

March 14, 2017



Farm Service Agency

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## NEWSLETTER



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## Florida FSA Newsletter

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### Florida Farm Service Agency

4440 NW 25th Place, St 1  
Gainesville, FL 32606

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

#### State Committee:

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Donell Gwinn  
Gayle King  
James Peebles

#### Acting Executive

**Director:**  
Debby Folsom

#### Executive Officer:

Debby Folsom

#### Division Chiefs:

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Mark Cotrell

### Organic Producers and Handlers May Apply for Certification Cost Share Reimbursements; Expanded Eligibility for Transition and State Certification Cost

Starting March 20, 2017, organic producers and handlers will be able to visit over 2,100 USDA Farm Service Agency (FSA) offices to apply for federal reimbursement to assist with the cost of receiving and maintaining organic or transitional certification.

USDA reimburses organic producers up to 75 percent of the cost of organic certification, but only about half of the nation's organic operations currently participate in the program. Starting March 20, USDA will provide a uniform, streamlined process for organic producers and handlers to apply for organic cost share assistance either by mail or in person.

USDA is making changes to increase participation in the National Organic Certification Cost Share

## **Farm Program**

Tom Hockert

## **Farm Loans**

Justin Teuton

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

Program (NOCCSP) and the Agricultural Management Assistance Organic Certification Cost Share Program, and at the same time provide more opportunities for organic producers to access other USDA programs, such as disaster protection and loans for farms, facilities and marketing. Producers can also access information on nonfederal agricultural resources, and get referrals to local experts, including organic agriculture, through USDA's Bridges to Opportunity service at the local FSA office.

Historically, many state departments of agriculture have obtained grants to disburse reimbursements to those producers and handlers qualifying for cost share assistance. FSA will continue to partner with states to administer the programs. For states that want to continue to directly administer the programs, applications will be due Feb. 17, 2017.

Eligible producers include any certified producers or handlers who have paid organic or transitional certification fees to a [USDA-accredited certifying agent](#). Application fees, inspection costs, fees related to equivalency agreement/ arrangement requirements, travel/per diem for inspectors, user fees, sales assessments and postage are all eligible for a cost share reimbursement from USDA.

Once certified, producers and handlers are eligible to receive reimbursement for up to 75 percent of certification costs each year up to a maximum of \$750 per certification scope—crops, livestock, wild crops and handling. This announcement also adds transitional certification and state organic program fees as additional scopes.

To learn more about organic certification cost share, please visit [www.fsa.usda.gov/organic](http://www.fsa.usda.gov/organic) or contact a local FSA office by visiting <http://offices.usda.gov>.

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## **USDA Financial Assistance Available to Help Organic Farmers Create Conservation Buffers**

USDA is assisting organic farmers with the cost of establishing up to 20,000 acres of new conservation buffers and other practices on and near farms that produce organic crops.

The financial assistance is available from the USDA Conservation Reserve Program (CRP), a federally funded voluntary program that contracts with agricultural producers so that environmentally sensitive land is not farmed or ranched, but instead used for conservation benefits. CRP participants establish long-term, resource-conserving plant species, such as approved grasses or trees (known as "covers") to control soil erosion, improve water quality and develop wildlife habitat. In return, FSA provides participants with rental payments and cost-share assistance. Contract duration is between 10 and 15 years.

For conservation buffers, funds are available for establishing shrubs and trees, or supporting pollinating species, and can be planted in blocks or strips. Interested organic producers can offer

eligible land for enrollment in this initiative at any time.

Other USDA FSA programs that assist organic farmers include:

- The Noninsured Crop Disaster Assistance Program that provides financial assistance for 55 to 100 percent of the average market price for organic crop losses between 50 to 65 percent of expected production due to a natural disaster.
- Marketing assistance loans that provide interim financing to help producers meet cash flow needs without having to sell crops during harvest when market prices are low, and deficiency payments to producers who forgo the loan in return for a payment on the eligible commodity.
- A variety of loans for operating expenses, ownership or guarantees with outside lenders, including streamlined microloans that have a lower amount of paperwork.
- Farm Storage Facility Loans for that provide low-interest financing to build or upgrade storage facilities for organic commodities, including cold storage, grain bins, bulk tanks and drying and handling equipment.
- Services such as mapping farm and field boundaries and reporting organic acreage that can be provided to a farm's organic certifier or crop insurance agent.

Visit [www.fsa.usda.gov/organic](http://www.fsa.usda.gov/organic) to learn more about how FSA can help organic farmers. For an interactive tour of CRP success stories, visit [www.fsa.usda.gov/CRPis30](http://www.fsa.usda.gov/CRPis30) or follow #CRPis30 on Twitter. To learn more about FSA programs visit a local FSA office or [www.fsa.usda.gov](http://www.fsa.usda.gov). To find your local FSA office, visit <http://offices.usda.gov>.

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## Reporting Organic Crops

Producers who want to use the Noninsured Crop Disaster Assistance Program (NAP) organic price and selected the "organic" option on their NAP application must report their crops as organic.

When certifying organic acres, the buffer zone acreage must be included in the organic acreage.

Producers must also provide a current organic plan, organic certificate or documentation from a certifying agent indicating an organic plan is in effect. Documentation must include:

- name of certified individuals
- address
- telephone number
- effective date of certification
- certificate number
- list of commodities certified
- name and address of certifying agent
- a map showing the specific location of each field of certified organic, including the buffer zone acreage

Certification exemptions are available for producers whose annual gross agricultural income from organic sales totals \$5,000 or less. Although exempt growers are not required to provide a written certificate, they are still required to provide a map showing the specific location of each field of certified organic, transitional and buffer zone acreage.

For questions about reporting organic crops, contact your local FSA office. To find your local office, visit <http://offices.usda.gov>.

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## Emergency Disaster Declarations and Designations

Farmers and ranchers know all too well that natural disasters can be a common, and likely a costly, variable to their operation. The Farm Service Agency (FSA) has emergency assistance programs to provide assistance when disasters strike, and for some of those programs, a disaster designation may be the eligibility trigger. When natural disaster occurs, there is a process for requesting a USDA Secretarial disaster designation for a county. Agricultural producers can play a vital role in this process.

If you have experienced a production loss as a result of a natural disaster you may submit a request to your local FSA county office for your county to be evaluated for a Secretarial disaster designation. Once a request is received, the county office will collect disaster data and create a Loss Assessment Report. The County Emergency Board will review the Loss Assessment Report and determine if a recommendation is sent forward to the U.S. Secretary of Agriculture for the designation.

For more information on FSA disaster programs and disaster designations, visit [www.fsa.usda.gov/disaster](http://www.fsa.usda.gov/disaster).

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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 each.

### 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), Livestock Indemnity Program (LIP), Noninsured Crop Disaster Assistance Program (NAP) and Tree Assistance Program (TAP). The total payments received under ELAP, LFP and LIP may not exceed \$125,000. A separate limitation applies to TAP payments.

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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## 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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## Supervised Credit

Farm Service Agency (FSA) Farm Loan programs are considered supervised credit. Unlike loans from a commercial lender, FSA loans are intended to be temporary in nature. Therefore, it is our goal to help you graduate to commercial credit, and our farm loan staff is available to help borrowers through training and credit counseling.

The FSA team will help borrowers identify their goals to ensure financial success. Through this process, FSA staff will advise borrowers in developing strategies and a plan to meet your operation's goals and graduate to commercial credit. Ultimately, the borrower is responsible for the success of the farming operation, but FSA's staff will help in an advisory role to provide the tools necessary to help you achieve your operational goals and manage your finances.

For more information on FSA farm loan programs, visit [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## Communication is Key in Lending

Farm Service Agency (FSA) is committed to providing our farm loan borrowers the tools necessary to be a success. A part of ensuring this success is providing guidance and counsel from the loan application process through the borrower's graduation to commercial lending institutions. While it is FSA's commitment to advise borrowers as they identify goals and evaluate progress, it is crucial for borrowers to communicate with their farm loan staff when changes occur. It is the borrower's responsibility to alert FSA to any of the following:

- Any proposed or significant changes in the farming operation;
- Any significant changes to family income or expenses;
- The development of problem situations;
- Any losses or proposed significant changes in security

In addition, if a farm loan borrower cannot make payments to suppliers, other creditors, or FSA on time, contact your farm loan staff immediately to discuss loan servicing options.

For more information on FSA farm loan programs, visit [www.fsa.usda.gov](http://www.fsa.usda.gov).

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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).