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## Georgia State FSA Newsletter

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### USDA Offers New Loans for Portable Farm Storage and Handling Equipment

Portable Equipment Can Help  
Producers, including Small-Scale and  
Local Farmers, Get Products to Market  
Quickly

USDA's Farm Service Agency (FSA) will provide a new financing option to help farmers purchase portable storage and handling equipment. The loans, which now include a smaller microloan option with lower down payments, are designed to help producers, including new, small and mid-sized producers, grow their businesses and markets.

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

The program also offers a new “microloan” option, which allows applicants seeking less than \$50,000 to qualify for a reduced down payment of five percent and no requirement to provide three years of production history. Farms and ranches of all sizes are eligible. The microloan option is expected to be of particular benefit to smaller farms and ranches, and specialty crop producers who may not have access to commercial storage or on-farm storage after harvest. These producers can invest in equipment like conveyers, scales or refrigeration units and trucks that can store commodities before delivering them to markets. Producers do not need to demonstrate the lack of commercial credit availability to apply.

Earlier this year, FSA significantly expanded the list of commodities eligible for Farm Storage Facility Loan. Eligible commodities now include aquaculture; floriculture; fruits (including nuts) and vegetables; corn, grain sorghum, rice, oilseeds, oats, wheat, triticale, spelt, buckwheat, lentils, chickpeas, dry peas sugar, peanuts, barley, rye, hay, honey, hops, maple sap, unprocessed meat and poultry, eggs, milk, cheese, butter, yogurt and renewable biomass. FSFL microloans can also be used to finance wash and pack equipment used post-harvest, before a commodity is placed in cold storage.

To learn more about Farm Storage Facility Loans, visit [www.fsa.usda.gov/pricesupport](http://www.fsa.usda.gov/pricesupport) or contact a local FSA County Office. To find your local FSA County Office, visit <http://offices.usda.gov>.

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## Dairy Producers Can Enroll to Protect Milk Production Margins

USDA Farm Service Agency (FSA) reminds dairy producers to enroll for 2017 coverage in the Margin Protection Program for Dairy (MPP-Dairy) by September 30, 2016. The voluntary program, established by the 2014 Farm Bill, provides financial assistance to participating dairy producers when the margin – the difference between the price of milk and feed costs – falls below the coverage level selected by the producer.

The Margin Protection Program gives participating dairy producers the flexibility to select coverage levels best suited for their operation. Enrollment began July 1, 2015 and ends on September 30, 2016, for coverage in calendar year 2017. Participating farmers will remain in the program through 2018 and pay a minimum \$100 administrative fee each year. Producers have the option of selecting a different coverage level during open enrollment each year.

USDA has a web tool to help producers determine the level of coverage under the Margin Protection Program that will provide them with the strongest safety net under a variety of conditions. The online resource, available at [www.fsa.usda.gov/mpptool](http://www.fsa.usda.gov/mpptool), allows dairy farmers to quickly and easily combine unique operation data and other key variables to calculate their coverage needs based on price projections. Producers can also review historical data or estimate future coverage needs, based on data projections. The secure site can be accessed via computer, Smartphone or tablet 24 hours a day, seven days a week.

To complete enrollment, producers must make coverage elections during the enrollment period and pay the annual \$100 administrative fee that provides basic catastrophic protection that covers 90 percent of milk production at a \$4 margin coverage level. For additional premiums, operations can protect 25 to 90 percent of production history with margin coverage levels from \$4.50 to \$8, in 50 cent increments. Once enrolled, dairy operations are required to participate through 2018 by making coverage elections each year. Producers can mail the appropriate form to the producer's administrative county FSA office, along with applicable fees without necessitating a trip to the local FSA office. If electing higher coverage for 2017, dairy producers can either pay the premium in full at the time of enrollment or pay 100 percent of the premium by September 1, 2017. Premium fees may be paid directly to FSA or producers can work with their milk handlers to remit premiums on their behalf.

On July 1, 2016, FSA started accepting applications for intergenerational transfers, allowing program participants who added an adult child, grandchild or spouse to the operation during calendar year 2014 or 2015, or between January 1 and June 30, 2016, to increase production history by the new cows bought into the operation by the new family members. For intergenerational transfers occurring on or after July 1, 2016, notification to FSA must be made within 60 days of purchasing the additional cows.

Dairy operations enrolling in the new program must meet conservation compliance provisions and cannot participate in the Livestock Gross Margin Dairy Insurance Program.

For more information, visit FSA online at [www.fsa.usda.gov/dairy](http://www.fsa.usda.gov/dairy) or stop by a local FSA office to learn more about the Margin Protection Program. To find a local FSA office in your area, visit <http://offices.usda.gov>.

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## **USDA Encourages Producers to Consider Risk Protection Coverage before Crop Sales Deadlines**

The Farm Service Agency encourages producers to examine available USDA crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the applicable crop sales deadline.

Producers are reminded that crops not covered by insurance may be eligible for the Noninsured Crop Disaster Assistance Program (NAP). 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.

Federal crop insurance covers crop losses from natural adversities such as drought, hail and excessive moisture. NAP covers losses from natural disasters on crops for which no permanent federal crop insurance program is available, including perennial grass forage and grazing crops, fruits, vegetables,

mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

USDA has partnered with Michigan State University and the University of Illinois to create an online tool at [www.fsa.usda.gov/nap](http://www.fsa.usda.gov/nap) that allows producers to determine whether their crops are eligible for federal crop insurance or NAP and to explore the best level of protection for their operation. NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production, with higher levels of coverage, up to 65 percent of their expected production at 100 percent of the average market price, including coverage for organics and crops marketed directly to consumers.

Deadlines for coverage vary by state and crop. To learn more about NAP visit [www.fsa.usda.gov/nap](http://www.fsa.usda.gov/nap) or contact your local USDA Service Center. To find your local USDA Service Center go to <http://offices.usda.gov>.

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## Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP)

The Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP) provides emergency assistance to eligible livestock, honeybee, and farm-raised fish producers who have losses due to adverse weather events or other conditions not covered by other agricultural disaster assistance programs.

Eligible livestock losses include grazing losses not covered under the Livestock Forage Disaster Program (LFP), loss of purchased feed and/or mechanically harvested feed due to an eligible adverse weather event, and additional cost of transporting water (not the water itself) because of an eligible drought.

Eligible honeybee losses include colony losses in excess of normal mortality due to an eligible weather event or loss condition, including CCD, and hive losses due to eligible adverse weather.

Eligible farm-raised fish losses include death losses in excess of normal mortality and/or loss of purchased feed due to an eligible adverse weather event.

Producers who suffer eligible livestock, honeybee, or farm-raised fish losses from October 1, 2015 to September 30, 2016 must file:

- A **notice of loss within 30 calendar days of when the loss occurs**
- An **application for payment by November 1, 2016**

The Farm Bill caps ELAP disaster funding at \$20 million per federal fiscal year – payments most likely will be factored.

The following ELAP Fact Sheets (by topic) are available online:

- ELAP for Farm-Raised Fish Fact Sheet
- ELAP for Livestock Fact Sheet
- ELAP for Honeybees Fact Sheet

To view these and other FSA program fact sheets, visit the FSA fact sheet web page at [www.fsa.usda.gov/factsheets](http://www.fsa.usda.gov/factsheets).

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## Report Livestock Losses

The Livestock Indemnity Program (LIP) provides assistance to eligible producers for livestock death losses in excess of normal mortality due to adverse weather events such as tornados floods, lightning, wildfires, extreme heat or extreme cold (**ONLY if certain and specific criteria are met**) as well as attacks by animals reintroduced into the wild by the federal government or protected by federal law. **NOTE:** Coyotes are NOT federally protected and losses caused by coyotes are NOT eligible for LIP.

For 2016, eligible losses must occur on or after January 1, 2016, and before December 31, 2016. A notice of loss must be filed with FSA within 30 days of when the loss occurs. Participants must provide supporting documentation to their local FSA office verifying the loss no later than 30 calendar days after the end of the calendar year for which benefits are requested.

**IMPORTANT – Documentation provided by the producer must be verifiable and the types of documentation that meet the “verifiable requirements” are not usually available to livestock producers in Georgia.** It is strongly suggested that producers incurring livestock losses **contact their local FSA office immediately upon discovering livestock losses** and arrange for the County Office to make a farm visit to verify the number of livestock lost and the cause of death. **Otherwise the producer may not be able to provide the verifiable documentation required for LIP eligibility.**

Producers who suffer livestock losses in 2016 must file both of the following:

- A notice of loss the earlier of 30 calendar days of when the loss occurred
- An application for payment by January 30, 2017.

Additional Information about LIP is available at your local FSA office or online at: [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## Livestock Forage Losses

LFP provides compensation to eligible livestock producers who suffer grazing losses for covered livestock due to drought on privately owned or cash leased land **in ELIGIBLE counties**.

**ONLY** Producers in the following 53 counties are eligible to apply for 2016 Livestock Forage Disaster Program (LFP) benefits on native pasture, improved pasture, and forage sorghum **AT THE TIME THIS ARTICLE IS WRITTEN:**

**Banks Barrow Bartow Butts Carroll Catoosa Chattooga Cherokee Clayton  
Cobb Coweta Dade Dawson DeKalb Douglas Elbert Fannin Fayette Floyd  
Forsyth Franklin Fulton Gilmer Gordon Gwinnett Habersham Hall Harris  
Hart Heard Henry Jackson Lamar Lumpkin Madison Meriwether Murray  
Newton Paulding Pickens Pike Rabun Rockdale Spalding Stephens Talbot  
Troup Union Upson Walker Walton White Whitfield**

**NOTE:** Eligibility is updated every Thursday and additional counties may become eligible in future weeks; please check with your local FSA county office to see if your county is eligible.

County Offices can only accept LFP applications after notification is received from the National Office that they are in a county with a qualifying drought rating. **IMPORTANT - County eligibility is based**

**solely on the U.S. Drought Monitor Rating** for Georgia and neither the FSA State Office nor County Offices have any input into the determination of LFP eligibility for a county.

Eligible livestock producers must complete a CCC-853 and the required supporting documentation no later than January 30, 2017 for 2016 losses. **Producers with cash-leased land are required to provide written lease agreements from the land owner containing specific information on the rented land.** In addition, grazing land for which benefits are requested under LFP are required to have been reported to the FSA office; if the land has not already been reported, a late-filed acreage report can be accepted but a “late-filing” fee will be assessed.

Additional Information about LFP, including eligible livestock is available at your local FSA County Office or online at: [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## **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 2016 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.

Commodity certificates are available to loan holders who have outstanding nonrecourse loans for wheat, upland cotton, rice, feed grains, pulse crops (dry peas, lentils, large and small chickpeas), peanuts, wool, soybeans and designated minor oilseeds. These certificates can be purchased at the posted county price (or adjusted world price or national posted price) for the quantity of commodity under loan, and must be immediately exchanged for the collateral, satisfying the loan. MALs redeemed with commodity certificates are not subject to the actively engaged in farming, cash-rent tenant, Adjusted Gross Income provisions or the payment limitation.

To be considered eligible for an LDP, producers must have form [CCC-633EZ](#), 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 or redemptions using commodity certificate exchange.

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. The AGI does not apply to MALs redeemed with commodity certificate exchange.

For more information and additional eligibility requirements, please visit a nearby USDA Service Center or FSA's website [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## Emergency Loan Availability

FSA makes Emergency Loans available to eligible applicants operating in designated primary or contiguous counties who have suffered qualifying production or physical losses as the result of drought, natural disaster or quarantine. Affected producers have eight months from the effective date of the designation to apply for an Emergency Loan.

Producers are encouraged to contact their local FSA County Office to determine if their county has been designated.

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## Disaster Set-Aside (DSA) Program

FSA borrowers with farms located in designated primary or contiguous disaster areas who are unable to make their scheduled FSA loan payments should consider the Disaster Set-Aside (DSA) program.

DSA is available to producers who suffered losses as a result of a natural disaster and is intended to relieve immediate and temporary financial stress. FSA is authorized to consider setting aside the portion of a payments needed for the operation to continue on a viable scale. Borrowers must have at least two years left on the term of their loan in order to qualify.

Borrowers have eight months from the date of the disaster designation to submit a complete application. The application must include a written request for DSA signed by all parties liable for the debt along with production records and financial history for the operating year in which the disaster occurred. FSA may request additional information from the borrower in order to determine eligibility.

All farm loans must be current or less than 90 days past due at the time the DSA application is complete. Borrowers may not set aside more than one installment on each loan.

The amount set-aside, including interest accrued on the principal portion of the set-aside, is due on or before the final due date of the loan.

For more information, contact your local FSA farm loan office.

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## Direct Loans

FSA offers direct farm ownership and direct farm operating loans to producers who want to establish, maintain or strengthen their farm or ranch. FSA loan officers process, approve and service direct loans.

Direct farm operating loans can be used to purchase livestock and feed, farm equipment, fuel, farm chemicals, insurance and other costs including family living expenses. Operating loans can also be

used to finance minor improvements or repairs to buildings and to refinance some farm-related debts, excluding real estate.

Direct farm ownership loans can be used to purchase farmland, enlarge an existing farm, construct and repair buildings, and to make farm improvements.

The maximum loan amount for both direct farm ownership and operating loans is \$300,000 and a down payment is not required. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

Please contact your local FSA Farm Loan Office for more information or to apply for a Direct Farm Ownership or Operating Loan.

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).