

September 2016



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## Arkansas FSA Newsletter

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### **Arkansas Farm Service Agency**

700 West Capitol, Room 3416  
Little Rock, Arkansas 72201

Phone: 501-301-3000

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

### **State Committee: Chairman**

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Mike Freeze

Johnny Loftin

Richard Simmons

### **State Executive Director:**

Linda Newkirk

### **Administrative Officer:**

Sharon Baker

### **Farm Programs:**

Anita Wilson

### **Farm Loans:**

James Culpepper

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

### **A message from the State Executive Director**

The month of August saw major changes to Farm Service Agency's environmental requirements with the new regulations being published and going into effect on August 3rd. The State Environmental Coordinator, Farm Loan Program Co-Environmental Coordinator and Farm Program Co-Environmental Coordinator provided a two day training the week of August 29th to the State's Farm Loan Officers outlining the changes. Additional training is being provided for Farm Program employees. With environmental issues being more visible, it is important that our employees understand the new requirements.

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### **FSA Offers Improved Program to Limit Losses on Forages**

Reduced forage quality is now considered a production loss for weather disaster assistance coverage under the new buy-up provisions of the Farm Service Agency (FSA) Noninsured Crop Disaster Assistance Program (NAP).

This safety net is important for cattlemen who produce non-insurable forages for feeding livestock. Previously, FSA only considered a decrease in overall forage tonnage produced when determining if the producer suffered a compensable loss after a qualifying weather event. Under FSA's new NAP buy-up provisions, a decrease in forage quality – such as protein content – is also considered.

To receive coverage for the 2017 crop year, producers must enroll their eligible forage in NAP by September 30, 2016. Beginning, limited resource and targeted underserved farmers or ranchers are eligible for a waiver of the NAP service fee and a 50 percent premium reduction in buy-up provisions.

For more information on NAP, visit [www.fsa.usda.gov/nap](http://www.fsa.usda.gov/nap).

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## USDA Climate Hub Building Block: Conservation of Sensitive Lands

USDA Climate Hubs are working with producers, ranchers, pasture and forest landowners to effectively partner in ways to help reduce climate change. To aid in this partnership, USDA established the 10 Building Blocks for Climate Smart Agriculture and Forestry.

One such Building Block is the “Conservation of Sensitive Lands”. The term “sensitive lands” denotes soils and landscapes that are valuable due to properties (e.g., high organic matter, wet hydrology) and/or function (e.g., wildlife habitat, filtration, and hydrologic storage). Typical examples of these soils are organic rich histosols, floodplains, or wetlands along riparian areas. Properties and functions of these soils are easily disrupted from agricultural or urban land use.

Sensitive lands that are used for agricultural production can be protected by changes in land use (long-term cover). This reduction in land use intensity can provide multiple environmental benefits, including substantial GHG mitigation that occurs as carbon is sequestered or preserved in soils and vegetation. When land is removed from crop production, several activities—including tillage, nitrogen fertilization, and energy use—are substantially reduced or eliminated, generating additional GHG mitigation.

FSA and NRCS are committed to identifying these sensitive lands and encouraging landowners, farmers, and ranchers to voluntarily adopt conservation systems--using financial and technical assistance--to generate GHG benefits. To read more about Conservation of Sensitive Lands, click the following link: [http://www.usda.gov/oce/climate\\_change/building\\_blocks/4\\_SensitiveLands.pdf](http://www.usda.gov/oce/climate_change/building_blocks/4_SensitiveLands.pdf)

For more information about the USDA Climate Hubs click here:  
<http://www.climatehubs.oce.usda.gov/>

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## USDA Extends Margin Protection Program for Dairy Enrollment Deadline

USDA announced that it will extend the deadline for dairy producers to enroll in the Margin Protection Program (MPP) for Dairy to Dec. 16, 2016, from the previous deadline of Sept. 30. This voluntary dairy safety net program, established by the 2014 Farm Bill, provides financial assistance to participating dairy producers when the margin – the difference between the price of milk and feed costs – falls below the coverage level selected by the producer. A USDA web tool, available at [www.fsa.usda.gov/mpptool](http://www.fsa.usda.gov/mpptool), allows dairy producers to calculate levels of coverage available from MPP based on price projections.

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## USDA To Offer Certificates for Farm Commodities Pledged to Marketing Loans

Producers who have crops pledged as collateral for a marketing assistance loan can now purchase a commodity certificate that may be exchanged for the outstanding loan collateral. The authority is provided by the 2016 Consolidated Appropriations Act, legislation enacted by Congress in December. Commodity certificates are available beginning with the 2015 crop in situations where the applicable marketing assistance loan rate exceeds the exchange rate.

USDA’s Farm Service Agency (FSA) routinely provides agricultural producers with marketing assistance loans that provide interim cash flow without having to sell the commodities when market prices are at harvest time lows. The loans allow the producer to store and delay the sale of the commodity until more favorable market conditions emerge, while also providing for a more orderly marketing of commodities throughout the marketing year.

These loans are considered “nonrecourse” because the loan can be redeemed by delivering the commodity pledged as collateral to the government as full payment for the loan upon maturity. Commodity certificates are available to loan holders having 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.

Producers may contact their FSA office that maintains their loan or their loan service agent for additional information. Producers who do business with Cooperative Marketing Associations (CMA) or Designated Marketing Associations (DMA) may contact their respective associations for additional information. To learn more about commodity certificates, visit [www.fsa.usda.gov/pricesupport](http://www.fsa.usda.gov/pricesupport).

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## Foreign Buyers Notification

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. The Farm Service Agency administers this program for USDA.

All individuals who are not U.S. citizens, and have purchased or sold agricultural land in the county are required to report the transaction to FSA with 90 days of the closing. Failure to submit the AFIDA form (FSA-153) could result in civil penalties of up to 25 percent of the fair market value of the property. County government offices, Realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

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## Disaster Set-Aside (DSA) Program

FSA borrowers with farms located in designated primary or contiguous disaster areas who are unable to make their scheduled FSA loan payments should consider the Disaster Set-Aside (DSA) program.

DSA is available to producers who suffered losses as a result of a natural disaster and is intended to relieve immediate and temporary financial stress. FSA is authorized to consider setting aside the portion of a payment/s needed for the operation to continue on a viable scale. Borrowers must have at least two years left on the term of their loan in order to qualify.

Borrowers have eight months from the date of the disaster designation to submit a complete application. The application must include a written request for DSA signed by all parties liable for the debt along with production records and financial history for the operating year in which the disaster occurred. FSA may request additional information from the borrower in order to determine eligibility.

All farm loans must be current or less than 90 days past due at the time the DSA application is complete. Borrowers may not set aside more than one installment on each loan.

The amount set-aside, including interest accrued on the principal portion of the set-aside, is due on or before the final due date of the loan.

For more information, contact your local FSA farm loan office.

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## 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. <span style="mso-spacerun: yes"> </span>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.

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## **Firearms and Dangerous Weapons Forbidden In Federal Facilities**

### **USDA Service Centers and Farm Service Agency Offices are Off Limits for Firearms**

This is an important reminder to all customers and patrons of USDA Farm Service Agency (FSA) offices and USDA Service Centers statewide that **firearms are forbidden (even with a permit/license) in Federal Buildings**. A Federal Building by definition is any building owned, leased or rented by the Federal Government, where Federal employees are regularly present for the purpose of performing their official duties.

The items that are prohibited in Federal facilities include any item prohibited by any applicable Federal, State, local, and tribal law and/or ordinance, as well as firearms, dangerous weapons, explosives, or other destructive devices (including their individual parts or components) designed, redesigned, used, intended for use, or readily converted to cause injury, death, or property damage. Possession of firearms and dangerous weapons in Federal facilities as outline above is a crime punishable by fines and imprisonment.

For a complete list of items prohibited in Federal facilities, please view and/or download the document titled, **Items Prohibited from Federal Facilities: An Interagency Security Committee Standard**: <http://www.dhs.gov/sites/default/files/publications/isc-items-prohibited-federal-facilities-feb-2013-508.pdf>. **The lists of prohibited items outlined in this document apply to all facility occupants, contractors, and the visiting public.**

If you have questions or concerns regarding this notification, please contact your local Farm Service Agency Office—<http://offices.usda.gov>.

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## Important Rates and Dates for September

Selected Interest Rates for September 2016	
90-Day Treasury Bill	.250
Farm Operating Loans — Direct	2.125
Farm Ownership Loans — Direct	3.125
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50
Emergency Loans	3.125
Farm Storage Facility Loans (3 years)	0.875
Farm Storage Facility Loans (5 years)	1.125
Farm Storage Facility Loans (7 years)	1.375
Farm Storage Facility Loans (10 years)	1.500
Farm Storage Facility Loans (12 years)	1.625
Commodity Loans 1996-Present	1.500

Dates to Remember	
9/30/16	2017 NAP Application Closing Date for: Oats; Wheat; Strawberries; Barley; Small Grain/Interseeded; Fescue Red; Fescue Tall; Orchard Grass; Rye, Annual; Mixed Forage-cool season
11/17/16	Ballots for COC elections mailed to producers within a Local Administrative Area that are holding elections
12/05/16	Final date COC elections ballots can be returned to the FSA county office or must reflect a postmark no later than this date

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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](mailto:Sharon.baker@ar.usda.gov)). approximately 1 week before the event occurs.

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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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