

December 2017



Farm Service Agency **Electronic News Service**

NEWSLETTER

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Arkansas FSA Newsletter

Arkansas Farm Service Agency

700 West Capitol, Room 3416
Little Rock, Arkansas 72201
Phone: 501-301-3000
www.fsa.usda.gov/ar

State Committee: Chairman Theodore Eldrige, Sr.

Members Eric Anderson, Mike Freeze, Johnny Loftin, and Richard Simmons

State Committee Meeting: 2nd Wednesday and Thursday of each Quarter

State Executive Director: David Curtis

Message from the SED

As the Holiday Season is upon us, Arkansas FSA would like to extend our best wishes to you and your family. Have a safe and Happy Holiday Season and a New Year filled with success. FSA values our relationship with you and looks forward to working with you for many years to come.

FSA is currently completing the issuance of 2016 ARC-CO and PLC Rice payments which began being issued in November. ARC and PLC programs were designed to protect against unexpected drop in crop prices or revenues due to market downturns. I want to remind farmers and ranchers across the state of federal farm program benefits that may be available to producers in recovering from adverse weather events. FSA offers disaster programs such as the Non-insured Crop Disaster Program, Livestock Indemnity Program, Tree Assistance Program, Emergency Assistance for Livestock, Honeybees, and Farm Raised Fish Program, and the Emergency Conservation Program. Please visit your local FSA for more details on each of our disaster programs. Additional information on these programs is contained in this newsletter.

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. To find contact information for your local office go to www.fsa.usda.gov/ar.

The Census of Agriculture is a Producer's Voice, Future, and Opportunity

In December farmers and ranchers across the nation will receive the 2017 Census of Agriculture. Producers can mail in their completed census form, or respond online via the improved web questionnaire. The online questionnaire has been revised extensively to make it more convenient for producers.

Conducted once every five years, the census of agriculture is a complete count of all U.S. farms, ranches, and those who operate them; it is the only source of uniform, comprehensive, and impartial agriculture data for every state and county in the nation.

Farmers and ranchers, trade associations, government, extension educators, researchers, and many others rely on census of agriculture data when making decisions that shape American agriculture – from creating and funding farm programs to boosting services for communities and the industry. The census of agriculture is a producer's voice, future, and opportunity.

For more information about the 2017 Census of Agriculture, visit www.agcensus.usda.gov or call (800) 727-9540.

Recourse Seed Cotton Loans

Cotton producers can request a recourse seed cotton loan at their local Farm Service Agency (FSA) office. Due to this year's large cotton crop and delayed ginning, these seed cotton loans can provide interim financing to producers until their cotton is ginned.

Recourse seed cotton loans are available from the beginning of harvest through March 31, 2018. Seed cotton loans must be repaid by May 31, 2018.

After the cotton has been ginned, the seed cotton loan is repaid with proceeds from the ginned cotton.

County Offices will provide written or e-mail notification to every Cooperative Marketing Association (CMA) or Loan Servicing Agent (LSA) used by the producer to ensure that the proceeds from a ginned cotton loan are used to repay a seed cotton loan obligation. Any proceeds obtained from LSA or CMA, whether from a loan or Loan Deficiency Payment (LDP), will be jointly payable to the producer and to the Commodity Credit Corporation if these proceeds are from a loan for the same cotton that is collateral for the seed cotton loan.

Contact your local FSA office to learn about eligible requirements or to request a seed cotton loan.

USDA to Measure Final 2017 Row Crop Production and Grain Stocks with Two End-of-Year Surveys

The U.S. Department of Agriculture's National Agricultural Statistics Service (NASS) is encouraging producers to respond to two upcoming surveys – the December Agricultural Survey and the County Agricultural Production Survey – that are critical to row crop producers around the country. The results of the surveys help determine the structure of the 2017 farm payment and risk management programs administered by USDA's Farm Service Agency and Risk Management Agency.

The County Agricultural Production Survey was sent to 170,000 row crop producers beginning Nov. 3. Responses are due by Jan. 15, 2018, and NASS will publish county-level results for corn,

soybeans, sunflowers, and sorghum on Feb. 22, 2018, in the Quick Stats database. These county-level data are critical for USDA farm payment determinations.

The December Agricultural Survey will go to 84,000 producers beginning Nov. 29. Responses are due by Dec. 21, 2017, and NASS publishes results in the Crop Production 2017 Summary report on Jan. 12, 2018. Information collected in this survey also feeds into the county estimates for row crops. The survey also asks about grain stocks stored on-farm.

When producers receive the surveys, they have the option to respond using the secure online questionnaire or return it by mail. NASS safeguards the privacy of all respondents and publishes only aggregate data, ensuring that no individual operation or producer can be identified.

These and all NASS data are available online at www.nass.usda.gov/Publications and the searchable [Quick Stats database](#). Watch a video on how NASS data are used at www.youtube.com/watch?v=rBW-g1FgLN8.

Filing CCC-941 Adjusted Gross Income (AGI) Certifications

Many producers have experienced delays in receiving Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) payments, Loan Deficiency Payments (LDPs) and Market Gains on Marketing Assistance Loans (MALs) because they have not filed form CCC-941, Adjusted Gross Income Certification. LDPs will not be paid until all eligible producers, including landowners who share in the crop, have filed a valid CCC-941.

Producers without a valid CCC-941 certifying their compliance with the average adjusted gross income provisions will not receive payments that have been processed. All farm operator/tenants/owners who have not filed a CCC-941 and have pending payments should IMMEDIATELY file the form with their recording county FSA office. Farm operators and tenants are encouraged to ensure that their landowners have filed the form. FSA has been issuing 2016 ARC/PLC payments and 2017 CRP payments.

FSA can accept the CCC-941 for 2015, 2016, 2017 and 2018. Unlike the past, producers must have the CCC-941 certifying their AGI compliance before any payments can be issued.

New Actively Engaged Provisions for Non-Family Joint Operations or Entities

Many Farm Service Agency programs require all program participants, either individuals or legal entities, to be “actively engaged in farming”. This means participants provide a significant contribution to the farming operation, whether it is capital, land, equipment, active personal labor and/or management. For entities, each partner, stockholder or member with an ownership interest, must contribute active personal labor and/or management to the operation on a regular basis.

The 2014 Farm Bill established additional payment eligibility provisions relating to the farm management component of meeting “actively engaged in farming”. These new provisions apply to joint operations comprised of non-family members or partners, stockholders or persons with an ownership in the farming operation. Effective for 2016 and subsequent crop years, non-family joint operations are afforded to one member that may use a significant contribution of active personal management exclusively to meet the requirements to be determined “actively engaged in farming”. The person or member will be defined as the Farm Manager for the purposes of administering these new management provisions.

In some instances, additional persons or members of a non-family member joint operation who meet the definition of Farm Manager may also be allowed to use such a contribution of active personal management to meet the eligibility requirements. However, under no circumstances may the number of Farm Managers in a non-family joint operation exceed a total of three in any given crop and program year.

2015, 2016 and 2017 Average Adjusted Gross Income Compliance Reviews

The AGI verification and compliance reviews for 2015, 2016 and 2017 are conducted on producers who the IRS indicated may have exceeded the adjusted gross income limitations described in [7 CFR 1400.500]. Based on this review, producers will receive determinations of eligibility or ineligibility.

If the producer is determined to have exceeded the average AGI limitation of \$900,000, receivables will be established for payments earned directly or indirectly by the producer subject to the \$900,000 limitation. The Arkansas State FSA Office has begun notifying producers selected for review. If you have any questions about the review process or determinations, please contact the Arkansas State FSA Office at 501-301-3000. Producers who receive initial debt notification letters may only appeal the amount of the debt to their local FSA office. Payment eligibility adverse determinations become administratively final 30 days from the date of the payment eligibility adverse determination letter and can only be reopened if exceptional circumstances exist that prevented the producer from timely filing the appeal.

Farm Reconstitutions

When changes in farm ownership or operation take place, a farm reconstitution is necessary. The reconstitution — or recon — is the process of combining or dividing farms or tracts of land based on the farming operation.

To be effective for the current Fiscal Year (FY), farm combinations and farm divisions must be requested by **August 1 of the FY** for farms subject to the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) program. A reconstitution is considered to be requested when all:

- of the required signatures are on FSA-155
- other applicable documentation, such as proof of ownership, is submitted.

Total Conservation Reserve Program (CRP) and non-ARC/PLC farms may be reconstituted at any time.

The following are the different methods used when doing a farm recon:

Estate Method — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate;

Designation of Landowner Method — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding;

DCP Cropland Method — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract;

Default Method — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

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.

Loans for Targeted Underserved Producers

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating purposes and/or to purchase or improve farms or ranches. While all qualified producers are eligible to apply for these loan programs, the FSA has provided priority funding for underserved applicants. An underserved applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities. For purposes of this program, underserved groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans, and Pacific Islanders. If producers or their spouses believe they would qualify as underserved, they should contact their local FSA office for details. FSA loans are only available to applicants who meet all eligibility requirements and are unable to obtain the needed credit elsewhere.

Rates and Dates

Selected Interest Rates for December 2017		Dates to Remember	
		Date	Event
90-Day Treasury Bill	1.125	12/04/2014	Last Day to return voted COC Election Ballots to USDA Service Center
Farm Operating Loans — Direct	2.875	12/11-13/2017	National Black growers Council Annual Conference - Robinsonville, MS
Farm Ownership Loans — Direct	3.750	12/14/2014	ALCDC Growers Meeting—Fargo, Arkansas
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.500	12/15/2017	Final Date to Report Acreage for Fall-Seeded Small Grains for 2018 Crop Year
Emergency Loans	3.750	12/15/2017	Deadline for Enrollment in 2018 Dairy Margin Protection Program
Farm Storage Facility Loans (3 years)	1.750	12/16/2017	Menifee Community Economic Development Summit - Menifee, Arkansas
Farm Storage Facility Loans (5 years)	2.000	01/01/2018	2018 NAP Application Closing Date for: Broccoli, Cabbage (Spring & Fall Plantings), Carrots, Greens (Spring & Fall Plantings), Onions, Onions (Green), Pecans (Native & Improved), Potatoes (Spring & Fall Plantings)
Farm Storage Facility Loans (7 years)	2.250		
Farm Storage Facility Loans (10 years)	2.375		
Farm Storage Facility Loans (12 years)	2.375		
Commodity Loans 1996-Present	2.500	01/01/2017	Newly Elected COC Members take Office
		03/09/2017	UAPBs Rural Life Conference Pine Bluff, Arkansas

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).

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)).
