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April 2017



Farm Service Agency

# GovDelivery Electronic News Service

## NEWSLETTER



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## Hawaii & Pacific Basin State FSA Newsletter

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### State Office Message

On April 11, the U.S. Drought Monitor reported that 100 percent of the State of Hawaii was abnormally dry or drier. Luckily in crop year 2107 we have not experienced a large number of significant crop losses from disaster in Hawaii, Guam, CNMI or American Samoa. I would like to remind our farmers who participate in the Non-Insured Crop disaster Assistance Program (NAP) and /or FSA farm loans, to be sure to maintain your crop records as required. These records ensure that you get the most benefits from our programs.

Steve Peterson, Acting State Executive Director – Hawaii and the Pacific Basin

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#### Hawaii & Pacific Basin State Farm Service Agency

PJKK Federal Building  
P.O. Box 50065  
300 Ala Moana Blvd, Rm  
5-108  
Honolulu, HI 96850

#### 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) Acting State Executive Director Steve Peterson announced that farmers and

Phone: 808-600-2964  
Fax: 855-356-9493

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

**Acting State Executive Director:**  
Steve Peterson

**Chief Program Specialist:**  
Steve Peterson

**Chief, Farm Loan Program:**  
Steve Bazzell

**Upcoming County Meetings:**

Hawaii County Committee  
July 14, 2017 at 8:30 am

Honolulu County Committee  
May 19, 2017 at 3:00 pm

Maui County Committee  
May 18, 2017 at 8:30 am

Kauai County Committee  
May 16, 2017 at 9:00 am

Guam County Committee  
July 5, 2017 at 10:00 am

CNMI County Committee  
July 12, 2017 at 10:00 am

[Click here for a list of County Offices, contact numbers and addresses.](#)

ranchers in Hawaii and Guam 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.

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## Census of Agriculture Countdown Begins for America’s Farmers and Ranchers

America’s farmers and ranchers will soon have the opportunity to strongly represent agriculture in their communities and industry by taking part in the 2017 Census of Agriculture. Conducted every five years by the U.S. Department of Agriculture’s (USDA) National Agricultural Statistics Service (NASS), the census, to be mailed at the end of this year, is a complete count of all U.S. farms, ranches, and those who operate them.

The Census of Agriculture highlights land use and ownership, operator characteristics, production practices, income and expenditures, and other topics. The 2012 Census of Agriculture revealed that over three million farmers operated more than two million farms, spanning over 914 million acres. This was a four percent decrease in the number of U.S. farms from the previous census in 2007. However, agriculture sales, income, and expenses increased between 2007 and 2012. This telling

information and thousands of other agriculture statistics are a direct result of responses to the Census of Agriculture.

Producers who are new to farming or did not receive a Census of Agriculture in 2012 still have time to sign up to receive the 2017 Census of Agriculture report form by visiting [www.agcensus.usda.gov](http://www.agcensus.usda.gov) and clicking on the 'Make Sure You Are Counted' button through June. NASS defines a farm as any place from which \$1,000 or more of agricultural products were produced and sold, or normally would have been sold, during the census year (2017).

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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.

### 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/usdafiles/FactSheets/2015/payment\\_eligibility\\_payment\\_limitations.pdf](https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdafiles/FactSheets/2015/payment_eligibility_payment_limitations.pdf)

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## 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 Chief Program Specialist Steve Peterson at the Hawaii and Pacific Basin State FSA Office at 808-600-2953. 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.

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## 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.

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## 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 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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## April 2017 Interest Rates

Farm Operating Loans 4.00 %  
Farm Operating Microloans 4.00 %  
Farm Ownership Loans 3.00 %  
Farm Ownership Microloans 3.00 %  
Farm Ownership Loans Direct Down Payment for Beginning Farmer or Rancher 1.50 %  
Emergency Loans 4.00 %

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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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