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Delaware FSA Newsletter

Delaware State Farm Service Agency

1221 College Park Dr

Dover, DE 19904

Phone: 302-678-4250

Fax: 855-389-2246

Web: [Delaware FSA](#)

State Executive Director:

Bob Walls

Kent County FSA Office

800 Bay Road, Suite 2

Dover, DE 19901

Phone: (302) 741-2600

Kent, New Castle, and Sussex Counties Eligible for Emergency Loans

Due to Secretarial disaster designations in various New Jersey counties; Kent, New Castle, and Sussex Counties in Delaware have been declared contiguous disaster counties. This action is based on losses caused by excessive rain, flash flooding, high winds, and lightning that occurred between May 28, 2015 and July 15, 2015; and excessive heat and drought that occurred between July 16, 2015 and September 29, 2015. Under this designation, affected producers with operations in any primary or contiguous county are eligible to apply for low interest emergency loans.

Producers have eight months from the date of the declaration to apply for emergency loan assistance. FSA 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.

Fax: (302) 401-6678

Office Hours:

Monday - Friday

8:00 am - 4:30 pm

County Office Staff:

Tammy Foraker

Lauren Huber

Carrie Strachar

**New Castle County
FSA Office**

2430 Old County Road

Newark, DE 19702

Phone: (302) 832-3100

Fax: (302) 401-6678

Office Hours:

Tuesday - Thursday

8:00 am - 4:30 pm

County Office Staff:

Helen Sureda

**New Castle & Kent
County County
Executive Director:**

Maryann Reed

**Sussex County FSA
Office**

21315 Berlin Road

Georgetown, DE
19947

Phone: (302) 856-3990,
Ext 2

Fax: (855) 401-1964

Office Hours

Monday - Friday

USDA Begins 49th Enrollment Period for the Conservation Reserve Program

December 2015 Marks 30th Anniversary for the Nation's Most Successful Voluntary Conservation Program

Farmers and ranchers are reminded that the next general enrollment period for the Conservation Reserve Program (CRP) started Dec. 1, 2015, and ends on Feb. 26, 2016. December 2015 also marks the 30th anniversary of CRP, a federally funded program that assists agricultural producers with the cost of restoring, enhancing and protecting certain grasses, shrubs and trees to improve water quality, prevent soil erosion and reduce loss of wildlife habitat.

As of September 2015, 24.2 million acres were enrolled in CRP. CRP also is protecting more than 170,000 stream miles with riparian forest and grass buffers, enough to go around the world 7 times. For an interactive tour of CRP success stories from across the U.S., visit www.fsa.usda.gov/CRPis30, or follow on Twitter at #CRPis30.

Participants in CRP establish long-term, resource-conserving plant species, such as approved grasses or trees (known as "covers") to control soil erosion, improve water quality and develop wildlife habitat on marginally productive agricultural lands. In return, FSA provides participants with rental payments and cost-share assistance. At times when commodity prices are low, enrolling sensitive lands in CRP can be especially attractive to farmers and ranchers, as it softens the economic hardship for landowners at the same time that it provides ecological benefits. Contract duration is between 10 and 15 years. The long-term goal of the program is to re-establish native plant species on marginal agricultural lands for the primary purpose of preventing soil erosion and improving water quality and related benefits of reducing loss of wildlife habitat.

Contracts on 1.64 million acres of CRP are set to expire on Sept. 30, 2016. Producers with expiring contracts or producers with environmentally sensitive land are encouraged to evaluate their options under CRP.

Since it was established on Dec. 23, 1985, CRP has:

- Prevented more than 9 billion tons of soil from eroding, enough soil to fill 600 million dump trucks;
- Reduced nitrogen and phosphorous runoff

8:00am - 4:30pm

County Office Staff:

Jamie Argo

Lisa Ell

Carrie Hudson

Harry Hudson

Tiria Wright

County Executive Director:

Jodi Elliott (COT)

State Executive Committee:

Dale Scuse

Cheryl Ockels

Robert Baker

Farm Loan Specialist

Jennifer Feindt

(302) 678-4255

Farm Loan Officers:

Colleen Reed

(302) 856-3990 ext. 130

Caitlin Sheffer

(302) 856-3990 ext. 107

Farm Loan Program Technician:

Kenneth Wise

(302) 856-3990 ext. 104

Please contact your local FSA Office for questions specific to your operation or county. .

relative to annually tilled cropland by 95 and 85 percent respectively;

- Sequestered an annual average of 49 million tons of greenhouse gases, equal to taking 9 million cars off the road.

Since 1996, CRP has created nearly 2.7 million acres of restored wetlands.

For more information FSA conservation programs, visit a local FSA office or www.fsa.usda.gov/conservation. To find your local FSA office, visit <http://offices.usda.gov>.

Did You Know...

When changes in farm ownership or operations take place, a farm reconstitution is necessary. The reconstitution — or recon — is the process of combining or dividing farms or tracts of land based on the farming operation.

The following are the different methods used when doing a farm recon.

- **Estate Method** — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate
- **Designation of Landowner Method** — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding
- **DCP Cropland Method** — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract
- **Default Method** — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system

Save Time – Make an Appointment with FSA

To insure maximum use of your time and to insure that you are afforded our full attention to your important business needs, please call our office ahead of your visit to set an appointment and to

discuss any records or documentation that you may need to have with you when you arrive for your appointment. For local FSA Service Center contact information, please visit:
<http://offices.sc.egov.usda.gov/locator/app>.

Tree Assistance Program (TAP) Sign-up

Orchardists and nursery tree growers who experience losses from natural disasters during calendar year 2015 must submit a TAP application either 90 calendar days after the disaster event or the date when the loss is apparent. TAP was authorized by the Agricultural Act of 2014 as a permanent disaster program. TAP provides financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes and vines damaged by natural disasters.

Eligible tree types include trees, bushes or vines that produce an annual crop for commercial purposes. Nursery trees include ornamental, fruit, nut and Christmas trees that are produced for commercial sale. Trees used for pulp or timber are ineligible.

To qualify for TAP, orchardists must suffer a qualifying tree, bush or vine loss in excess of 15 percent mortality from an eligible natural disaster. The eligible trees, bushes or vines must have been owned when the natural disaster occurred; however, eligible growers are not required to own the land on which the eligible trees, bushes and vines were planted.

If the TAP application is approved, the eligible trees, bushes and vines must be replaced within 12 months from the date the application is approved. The cumulative total quantity of acres planted to trees, bushes or vines, for which a producer can receive TAP payments, cannot exceed 500 acres annually.

MAL and LDP Policy Changes for Crop Years 2015-2018

The Agricultural Act of 2014 authorized 2014-2018 crop year Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs), with a few minor policy changes.

Among the changes, farm-stored MAL collateral transferred to warehouse storage will retain the original loan rate, be allowed to transfer only the outstanding farm-stored quantity with no additional quantity allowed and will no longer require producers to have a paid for measurement service when moving or commingling loan collateral.

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, pulse crops, rice, peanuts, cotton, wool and honey. MALs provide producers interim financing after harvest to help them meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows. A producer who is eligible to obtain a loan, but agrees to forgo the loan, may obtain an LDP if such a payment is available. Marketing loan provisions and LDPs are not available for sugar and extra-long staple cotton.

FSA is now accepting requests for 2015 MALs and LDPs for all eligible commodities after harvest.

Before MAL repayments with a market loan gain or LDP disbursements can be made, producers must meet the requirements of actively engaged in farming, cash rent tenant and member contribution.

Additionally, form CCC-902 and CCC-901 must be submitted for the 2014 crop year, if applicable, with a county committee determination and updated subsidiary files.

To be considered eligible for an LDP, producers must have form [CCC-633F7](#) Page 1 on file at their

local FSA Office before losing beneficial interest in the crop. Pages 2, 3 or 4 of the form must be submitted when payment is requested.

The 2014 Farm Bill also establishes payment limitations per individual or entity not to exceed \$125,000 annually on certain commodities for the following program benefits: price loss coverage payments, agriculture risk coverage payments, marketing loan gains (MLGs) and LDPs. These payment limitations do not apply to MAL loan disbursements.

Adjusted Gross Income (AGI) provisions were modified by the 2014 Farm Bill, which states that a producer whose total applicable three-year average AGI exceeds \$900,000 is not eligible to receive an MLG or LDP. Producers must have a valid CCC-941 on file to earn a market gain of LDP.

For more information and additional eligibility requirements, please visit a nearby USDA Service Center or FSA's website www.fsa.usda.gov.

Organic Crop Reporting

Producers who want to use the Noninsured Crop Disaster Assistance Program (NAP) organic price and selected the "organic" option on their NAP application must report their crops as organic.

When certifying organic acres, the buffer zone acreage must be included in the organic acreage.

Producers must also provide a current organic plan, organic certificate or documentation from a certifying agent indicating an organic plan is in effect. Documentation must include:

- name of certified individuals
- address
- telephone number
- effective date of certification
- certificate number
- list of commodities certified
- name and address of certifying agent
- a map showing the specific location of each field of certified organic, including the buffer zone acreage

Certification exemptions are available for producers whose annual gross agricultural income from organic sales totals \$5,000 or less. Although exempt growers are not required to provide a written certificate, they are still required to provide a map showing the specific location of each field of certified organic, transitional and buffer zone acreage.

For questions about reporting organic crops, contact your local FSA office. To find your local office, visit <http://offices.usda.gov>.

Simplified Lending With Microloans

Farm Service Agency (FSA) reminds farmers and ranchers that the FSA borrowing limit for microloans increased from \$35,000 to \$50,000, on Nov. 7, 2014. Microloans offer borrowers simplified lending with less paperwork.

The microloan change allows beginning, small and mid-sized farmers to access an additional \$15,000 in loans using a simplified application process with up to seven years to repay. Microloans are part of USDA's continued commitment to [small and midsized farming operations](#).

To complement the microloan program additional changes to FSA eligibility requirements will enhance beginning farmers and ranchers access to land, a key barrier to entry level producers. FSA

policies related to farm experience have changed so that other types of skills may be considered to meet the direct farming experience required for farm ownership loan eligibility. Operation or management of non-farm businesses, leadership positions while serving in the military or advanced education in an agricultural field will now count towards the experience applicants need to show when applying for farm ownership loans. **Important Note:** Microloans cannot be used to purchase real estate.

Since 2010, more than 50 percent of USDA's farm loans now go to beginning farmers and FSA has increased its lending to targeted underserved producers by nearly 50 percent.

Please review the FSA [Microloan Program Fact Sheet](#) for program application, eligibility and related information.

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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