



# Hawaii & Pacific Basin NEWSLETTER

March 2014



Your Farm Service Agency Online Monthly Newsletter Covering the Latest Topics

## In this Issue:

### Page 1:

New Farm Bill Provides Permanent Livestock Disaster Assistance Programs

### Page 2:

Hawaii and Maui Counties Eligible for Emergency Loans

USDA's Farm Service Agency Offers Farm Bill Website and Online Overview of Farm Bill Programs

### Page 3:

Aloha Botanicals Maui  
A winning partnership with the Farm Service Agency

Dates to Remember

### Page 4:

Noninsured Crop Disaster Assistance Program

Farmers Resource Workshop on Oahu

Microloan Program

### Page 5:

USDA Enhances Farm Storage Facility Loan Program

Direct Loan Changes  
Loan Interest Rates

**Farm Service Agency Website:**

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

## ***New Farm Bill Provides Permanent Livestock Disaster Assistance Programs***

The 2014 Farm Bill, formally known as the *Agricultural Act of 2014*, makes the Livestock Forage Program (LFP) and Livestock Indemnity Program (LIP) permanent programs and provides retroactive authority to cover eligible losses back to October 1, 2011.

Livestock Forage Program provides compensation to eligible producers who suffered grazing losses due to drought and fire. Livestock Indemnity Program provides compensation to livestock producers who suffered livestock death losses in excess of normal mortality due to adverse weather.



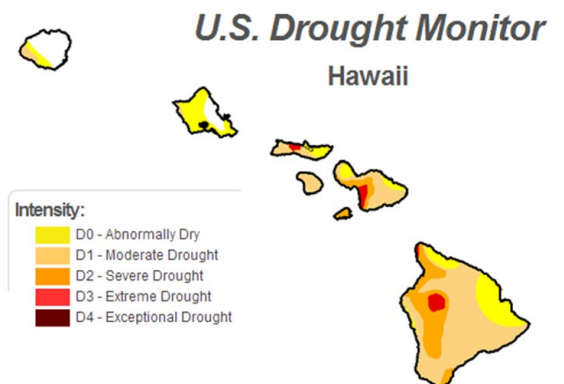
Drought conditions on the Island of Hawaii

The United States Department of Agriculture (USDA) is determined to make implementing the livestock disaster assistance programs a top priority and plans to open program enrollment by April 15, 2014.

As USDA begins implementing the livestock disaster assistance programs, producers should gather all pertinent information of natural disaster consequences, including:

- Documentation of the number and kind of livestock that have died, supplemented if possible by photographs or video records of ownership and losses
- Dates of death supported by birth recordings or purchase receipts
- Costs of transporting livestock to safer grounds or to move animals to new pastures
- Feed purchases if supplies or grazing pastures are destroyed
- Crop records, including seed and fertilizer purchases, planting and production records
- Pictures of on-farm storage facilities that were destroyed by wind or flood waters
- Evidence of damaged farm land.

Many producers may still have questions. The Department is in the process of interpreting Farm Bill program regulations. Additional information will be provided once the enrollment period is announced. In the meantime, producers can review the [LIP and LFP Fact Sheets](#). Your patience is appreciated as USDA works diligently to put Farm Bill programs into action to benefit farmers and ranchers.



| <b>Hawaii State &amp; Pacific Basin Farm Service Agency Office</b>   |  |
|--|--|
| 737 Bishop St, Suite 2390<br>Honolulu, HI 96813<br>Ph: (808)441-2704<br>Fax: (808)441-2705   | Diane Ley<br>State Executive Director<br>Steve Bazzell<br>Farm Program Loan Chief                    |
| <b>Hawaii County Farm Service Agency Hilo Office</b>   |  |
| 154 Waiānūenue Ave, Room 219<br>Hilo, HI 96720<br>Ph: (808)933-8381 x 1<br>Fax: (808)933-8345  | Lester Ueda<br>County Executive Director<br>Miki Miyasato<br>Farm Loan Manager                       |
| <b>Honolulu County Farm Service Agency Office</b>  |  |
| 99-193 Aiea Heights Dr, Room 114<br>Aiea, HI 96701<br>Ph: (808)483-8600 x 2<br>Fax: (808)483-8615  | Jason Shitanishi<br>County Executive Director<br>Melissa Rodriques<br>Farm Loan Manager              |
| <b>Kauai County Farm Service Agency Office</b>   |  |
| 4334 Rice St, Suite 103<br>Lihue, HI 96766<br>Ph: (808)245-9014 x 2<br>Fax: (808)246-4639  | Robert Ishikawa<br>County Executive Director<br>Melissa Rodriques<br>Farm Loan Manager               |
| <b>Maui County Farm Service Agency Office</b>  |  |
| 77 Hookele St, Suite 201<br>Kahului, HI 96732<br>Ph: (808)871-5500 x 2<br>Fax: (808)873-6183   | James Robello<br>County Executive Director<br>John Tamashiro<br>Farm Loan Manager                    |
| <b>Guam-CNMI Farm Service Agency Office</b>  |  |
| 770 East Sunset Blvd. Room 265<br>Barrigada, GU 96913<br>Ph: (671)472-7568<br>Fax: (671)472-7580<br>CNMI (670)234-0896   | Thomas Camacho<br>County Executive Director<br>Fred San Nicolas II<br>Farm Loan Assistant<br>Manager |
| <b>American Samoa Farm Service Agency Office</b>   |  |
| Pago Plaza Building, Room 213<br>P. O. Box 3661<br>Pago Pago, AS 96799<br>Ph: (684)633-1031 x 2<br>Fax: (684)633-7614  | Josie Malepeai Lealasola<br>Agricultural Specialist<br>Letisha Gaoā<br>Farm Loan Technician          |
| <b>Office Hours: Monday—Friday from 8:00 am to 4:00 pm</b>   |  |
| <b>Next County Committee Meeting Dates:</b><br><u>Hawaii County</u> - April 11 at 8:30 am<br><u>Honolulu County</u> - March 21 at 3:00 pm<br><u>Kauai County</u> - April 16 at 8:30 a.m.<br><u>Maui County</u> - April 17 at 9:00 a.m.<br><u>Guam County</u> - April 9 at 9:00 a.m.<br><u>CNMI County</u> - April 9 at 9:00 a.m.<br>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:<br><a href="http://www.fsa.usda.gov/Internet/FSA_File/hi_cof_staff.pdf">http://www.fsa.usda.gov/Internet/FSA_File/hi_cof_staff.pdf</a> |  |

## ***Hawaii and Maui Counties Eligible for Emergency Loans***

Hawaii and Maui Counties were designated as primary disaster areas due to drought and heat using the streamlined Secretarial Disaster Designation process. Under this designation, producers are eligible to apply for low interest emergency loans.

In addition, the Farm Service Agency (FSA) Administrator also approved emergency loan assistance for producers in Hawaii County to replace or restore property damaged or destroyed by the heavy rains and flooding in late December 2013.

Emergency loans help producers recover from production and physical losses due to drought, flooding and other natural disasters or quarantine restrictions.

Producers affected by drought and heat have until September 15, 2014, to apply for emergency loan assistance, while those affected by the heavy rains have until September 17, 2014 to apply. Farm Service Agency will consider each loan application on its own merits, taking into account the extent of losses, security available and repayment ability. Producers can borrow up to 100 percent of actual production or physical losses, to a maximum amount of \$500,000.

For more information about emergency loans, please contact your local FSA office or visit [www.fsa.usda.gov](http://www.fsa.usda.gov).

## ***USDA's Farm Service Agency Offers Farm Bill Website and Online Overview of Farm Bill Programs***

The Agricultural Act of 2014, also known as the 2014 Farm Bill, was signed by President Obama on February 7, 2014. The Act repeals certain programs, continues some programs with modifications, and authorizes several new programs administered by the Farm Service Agency (FSA). Most of the programs are authorized and funded through 2018.

For the latest on 2014 Farm Bill programs administered by FSA, please visit our Farm Bill website at [www.fsa.usda.gov/farmbill](http://www.fsa.usda.gov/farmbill) and for an FSA program overview please read, download and/or print our recently posted FSA Farm Bill Fact Sheet titled, [What's in the 2014 Farm Bill for Farm Service Agency Customers?](#)

For more information please contact your local USDA Service Center or visit us online at [www.fsa.usda.gov](http://www.fsa.usda.gov).



## Aloha Botanicals Maui: A Winning Partnership with the Farm Service Agency

Aloha Botanicals Maui, Inc., formerly known as Haiku Maui Orchids, Inc., is nestled in the quiet town of Haiku. The nursery is owned and operated by Norman Mizuno and Alan Davidson. Norman was born and raised on Oahu and until recently, lived in New York growing and selling orchids as well as pursuing a career as an artist. Alan was born and raised on farms in Massachusetts and New Hampshire, and worked in New York as a working artist. They met at the American Craft Museum in New York City and later formed a partnership to raise and sell exotic orchids in Hawaii.



*Norman Mizuno and Alan Davidson of Aloha Botanicals Maui at a booth displaying specimen plants.*

In 1998, they purchased a beautiful property in Haiku, Maui, which was eventually stocked with rare and unusual orchid species and hybrids, and tropical and subtropical plants and trees. Aloha Botanicals Maui has received numerous industry awards including the Certificate of Merit, Governor's Trophy, Best Plant in Show, Grand Champion, Best Display, People's Choice, Most Outstanding Orchid Exhibit and more. The Royal Horticultural Society of England named new orchid genera, the "Mizunoara" and "Davidsonara," after Norman and David due to their expertise and success at developing new orchid hybrids.

Aloha Botanicals Maui's glory has been hard earned as running a nursery operation is very challenging at times. Fluctuations in the market and rising input costs have had a major impact on the success of the operation. High interest credit accounts were the primary means of supporting the nursery for many years. In an attempt to cover nursery expenses, Norman moved to the mainland to work for an orchid wholesaler. Alan's responsibility was to keep the business afloat by maintaining the shade house inventory and manning the farmer's market booth. This arrangement was difficult for both, which made them contemplate whether or not the business was even feasible.

In 2012, they decided to seek assistance through the Farm Service Agency's Farm Loan Programs, which allowed them to consolidate all of their high interest farm debts and significantly improve their cash flow. As a result, both Alan and Norman were relieved of financial stress and cash flow was made available to expand inventory and make necessary nursery improvements. Norman was also able to return home and focus solely on their nursery.

To date, their plant inventory consists of various unusual and exotic plants, and has gone from two sections of the 14,000 sq. ft. shade house to full capacity at five sections. When asked if he felt the business was successful, Alan replied, "Oh yes, in fact we are planning to expand by hiring two part-time workers within the next six to 12 months."

You can find Alan and Norman at the Kaahumanu Center Farmer's Market in Kahului, Maui on Wednesdays and Fridays with their breathtaking variety of unusual and exotic plants. Can't make it on Wednesday or Friday? Contact Aloha Botanicals Maui for an appointment to visit the farm.

| Dates to Remember |  |
|-------------------|--|
| March 31          | Acreage and Production reports due for 2013 NAP crops  |
| March 31          | Deadline for Hawaii County producers who suffered damages from the rainstorm in December of 2013 to sign-up for Emergency Conservation Program |
| April 11          | Farmers Resource Workshop—5:00 to 9:00 pm, Hawaii Ag Research Center, Kunia, Oahu  |
| September 15      | Deadline for Maui and Hawaii County producers to submit emergency loan applications for drought  |
| September 17      | Deadline for Hawaii County producers to submit emergency loan applications for heavy rains and flooding  |

## ***Noninsured Crop Disaster Assistance Program***

The Noninsured Crop Disaster Assistance Program (NAP) is a federally funded program that helps producers reduce their risk when growing food and fiber crops, specialty crops and crops for livestock feed.

These benefits are only available for crops for which the catastrophic level of crop insurance is not available. Application for coverage must be filed by the applicable crop's application closing date.

Production records for all 2013 crops must be reported to Farm Service Agency (FSA) no later than March 31, 2014. Farm Service Agency requires that any production reported in a loss year be verifiable according to Agency specifications. Noninsured Crop Disaster Assistance Program Losses must be reported within 15 days of the date the loss became apparent.

All applications for NAP payment must be signed by the subsequent crop year's acreage reporting date in order to be considered timely. There are no late-file provisions for NAP applications for payment.

Ornamental Nursery has a NAP application closing date of May 31, 2014. Check with your FSA County Office if you produce other crops and are not certain about the closing date.

### ***Farmers Resource Workshop on Oahu***

A no-cost interagency "Farmers Resource Workshop" will be held on Oahu on Friday, April 11 from 5:00 p.m. to 9:00 p.m. at the Hawaii Agriculture Research Center in Kunia at 94-340 Kunia Road.

The Farm Service Agency is partnering with the Hawaii Department of Agriculture and Health, the University of Hawaii College of Tropical Agriculture and Human Resources, and other agricultural agencies to provide information on a myriad of agricultural topics including: farm loans, pesticide use, on-farm food safety, sprayer calibration, conservation, risk management and disaster programs, along with farmland lease opportunities. Producers can earn 1.5 credits towards Restricted Use Pesticide recertification.

For more information and registration contact Steve Russo, Hawaii Department of Agriculture, Pesticides Branch at (808) 973-9409 or email [steve.russo@hawaii.gov](mailto:steve.russo@hawaii.gov).

## ***Microloan Program***

The Farm Service Agency (FSA) developed the Microloan (ML) program to better serve the unique financial operating needs of beginning, niche and small family farm operations.

Farm Service Agency offers applicants a Microloan designed to help farmers with credit needs of \$35,000 or less. The loan features a streamlined application process built to fit the needs of new and smaller producers. This loan program will also be useful to specialty crop producers and operators of community supported agriculture (CSA).



Eligible applicants can apply for a maximum amount of \$35,000 to pay for initial start-up expenses such as hoop houses, essential tools, irrigation and annual expenses such as seed, fertilizer, utilities, land rents, marketing, and distribution expenses. As financing needs increase, applicants can apply for a regular operating loan up to the maximum amount of \$300,000 or obtain financing from a commercial lender under FSA's Guaranteed Loan Program.

Individuals who are interested in applying for a microloan or would like to discuss other available farm loan programs should contact their local FSA office to set up an appointment with a loan official.

### **Need Information?**

The Hawaii and Pacific Basin Farm Service Agency (FSA) internet site contains news and information on FSA programs, an FSA calendar, and hot links to other agriculture related sites. **Find the information you are looking for at: [www.fsa.usda.gov/hi](http://www.fsa.usda.gov/hi)**

## USDA Enhances Farm Storage Facility Loan Program

The U.S. Department of Agriculture recently announced the expansion of the Farm Storage and Facility Loan Program, which provides low-interest financing to producers. The enhanced program includes 22 new categories of eligible equipment for fruit and vegetable producers.

The Farm Storage and Facility Loan Program can provide small and mid-sized producers with needed capital for a variety of buildings or upgrade to permanent facilities to store commodities and equipment. Capital can also be directed to meet food safety guidelines through the purchase of sorting bins, wash stations, equipment and other harvest and packing improvements. Eligible commodities include fruits, vegetables, honey, and renewable biomass.



Additionally, Farm Storage and Facility Loans security requirements have been eased for loans between \$50,000 and \$100,000. Previously, all loans in excess of \$50,000 required a promissory note and additional security, such as a lien on real estate. Now loans up to \$100,000 can be secured by only a promissory note.

Contact your local Farm Service Agency (FSA) office or visit [www.fsa.usda.gov](http://www.fsa.usda.gov) for more about FSA programs and loans, including the Farm Storage Facility Loan Program.

## Direct Loan Changes

Changes were made to the interest rate charged on loans where Farm Service Agency (FSA) provides 50 percent or less on jointly financed purchases of real estate also called Direct Farm Ownership Participation Loans. The interest rate will be the greater of 2.5 percent or the current interest rate for Direct Farm Ownership loans minus 2 percent, as a fixed rate for the duration of the loan. At present, the March Direct Farm Ownership rate is 4.25 percent. Because the 2.5 percent floor is greater than subtracting 2 percent from the direct farm ownership loan rate, the rate for Direct Farm Ownership Participation Loans in March is 2.5 percent.

Farm Service Agency (FSA) assists beginning farmers to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. Farm Service Agency defines a beginning farmer as a person who:

- Has operated a farm for not more than 10 years
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
- Does not own a farm in excess of 30 percent of the county's median size

Additional program information, loan applications, and other materials are available at your local USDA Service Center. You may also visit [www.fsa.usda.gov](http://www.fsa.usda.gov).

| Selected Interest Rates for<br>March 2014                               |        |
|---|--------|
| Farm Operating Loans — Direct   | 2.00%  |
| MicroLoans  | 2.00%  |
| Farm Ownership Loans — Direct   | 4.25%  |
| Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher | 1.50%  |
| Emergency Loans   | 3.00%  |
| Farm Storage Facility Loans (7 years)                                   | 2.375% |

USDA is an equal opportunity provider and employer. 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).