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## Georgia State FSA Newsletter

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### **USDA Announces Additional Financial Incentives for Conservation Reserve Program Participants to Improve Forest Health and Enhance Wildlife Habitat**

In an effort to improve wildlife habitat and the health of private forest lands, the U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) today announced additional incentives available for Conservation Reserve Program (CRP) participants to actively

**Officer:** manage forest lands enrolled in the program.  
Dianne Westmoreland

**Farm Loan Chief:** Under the provisions of the 2014 Farm Bill, \$10 million is available nationwide to eligible CRP participants. Those selected will be encouraged to thin, prescribe burn or otherwise manage their forests in order to allow sunlight to reach the forest floor. This will encourage the development of grasses, forbs and legumes, benefitting numerous species including pollinators and grassland-dependent birds such as the northern bobwhite.  
Robert Tyson

**Farm Program Chief:** Brett Martin

**Public Affairs/Outreach**  
Neal Leonard

To find contact information for your local office go to

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

Eligibility is limited to landowners and agricultural producers already enrolled in CRP with conservation covers primarily containing trees. Incentive payments, not to exceed 150 percent of the cost to implement a particular customary forestry activity as described, have been established. CRP participants meeting eligibility requirements and interested in making offers to participate should visit their local FSA County Office.

For more information about FSA conservation programs, visit the FSA office at the local USDA service center or go to [www.fsa.usda.gov/conservation](http://www.fsa.usda.gov/conservation). To locate the nearest FSA County Office, go to <http://offices.usda.gov>.

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## 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 former 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](http://www.fsa.usda.gov/crp). To locate your local FSA County Office, visit <http://offices.usda.gov>.

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## **Organic Producers and Handlers May Apply for Certification Cost Share Reimbursements; Expanded Eligibility for Transition and State Certification Cost**

The U.S. Department of Agriculture (USDA) today announced that starting March 20, 2017, organic producers and handlers will be able to visit over 2,100 USDA Farm Service Agency (FSA) offices to apply for federal reimbursement to assist with the cost of receiving and maintaining organic or transitional certification.

USDA reimburses organic producers up to 75 percent of the cost of organic certification, but only about half of the nation's organic operations currently participate in the program. Starting March 20, USDA will provide a uniform, streamlined process for organic producers and handlers to apply for organic cost share assistance either by mail or in person.

USDA is making changes to increase participation in the National Organic Certification Cost Share Program (NOCCSP) and the Agricultural Management Assistance Organic Certification Cost Share Program, and at the same time provide more opportunities for organic producers to access other USDA programs, such as disaster protection and loans for farms, facilities and marketing. Producers can also access information on nonfederal agricultural resources, and get referrals to local experts, including organic agriculture, through USDA's Bridges to Opportunity service at the local FSA office.

Historically, many state departments of agriculture have obtained grants to disburse reimbursements to those producers and handlers qualifying for cost share assistance. FSA will continue to partner with states to administer the programs. For states that want to continue to directly administer the programs, applications will be due Feb. 17, 2017.

Eligible producers include any certified producers or handlers who have paid organic or transitional certification fees to a [USDA-accredited certifying](#) agent. Application fees, inspection costs, fees related to equivalency agreement/arrangement requirements, travel/per diem for inspectors, user fees, sales assessments and postage are all eligible for a cost share reimbursement from USDA.

Once certified, producers and handlers are eligible to receive reimbursement for up to 75 percent of certification costs each year up to a maximum of \$750 per certification scope—crops, livestock, wild crops and handling. Today's announcement also adds transitional certification and state organic program fees as additional scopes.

To learn more about organic certification cost share, please visit [www.fsa.usda.gov/organic](http://www.fsa.usda.gov/organic) or contact a local FSA County Office by visiting <http://offices.usda.gov>.

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## **USDA Climate Hub 'Energy Generation and Efficiency' Building Block**

Through the Agricultural Act of 2014, USDA has several authorities that encourage the adoption of renewable energy and energy efficiency technologies. The Energy Generation and Efficiency Building Block supports energy efficiency improvements in rural homes and on farm operations, for example, through EQIP's National On-Farm Energy Initiative. This Building Block also provides opportunities to reduce Greenhouse Gas (GHG) emissions from energy generation and use, for example, through the Rural Energy for America Program. To learn more about energy generation and efficiency opportunities from USDA click the following link:

[http://www.usda.gov/oce/climate\\_change/building\\_blocks/10\\_EnergyGenerationEfficiency.pdf](http://www.usda.gov/oce/climate_change/building_blocks/10_EnergyGenerationEfficiency.pdf)

For more information about the USDA Climate Hubs click here:

<http://www.climatehubs.oce.usda.gov/>.

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## **USDA Expands Grasslands Conservation Program to Small-Scale Livestock Producers**

Helping Dairy, Beef and Other Producers Protect Working Grasslands in 43 States

USDA will accept over 300,000 acres in 43 states that were offered by producers during the recent ranking period for the Conservation Reserve Program (CRP) Grasslands enrollment with emphasis placed on small-scale livestock operations. Through the voluntary CRP Grasslands program, grasslands threatened by development or conversion to row crops are maintained as livestock grazing areas, while providing important conservation benefits. Approximately 200,000 of the accepted acres were offered by small-scale livestock operations.

The most recent ranking period closed on Dec. 16, 2016, and included for the first time a CRP Grasslands practice specifically tailored for small-scale livestock grazing operations to encourage broader participation. Under this ranking period and for future periods, small-scale livestock operations with 100 or fewer head of grazing cows (or the equivalent) can submit applications to enroll up to 200 acres of grasslands per farm. Larger operations may still make offers through the normal process. USDA met its goal of 200,000 acres under this small-scale initiative. The new practice for small-scale livestock grazing operations encourages greater diversity geographically and in all types of livestock operations. Visit <http://go.usa.gov/x9PFS> to view the complete list of acres accepted by state.

Participants in CRP Grasslands establish or maintain long-term, resource-conserving grasses and other plant species to control soil erosion, improve water quality and develop wildlife habitat on marginally productive agricultural lands. CRP Grasslands participants can use the land for livestock production (e.g., grazing or producing hay), while following their conservation and grazing plans in order to maintain the cover. A goal of CRP Grasslands is to minimize conversion of grasslands

either to row crops or to non-agricultural uses. Participants can receive annual payments of up to 75 percent of the grazing value of the land and up to 50 percent of the cost of cover practices like cross-fencing to support rotational grazing or improving pasture cover to benefit pollinators or other wildlife.

USDA selects offers for enrollment based on six ranking factors: (1) current and future use, (2) new farmer/rancher or underserved producer involvement, (3) maximum grassland preservation, (4) vegetative cover, (5) environmental factors, and (6) pollinator habitat. Offers not selected in a ranking period are rolled over into the next ranking period.

Small livestock operations or other farming and ranching operations interested in participating in CRP Grasslands should contact their local FSA County Office. To find your local FSA County Office, visit <http://offices.usda.gov>. To learn more about FSA's conservation programs, visit [www.fsa.usda.gov/conservation](http://www.fsa.usda.gov/conservation).

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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**.

As of December 1, 2016, **there are ONLY 120 counties eligible** to apply for 2016 Livestock Forage Disaster Program (LFP) benefits. Even though the grazing period for LFP was extended until December 1, 2016, **this extension did NOT guarantee that additional counties will become eligible for LFP or increased payments; all the extension did was allow additional time for these factors to be considered**. Eligibility for LFP and increased payments depends exclusively on the Drought Monitor Ratings and may or may not result in additional counties becoming eligible for LFP or increased payments.

**NOTE:** 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 landowner 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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## 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 (to a person or through a legal entity as a stockholder, member, beneficiary, or heir) by the producer subject to the \$900,000 limitation. The Georgia FSA Office has begun notifying producers selected for review. If you have any questions about the review process or determinations, please contact Jennifer B. Carter, Agricultural Program Specialist, with the Georgia FSA Office at 706/546-2262. 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.

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## **Filing CCC-941 Adjusted Gross Income (AGI) Certifications**

Many producers have experienced delays in receiving Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) payments, Loan Deficiency Payments (LDPs) and Market Gains on Marketing Assistance Loans (MALs) because they have not filed form CCC-941, Adjusted Gross Income Certification. LDPs will not be paid until all eligible producers, including landowners who share in the crop, have filed a valid CCC-941.

Producers without a valid CCC-941 certifying their compliance with the average adjusted gross income provisions will not receive payments that have been processed. All farm operators/tenants/owners who have not filed a CCC-941 and have pending payments should IMMEDIATELY file the form with their recording county FSA office. Farm operators and tenants are encouraged to ensure that their landowners have filed the form. FSA has been issuing 2016 LDPs and Market Gains.

FSA can accept the CCC-941 for 2015, 2016 and 2017. Unlike the past, producers must have the CCC-941 certifying their AGI compliance before any payments can be issued.

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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, feed grains, 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 County 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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## **USDA Expands Microloans to Help Farmers Purchase Farmland and Improve Property**

Producers, Including Beginning and Underserved Farmers, Have a New Option to Gain Access to Land

The U.S. Department of Agriculture (USDA) is offering farm ownership microloans, creating a new financing avenue for farmers to buy and improve property. These microloans are especially helpful to beginning or underserved farmers, U.S. veterans looking for a career in farming, and those who have small and mid-sized farming operations.

The microloan program, which celebrates its third anniversary this week, has been hugely successful, providing more than 16,800 low-interest loans, totaling over \$373 million to producers across the country. Microloans have helped farmers and ranchers with operating costs, such as feed, fertilizer, tools, fencing, equipment, and living expenses since 2013. Seventy percent of loans have gone to new farmers.

Now, microloans will be available to also help with farm land and building purchases, and soil and water conservation improvements. FSA designed the expanded program to simplify the application process, expand eligibility requirements and expedite smaller real estate loans to help farmers strengthen their operations. Microloans provide up to \$50,000 to qualified producers, and can be issued to the applicant directly from the USDA Farm Service Agency (FSA).

This microloan announcement is another USDA resource for America's farmers and ranchers to utilize, especially as [new and beginning farmers and ranchers](#) look for the assistance they need to get started. To learn more about the FSA microloan program visit [www.fsa.usda.gov/microloans](http://www.fsa.usda.gov/microloans), or contact your local FSA office. To find your nearest office location, please visit <http://offices.usda.gov>.

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## Preauthorized Debit Available for Farm Loan Borrowers

USDA Farm Service Agency (FSA) has implemented preauthorized debit (PAD) for Farm Loan Program (FLP) borrowers. PAD is a voluntary and alternative method for making weekly, bi-weekly, monthly, quarterly, semi-annual or annual payments on loans.

PAD payments are preauthorized transactions that allow the National Financial and Accounting Operations Center (NFAOC) to electronically collect loan payments from a customer's account at a financial institution.

PAD may be useful for borrowers who use nonfarm income from regular wages or salary to make payments on loans or adjustment offers or for payments from seasonal produce stands. PAD can only be established for future payments.

To request PAD, customers, along with their financial institution, must fill out form RD 3550-28. This form has no expiration date, but a separate form RD 3550-28 must be completed for each loan to which payments are to be applied. A fillable form can be accessed on the USDA Rural Development (RD) website at <http://www.rd.usda.gov/publications/regulations-guidelines>. Click forms and search for "Form 3550-28."

If you have a "filter" on the account at your financial institution, you will need to provide the financial institution with the following information: Origination ID: 1220040804, Agency Name: USDA RD DCFO.

PAD is offered by FSA at no cost. Check with your financial institution to discuss any potential cost. Preauthorized debit has no expiration date, but you can cancel at any time by submitting a written request to your local FSA office. If a preauthorized debit agreement receives three payment rejections within a three month period, the preauthorized debt agreement will be cancelled by FSA. The payment amount and due date of your loan is not affected by a cancellation of preauthorized debit. You are responsible to ensure your full payment is made by the due date.

For more information about PAD, contact your local FSA office. To find a local FSA office, visit <http://offices.usda.gov>

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).