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Farm Service Agency **Electronic News Service**

NEWSLETTER

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November 2018 Pennsylvania FSA Newsletter

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

USDA Acreage Reporting Deadline for Perennial Forage Changes to July 15

USDA Farm Service Agency (FSA) has established a new acreage reporting deadline for perennial forage for 2019 and subsequent years. Previously set in the fall, the new deadline is July 15 for all states, except for Hawaii and Puerto Rico.

Timely and accurate acreage reports for all crops and land uses, including prevented planting or failed acreage, are the foundation for many FSA program benefits, including disaster programs for livestock owners. Producers must report their acreage to maintain program eligibility.

Producers who have coverage for perennial forage under the Noninsured Crop Disaster Assistance Program (NAP) must report their crop acreage by the earlier of any of the following:

- the established acreage reporting date (July 15)
- 15 calendar days before the onset of harvest or grazing of the specific crop acreage being reported
- the established normal harvest date for the end of the coverage period.

USDA Reminds Producers of Disaster Program Deadlines

U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) reminds State producers who experienced losses from natural disasters during the 2017 and 2018 calendar years that they may be eligible for assistance through the Tree Assistance Program (TAP), Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP) and Livestock Indemnity Program (LIP).

Tree Assistance Program (TAP):

TAP provides financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes and vines lost due to natural disasters. Payment eligibility is triggered when a mortality loss in excess of 15 percent on a stand (adjusted for normal mortality) occurs due to natural disaster.

For 2017 and 2018 TAP losses, growers have until the later of Dec. 3, 2018, or 90 calendar days after the disaster event or date when the loss of trees becomes apparent to submit an application with supporting documentation.

Dates to Remember:

November 15: Final Reporting Date for Apiculture, Fall Forage Seeding, Fall-Seeded Small Grains

November 20: NAP Application Deadline for Apples, Apricots, Berries, Cherries, Chestnuts, Grapes, Kiwifruit, Nectarines, Peaches, Pears, Plums, Walnuts (Basic Coverage Only)

November 22: Federal Holiday - offices closed

December 3: NAP Application Deadline for Honey (Basic Coverage Only)

December 3: Deadline for 2017 ELAP, LAP, and TAP Applications and Notice of Loss.

December 25: Federal Holiday- Offices Closed

January 1, 2019: Federal Holiday-Offices Closed

January 2, 2019: NAP Application for Coverage Deadline for Maple Sap (Basic Coverage Only)

January 15, 2019: Final Reporting Date for Maple Sap, Apples, Grapes, Peaches, Pears

January 15, 2019: Deadline for MFP enrollment

Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP):

ELAP provides emergency assistance to eligible producers of livestock, honeybees and farm-raised fish who have suffered losses due to an adverse weather or loss condition, including blizzards, disease, water shortages and wildfires. ELAP assistance is provided for losses not covered by other disaster assistance programs.

For 2017 and 2018 ELAP, producers must file a notice of loss and application for payment at their local FSA office by Dec. 3, 2018. For losses occurring from Oct. 1, 2016, through Sept. 30, 2018.

Livestock Indemnity Program (LIP):

LIP provides compensation to eligible livestock owners or contract growers for livestock deaths in excess of normal mortality, or injury resulting in reduced value, caused by an eligible loss condition.

For 2017 and 2018 LIP, a livestock owner or contract grower must file a notice of loss the later of 30 calendar days from when the loss of livestock is first apparent, or Dec. 3, 2018. For 2017 losses, a livestock owner or contract grower must file an application for payment by Dec. 3, 2018. For 2018 losses, a livestock owner or contract grower must file an application for payment by, March 1, 2019.

Other Amendments to the 2014 Farm Bill by the Bipartisan Budget Act of 2018

In February, the Bipartisan Budget Act of 2018 made several changes to FSA disaster programs. This includes eliminating the \$20 million fiscal year funding cap for ELAP, eliminating the \$125,000 payment limitation for LIP for 2017 and future years and allowing producers to receive a payment for injured livestock that are sold for a reduced price due to an eligible event.

As a result of these changes, starting June 4, producers were allowed to submit ELAP, LIP and LFP applications for 2017 losses if they reached the payment limitation under the previous rules. The application periods for these programs for the 2017 program year will close on Dec. 3, 2018. Producers who already submitted applications and received decisions on their applications for these years do not need to file again but can reapply if they have additional losses or their application or notice of loss was denied because it was late filed.

Contact your local FSA office for program deadlines. For more information on FSA disaster assistance programs or to find your local USDA Service Center, visit <https://www.farmers.gov>.

Farm Storage Facility Loans

FSA's Farm Storage Facility Loan (FSFL) program provides low-interest financing to producers to build or upgrade storage facilities and to purchase portable (new or used) structures, equipment and storage and handling trucks.

The low-interest funds can be used to build or upgrade permanent facilities to store commodities. Eligible commodities include corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley, minor oilseeds harvested as whole grain, pulse crops (lentils, chickpeas and dry peas), hay, honey, renewable biomass, fruits, nuts and vegetables for cold storage facilities, floriculture, hops, maple sap, rye, milk, cheese, butter, yogurt, meat and poultry (unprocessed), eggs, and aquaculture (excluding systems that maintain live animals through uptake and discharge of water). Qualified facilities include grain bins, hay barns and cold storage facilities for eligible commodities.

Loans up to \$50,000 can be secured by a promissory note/security agreement and loans between \$50,000 and \$100,000 may require additional security. Loans exceeding \$100,000 require additional security.

Producers do not need to demonstrate the lack of commercial credit availability to apply. The loans are designed to assist a diverse range of farming operations, including small and mid-sized businesses, new farmers, operations supplying local food and farmers markets, non-traditional farm products, and underserved producers.

To learn more about the FSA Farm Storage Facility Loan, visit www.fsa.usda.gov/pricesupport or contact your local FSA county office. To find your local FSA county office, visit <http://offices.usda.gov>.

Sign in/Sign up!

Farmers, ranchers and agricultural producers have new online options to access U.S. Department of Agriculture (USDA) programs. Through USDA's new streamlined process, producers doing business as an individual can now register, track and manage their applications for the Market Facilitation Program (MFP) and 2017 Wildfires and Hurricanes Indemnity Program (2017 WHIP) on the secure and convenient www.farmers.gov. USDA eAuthentication does not have the mechanism to issue login accounts to businesses, corporations, other entities, or for anyone acting on behalf of another individual or entity. Producers, doing business as an individual, first need to sign up for Level 2 eAuthentication access.

o Step 1: Create an online account at www.eauth.usda.gov

o Step 2: Complete identity verification by either using the online self-service identity verification method or by completing the identity verification in-person at your USDA Service Center.

o Step 3: Contact your local USDA Service Center to have your new Level 2 account linked with your USDA customer record

o Step 4: You're enrolled and ready to log in

Users with a secure Level 2 eAuthentication ID, linked to their USDA customer record, can apply for select USDA programs, view and print farm maps and farm records data. Enrolling is easy! Visit farmers.gov/sign-in to learn more.

To locate a service center near you or use online services not requiring eAuthentication access, visit www.farmers.gov. For technical assistance, call the eAuthentication help desk at 1-800-457-3642.

USDA Market Facilitation Program

USDA launched the trade mitigation package aimed at assisting farmers suffering from damage due to unjustified trade retaliation by foreign nations. Producers of certain commodities can now sign up for the Market Facilitation Program (MFP).

USDA's Farm Service Agency (FSA) will administer MFP to provide payments to corn, cotton, dairy, hog, sorghum, soybean, wheat, shelled almond, and fresh sweet cherry producers. An announcement about further payments will be made in the coming months, if warranted.

The sign-up period for MFP runs through Jan. 15, 2019, with information and instructions provided at www.farmers.gov/mfp. MFP provides payments to producers of eligible commodities who have been significantly impacted by actions of foreign governments resulting in the loss of traditional exports. Eligible producers should apply after harvest is complete, as payments will only be issued once production is reported.

A payment will be issued on 50 percent of the producer's total production, multiplied by the MFP rate for a specific commodity. A second payment period, if warranted, will be determined by the USDA.

For a list of initial MFP payments rates, view the [MFP Fact Sheet](#).

MFP payments are capped per person or legal entity as follows:

- A combined \$125,000 for eligible crop commodities
- A combined \$125,000 for dairy production and hogs
- A combined \$125,000 for fresh sweet cherries and almonds

Applicants must also have an average adjusted gross income for tax years 2014, 2015, and 2016 of less than \$900,000. Applicants must also comply with the provisions of the Highly Erodible Land and Wetland Conservation regulations.

Expanded Hog Timeline

USDA has expanded the timeline for producers with whom the Aug. 1, 2018, date does not accurately represent the number of head of live hogs they own. Producers may now choose any date between July 15 to Aug. 15, 2018 that correctly reflects their actual operation.

MFP applications are available online at www.farmers.gov/mfp. Applications can be completed at a local FSA office or submitted electronically either by scanning, emailing, or faxing. To locate or contact your local FSA office, visit www.farmers.gov.

Update Your Records

FSA is cleaning up our producer record database. If you have any unreported changes of address, zip code, phone number, email address or an incorrect name or business name on file they need to be reported to our office. Changes in your farm operation, like the addition of a farm by lease or purchase, need to be reported to our office as well. Producers participating in FSA and NRCS programs are required to timely report changes in their farming operation to the County Committee in writing and update their CCC-902 Farm Operating Plan.

If you have any updates or corrections, please call your local FSA office to update your records

MAL and LDP Policy

The Agricultural Act of 2014 authorized 2014-2018 crop year Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs), with a few minor policy changes.

Among the changes, farm-stored MAL collateral transferred to warehouse storage will retain the original loan rate, be allowed to transfer only the outstanding farm-stored quantity with no additional quantity allowed and will no longer require producers to have a paid for measurement service when moving or commingling loan collateral.

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, pulse crops, rice, peanuts, cotton, wool and honey. MALs provide producers interim

financing after harvest to help them meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows. A producer who is eligible to obtain a loan, but agrees to forgo the loan, may obtain an LDP if such a payment is available. Marketing loan provisions and LDPs are not available for sugar and extra-long staple cotton.

FSA is now accepting requests for 2018 MALs and LDPs for all eligible commodities after harvest. Requests for loans and LDPs shall be made on or before the final availability date for the respective commodities.

Before MAL repayments with a market loan gain or LDP disbursements can be made, producers must meet the requirements of actively engaged in farming, cash rent tenant and member contribution.

Commodity certificates are available to loan holders who have outstanding nonrecourse loans for wheat, upland cotton, rice, feed grains, pulse crops (dry peas, lentils, large and small chickpeas), peanuts, wool, soybeans and designated minor oilseeds. These certificates can be purchased at the posted county price (or adjusted world price or national posted price) for the quantity of commodity under loan, and must be immediately exchanged for the collateral, satisfying the loan. MALs redeemed with commodity certificates are not subject to the actively engaged in farming, cash-rent tenant, Adjusted Gross Income provisions or the payment limitation.

To be considered eligible for an LDP, producers must have form CCC-633EZ, Page 1 on file at their local FSA Office before losing beneficial interest in the crop. Pages 2, 3 or 4 of the form must be submitted when payment is requested.

The 2014 Farm Bill also establishes payment limitations per individual or entity not to exceed \$125,000 annually on certain commodities for the following program benefits: price loss coverage payments, agriculture risk coverage payments, marketing loan gains (MLGs) and LDPs. These payment limitations do not apply to MAL loan disbursements or redemptions using commodity certificate exchange.

Adjusted Gross Income (AGI) provisions were modified by the 2014 Farm Bill, which states that a producer whose total applicable three-year average AGI exceeds \$900,000 is not eligible to receive an MLG or LDP. Producers must have a valid CCC-941 on file to earn a market gain of LDP. The AGI does not apply to MALs redeemed with commodity certificate exchange.

For more information and additional eligibility requirements, please visit a nearby USDA Service Center or FSA's website www.fsa.usda.gov.

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.

Payment Limitations by Program

The 2014 Farm Bill established a maximum dollar amount for each program that can be received annually, directly or indirectly, by each person or legal entity. Payment limitations vary by program for 2014 through 2018.

Below is an overview of payment limitations by program.

Commodity and Price Support Programs

The annual limitation for the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs, Loan Deficiency Payments (LDPs) and Market Loan Gains is \$125,000 total.

Conservation Programs

The Conservation Reserve Program (CRP) annual rental payment and incentive payment is limited to \$50,000. CRP contracts approved before Oct. 1, 2008, may exceed the limitation, subject to payment limitation rules in effect on the date of contract approval.

The Emergency Conservation Program (ECP) has an annual limit of \$200,000 per disaster event. The Emergency Forest Restoration Program (EFRP) has an annual limit of \$500,000 per disaster event.

Disaster Assistance Programs – 2017 & Subsequent Years

The Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP) and Livestock Forage Disaster Program (LFP) have a \$125,000 per person and legal entity single

payment limitation that applies to the total amount of program year payments received. Program payments under the Livestock Indemnity Program (LIP) and Tree Assistance Program (TAP) no longer have payment limits.

Payment limitations also apply to Natural Resources Conservation Service (NRCS) programs. Contact your local NRCS office more information.

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.

Interest Rates for November 2018

Farm Operating Loans - Direct: 3.750%

Farm Operating Loans - Microloan: 3.750%

Farm Ownership Loans:

- Direct: 4.125%
- Microloan: 4.125%
- Joint Financing: 2.500%
- Direct Down Payment, Beginning Farmer or Rancher: 1.500%

Emergency Loans: 3.750%

Farm Storage Facility Loans (3 years) : 2.875%

Farm Storage Facility Loans (5 years): 3.000%

Farm Storage Facility Loans (7 years): 3.125%

Farm Storage Facility Loans (10 years): 3.125%

Farm Storage Facility Loans (12 years): 3.125%

Commodity Loans: 3.625%

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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