January 2017

Alaska State FSA Newsletter

Alaska State Director News from Danny Consenstein

After almost 8 years as Alaska State Executive Director, I will be moving on from this position on January 20, 2017. I want to thank all of the hard working Alaska producers, and the Alaska FSA staff for teaching me so much about Alaska agriculture. It has been an honor to work with all of you to help build a stronger food system in Alaska that provides more local jobs and healthier, more secure communities.

Our capable state leadership team of Donna Kramer, as Acting State Executive Director, and Jeff Curry, our Agricultural Program Manager, will continue to support our FSA staff in the field offices in Delta Junction and Palmer as USDA transitions to a new team in Washington, D.C. and in Alaska.

I will miss working with all of you, but I am optimistic about Alaska’s farm and food future and will continue to stay involved with Alaska food and agriculture issues, while spending more time with my family. Feel free to contact me if you have questions down the road.
Welcome Matthew Mancuso, Northern County Loan Analyst

Matthew Mancuso is our newest employee in the Northern County Office in Delta. We’re excited to have him on the team! If you’re in Delta, please stop in and introduce yourself to Matthew.

County Committee Election Results

County committee elections are over, the ballots are counted and the results are in...

Northern County: Rebecca “Becky” Hammond of Fairbanks was elected to represent LAA 1 and McLaren “Mac” Carter of Central will serve as the first alternate.

Southern County: Abby Ala of Soldotna was elected to represent LAA 2 and William Hightower of Sterling will serve as the first alternate.

Elected county committee members serve a three-year term and are responsible for making decisions on FSA disaster, conservation, commodity, and price support programs, as well as other important federal farm program issues.

County committee members are a valuable asset because they are comprised of local producers who participate in FSA programs themselves and have a direct connection to farmers and ranchers in the community. All recently elected county committee members and alternates will take office on January 1, 2017, and join the existing committee.

For more information about county committees and the election process, please contact your local FSA Office or visit www.fsa.usda.gov.

USDA Makes it Easier to Transfer Land to the Next Generation of Farmers and Ranchers

Allows for Transfer of Certain Conservation Reserve Program Land to New Farmers; Provides Priority Enrollment in Working Lands Conservation Programs

Beginning Jan. 9, 2017, the U.S. Department of Agriculture (USDA) will offer an early termination opportunity for certain Conservation Reserve Program (CRP) contracts, making it easier to transfer property to the next generation of farmers and ranchers, including family members. The land that is eligible for the early termination is among the least environmentally sensitive land enrolled in CRP.
This change to the CRP program is just one of many that USDA has implemented based on recommendations from the Land Tenure Advisory Subcommittee formed by Agriculture Secretary Tom Vilsack in 2015.

Normally if a landowner terminates a CRP contract early, they are required to repay all previous payments plus interest. The new policy waives this repayment if the land is transferred to a beginning farmer or rancher through a sale or lease with an option to buy. With CRP enrollment close to the Congressionally-mandated cap of 24 million acres, the early termination will also allow USDA to enroll other land with higher conservation value elsewhere.

Acres terminated early from CRP under these land tenure provisions will be eligible for priority enrollment consideration into the CRP Grasslands, if eligible; or the Conservation Stewardship Program or Environmental Quality Incentives Program, as determined by the Natural Resources Conservation Service.

According to the Tenure, Ownership and Transition of Agricultural Land survey, conducted by USDA in 2014, U.S. farmland owners expect to transfer 93 million acres to new ownership during 2015-2019. This represents 10 percent of all farmland across the nation. Details on the early termination opportunity will be available starting on Jan. 9, 2017, at local USDA service centers. For more information about CRP and to find out if your acreage is eligible for early contract termination, contact your local Farm Service Agency (FSA) office or go online at www.fsa.usda.gov/crp. To locate your local FSA office, visit http://offices.usda.gov.

**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](http://www.fsa.usda.gov/farmloans).

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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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**USDA’s Farm Service Agency Expands Bridges to Opportunity Nationwide**

The U.S. Department of Agriculture’s (USDA) Farm Service Agency (FSA) today announced the expansion of a unique service for farmers and ranchers. FSA’s Bridges to Opportunity program provides a one-stop-shop that connects producers with resources, programs and educational services offered across the department, as well as from other USDA partner organizations. Bridges to Opportunity, which currently provides enhanced customer support to more than 150,000 customers in 20 states, will expand to serve customers across the country before the end of the month using fiscal year 2016 funds.
FSA’s presence in over 2,100 county offices, in nearly every rural county, puts the agency in a unique position to partner with non-governmental organizations to reach thousands of agricultural producers who can benefit from the programs and services. Bridges to Opportunity allows FSA employees to search and obtain a list of all local, state, regional and national organizations that may be able assist local producers with their specific need. For example, FSA’s Houston County office in Texas partnered with many agricultural organizations to serve producers affected by severe drought. When drought-stricken agricultural producers came to the county office looking for assistance, FSA employees were able to provide traditional services, such as the Livestock Forage Program and the Emergency loan program administered by FSA, as well as connect local farmers with local, regional, and national organizations that provide drought assistance and education.

Bridges to Opportunity was developed by FSA to provide producers with a more comprehensive customer service experience by connecting them with other USDA agencies and nonfederal partners. Through Bridges to Opportunity, FSA county office employees have the tools to connect farmers, ranchers and anyone interested in agriculture with customized expertise on topics ranging including organic production, beginning farmer resources, integrated pest management, disaster assistance, conservation practices, agricultural educational courses, loans, grants and other financial assistance that can start, grow or benefit farming and ranching operations.

For more information about Bridges to Opportunity, please contact your local FSA county office. To locate your FSA county office, please see https://offices.usda.gov.

USDA Farm Service Agency Offers Text Alerts to Alaska County Producers

Subscribers Can Receive Important Program Reminders and Updates

Alaska State USDA Farm Service Agency (FSA) State Executive Director Danny Consenstein announced that farmers and ranchers in Alaska 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 AKDeltaJunction or AKPalmer to FSANOW (372-669) to subscribe to text message alerts from the Northern and Southern County Offices. Standard text messaging rates apply. Contact your wireless carrier for details associated with your particular data plan. Participants may unsubscribe at any time.

Please contact Lloyd Wilhelm, Northern County Executive Director, at (907) 895-4242, lloyd.wilhelm@ak.usda.gov, or Erin Sturdivant, Southern County Executive Director, at (907) 761-7754 erin.sturdivant@ak.usda.gov if you have questions regarding FSA’s email news service or the new text message option.
Persons with disabilities who require accommodations to attend or participate in these meetings and/or events should contact Lloyd Wilhelm, Northern CED, at (907) 895-4242, Erin Sturdivant, Southern CED, at (907) 761-7754 or Federal Relay Service at 1-800-877-8339.

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).