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Arkansas FSA Newsletter

Arkansas Farm Service Agency

700 West Capitol Ave.,
Room 3416
Little Rock, AR 72201

www.fsa.usda.gov/ar

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

A Message from the Executive Director

Farm Service Agency (FSA) offers farm operating, farm ownership, conservation and emergency loans to Arkansas farmers and ranchers through the FSA direct and guaranteed programs. Direct loans are made and serviced by FSA. Guaranteed loans are made and serviced by commercial lenders, such as banks, the Farm Credit System or credit unions. FSA guarantees the lender's loan against loss.

In Fiscal Year 2015, Arkansas has funded 109 direct loans and 60 guaranteed loans totaling \$41,297,676. Of these loans, 91 were funded for beginning farmers totaling \$24,194,172. 52 were funded for underserved applicants totaling \$9,072,640.

For more information about FSA loan programs, please contact your local FSA office or visit www.fsa.usda.gov

FSA Announces New Yield Data for Safety Net Calculations Farmers can Update Yield History through Feb. 27, 2015

The U.S. Department of Agriculture Farm Service Agency (FSA) offers farmers new information to update **program payment yields that will help**

them better select protections offered by the Agricultural Risk Coverage (ARC) and Price Loss Coverage (PLC) programs. The new programs, established by the 2014 Farm Bill, are cornerstones of the commodity farm safety, offering farmers protection when market forces cause substantial drops in crop prices and revenues.

The Farm Bill provides landowners with the option of updating their farm program payment yields and this is the first time that many producers have been able to update yields since 1986. FSA has worked with the Risk Management Agency (RMA) to make available certified yield data that producers can use to better calculate how the new safety net programs can offer the best protection against market swings.

Producers can check with their local FSA county office to see if data is available for them. This data belongs to the producer and only the producer associated with the crop insurance records will be provided this service. Updating yield history or reallocating base acres can occur until Feb. 27, 2015.

FSA also issued a reminder that from Nov. 17, 2014, to March 31, 2015, producers will make a one-time election of either ARC or PLC for the 2014 through 2018 crop years. For more information, producers are encouraged to make an appointment to go into their local FSA county office. To find a local FSA county office, visit offices.usda.gov. Additional information on the new programs is available at www.fsa.usda.gov/arc-plc.

USDA Provides Greater Protection for Fruit, Vegetable and Other Specialty Crop Growers Free Basic Coverage Plans and Premium Discounts Available for New, Underserved and Limited Income Farmers

Greater protection is now available from the Noninsured Crop Disaster Assistance Program for crops that historically have been ineligible for federal crop insurance. The new options, created by the 2014 Farm Bill, provide greater coverage for losses when natural disasters affect specialty crops such as vegetables, fruits, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, and energy crops.

Previously, the program offered coverage at 55 percent of the average market price for crop losses that exceed 50 percent of expected production. Producers can now choose higher levels of

coverage, up to 65 percent of their expected production at 100 percent of the average market price.

The expanded protection will be especially helpful to beginning and socially disadvantaged producers, as well as farmers with limited resources, who will receive fee waivers and premium reductions for expanded coverage. More crops are now eligible for the program, including expanded aquaculture production practices, and sweet and biomass sorghum. For the first time, a range of crops used to produce bioenergy will be eligible as well.

To help producers learn more about the Noninsured Crop Disaster Assistance Program and how it can help them, USDA, in partnership with Michigan State University and the University of Illinois, created an online resource. The Web tool, available at www.fsa.usda.gov/nap, allows producers to determine whether their crops are eligible for coverage. It also gives them an opportunity to explore a variety of options and levels to determine the best protection level for their operation.

If the application deadline for an eligible crop has already passed, producers will have until Jan. 14, 2015, to choose expanded coverage through the Noninsured Crop Disaster Assistance Program. To learn more, visit the Farm Service Agency (FSA) website at www.fsa.usda.gov/nap or contact your local FSA office at offices.usda.gov. The Farm Service Agency (FSA), which administers the program, also wants to hear from producers and other interested stakeholders who may have suggestions or recommendations on the program. Written comments will be accepted until Feb. 13, 2015 and can be submitted through www.regulations.gov.

Important ARC/PLC Program Deadlines Approaching

Producers are reminded that the deadline to update yield history and/or reallocate base acres is Feb. 27, 2015. Farm owners and producers can choose between the new 2014 Farm Bill established programs, Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) through March 31, 2015. The new programs, designed to help producers better manage risk, usher in one of the most significant reforms to U.S. farm programs in decades.

USDA helped create online tools to assist in the decision process, allowing farm owners and producers to enter information about their operation and see projections that show what ARC and/or PLC will mean for them under possible future scenarios. Farm owners and producers can access the online resources, available at www.fsa.usda.gov/arc-plc, from the convenience of their home computer or mobile device at any time.

Covered commodities include barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium grain rice (which includes short grain rice), safflower seed, sesame, soybeans, sunflower seed and wheat. Upland cotton is no longer a covered commodity.

Dates associated with ARC and PLC that farm owners and producers need to know:

- Now through Feb. 27, 2015: Farm owners may visit their local Farm Service Agency office to update yield history and/or reallocate base acres.
- Now through March 31, 2015: Producers make a one-time election between ARC and PLC for the 2014 through 2018 crop years.
- Mid-April 2015 through summer 2015: Producers sign contracts for 2014 and 2015 crop years.
- October 2015: Payments issued for 2014 crop year, if needed.

To learn more about which safety net options are most appropriate for specific farming operations, farmers can use new Web tools at www.fsa.usda.gov/arc-plc, which can be accessed from the convenience of a home computer or a mobile device at any time. To learn more about upcoming educational meetings, farmers can contact their local Farm Service Agency county office at <http://offices.sc.egov.usda.gov/locator/app>.

Livestock Disaster Assistance Sign-up Underway

Livestock disaster program enrollment opened on April 15, 2014. These disaster programs are authorized by the 2014 Farm Bill as permanent programs and provide retroactive authority to cover losses that occurred on or after Oct. 1, 2011.

Eligible producers can sign-up for the following livestock disaster assistance programs:

Livestock Forage Disaster Program (LFP): LFP provides compensation to eligible livestock producers that have suffered grazing losses due to drought on privately owned or cash leased land or fire on federally managed land. Eligible producers must physically be located in a county affected by a qualifying drought during the normal grazing period for the county. Producers who suffered eligible grazing losses should submit a completed CCC-853 and supporting documentation by January 30, 2015.

Livestock Indemnity Program (LIP): LIP provides compensation to eligible livestock producers that have suffered 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. Producers who suffered livestock death losses should submit a notice of loss and an application for payment to their local FSA office by January 30, 2015.

USDA Enhances Farm Storage Facility Loan Program

The U.S. Department of Agriculture (USDA) today announced the expansion of the Farm Storage and Facility Loan program, which provides low-interest financing to producers. The enhanced program includes 22 new categories of eligible equipment for fruit and vegetable producers.

Producers with small and mid-sized operations, and specialty crop fruit and vegetable growers, now have access to needed capital for a variety of supplies including sorting bins, wash stations and other food safety-related equipment. A new more flexible alternative is also provided for determining storage needs for fruit and vegetable producers, and waivers are available on a case-by-case basis for disaster assistance or insurance coverage if available products are not relevant or feasible for a particular producer.

Additionally, Farm Storage Facility Loan security requirements have been eased for loans up to \$100,000. Previously, all loans in excess of \$50,000 and any loan with little resale value required a promissory note/security agreement and additional security, such as a lien on real estate. Now loans up to \$50,000 can be secured by only a promissory note/security agreement and some loans between \$50,000 and \$100,000 will no longer require additional security.

The low-interest funds can be used to build or upgrade permanent facilities to store commodities. Eligible commodities include grains, oilseeds, peanuts, pulse crops, hay, honey, renewable biomass commodities, fruits and vegetables. Qualified facilities include grain bins, hay barns and cold storage facilities for fruits and vegetables.

Contact your local FSA office or visit www.fsa.usda.gov for more about FSA programs and loans,

including the Farm Storage Facility Loan Program.

2014 MAL and LDP Requests

The USDA Farm Service Agency (FSA) is accepting requests for marketing assistance loans (MALs) and loan deficiency payments (LDPs) for eligible 2014 commodities.

MALs and LDPs for the 2014 crop year become available to eligible producers beginning with harvest/shearing season and extending through a specific commodity's final loan availability date. Sugar commodity loans for the 2014 crop became available to sugar processors on Oct. 1, 2014.

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, pulse crops, rice, peanuts, cotton, wool and honey. MALs provide producers interim financing after harvest to help them meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows. A producer who is eligible to obtain a loan, but agrees to forgo the loan, may obtain an LDP if such a payment is available. Marketing loan provisions and LDPs are not available for sugar and extra-long staple cotton.

Before MAL repayments and LDP disbursements can be made, producers must meet the requirements of actively engaged in farming, cash rent tenant and member contribution.

Additionally, form CCC-902 and CCC-901 must be submitted for the 2014 crop year, if applicable, with a county committee determination and updated subsidiary files.

To be considered eligible for an LDP, producers must have form [CCC-633EZ](#), Page 1 on file at their local FSA Office before losing beneficial interest in the crop. Pages 2, 3 or 4 of the form must be submitted when payment is requested.

Please contact your local FSA office for additional eligibility requirements.

The 2014 Farm Bill also establishes payment limitations per individual or entity not to exceed \$125,000 annually on certain commodities for the following program benefits: price loss coverage payments, agriculture risk coverage payments, marketing loan gains (MLGs) and LDPs. These payment limitations do not apply to MAL loan disbursements.

Adjusted Gross Income (AGI) provisions were modified by the 2014 Farm Bill, which states that a producer whose total applicable three-year average AGI exceeds \$900,000 is not eligible to receive an MLG or LDP.

National and county loans rates for 2014 crops are posted on the FSA website at: www.fsa.usda.gov/pricesupport.

For more information, please visit a nearby USDA Service Center or FSA's website www.fsa.usda.gov.

2011, 2012, 2013 and 2014 Average Adjusted Gross Income Compliance Reviews

The AGI verification and compliance reviews for 2011, 2012, 2013 and 2014 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. Adverse determinations become administratively final 30 days from the date of the adverse determination letter and can only be reopened if exceptional circumstances exist that prevented the producer from timely filing the appeal.

Microloan Cap Grows to \$50,000

Farm Service Agency (FSA) reminds farmers and ranchers that the FSA borrowing limit for microloans increased from \$35,000 to \$50,000, effective Nov. 7. Microloans offer borrowers simplified lending with less paperwork.

The microloan change allows beginning, small and mid-sized farmers to access an additional \$15,000 in loans using a simplified application process with up to seven years to repay. Microloans are part of USDA's continued commitment to [small and midsized farming operations](#).

To complement the microloan program additional changes to FSA eligibility requirements will enhance beginning farmers and ranchers access to land, a key barrier to entry level producers. FSA policies related to farm experience have changed so that other types of skills may be considered to meet the direct farming experience required for farm ownership loan eligibility. Operation or management of non-farm businesses, leadership positions while serving in the military or advanced education in an agricultural field will now count towards the experience applicants need to show when applying for farm ownership loans. **Important Note:** Microloans cannot be used to purchase real estate.

Since 2010, FSA has made a record amount of farm loans — more than 165,000 loans totaling nearly \$23 billion. More than 50 percent of USDA's farm loans now go to beginning farmers. In addition, FSA has increased its lending to socially-disadvantaged producers by nearly 50 percent since 2010.

Please review the FSA [Microloan Program Fact Sheet](#) for program application, eligibility and related information.

Loans for the Socially Disadvantaged

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or 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 members of socially disadvantaged applicants.

A socially disadvantaged 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, socially disadvantaged groups are women, African Americans,

American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders.

FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

Dates to Remember

Jan. 14, 2015 - Deadline to choose expanded coverage through NAP, if the application deadline for an eligible crop has already passed

Jan. 30, 2015 - Deadline to apply for the Livestock Forage Disaster Assistance Program (LFP)

Jan. 30, 2015 - Deadline to request early Conservation Reserve Program (CRP) contract termination

Jan. 31, 2015 - Deadline to apply for the Tree Assistance Program (TAP)

Feb. 27, 2015 - Deadline to update yield history or reallocate base acres for the ARC/PLC program

Mar. 31, 2018 - Deadline to make a one-time election of either ARC or PLC for the 2014 through 2018 crop years

Jun. 1, 2015 - Deadline to file AD-1026 (Highly Erodible Land Conservation and Wetland Conservation Certification)

Mid- April 2015 through Summer 2015 - Producers sign ARC/PLC contract for 2014 and 2015 crop years

USDA is an equal opportunity provider and employer. 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).