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Arkansas FSA Newsletter

Arkansas Farm Service Agency

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A Message from the State Executive Director

Safety Net Payments started going out the first week of October on many farms enrolled in the 2015 Agriculture Risk Coverage (ARC) and/or the Price Loss Coverage (PLC) Programs. ARC and PLC programs were designed to protect against unexpected drop in crop prices or revenues due to market downturns. USDA will be making more than \$7 billion in payments under these programs during the fall of 2016. These payments will help provided reassurance to Arkansas farm families who are standing strong against low commercial prices and tough growing conditions. In 2015, Arkansas FSA offices enrolled 22,135 farms in ARC-CO, and 22,010 farms participated in PLC.

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).

**Division Chiefs:
Farm Programs**
Anita Wilson

Farm Loans
James Culpepper

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

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 March 15, 2017. 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.

USDA Issues Safety-Net Payments to Farmers in Response to 2015 Market Downturn

The U.S. Department of Agriculture (USDA) announced that beginning today, many of the 1.7 million farms that enrolled in either the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs will receive safety-net payments due to market downturns during the 2015 crop year.

This fall, USDA will be making more than \$7 billion in payments under the ARC-County and PLC programs to assist participating producers, which will account for over 10 percent of USDA's projected 2016 net farm income. These payments will help provide reassurance to America's farm families, who are standing strong against low commodity prices compounded by unfavorable growing conditions in many parts of the country.

Unlike the old direct payment program, which issued payments during both weak and strong market conditions, the 2014 Farm Bill authorized the ARC-PLC safety net to trigger and provide financial assistance only when decreases in revenues or crop prices, respectively, occur. The ARC and PLC programs primarily allow producers to continue to produce for the market by making payments on a percentage of historical base production, limiting the impact on production decisions.

Nationwide, producers enrolled 96 percent of soybean base acres, 91 percent of corn base acres and 66 percent of wheat base acres in the ARC-County coverage option. Producers enrolled 99 percent of long grain rice and peanut base acres and 94 percent of medium grain rice base acres in the PLC option. Overall, 76 percent of participating farm base acres are enrolled in ARC-County, 23 percent in PLC and one percent in ARC-Individual. For other program information including frequently asked questions, visit www.fsa.usda.gov/arc-plc.

Payments are made to producers who enrolled base acres of barley, corn, grain sorghum, lentils, oats, peanuts, dry peas, soybeans, wheat and canola. In the upcoming months, payments will be announced after marketing year average prices are published by USDA's National Agricultural Statistics Service for the remaining covered commodities. These include long and medium grain rice (except for temperate Japonica rice), which will be announced in November, remaining oilseeds and chickpeas, which will be announced in December, and temperate Japonica rice, which will be announced in early February 2017. Upland cotton is no longer a covered commodity.

The Budget Control Act of 2011, passed by Congress, requires USDA to reduce 2015 ARC and PLC payments by 6.8 percent. For more information, producers are encouraged to visit their local Farm Service Agency (FSA) office. To find a local FSA office, visit <http://offices.usda.gov>.

USDA Reminds Producers of Nov. 1 ELAP Application Deadline

Eligible livestock, honeybee, and farm-raised fish producers who experienced losses due to disease, adverse weather or other conditions, such as blizzards and wildfires, not covered by other agricultural disaster assistance programs, have until Nov. 1, 2016, to submit an application and notice of loss under the Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP).

Eligible livestock losses include grazing losses not covered under the Livestock Forage Disaster Program (LFP), loss of purchased feed and/or mechanically harvested feed due to an eligible adverse weather event, additional cost of transporting water because of an eligible drought and additional cost associated with gathering livestock to treat for cattle tick fever.

Eligible honeybee losses include loss of purchased feed due to an eligible adverse weather event, cost of additional feed purchased above normal quantities due to an eligible adverse weather condition, colony losses in excess of normal mortality due to an eligible weather event or loss condition, including CCD, and hive losses due to eligible adverse weather.

Eligible farm-raised fish losses include death losses in excess of normal mortality and/or loss of purchased feed due to an eligible adverse weather event.

Producers who suffer eligible livestock, honeybee, or farm-raised fish losses from October 1, 2015 to September 30, 2016 must file:

- A notice of loss the earlier of 30 calendar days of when the loss is apparent or by November 1, 2016
- An application for payment by November 1, 2016

The Farm Bill caps ELAP disaster funding at \$20 million per federal fiscal year.

The following ELAP Fact Sheets (by topic) are available online:

- ELAP for Farm-Raised Fish Fact Sheet
- ELAP for Livestock Fact Sheet
- ELAP for Honeybees Fact Sheet

To view these and other FSA program fact sheets, visit the FSA fact sheet web page at www.fsa.usda.gov/factsheets.

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.

Weather the Storm: FEMA Mobile App Provides Weather Alerts and Safety Tips

USDA offers programs to help producers recover from disasters; FEMA can help you prepare ahead of time.

The Federal Emergency Management Agency (FEMA) recently launched a free mobile app that will instruct the public on what to do before, during and after emergencies. The app is available for download for Apple, Android and Blackberry mobile devices.

Download the app to:

- Receive alerts from the National Weather Service for up to five locations
- Get safety reminders, read tips to survive natural disasters and customize your emergency checklist
- Locate open shelters and where to talk to FEMA in person (or on the phone)
- Upload and share your disaster photos to help first responders.

For more information about the FEMA app, visit fema.gov/mobile-app. To download the FEMA app from the Apple Store visit <https://itunes.apple.com/us/app/fema/id474807486?mt=8>. To download the FEMA app on Google Play for Android visit: <https://play.google.com/store/apps/details?id=gov.fema.mobile.android&hl=en>

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 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.

Direct Loans

FSA offers direct farm ownership and direct farm operating Loans to producers who want to establish, maintain or strengthen their farm or ranch. FSA loan officers process, approve and service direct loans.

Direct farm operating loans can be used to purchase livestock and feed, farm equipment, fuel, farm chemicals, insurance and other costs including family living expenses. Operating loans can also be used to finance minor improvements or repairs to buildings and to refinance some farm-related debts, excluding real estate.

Direct farm ownership loans can be used to purchase farmland, enlarge an existing farm, construct and repair buildings, and to make farm improvements.

The maximum loan amount for both direct farm ownership and operating loans is \$300,000 and a down payment is not required. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

Please contact your local FSA office for more information or to apply for a direct farm ownership or operating loan.

Guaranteed Loan Program

FSA guaranteed loans allow lenders to provide agricultural credit to farmers who do not meet the lender's normal underwriting criteria. Farmers and ranchers apply for a guaranteed loan through a lender, and the lender arranges for the guarantee. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan. Guaranteed loans can be used for both farm ownership and operating purposes.

Guaranteed farm ownership loans can be used to purchase farmland, construct or repair buildings, develop farmland to promote soil and water conservation or to refinance debt.

Guaranteed operating loans can be used to purchase livestock, farm equipment, feed, seed, fuel, farm chemicals, insurance and other operating expenses.

FSA can guarantee farm ownership and operating loans up to \$1,399,000. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

Please contact your lender or local FSA farm loan office for more information on guaranteed loans.

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.

Selected Interest Rates for October 2016 and Dates to Remember

Selected Interest Rates for October 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 (7 years)	1.50
Sugar Storage Facility Loans	1.75
Commodity Loans 1996-Present	1.625

COC Elections	
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

Persons with disabilities who require accommodations 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).

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).
