April 2018





Farm Service Agency Electronic News Service

NEWSLETTER

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SED's Comments

FSA's Citizen Participation in the County Committee Process

The active participation of farmers and ranchers in FSA's County Committee construct is one of the most unique citizen-government participation programs in all of the Federal government. County Committees are made up of farmers and ranchers elected by other producers in their communities to guide the delivery of farm programs at the local level. Committee members play a critical role in the day-to-day operations of FSA. Each county committee draws its members from local administrative areas. Counties are broken up into administrative areas for the purposes of voting. Local administrative areas encompass similar agriculture or geographic areas. Nominated by local farmers and ranchers, candidates must be operating a farm in local administrative area they will represent and must be eligible to vote in the county election. Members serve on staggered three-year terms so that one-third of the seats is up for re-election each year. All farmers and ranchers are encouraged to consider running for COC seats; please contact your local County FSA Service center for information on how to run or vote in the upcoming elections.

Allen Frenzel, State Executive Director USDA Farm Service Agency Hawaii & Pacific Basin

Hawaii & Pacific Basin FSA State Office

PJKK Federal Building P.O. Box 50065

Still Time to be Counted in the 2017 Census of Agriculture

NASS to follow-up with producers who have not yet responded

300 Ala Moana Blvd, Rm 5-108 Honolulu, HI 96850

Phone: 808-541-2600 x 2 FAX: 855-356-9493

State Executive Director: AL Frenzel

Chief, Farm Loan Program: Theresa Correa

Acting Chief, Farm Programs Specialist: Kristen Kiriu

Upcoming County Committee Meetings:

Hawaii County Committee July 13, 2018 Time: 8:30am

Honolulu County Committee May 18, 2018 Time: 3:00pm

Maui County Committee May 17 19, 2018 Time: 8:30am

Kauai County Committee May 16, 2018 Time: 9:00am

Guam County Committee July 11, 2018 Time: 9:00am

CNMI County Committee
July 11, 2018 Time: 11:00am

Contact the County Office to confirm meeting date and time, as budget constraints may limit the County Committee's ability to meet each month.

Click here for a list of County Offices, contact numbers and addresses.

Website for Hawaii and Pacific Basin FSA:

www.fsa.usda.gov/hi

Farmers and ranchers still have time to be counted in the 2017 Census of Agriculture, according to the U.S. Department of Agriculture's (USDA) National Agricultural Statistics Service (NASS). Although the first deadline has just passed, NASS will continue to accept Census information through the spring to get a complete and accurate picture of American agriculture that represents all farmers and ranchers.

Federal law mandates that everyone who received the 2017 Census of Agriculture questionnaire complete it and return it even if not currently farming. NASS will continue to follow-up with producers through the spring with mailings, phone calls, and personal visits. To avoid these additional contacts, farmers and ranchers are encouraged to complete their Census either online at www.agcounts.usda.gov or by mail as soon as possible. Responding online saves time by skipping sections that do not apply and automatically calculating totals. The online questionnaire is accessible on desktops, laptops, and mobile devices.

For more information about the 2017 Census of Agriculture, visit www.agcensus.usda.gov. For questions or assistance filling out the Census, call toll-free (888) 424-7828.

Organic Certification Cost Share Program

The Organic Certification Cost Share Program (OCCSP) provides cost share assistance to producers and handlers of agricultural products who are obtaining or renewing their certification under the National Organic Program (NOP). Certified operations may receive up to 75 percent of their certification costs paid from Oct. 1, 2017, through Sept. 30, 2018, not to exceed \$750 per certification scope.

Eligible costs include application fees, inspection costs, fees related to equivalency agreement/arrangement requirements, travel/per diem for inspectors, user fees, sales assessments and postage.

Ineligible costs include equipment, materials, supplies, transitional certification fees, late fees and inspections necessary to address National Organic Program regulatory violations.

Producers and handlers may submit OCCSP applications to FSA county offices.

The FSA OCCSP application form is available at <u>USDA's eForms</u> <u>site</u>, by selecting "Browse forms" and entering "OCCSP" in the "title or keywords" field on the search page.

To learn more about organic certification cost share, visit www.fsa.usda.gov/organic or contact a local FSA office by visiting https://offices.usda.gov.

USDA Farm Service Agency Offers Text Alerts to Hawaii and Guam County Producers

Subscribers Can Receive Important Program Reminders and Updates

Hawaii and Pacific Basin USDA Farm Service Agency (FSA) State Executive Director AL Frenzel announced that farmers and ranchers in Hawaii and Pacific Basin now can receive notifications from their county office through text messages on their cell phone.

Whether producers are in the field, on a tractor or even on horseback, this service enables FSA customers and stakeholders to receive notifications while on the go. Producers will receive text messages regarding important program deadlines, reporting requirements, outreach events and updates.

Producers can text the keywords in quotations below to FSANOW (372-669) to subscribe to text message alerts from their County. Standard text messaging rates apply. Contact your wireless carrier for details associated with your particular data plan. Participants may unsubscribe at any time.

"HPBGuam", "HPBRota" or "HPBTinian" - Guam County Office

"HPBHawaii" - Hawaii County Office

"HPBHonolulu" - Honolulu County Office

"HPBKauai" - Kauai County Office

"HPBMaui", "HPBMolokai" or "HPBLanai" - Maui County Office

Please contact your local FSA office if you have questions regarding FSA's email news service or the new text message option.

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 Hawaii and Pacific Basin State FSA Office has begun notifying producers selected for review. If you have any questions about the review process or determinations, please contact the State Program Specialist, Kristen Kiriu at the Hawaii and Pacific Basin State FSA Office at 808-933-8335. 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.

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.

Farm Loan Graduation Reminder

FSA Direct Loans are considered a temporary source of credit that is available to producers who do not meet normal underwriting criteria for commercial banks.

FSA periodically conducts Direct Loan graduation reviews to determine a borrower's ability to graduate to commercial credit. If the borrower's financial condition has improved to a point where they can refinance their debt with commercial credit, they will be asked to obtain other financing and partially or fully pay off their FSA debt.

By the end of a producer's operating cycle, the Agency will send a letter requesting a current balance sheet, actual financial performance and a projected farm budget. The borrower has 30 days to return the required financial documents. This information will be used to evaluate the borrower's potential for refinancing to commercial credit.

If a borrower meets local underwriting criteria, FSA will send the borrower's name, loan type, balance sheet and projected cash flow to commercial lenders. The borrower will be notified when loan information is sent to local lenders.

If any lenders are interested in refinancing the borrower's loan, FSA will send the borrower a letter with a list of lenders that are interested in refinancing the loan. The borrower must contact the lenders and complete an application for commercial credit within 30 calendar days.

If a commercial lender rejects the borrower, the borrower must obtain written evidence that specifies the reasons for rejection and submit to their local FSA farm loan office.

If a borrower fails to provide the requested financial information or to graduate, FSA will notify the borrower of noncompliance, FSA's intent to accelerate the loan, and appeal rights.

April 2018 Interest Rates

Farm Operating Loans 3.500%

Farm Operating Microloans 3.500%

Farm Ownership Loans 4.000%

Farm Ownership Microloans 4.000%

Farm Ownership Loans Direct Down Payment for Beginning Farmer or Rancher 4.000% Emergency Loans 3.750%

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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