

January 2018



Farm Service Agency **Electronic News Service**

# NEWSLETTER

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Having trouble viewing this email? [View it as a Web page.](#)

- [Message from the SED](#)
- [ASKFSA](#)
- [Maintaining Good Credit History](#)
- [USDA Announces a Near-Record Year for Farm Loans](#)
- [Deadlines Approaching for FSA Livestock Disaster Assistance Programs](#)
- [Filing CCC-941 Adjusted Gross Income \(AGI\) Certifications](#)
- [Payment Limitations by Program](#)
- [New Actively Engaged Provisions for Non-Family Joint Operations or Entities](#)
- [Annual Review of Payment Eligibility for New Crop Year](#)
- [Farm Service Agency \(FSA\) and Risk Management Agency \(RMA\) to Prevent Fraud, Waste, and Abuse](#)
- [Rates and Dates](#)

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## Arkansas State FSA Newsletter

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### Arkansas State 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:*

Ron Chastain

*Members:*

Gary Churchill, Sarah Dunklin,  
Nathan Reed, & Vivian Wright

#### State Committee Meeting:

February 22, 2018

#### State Executive Director:

David Curtis

#### Administrative Officer:

Sharon Baker

### Message from the SED

As USDA begins a new year, Secretary Perdue has laid out some important goals and actions related to having USDA employees operate as "OneUSDA". "OneUSDA" is about ensuring that we work together as a single team to better serve the American people and make USDA the most effective, efficient, customer-focused, and best managed part of the federal government.

The Secretary has established the following set of five core values for USDA employees that provides the foundation of a customer-focused, effective, efficient and well managed "OneUSDA":

- We expect and require complete honesty and integrity in all we do.
- We provide service to our customers on time, every time.
- We guard, conserve, and preserve USDA resources the taxpayers have entrusted to us.
- We make commitments with care and live up to them.
- We own up to problems and are always responsive.

Arkansas FSA has and will continue to be committed to the needs of the farmers and rancher of our great state. Be assured that any changes that may occur will not affect the services you receive at your local county office. Our FSA mission will still be to deliver timely, effective programs and services to America's farmers and

**Farm Programs:**  
Stephen Walker, Acting

ranchers to support them in sustaining our Nation's vibrant agricultural economy.

**Farm Loans:**  
James Culpepper

For information about programs provided by USDA, please visit [www.usda.gov](http://www.usda.gov) or contact a local office by visiting <http://offices.usda.gov>.

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

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## ASKFSA

Are you looking for answers to your FSA questions? Then ASK FSA at [askfsa.custhelp.com](http://askfsa.custhelp.com).

AskFSA is an online resource that helps you easily find information and answers to your FSA questions no matter where you are or what device you use. It is for ALL customers, including underserved farmers and ranchers who wish to be enrolled in FSA loans, farm, and conservation programs.

### Through AskFSA you can:

- Access our knowledge base 24/7
- Receive answers to your questions faster
- Submit a question and receive a timely response from an FSA expert
- Get notifications when answers important to you and your farming operation are updated

Customize your account settings and view responses at any time

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## Maintaining Good Credit History

Farm Service Agency (FSA) Farm Loan programs require that applicants have a satisfactory credit history. A credit report is requested for all FSA direct farm loan applicants. These reports are reviewed to verify outstanding debts, if bills are paid timely and to determine the impact on cash flow.

Information found on a customer's credit report is strictly confidential and is used only as an aid in conducting FSA business.

Our farm loan staff will discuss options with you if you have an unfavorable credit report and will provide a copy of your report. If you dispute the accuracy of the information on the credit report, it is up to you to contact the issuing credit report company to resolve any errors or inaccuracies.

There are multiple ways to remedy an unfavorable credit score.

- Make sure to pay bills on time. Setting up automatic payments or automated reminders can be an effective way to remember payment due dates.
- Pay down existing debt.
- Keep your credit card balances low.
- Avoid suddenly opening or closing existing credit accounts. FSA's farm loan staff will guide you through the process, which may require you to reapply for a loan after improving or correcting your credit report. For more information on FSA farm loan programs, visit [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## USDA Announces a Near-Record Year for Farm Loans

*Infusing Rural Communities with Stronger Businesses and Sounder Agricultural Economies*

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) announced another year of high activity in its farm loan programs. Hard-working farm families across the country accessed nearly \$6 billion in new credit, either directly or guaranteed through commercial lenders in 2017. At year end, FSA was assisting more than 120,000 family farmers with loans totaling just over \$25 billion.

FSA provides a variety of loan assistance, including direct and guaranteed farm ownership loans, operating loans and even direct Microloans up to \$50,000 and EZ Guarantees up to \$100,000 with streamlined application processes.

More than 25,000 direct and guaranteed FSA loans went to beginning or underserved farmers and ranchers. Over 4,200 beginning farmers received direct farm ownership loans from FSA to make their first land purchase. And of the approximately 6,500 Microloans made in the last fiscal year, three-quarters (almost 4,900) went to beginning farmers, 1,000 went to women and 400 to veterans.

FSA's direct farm loans are unique in that the agency provides technical assistance in addition to credit. Consistent with efforts to continually improve technical assistance, today FSA announced the publication of two booklets that will serve as important informational tools and resources for existing and prospective farm loan borrowers.

**Your FSA Farm Loan Compass** booklet was recently developed specifically for farmers and ranchers who have an existing farm loan with FSA. It provides detailed guidance outlining borrower responsibilities and the servicing options that FSA offers. It also addresses common questions borrowers may have as they navigate through loan program requirements and the financial concepts involved.

Originally published in 2012, **Your Guide to FSA Farm Loans** was designed for new loan customers. It provides information about the various types of farm loans available and guides new borrowers through the application process. The revised version addresses program changes and includes new loan offerings, like the popular Microloan program that was rolled out after the publication of the original Guide.

"Your FSA Farm Loan Compass" and "Your Guide to FSA Farm Loans" are available on the FSA website at [www.fsa.usda.gov/dafl](http://www.fsa.usda.gov/dafl). Farmers and ranchers are encouraged to download and share them with others in their community who may require assistance in understanding FSA's loans and servicing processes. For additional information about FSA farm loans, please contact your loan officer or other FSA staff at your local office. To find your local FSA office, visit <http://offices.usda.gov>.

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## Deadlines Approaching for FSA Livestock Disaster Assistance Programs

Livestock producers are reminded that deadlines for the Livestock Forage Disaster Program (LFP) and the Livestock Indemnity Program (LIP) are quickly approaching.

The deadline to apply for LFP benefits for 2017 grazing losses is Jan. 30, 2018. Eligible livestock producers must complete a CCC-853 and submit the required supporting documentation by the deadline. LFP provides compensation to eligible livestock producers who suffer grazing losses for covered livestock due to drought on privately owned or cash leased land or fire on federally managed land.

Producers with eligible livestock losses must submit a LIP application for payment by March 31, 2018. LIP provides assistance to eligible producers for livestock death losses in excess of normal mortality due to adverse weather and attacks by animals reintroduced into the wild by the federal government or protected by federal law.

For 2017, eligible LIP losses must occur on or after Jan. 1, 2017, and no later than 60 calendar days from the ending date of the applicable adverse weather event or attack. A notice of loss must be filed with FSA within 30 days of when the loss of livestock is apparent. Participants must provide the following supporting documentation to their local FSA office no later than 90 calendar days after the end of the calendar year in which the eligible loss condition occurred.

- Proof of death documentation
- Copy of growers contracts
- Proof of normal mortality documentation

Please contact to your local FSA office to make an appointment to apply for LFP or LIP benefits.

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## 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.

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## Payment Limitations by Program

The 2014 Farm Bill established a maximum dollar amount for each program that can be received annually, directly or indirectly, by each person or legal entity. Payment limitations vary by program for 2014 through 2018.

Below is an overview of payment limitations by program.

### **Commodity and Price Support Programs**

The annual limitation for the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs, Loan Deficiency Payments (LDPs) and Market Loan Gains is \$125,000 total.

### **Conservation Programs**

The Conservation Reserve Program (CRP) annual rental payment and incentive payment is limited to \$50,000. CRP contracts approved before Oct. 1, 2008, may exceed the limitation, subject to payment limitation rules in effect on the date of contract approval.

The Emergency Conservation Program (ECP) has an annual limit of \$200,000 per disaster event. The Emergency Forest Restoration Program (EFRP) has an annual limit of \$500,000 per disaster event.

### **Disaster Assistance Programs**

The annual limitation of \$125,000 applies to the Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP), Livestock Forage Disaster Program (LFP) and Livestock Indemnity Program (LIP). The total payments received under ELAP, LFP and LIP may not exceed \$125,000. A separate limitation of \$125,000 applies to Tree Assistance Program (TAP) payments. There is also a separate \$125,000 payment limit for the Noninsured Crop Disaster Assistance Program (NAP).

Payment limitations also apply to Natural Resources Conservation Service (NRCS) programs. Contact your local NRCS office more information.

For more information on FSA payment limitations by program, visit [https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdfiles/FactSheets/2015/payment\\_eligibility\\_payment\\_limitations.pdf](https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdfiles/FactSheets/2015/payment_eligibility_payment_limitations.pdf).

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## 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.

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## Annual Review of Payment Eligibility for New Crop Year

All participants of FSA programs who request program benefits are required to submit a completed CCC-902 (Farming Operation Plan) and CCC-941 Average Gross Income (AGI) Certification and Consent to Disclosure of Tax Information to be considered for payment eligibility and payment limitation applicable for the program benefits.

Participants are not required to annually submit new CCC-902s for payment eligibility and payment limitation purposes unless a change in the farming operation occurs that may affect the determination of record. A valid CCC-902 filed by the participant is considered to be a continuous certification used for all payment eligibility and payment limitation determinations applicable for the program benefits requested.

Participants are responsible for ensuring that all CCC-902 and CCC-941 and related forms on file in the county Office are correct at all times. Participants are required to timely notify the county office of any changes in the farming operation that may affect the determination of record by filing a new or updated CCC-902 as applicable.

Changes that may require a NEW determination include, but are not limited to, a change of:

- Shares of a contract, which may reflect:
  - A land lease from cash rent to share rent
  - A land lease from share rent to cash rent (subject to the cash rent tenant rule)
  - A modification of a variable/fixed bushel-rent arrangement
- The size of the producer's farming operation by the addition or reduction of cropland that may affect the application of a cropland factor
- The structure of the farming operation, including any change to a member's share
- The contribution of farm inputs of capital, land, equipment, active personal labor, and/or active personal management
- Farming interests not previously disclosed on CCC-902 including the farming interests of a spouse or minor child
- Financial status that may affect the 3-year average for the determination of average AGI or other changes that affects eligibility under the average adjusted gross income limitations.

Participants are encouraged to file or review these forms within the deadlines established for each applicable program for which program benefits are being requested.

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## **Farm Service Agency (FSA) and Risk Management Agency (RMA) to Prevent Fraud, Waste, and Abuse**

FSA supports the RMA in the prevention of fraud, waste and abuse of the Federal Crop Insurance Program. FSA has been, and will continue to, assist RMA and insurance providers by monitoring crop conditions throughout the growing season. FSA will continue to refer all suspected cases of fraud, waste and abuse directly to RMA. Producers can report suspected cases to the county office staff, the RMA office or the Office of the Inspector General.

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## **Rates and Dates**

Selected Interest Rates for January 2018	
90-Day Treasury Bill	1.250
Farm Operating Loans — Direct	3.000
Farm Ownership Loans — Direct	3.750
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.500
Emergency Loans	3.750
Farm Storage Facility Loans (3 years)	1.875
Farm Storage Facility Loans (5 years)	2.125
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	2.625
Dates to Remember	
1/1/2017	Newly Elected COC Members take office
1/15/2018	Final Date to Report Acreage for Apples, Grapes, and Peaches
1/20/2018	How to find and secure support and services for your farm - 1:00pm – 5:00pm at the Heifer Ranch Provost Room, 55 Heifer Road, Perryville, Arkansas 72126. Register at <a href="http://www.heifer.org/usatrainings">www.heifer.org/usatrainings</a> .
1/26/2018	ALCDC 2018 Annual Winter Farmers and Rural Community Development Conference - Registration/8:30am & opening session/9:00am - 484 Floyd Brown Drive in Fargo, Arkansas.
3/9,/2018	University of Arkansas at Pine Bluff's (UAPB) Rural Life Conference—Pine Bluff Convention Center, Pine Bluff Arkansas
3/13-14/2018	Arkansas Women in Agriculture Conference (ARWIA) Wyndham Hotel, North Little Rock, Arkansas
4/26/2018	Small Scale Producer and Landowner Conference - 9:00am-3:00pm - Southwest Center, 3222 W. 7th Street, Texarkana, TX.

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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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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](mailto:Sharon.Baker@ar.usda.gov))).