facility Loans (12 years): 2.500%

Commodity Loans: 2.750%

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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