



# Hawaii & Pacific Basin NEWSLETTER

February 2016



Your Farm Service Agency Online Monthly Newsletter Covering the Latest Topics

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**Need a loan to purchase a farm or ranch; get started with production; expand or improve your operation's efficiency and productivity? Visit [Farm Loan Programs](#).**

## **Microloans to Purchase Farmland and Improve Property**

Farm Service Agency (FSA) now offers farm ownership microloans, creating a new financing avenue for farmers to buy and improve property. These microloans will be especially helpful to beginning and minority farmers, veterans looking for a career in farming, and those who have small and mid-sized farming operations.

The Microloan Program, which celebrates its third anniversary this month, has been hugely successful, providing more than 16,800 low-interest loans, totaling over \$373 million to producers across the country. Microloans have helped farmers and ranchers with operating costs, such as feed, fertilizer, tools, fencing, equipment, and living expenses. Seventy percent of these loans have gone to new farmers.

Now, microloans are available to help with farm land and building purchases, and soil and water conservation improvements. Farm Service Agency designed the expanded program to simplify the application process, expand eligibility requirements and expedite smaller real estate loans to help farmers strengthen their operations. Microloans provide up to \$50,000 to qualified producers, and can be issued to the applicant directly from FSA.

This microloan announcement is another USDA resource for farmers and ranchers to utilize, especially as [new and beginning farmers and ranchers](#) look for the assistance they need to get started. To learn more about the FSA microloan program visit [www.fsa.usda.gov/microloans](http://www.fsa.usda.gov/microloans), or contact your [local FSA County Office](#).

## **FSA 2015 Impacts Report**

Year 2015 marked the 20th anniversary of the United States Department of Agriculture's (USDA) Farm Service Agency (FSA); yet, the Agency's roots date back nearly 80 years, to the days of the Great Depression and the Dust Bowl when the rural economy was in crisis and America's farmers and ranchers needed assistance. At that time, Congress empowered USDA to provide a strong safety-net for farm families to help them navigate the unpredictability of natural disasters and volatile markets.

Today, technological advancements in equipment, crop and veterinary sciences, soil and water conservation, and pest and nutrient management, have resulted in agriculture becoming stronger than we have ever known certainly far stronger than the days of our grandparents and great-grandparents. But the unpredictability of weather and markets remain. That means the FSA mission is as important as it has ever been to ensure the domestic agriculture sector continues to deliver an abundant, safe, and affordable food and fiber supply for the American people.



Val Dolcini, FSA's Administrator

The [FSA Impacts Report](#) shows selected 2015 highlights and achievements of FSA that will ensure that the path forward continues to demonstrate our commitment to rural America.

## Farm Storage Facility Loans

Farm Service Agency's (FSA) Farm Storage Facility Loan (FSFL) program provides low-interest financing to producers to build or upgrade storage facilities.

These low-interest loans can be used to build or upgrade permanent facilities to store commodities including fruits, nuts and vegetables for cold storage facilities, floriculture, honey, milk, and milk products, meat and poultry (unprocessed), eggs, and aquaculture (excluding systems that maintain live animals through uptake and discharge of water). This loan program may be used to fund food safety-related equipment, such as sanitizing or pre-washing tanks in an eligible storage facility.

Loans up to \$50,000 can be secured by a promissory note/security agreement and some loans between \$50,000 and \$100,000 do not require additional security. Producers do not need to demonstrate the lack of commercial credit availability to apply. The loans are designed to assist a diverse range of farming operations, including small and mid-sized businesses, new farmers and operations supplying local food and farmers markets.

Click on the link to learn more about the FSA [Farm Storage Facility Loan](#) or contact your [local FSA County Office](#).



## Update Your Records

Farm Service Agency (FSA) is cleaning up producer record databases. If you have any unreported changes of address or an incorrect name or business name on file they need to be reported to your FSA County Office. Changes in your farm operation, like the addition of a farm by lease or purchase, need to be reported as well. Producers participating in FSA and Natural Resource Conservation Service programs are required to timely report changes in their farming operation to the County Committee in writing and update their CCC-02 Farm Operating Plan.

## Prevent Fraud, Waste, and Abuse

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

## Risk Management Agency Meets with Hawaii Producers

Last month, Risk Management Agency's (RMA) Associate Administrator Tim Gannon met with Hawaii Island producers to learn about growers concerns and needs and to share information about the new [Whole-Farm Revenue Protection](#) pilot program. Accompanying Associate Administrator Gannon was RMA's Regional Director Jeff Yasui, who oversees delivery of the Agency's programs in Hawaii, Kathy King Director of Hawaii Agricultural Statistics Service and Farm Service Agency served as the hosts, with Lester Ueda and Diane Ley attending meetings with growers and government leaders.

Producers participating in the meetings and site visits represented a range of industries including coffee, banana, papaya, tropical fruits, macadamia nuts, vegetables, cattle and floriculture. Many came with questions about how RMA assists producers with the cost of crop insurance purchased from independent insurance agents, and some came to let RMA know that they were pleased to have purchased safety net coverage as it had paid off in years of bad weather and pest outbreaks.

Producers were interested to learn about the new Whole-Farm Revenue Protection, which provides a risk management safety net for all commodities under one insurance policy. This insurance plan is tailored for any farm with up to \$8.5 million in insured revenue, including farms with specialty or organic commodities both crops and livestock, or those marketing to local, regional, farm-identity preserved, specialty, or direct markets.

Click on [RMA's Regional Office](#) home page to learn more about how innovative insurance options help promote sustainable growth for the industry, support crop diversification, and most importantly, keep farmers and ranchers on their land. For a list of private crop insurers click on [RMA's Agent Locator](#).

## Hawaii Floriculture Businesses Ask and RMA Responds

*Would Hawaii tropicals qualify under Whole-Farm Revenue Protection and under/over \$1 million dollars?*  
RMA: Yes, Hawaii operations are eligible for Whole-Farm Revenue Protection coverage. This program insures total revenue for the farm; not by crop.



Risk Management Agency Associate Administrator Tim Gannon (center right), Regional Director Jeff Yasui (far left) and Hawaii Agricultural Statistics Service Director Kathy King (right) hear from a local banana producer about the challenges of production and the strong local fresh fruit market demand.

The maximum amount of total insured revenue cannot exceed \$8.5 million. Operations can have revenue in excess of this amount, but the coverage levels would have to be reduced to ensure the insured revenue does not exceed \$8.5 million.

*Would cut flowers be exempt with a \$1 million dollars cap?* RMA: Cut flowers are not included in the \$1 million cap provision that applies to greenhouses and nurseries. If the nursery or green house (from nursery plants, not cut flowers) has expected revenue greater than \$1 million, then the operation is not eligible for the insurance.

*Can Whole-Farm Revenue Protection cover all other crops and if so would it be considered the catch all?*  
RMA: Whole-Farm Revenue Program is a "catch all" and covers all commodities for an operation.

*Would anthurium, orchids, tropical, protea, blooming plants and foliage plants be considered separate crops under Whole-Farm Revenue Protection?* RMA: Currently, all cut flowers are categorized in a single group; however, cut flowers, field grown nursery and container grown nursery are considered separate crops for premium subsidy purposes.

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<b>Office Hours: Monday—Friday from 8:00 am to 4:00 pm</b>	

**Next County Committee Meeting Dates:**

- Hawaii County - April 18, 2016 at 8:30 am
- Honolulu County - March 18, 2016 at 3:00 pm
- Kauai County - March 17, 2016 at 10:00 am
- Maui County - March 17, 2016 at 8:30 am
- Guam County - April 13, 2016 at 9:00 am
- CNMI County - April 13, 2016 at 1:00 pm

Contact the County Office to confirm meeting date and time, as budget constraints may limit the County Committee's ability to meet each month. A list of County Offices, contact numbers and addresses may be found at:

[http://www.fsa.usda.gov/Internet/FSA\\_File/hi\\_cof\\_staff.pdf](http://www.fsa.usda.gov/Internet/FSA_File/hi_cof_staff.pdf)

**Dates to Remember**

March 15, 2016	Deadline to report 2016 coffee Acreage
April 5, 2016	Deadline for Saipan and Tinian producers to apply for Emergency Loans due to impacts from Typhoon Soudelor
April 19, 2016	Deadline for Maui and Kauai County producers to apply for Emergency Loans due to impacts of drought
June 5, 2016	Deadline for Hawaii County producers to apply for Emergency Loans due to flooding that occurred August 24-September 27, 2015
Continuous	Conservation Reserve Enhancement Program sign-up



Looking for great ideas to expand your market; want to know how to collaborate with your neighboring farmers and ranchers; need resources to make it happen? Visit: [www.knowyourfarmer@usda.gov](mailto:www.knowyourfarmer@usda.gov)!

**Interest Rates for February 2016**

Farm Operating Loans	2.375 %
Microloans	2.375 %
Farm Ownership Loans	3.75 %
Farm Ownership Loans Direct Down Payment, Beginning Farmer or Rancher	1.50 %
Emergency Loans	3.375 %



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