

November 2017



Farm Service Agency **Electronic News Service**

NEWSLETTER

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Hawaii & Pacific Basin State FSA Newsletter

Table of Contents

- [December 1st—NAP Deadline](#)
- [Breaking New Ground](#)
- [Hawaii Tropical Tree Listening Sessions](#)
- [USDA Offers Targeted Farm Loan Funding for Underserved Groups and Beginning Farmers](#)
- [2015, 2016 and 2017 Average Adjusted Gross Income Compliance Reviews](#)
- [November 2017 Interest Rates](#)

Hawaii & Pacific Basin State Farm Service Agency

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December 1st—NAP Deadline

With the recent substantial number of severe weather systems impacting Hawaii and Pacific Island producers, it has never been a better time to sign up for 2018 NonInsured Crop Disaster Assistance Program (NAP). The deadline for vegetable and fruit producers to sign up for coverage is December 1, 2017.

This program covers crop losses from natural adversities such as drought and excessive moisture. Coverage is available for production of vegetables, fruit, forage and grazing crops, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

NonInsured Crop Disaster Assistance Program (NAP) basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production. Optional NAP Buy-Up offers higher levels of coverage, up to 65 percent of expected production at 100 percent of the average market price, including coverage for organics and crops marketed directly to consumers.

Chief, Farm Loan Program:
Steve Bazzell

Upcoming County Meetings:

Hawaii County Committee
January 12, 2018 at 8:30 am

Honolulu County Committee
December 15, 2017 at 3:00 pm

Maui County Committee
December 21, 2017 at 8:30 am

Kauai County Committee
December 21, 2017 at 9:00 am

Guam County Committee
December 6, 2017 at 10:00 am

CNMI County Committee
December 13, 2017 at 10:00 am

To find contact information for your local office [click here](#).

The 2014 Farm Bill expanded NAP to include higher levels of protection. Beginning, underserved and limited resource farmers are now eligible for free catastrophic level coverage, as well as discounted premiums for additional levels of protection.

To learn more about NAP and NAP Buy-Up plan visit www.fsa.usda.gov/nap or contact your [local FSA County Office](#).

Hawaii Tropical Tree Listening Sessions

The Risk Management Agency (RMA) is evaluating comprehensively the Hawaii Tropical Tree Pilot Crop Insurance Program. This evaluation is to determine whether the pilot crop insurance program for **banana, coffee and papaya** trees should be converted to permanent program, modified and continued as pilot, or terminated.

A listening session conference call for orchardists is scheduled for November 29, 2017 at 9 am Hawaii time. The purpose of the listening sessions is to receive feedback on how the pilot crop insurance program has performed and how we can improve it.

[Click here for more information.](#)

Breaking New Ground

Agricultural producers are reminded to consult with FSA and NRCS before breaking out new ground for production purposes as doing so without prior authorization may put a producer's federal farm program benefits in jeopardy. This is especially true for land that must meet Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions.

Producers with HEL determined soils are required to apply tillage, crop residue and rotational requirements as specified in their conservation plan.

Producers should notify FSA as a first point of contact prior to conducting land clearing or drainage type projects to ensure the proposed actions meet compliance criteria such as clearing any trees to create new cropland, then these areas will need to be reviewed to ensure such work will not risk your eligibility for benefits.

Landowners and operators complete the form AD-1026 - Highly Erodible Land Conservation (HEL) and Wetland Conservation (WC) Certification to identify the proposed action and allow FSA to determine whether a referral to Natural Resources Conservation Service (NRCS) for further review is necessary.

USDA Offers Targeted Farm Loan Funding for Underserved Groups and Beginning Farmers

The USDA Farm Service Agency (FSA) reminds producers that FSA offers targeted farm ownership and farm operating loans to assist underserved applicants as well as beginning farmers and ranchers.

USDA defines underserved applicants as a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of the group without regard to their individual qualities. For farm loan program purposes, targeted underserved groups are women, African Americans, American Indians and Alaskan Natives, Hispanics and Asians and Pacific Islanders.

Underserved or beginning farmers and ranchers who cannot obtain commercial credit from a bank can apply for either FSA direct loans or guaranteed loans. Direct loans are made to applicants by FSA. Guaranteed loans are made by lending institutions who arrange for FSA to guarantee the loan. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan. The FSA guarantee allows lenders to make agricultural credit available to producers who do not meet the lender's normal underwriting criteria.

The direct and guaranteed loan program provides for two types of loans: farm ownership loans and farm operating loans. In addition to customary farm operating and ownership loans, FSA now offers Microloans through the direct loan program. The focus of Microloans is on the financing needs of small, beginning farmer, niche and non-traditional farm operations. Microloans are available for both ownership and operating finance needs. To learn more about microloans, visit www.fsa.usda.gov/microloans.

To qualify as a beginning producer, the individual or entity must meet the eligibility requirements outlined for direct or guaranteed loans. Additionally, individuals and all entity members must have operated a farm for less than 10 years. Applicants must materially or substantially participate in the operation.

For more information on FSA's farm loan programs and targeted underserved and beginning farmer guidelines, visit www.fsa.usda.gov/farmloans.

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 Guam FSA Office has begun notifying producers selected for review. If you have any questions about the review process or determinations, please contact the Guam FSA Office at 671-300-8550. 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.

November 2017 Interest Rates

Farm Operating Loans 2.75%

Farm Operating Microloans 2.75%

Farm Ownership Loans 3.625%

Farm Ownership Microloans 3.625%

Farm Ownership Loans Direct Down Payment for Beginning Farmer or Rancher 1.50%

Emergency Loans 3.75%

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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