June 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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A Message from the State Executive Director

On June 6, 2016, Agriculture Secretary Tom Vilsack announced that FSA will provide an estimated $300 million in cost-share assistance payments to cotton producers through the new Cotton Ginning Cost-Share program, in order to expand and maintain the domestic marketing of cotton. Through the program, eligible producers can receive a one-time cost share payment, which is based on a producer's 2015 cotton acres reported to FSA, multiplied by 40 percent of the average ginning cost for each production region. The regional payment rate for the Mid-South Region, which includes Arkansas, Mississippi, Louisiana, Missouri, Tennessee, Illinois, and Kentucky, will be $56.26, multiplied by the producer's share of 2015 cotton acres reported to FSA.

Signup for the Cotton Ginning Cost-Share program will begin June 20, 2016, and run through August 5, 2016, at your local FSA office. Payments will be processed as applications are received, and are expected to begin as early as July.

For more information about this program, visit www.fsa.usda.gov/cgcs or contact your local FSA office.

USDA Extends Deadline for Recording Farm Structure

Gives Non-Family Farming Operations More Time to Restructure in Response to 'Actively Engaged' Farm Management Rule

USDA announced a one-time, 30-day extension to the June 1 deadline for recording farm organization structures related to Actively Engaged in Farming determinations. This date is used to determine the level of interest an individual holds in a legal entity for the applicable program year. Farming operations will now have until July 1 to complete their restructuring or finalize any operational change. The U.S. Department of Agriculture (USDA) issued the extension in response to farmers and ranchers who requested more time to comply, and to assure that everyone has enough time to provide their information under the new rules.

The 2014 Farm Bill provided the Secretary with the direction and authority to amend the Actively Engaged in Farming rules related to management. The final rule established limits on the number of individuals who can qualify as actively engaged using only management. Only one payment limit for management is allowed under the rule, with the ability to request up to two additional qualifying managers operations for large and complex operations.

The rule does not apply to farming operations comprised entirely of family members. The rule also does not change the existing regulations related to contributions of land, capital, equipment or labor, or the existing regulations related to landowners with a risk in the crop or to spouses. Producers that planted fall crops have until the 2017 crop year to comply with the new rules. The payment limit associated with Farm Service Agency farm payments is generally limited annually to $125,000 per individual or entity.

FSA Unveils Monthly Webinar Series

The FSA Outreach and Education Division will host a series of webinars each month to inform producers about FSA programs and initiatives. To register for any of the below listed webinars, visit www.fsa.usda.gov/outreach and click on “Outreach Webinars.”

June 7 @ 2 p.m. EDT
Cooperative Agreements Regarding Outreach and Education, Technical Assistance and Financial Education for FSA Programs, Functions and Activities
FSA will review proposals submitted by non-profit organizations and institutions of higher education in the second round of proposals for FSA cooperative agreements July 11, 2016. Join the webinar to learn about proposal types, eligible expenses and FSA programs the agreements support.

July 19 @ 2 p.m. EDT
Understanding Receipt for Service
To ensure that all USDA customers and potential customers are being served properly in local offices, the 2014 Farm Bill requires that a receipt be provided. Learn more about Receipt for Service, how it affects you and what you can expect when you visit a local Farm Service Agency county office.

Aug. 9 @ 2 p.m. EDT
Need Commodity Storage? The Farm Storage Facility Loan (FSFL) Can Help
The Farm Storage Facility Loan Program provides low-interest financing so producers can build or upgrade permanent or portable facilities to store commodities. Learn how this program may be able to help your operation.

The webinars will be recorded for future viewing and can be accessed on www.fsa.usda.gov/outreach.

USDA Unveils New Improvement to Streamline Crop Reporting

Update Lets Farmers and Ranchers Report Common Acreage Information Once

Farmers and ranchers filing crop acreage reports with the Farm Service Agency (FSA) and participating insurance providers approved by the Risk Management Agency (RMA) now can provide the common information from their acreage reports at one office and the information will be electronically shared with the other location.

This new process is part of the USDA Acreage Crop Reporting Streamlining Initiative (ACRSI). This interagency collaboration also includes participating private crop insurance agents and insurance companies, all working to streamline the information collected from farmers and ranchers who participate in USDA programs.

Once filing at one location, data that's important to both FSA and RMA will be securely and electronically shared with the other location avoiding redundant and duplicative reporting, as well as saving farmers and ranchers time.

Since 2009, USDA has been working to streamline the crop reporting process for agricultural producers, who have expressed concerns with providing the same basic common information for multiple locations. In 2013, USDA consolidated the deadlines to 15 dates for submitting these reports, down from the previous 54 dates at RMA and 17 dates for FSA. USDA representatives believe farmers and ranchers will experience a notable improvement in the coming weeks as they approach the peak season for crop reporting later this summer.

More than 93 percent of all annual reported acres to FSA and RMA now are eligible for the common data reporting, and USDA is exploring adding more crops. Producers must still visit both locations to validate and sign acreage reports, complete maps or provide program-specific information. The common data from the first-filed acreage report will now be available to pre-populate and accelerate completion of the second report. Plans are underway at USDA to continue building upon the framework with additional efficiencies at a future date.

Farmers and ranchers are also reminded that they can now access their FSA farm information from the convenience of their home computer. Producers can see field boundaries, images of the farm, conservation status, operator and owner information and much more.

The new customer self-service portal, known as **FSA**Farm+, gives farmers and ranchers online access to securely view, print or export their personal farm data. To enroll in the online service, producers are encouraged to contact their local FSA office for details. To find a local FSA office in your area, visit http://offices.usda.gov.

USDA Offers Targeted Farm Loan Funding for Underserved Groups and Beginning Farmers

The USDA Farm Service Agency (FSA) reminds producers that FSA offers targeted farm ownership and farm operating loans to assist underserved applicants as well as beginning farmers and ranchers.

USDA defines underserved applicants as a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of the group without regard to their individual qualities. For farm loan program purposes, targeted underserved groups are women, African Americans, American Indians and Alaskan Natives, Hispanics and Asians and Pacific Islanders.

Underserved or beginning farmers and ranchers who cannot obtain commercial credit from a bank can apply for either FSA direct loans or guaranteed loans. Direct loans are made to applicants by FSA. Guaranteed loans are made by lending institutions who arrange for FSA to guarantee the loan. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan. The FSA guarantee allows lenders to make agricultural credit available to producers who do not meet the lender's normal underwriting criteria.

The direct and guaranteed loan program provides for two types of loans: farm ownership loans and farm operating loans. In addition to customary farm operating and ownership loans, FSA now offers Microloans through the direct loan program. The focus of Microloans is on the financing needs of small, beginning farmer, niche and non-traditional farm operations. Microloans are available for both ownership and operating finance needs. To learn more about microloans, visit www.fsa.usda.gov/microloans.

To qualify as a beginning producer, the individual or entity must meet the eligibility requirements outlined for direct or guaranteed loans. Additionally, individuals and all entity members must have operated a farm for less than 10 years. Applicants must materially or substantially participate in the operation.

For more information on FSA's farm loan programs and targeted underserved and beginning farmer guidelines, visit www.fsa.usda.gov/farmloans.

USDA Announces Conservation Reserve Program Results

More Than 800,000 Acres Selected Through Highly Competitive Application Rounds

USDA announced the enrollment of more than 800,000 acres in the Conservation Reserve Program (CRP). Through CRP, the U.S. Department of Agriculture (USDA) helps farmers offset the costs of restoring, enhancing and protecting certain grasses, shrubs and trees that improve water quality, prevent soil erosion and strengthen wildlife habitat. Farmers' and ranchers' participation in CRP continues to provide numerous benefits to our nation, including helping reduce emissions of harmful greenhouse gases and providing resiliency to future weather changes.

A nationwide acreage limit was established for this program in the 2014 Farm Bill, capping the total number of acres that may be enrolled at 24 million for fiscal years 2017 and 2018. At the same time, USDA has experienced a record demand from farmers and ranchers interested in participating in the voluntary program. As of March 2016, 23.8 million acres were enrolled in CRP, with 1.7 million acres set to expire this fall.

Over three million acres have been offered for enrollment this year across the three main categories within CRP, with USDA's Farm Service Agency (FSA) receiving over 26,000 offers to enroll more than 1.8 million acres during the general enrollment period, and over 4,600 offers to enroll more than one million acres in the new CRP Grasslands program. Coming off a record-setting 2015 continuous enrollment of over 860,000 acres, more than 364,000 acres already have been accepted for 2016 in the CRP continuous enrollment, triple the pace of last year.

FSA will accept 411,000 acres in general enrollment, the most competitive selection in the history of the program, with the acreage providing record high conservation benefits. USDA selected offers by weighing environmental factors plus cost, including wildlife enhancement, water quality, soil erosion, enduring benefits, and air quality.

The results of the first-ever enrollment period for CRP Grasslands, FSA will also accept 101,000 acres in the program, providing participants with financial assistance for establishing approved grasses, trees and shrubs on pasture and rangeland that can continue to be grazed. More than 70 percent of these acres are diverse native grasslands under threat of conversion, and more than 97 percent of the acres have a new, veteran or underserved farmer or rancher as a primary producer. FSA continues to accept CRP Grasslands offers and will conduct another ranking period later this year.

Participants in CRP establish long-term, resource-conserving plant species, such as approved grasses or trees (known as "covers") to control soil erosion, improve water quality and develop wildlife habitat on marginally productive agricultural lands. In return, FSA provides participants with rental payments and cost-share assistance. Contract duration is between 10 and 15 years.

To learn more about FSA's conservation programs, visit www.fsa.usda.gov/conservation or contact a local FSA county office. To find your local FSA county office, visit http://offices.usda.gov.

USDA's Building Blocks for Climate Smart Agriculture & Forestry

The U.S. Department of Agriculture announced a comprehensive and detailed approach to support farmers, ranchers, and forest land owners in their response to address the causes of climate change in April 2015. The framework consists of 10 building blocks that span a range of technologies and practices to reduce greenhouse gas emissions, increase carbon storage, and generate clean renewable energy through mitigation.

USDA's strategy focuses on climate-smart practices designed for working production systems that provide multiple economic and environmental benefits in addition to supporting resilience to extreme weather, reduced emissions and increased carbon storage.

Through this comprehensive set of voluntary programs and initiatives spanning its programs, USDA expects to reduce net emissions and enhance carbon sequestration by over **120 million metric tons** of CO2 equivalent (MMTCO2e) per year – about 2% of economy-wide net greenhouse emissions – by 2025. That's the equivalent of taking **25 million cars** off the road, or offsetting the emissions produced by powering nearly **11 million homes** last year.

For more information on the Building Blocks for Climate Smart Agriculture and Forestry click the following link: http://www.usda.gov/documents/climate-smart-fact-sheet.pdf . For additional information on ways to consider greenhouse gases when managing land, refer to the USDA Climate Hub webpage: http://www.climatehubs.oce.usda.gov/.

USDA Offers New Loans for Portable Farm Storage and Handling Equipment

Portable Equipment Can Help Producers, including Small-Scale and Local Farmers, Get Products to Market Quickly

USDA's Farm Service Agency (FSA) will provide a new financing option to help farmers purchase portable storage and handling equipment. The loans, which now include a smaller microloan option with lower down payments, are designed to help producers, including new, small and mid-sized producers, grow their businesses and markets.

The program also offers a new "microloan" option, which allows applicants seeking less than $50,000 to qualify for a reduced down payment of five percent and no requirement to provide three years of production history. Farms and ranches of all sizes are eligible. The microloan option is expected to be of particular benefit to smaller farms and ranches, and specialty crop producers who may not have access to commercial storage or on-farm storage after harvest. These producers can invest in equipment like conveyers, scales or refrigeration units and trucks that can store commodities before delivering them to markets. Producers do not need to demonstrate the lack of commercial credit availability to apply.

Earlier this year, FSA significantly expanded the list of commodities eligible for Farm Storage Facility Loan. Eligible commodities now include aquaculture; floriculture; fruits (including nuts) and vegetables; corn, grain sorghum, rice, oilseeds, oats, wheat, triticale, spelt, buckwheat, lentils, chickpeas, dry peas sugar, peanuts, barley, rye, hay, honey, hops, maple sap, unprocessed meat and poultry, eggs, milk, cheese, butter, yogurt and renewable biomass. FSFL microloans can also be used to finance wash and pack equipment used post-harvest, before a commodity is placed in cold storage.

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

USDA Expands Safety-Net for Dairy Operations Adding Next-Generation Family Members

Dairy farms participating in the Margin Protection Program (MPP) can now update their production history when an eligible family member joins the operation. The voluntary program, established by the 2014 Farm Bill, protects participating dairy producers when the margin – the difference between the price of milk and feed costs – falls below levels of protection selected by the applicant.

The U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) published a final rule which makes these changes effective on April 13, 2016. Any dairy operation already enrolled in the Margin Protection Program that had an intergenerational transfer occur will have an opportunity to increase the dairy operations production history during the 2017 registration and annual coverage election period. The next election period begins on July 1, 2016, and ends on Sept. 30, 2016. For intergenerational transfers occurring on or after July 1, 2016, notification must be made to the FSA within 60 days of purchasing the additional cows. Each participating dairy operation is authorized one intergenerational transfer at any time of its choosing until 2018.

For $100 a year, dairy producers can receive basic catastrophic protection that covers 90 percent of milk production at a $4 margin coverage level. For additional premiums, operations can protect 25 to 90 percent of production history with margin coverage levels from $4.50 to $8, in 50 cent increments. Annual enrollment in the program is required in order to receive margin protection. The final rule also provides improved risk protection for dairy farmers that pay premiums to buy-up higher levels of coverage by clarifying that 90 percent of production is covered below the $4 level even if a lower percentage was selected above the $4 margin.

Earlier this year, FSA gave producers the opportunity to pay their premium through additional options including via their milk cooperative or handler. This rule facilitates those options and also clarifies that the catastrophic level protection at $4 will always cover 90 percent of the production history, even if a producer selected a less than a 90 percent percentage for the buy-up coverage.

Assuming current participation, had the Margin Protection Program existed from 2009 to 2014, premiums and fees would have totaled $500 million while providing producers with $2.5 billion in financial assistance, nearly $1 billion more than provided by the old Milk Income Loss Contract program during the same period.

For more information, visit FSA online at www.fsa.usda.gov/dairy or stop by a local FSA office and ask about the Margin Protection Program. To find a local FSA office in your area, 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 calendars 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.

USDA Establishes New Partnerships to Link Underserved Farmers to FSA Programs

Minority, Women, New and Beginning, Military Veteran and Urban Producers to Receive Training and Information on Agency Services

USDA announced cooperative agreements with 55 partners to educate farmers and other producers that have been underserved by USDA programs historically about Farm Service Agency (FSA) programs that provide financial, disaster or technical support. Nearly $2.5 million will go to nonprofits, associations, universities, and foundations that will provide training and information on agricultural best practices, local networking opportunities, and more.

FSA, which solicited applications last fall, received nearly 100 proposals that requested over $9 million in funding. Cooperative agreements, encompassing more than 28 states, will be between $20,000 and $75,000 each and several involve multi-state or national efforts. A list of awardees can be found at www.fsa.usda.gov/outreach.

FSA also announced today that it is accepting proposals for consideration in the second evaluation period. Applications are due no later than July 11, 2016. Projects not selected during the first evaluation period will be reconsidered during the second period. Additional information on the funding solicitation and the related FSA programs can be found at www.grants.gov using reference number USDA-FSA-CA-2016-001. For nonprofits and public institutions of higher education that are considering participation, a recording of the online informational session held with stakeholders is posted on the web at www.fsa.usda.gov/outreach.

USDA is also helping producers find an entry into farming through urban agriculture opportunities and the increasing consumer demand for locally-produced items. Under this Administration, USDA has invested more than $1 billion in over 40,000 local and regional food businesses and infrastructure projects. USDA is committed to helping farmers, ranchers, and businesses access the growing market for local and regional foods, which was valued at $12 billion in 2014 according to industry estimates. More information on how USDA investments are connecting producers with consumers and expanding rural economic opportunities is available in Chapter IV of USDA Results on Medium.

Important Dates and Rates For June

Selected Interest Rates for June 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 (3 years)	1.000%
Farm Storage Facility Loans (5 years)	1.250%
Farm Storage Facility Loans (7 years)	1.625%
Farm Storage Facility Loans (10 years)	1.875%
Farm Storage Facility Loans (12 years)	1.875%
Commodity Loans 1996-Present	1.625%

Dates to Remember	
June 15, 2016	COC Election Postcards mailed for LAAs holding elections
June 15, 2016 – August 1, 2016	County Committee (COC) Election Nomination Period
July 15, 2016	Final Date to Certify all 2016 Crops **except** fall-seeded small grains, apples, grapes, peaches, and tomatoes
August 1, 2016	Deadline for 2016 ARC/PLC Enrollment
August 1, 2016	Final date to request farm reconstitutions and transfers
August 5, 2016	Signup Deadline for Cotton Ginning Cost-Share Program

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.