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Georgia State FSA Newsletter

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USDA Expands Sign Up for Georgians Affected by Hurricane Michael

State leaders for the U.S. Department of Agriculture (USDA) announced another sign up for Georgia's farmers, ranchers, and forestland owners who suffered damage to working lands due to Hurricane Michael but were not eligible for previous sign ups.

State Executive Director Tas Smith, for the USDA Farm Service Agency (FSA) and the State Conservationist Terrance O. Rudolph, for the USDA Natural Resources Conservation Service (NRCS) have had ongoing discussions with producers, as well as leaders at the State and Federal level to ensure all available USDA resources were being utilized. As result of the announcement, in addition to previous Hurricane Michael related signups, producers in this eligible region will also be able to seek assistance for the USDA programs that are right for them. However, to be considered for this

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funding cycle, producers must apply in person at your local USDA Service Center by April 19, 2019.

"Georgia FSA is pleased to partner with NRCS on this announcement to assist the numerous producers who suffered center pivot irrigation system damage from Hurricane Michael," said Smith.

The Emergency Conservation Program (ECP), administered by FSA, helps farmers and ranchers to repair damage to farmlands caused by natural disasters. In this case, ECP will help producers remove their damaged or destroyed center pivot irrigation systems.

Smith added, "As farmers across this state continue to recover from the devastation of this disaster, we are hopeful this assistance will play a small role in the recovery and supporting preparation efforts for the upcoming planting season."

While not a true disaster or emergency program, the Environmental Quality Incentives Program (EQIP), administered by NRCS, helps producers address natural resource concerns that can result on their own or after a disaster such as Hurricane Michael. In this case, EQIP will help producers retrofit their center pivot irrigation systems to be more efficient and replace damaged micro-irrigation systems in orchards. Additionally, EQIP will help non-industrial forestland owners with debris removal, site preparation, tree planting, and prescribed burning.

"Director Smith and I know our customers are still hurting, and we've been working together on the local, state and federal level, to make sure we can help everyone that we can," said Rudolph. "We are honored to serve our customers and admire their perseverance after what they've been through the last few years."

Agricultural producers and non-industrial forestland owners in the following 48 counties, Baker, Ben Hill, Berrien, Bibb, Bleckley, Brooks, Burke, Calhoun, Clay, Colquitt, Cook, Crawford, Crisp, Decatur, Dodge, Dooly, Dougherty, Early, Emanuel, Grady, Houston, Irwin, Jenkins, Laurens, Lee, Macon, Miller, Mitchell, Montgomery, Peach, Pulaski, Quitman, Randolph, Schley, Seminole, Stewart, Sumter, Taylor, Terrell, Thomas, Tift, Toombs, Turner, Twiggs, Washington, Webster, Wilcox, and Worth are eligible to apply, however this does not apply to local governments or other entities.

If you have any questions about this signup or about your application status under a previous signup, you are encouraged to call or visit your local USDA Service Center.

For more information on the different types of disaster assistance available from USDA, visit www.farmers.gov/recover.

Reminder to FSA Direct and Guaranteed Borrowers with Real Estate Security

Farm Service Agency would like to remind farm loan borrowers who have pledged real estate as security for their loans, of key items for maintaining loan collateral. It is required that borrowers must obtain prior consent, or approval, by either FSA, for direct loans, or by a guaranteed lender, for any transaction affecting real estate security. Examples of these transactions include, but are not limited to:

- Leases of any kind;
- Easements of any kind;
- Subordinations;
- Partial releases, and
- Sales

Failure to meet or follow the requirements set forth in the loan agreement, promissory note, and other security instruments could lead to nonmonetary default which could jeopardize your current and future loans.

It is critical that borrowers keep an open line of communication with their FSA loan staff or guaranteed lender when it comes to changes in their operation. For more information on borrower responsibilities, read Your FSA Farm Loan Compass.

Actively Engaged Provisions for Non-Family Joint Operations or Entities

Many Farm Service Agency programs require all program participants, either individuals or legal entities, to be "actively engaged in farming." This means participants provide a significant contribution to the farming operation, whether it is capital, land, equipment, active personal labor and/or management. For entities, each partner, stockholder or member with an ownership interest, must contribute active personal labor and/or management to the operation on a regular basis.

Joint operations comprised of non-family members or partners, stockholders or persons with an ownership in the farming operation must meet additional payment eligibility provisions. Joint operations comprised of family members are exempt from these additional requirements. For 2016 and subsequent crop years, non-family joint operations can have one member that may use a significant contribution of active personal management exclusively to meet the requirements to be determined "actively engaged in farming." The person or member will be defined as the farm manager for the purposes of administering these management provisions.

Non-family joint operations may request to add up to two additional managers for their farming operation based on the size and/or complexity of the operation. If additional farm managers are requested and approved, all members who contribute management are required to complete form CCC-902MR, Management Activity Record. The farm manager should use the form to record management activities including capital, labor and agronomics, which includes crop selection, planting decisions, acquisition of inputs, crop management and marketing decisions. One form should be used for each month and the farm manager should enter the number of hours of time spent for each activity under the date of the month the actions were completed. The farm manager must also document if each management activity was completed on the farm or remotely.

The records and supporting business documentation must be maintained and timely made available for review by the appropriate FSA reviewing authority, if requested.

If the farm manager fails to meet these requirements, their contribution of active personal management to the farming operation for payment eligibility purposes will be disregarded and their payment eligibility status will be re-determined for the applicable program year.

In some instances, additional persons or members of a non-family member joint operation who meet the definition of farm manager may also be allowed to use such a contribution of active personal management to meet the eligibility requirements. However, under no circumstances may the number of farm managers in a non-family joint operation exceed a total of three in any given crop and program year.

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*. No program payment can be issued to an eligible producer, including landowners who share in the crop, without a valid CCC-941 on file in the county office.

Producers without a valid CCC-941 on file for the applicable crop year will not receive payments. 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 can accept the CCC-941 for 2015, 2016, 2017, 2018 and 2019. Unlike the past, producers must have the CCC-941 certifying their AGI compliance before any payments can be issued.

Farm Storage Facility Loans

FSA's Farm Storage Facility Loan (FSFL) program provides low-interest financing to producers to build or upgrade storage facilities and to purchase portable (new or used) structures, equipment and storage and handling trucks.

The low-interest funds can be used to build or upgrade permanent facilities to store commodities. Eligible commodities include corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley, minor oilseeds harvested as whole grain, pulse crops (lentils, chickpeas and dry peas), hay, honey, renewable biomass, fruits, nuts and vegetables for cold storage facilities, floriculture, hops, maple sap, rye, milk, cheese, butter, yogurt, meat and poultry (unprocessed), eggs, and aquaculture (excluding systems that maintain live animals through uptake and discharge of water). Qualified facilities include grain bins, hay barns and cold storage facilities for eligible commodities.

Loans up to $50,000 can be secured by a promissory note/security agreement. Loans exceeding $50,000 require additional security.

Producers do not need to demonstrate the lack of commercial credit availability to apply. The loans are designed to assist a diverse range of farming operations, including small and mid-sized businesses, new farmers, operations supplying local food and farmers markets, non-traditional farm products, and underserved producers.

To learn more about the FSA Farm Storage Facility Loan, visit www.fsa.usda.gov/pricesupport or contact your local FSA county office. To find your local FSA county office, visit http://offices.usda.gov.

USDA Commodity Loans Available to Producers

U.S. Department of Agriculture (USDA) Farm Service Agency reminds producers that Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs) are available to help producers through periods of low market prices. The 2014 Farm Bill authorized MALs and LDPs for the 2014 to 2018 crop years.

MALs provide interim financing and allow producers to delay the sale of the commodity at harvest-time lows and wait until more favorable market conditions emerge. 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.

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans and other oilseeds, pulse crops, rice, peanuts, cotton, wool and honey.

Georgia FSA offices are now accepting requests for 2018 MALs and LDPs for all eligible commodities after harvest.

Before MAL repayments and LDP disbursements can be made, producers must meet the requirements of actively engaged in farming, cash-rent tenant and member contribution.

In order to meet eligibility requirements, producers must retain beneficial interest in the commodity, meaning they have control of the commodity or a title to the commodity, until the MAL is repaid or the Commodity Credit Corporation takes title to the commodity.

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: Agriculture Risk Coverage and Price Loss Coverage payments, Marketing Loan Gains and LDPs. These payment limitations do not apply to MAL disbursements.

Producers or legal entities whose total applicable three-year average adjusted gross income exceeds $900,000 are not eligible for Marketing Loan Gains and LDPs, but are eligible for MALs repaid at principal plus interest.

For more information, please visit your local FSA county office or www.fsa.usda.gov. To find your local USDA service center, visit www.farmers.gov.

2019 Acreage Reporting Dates

In order to comply with FSA program eligibility requirements, all producers are encouraged to visit their local County FSA office to file an accurate crop certification report by the applicable deadline.

The following acreage reporting dates are applicable for Georgia:

May 15, 2019	Sweet Corn (planted 8/26-5/15), Tobacco, Tomatoes (Planted 8/16-4/5)
July 15, 2019	All other crops, including Perennial Forage
Aug. 15, 2019	Tomatoes (planted 7/1 - 8/15)
Sept. 15, 2019	Sweet Corn (planted 7/15 - 8/25)
Oct. 15, 2019	Cabbage (planted 7/16 - 9/30
Nov. 15, 2019	Onions (Planted 9/20-10/20), NAP Perennial Forage

The following exceptions apply to the above acreage reporting dates:

- If the crop has not been planted by the above acreage reporting date, then the acreage must be reported no later than 15 calendar days after planting is completed.
- If a producer acquires additional acreage after the above acreage reporting date, then the acreage must be reported no later than 30 calendars days after purchasing or acquiring the lease. Appropriate documentation must be provided to the county office.
- If a perennial forage crop is reported with the intended use of "cover only," "green manure," "left standing," or "seed," then the acreage must be reported by July 15.

  Noninsured Crop Disaster Assistance Program (NAP) policyholders should note that the acreage reporting date for NAP covered crops is the earlier of the dates listed above or 15 calendar days before grazing or harvesting of the crop begins.

Submit Loan Requests for Financing Early

The Farm Loan teams in Georgia are already working on operating loans for spring 2019 so it is important that potential borrowers submit their requests early so they can be timely processed. The farm loan team can help determine which loan programs are best for applicants.

FSA offers a wide range of low-interest loans that can meet the financial needs of any farm operation for just about any purpose. The traditional **farm operating and farm ownership loans** can help large and small farm operations take advantage of early purchasing discounts for spring inputs as well expenses throughout the year.

Microloans are a simplified loan program that will provide up to $50,000 to eligible applicants. These loans, targeted for smaller operations and non-traditional operations, can be used for operating expenses, starting a new agricultural enterprise, purchasing equipment, and other needs associated with a farming operation. The County FSA Office can provide more details on farm operating and microloans and provide loan applications. Loans to beginning farmers and members of underserved groups are a priority.

Other types of loans available include:

Marketing Assistance Loans allow producers to use eligible commodities as loan collateral and obtain a 9-month loan while the crop is in storage. These loans provide cash flow to the producer and allow them to market the crop when prices may be more advantageous.

Farm Storage Facility Loans can be used to build permanent structures used to store eligible commodities, or for storage and handling trucks, or portable or permanent handling equipment. A variety of structures are eligible under this loan, including bunker silos, grain bins, hay storage structures and refrigerated structures for vegetables and fruit. A producer may borrow up to $500,000 per loan**.**

Please call your local county office if you have questions about any of the loans available through FSA.

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.