

April 2016



Arkansas FSA Newsletter

Arkansas Farm Service Agency

700 W. Capitol Avenue
Room 3416
Little Rock, AR 72201

www.fsa.usda.gov/ar

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Please contact your local FSA Office for questions specific to your operation or county.

A Message from the State Executive Director

Spring planting season is in full swing, and our farmers are working hard to get their crops planted. FSA's mission is to deliver timely, effective programs and services to our farmers and ranchers and to support them in sustaining our nation's vibrant agricultural economy. Our local FSA Offices are responsible for providing quality service while delivering effective programs.

I want to remind producers to report prevented planting and failed acres in order to establish or retain FSA program eligibility for some of our programs. Producers should report crop acreage intended to be planted, but due to natural disaster, were prevented from planting. Prevented planting acreage must be reported no later than 15 days after the final planting date as established by FSA and RMA. Additionally, failed acres should also be reported within 15 days of the occurrence of the disaster or when losses become apparent. If necessary, please contact your local FSA Office to schedule an appointment to file for prevented planting or failed acreage.

USDA Regional Climate Change Hubs

Agriculture Secretary Tom Vilsack established the first ever USDA Regional Climate Change Hubs in February 2014 at seven locations around the country to provide more information to farmers, ranchers and forest landowners on the increasing risks of fires, pests, floods, and droughts associated with a changing climate. For general information on Climate Hubs, visit <http://www.climatehubs.oce.usda.gov/sites/default/files/USDA%20Regional%20Hubs%20for%20Risk%20Adaptation%20and%20Mitigation%20to%20Climate%20Change%202015.pdf>. For information on the Climate Hub in your Region, visit <http://climatehubs.oce.usda.gov> and Click on the region to learn more.

Changing Administrative Counties

Producers who wish to transfer their farm records to a different administrative county for Fiscal Year (FY) 2016 must file a request no later than August 1, 2016. Restrictions do apply when transferring to an office other than the county in which the land is physically located. Contact your local FSA office for more information.

Final Planting Dates

All producers are encouraged to contact their local FSA office for more information on the final planting date for specific crops. The final planting dates vary by crop, planting period and county so please contact your local FSA office for a list of county-specific planting deadlines. The timely planting of a crop, by the final planting date, may prevent loss of program benefits.

CRP Payment Limitation

Payments and benefits received under the Conservation Reserve Program (CRP) are subject to the following:

- payment limitation by direct attribution
- foreign person rule
- average adjusted gross income (AGI) limitation

The 2014 Farm Bill continued the \$50,000 maximum CRP payment amount that can be received annually, directly or indirectly, by each person or legal entity. This payment limitation includes all annual rental payments and incentive payments (Sign-up Incentive Payments and Practice Incentive Payments). Annual rental payments are attributed (earned) in the fiscal year in which program performance occurs. Sign-up Incentive Payments (SIP) are attributed (earned) based on the fiscal year in which the contract is approved, not the fiscal year the contract is effective. Practice Incentive Payments (PIP) are attributed (earned) based on the fiscal year in which the cost-share documentation is completed and the producer or technical service provider certifies performance of practice completion to the county office.

Such limitation on payments is controlled by direct attribution.

- Program payments made directly or indirectly to a person are combined with the pro rata interest held in any legal entity that received payment, unless the payments to the legal entity have been reduced by the pro rata share of the person.
- Program payments made directly to a legal entity are attributed to those persons that have a direct and indirect interest in the legal entity, unless the payments to the legal entity have been reduced by the pro rata share of the person.
- Payment attribution to a legal entity is tracked through four levels of ownership. If any part of the ownership interest at the fourth level is owned by another legal entity, a reduction in payment will be applied to the payment entity in the amount that represents the indirect interest of the fourth level entity in the payment entity.

Essentially, all payments will be “attributed” to a person’s Social Security Number. Given the current CRP annual rental rates in many areas, it is important producers are aware of how CRP offered acreages impact their \$50,000 annual payment limitation. Producers should contact their local FSA office for additional information.

NOTE: The information in the above article only applies to contracts subject to 4-PL and 5-PL regulations. It does not apply to contracts subject to 1-PL regulations.

Enrollment Period for 2016 USDA Safety Net Coverage Ends Aug. 1

Producers who chose coverage from the safety net programs established by the 2014 Farm Bill, known as the Agriculture Risk Coverage (ARC) or the Price Loss Coverage (PLC) programs, can visit FSA county offices through Aug. 1, 2016, to sign contracts to enroll in coverage for 2016.

Although the choice between ARC and PLC is completed and remains in effect through 2018, producers must still enroll their farm by signing a contract each year to receive coverage.

Producers are encouraged to contact their local FSA office to schedule an appointment to enroll. If a farm is not enrolled during the 2016 enrollment period, producers on that farm will not be eligible for financial assistance from the ARC or PLC programs should crop prices or farm revenues fall below the historical price or revenue benchmarks established by the program.

The two 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 Encourages Producers to Consider Risk Protection Coverage before Crop Sales Deadlines

The Farm Service Agency encourages producers to examine available USDA crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the applicable crop sales deadline.

Producers are reminded that crops not covered by insurance may be eligible for the Noninsured Crop Disaster Assistance Program (NAP). The 2014 Farm Bill expanded NAP to include higher levels of protection. Beginning, underserved and limited resource farmers are now eligible for free catastrophic level coverage, as well as discounted premiums for additional levels of protection."

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, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

USDA has partnered with Michigan State University and the University of Illinois to create an online tool at www.fsa.usda.gov/nap that allows producers to determine whether their crops are eligible for federal crop insurance or NAP and to explore the best level of protection for their operation. 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.

Deadlines for coverage vary by state and crop. To learn more about NAP visit www.fsa.usda.gov/nap or contact your local USDA Service Center. To find your local USDA Service Centers go to <http://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.

USDA Offers Flood Impacted Arkansas Farmers and Ranchers Immediate Disaster Assistance

Farm Service Agency Stands Ready to Assist Agricultural Producers Slammed by Recent Heavy Rains

Arkansas Farm Service Agency (FSA) reminds farmers and ranchers across the state of federal farm program benefits that may be available to help eligible producers recover from recent heavy rains and flooding.

FSA offers disaster assistance and low-interest loan programs to assist agricultural producers in their recovery efforts following floods or similar qualifying natural disasters. Available programs and loans include:

- **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 (includes native grass for grazing). Eligible producers must have purchased NAP coverage for 2015 crops.
- **Livestock Indemnity Program (LIP)** - offers payments to eligible producers for livestock death losses in excess of normal mortality due to adverse weather. Eligible losses may include those determined by FSA to have been caused by hurricanes, floods, blizzards, wildfires, tropical storms, tornados lightening, extreme heat, and extreme cold. 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.
- **Tree Assistance Program (TAP)** – provides assistance to eligible orchardists and nursery tree growers for qualifying tree, shrub and vine losses due to natural disaster.
- **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. ELAP covers physically damaged or destroyed livestock feed that was purchased or mechanically harvested forage or feedstuffs intended for use as feed for the **producer's** eligible livestock. In order to be considered eligible, harvested forage must be baled; forage that is only cut, raked or windrowed is not eligible. Producers must submit a notice of loss to their local FSA office within 30 calendar days of when the loss is apparent.

ELAP also covers up to 150 lost grazing days in instances when a producer has been forced to remove livestock from a grazing pasture due to floodwaters.

For beekeepers, ELAP covers beehive losses (the physical structure) in instances where the hive has been destroyed by a natural disaster including flooding, high winds and tornadoes.

- **Emergency Loan Program** – Available to producers with agriculture operations located in a county under a primary or contiguous **Secretarial Disaster designation**. These low interest loans help producers recover from production and physical losses due to drought, flooding.
- **Emergency Conservation Program (ECP)** - provides emergency funding for farmers and ranchers to rehabilitate land severely damaged by natural disasters; includes fence loss.
- **HayNet** - is an Internet-based Hay and Grazing Net Ad Service allowing farmers and ranchers to share 'Need Hay' ads and 'Have Hay' ads online. Farmers also can use another feature to

post advertisements for grazing land, specifically ads announcing the availability of grazing land or ads requesting a need for land to graze. www.fsa.usda.gov/haynet.

To establish or retain FSA program eligibility, farmers and ranchers must report prevented planting and failed acres (crops and grasses). Prevented planting acreage must be reported on form FSA-576, Notice of Loss, no later than 15 calendar days after the final planting date as established by FSA and Risk Management Agency (RMA).

For more information on disaster assistance programs and loans visit www.fsa.usda.gov/ or contact your local FSA Office. To find your local FSA county office, visit <http://offices.usda.gov>.

2016 ACREAGE REPORTING DATES

In order to comply with FSA program eligibility requirements, all producers are encouraged to visit their local FSA office to file an accurate crop certification report by the applicable deadline.

Acreage reporting dates vary by crop and by county so please contact your local FSA office for a list of county-specific deadlines.

The following exceptions apply to acreage reporting dates:

- If the crop has not been planted by the applicable acreage reporting date, then the acreage must be reported no later than 15 calendar days after planting is completed.
- If a producer acquires additional acreage after the applicable acreage reporting date, then the acreage must be reported no later than 30 calendar days after purchase or acquiring the lease. Appropriate documentation must be provided to the county office.
- If a perennial forage crop is reported with the intended use of “cover only,” “green manure,” “left standing,” or “seed,” then the acreage must be reported by July 15th.

Noninsured Crop Disaster Assistance Program (NAP) policy holders should note that the acreage reporting date for NAP covered crops is the earlier of the applicable dates or 15 calendar days before grazing or harvesting of the crop begins.

For questions regarding crop certification and crop loss reports, please contact your local FSA office.

Loan Servicing

There are options for Farm Service Agency loan customers during financial stress. If you are a borrower who is unable to make payments on a loan, contact your local FSA Farm Loan Manager to learn about the options available to you.

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.

April Rates & Dates

Selected Interest Rates for April 2016	
90-Day Treasury Bill	.250%
Farm Operating Loans — Direct	2.25%
Farm Ownership Loans — Direct	3.50%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency Loans	3.25%
Farm Storage Facility Loans (7 years)	1.625%
Sugar Storage Facility Loans	2.125%
Commodity Loans 1996-Present	1.625%

Dates to Remember	
5/31/2016	Final Marketing Assistance Loan Availability Date for: Rice, Cotton, Grain Sorghum, Corn, Soybeans
8/1/2016	2016 ARC/PLC Enrollment Deadline
8/1/2016	Final date to request farm reconstitutions and transfers

Persons with disabilities who require accommodation to attend or participate in this meeting/function/event should contact their local County Executive Director or Sharon Baker at 501-301-3014, (TDD# or Federal Relay Service at 1-800-877-8339), and (Sharon.baker@ar.usda.gov). approximately 1 week before the event occurs.

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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