

April 2019



Farm Service Agency **Electronic News Service**

NEWSLETTER

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Table of Contents

- [USDA Announces Buy-Up Coverage Availability and New Service Fees for](#)
- [Hawaii County Producers May be Eligible for Emergency Conservation Program Assistance](#)
- [USDA Announces Streamlined Guaranteed Loans and Additional Lender Category for Small-Scale Operators](#)
- [Reporting Organic Crops](#)
- [Environmental Review Required Before Project Implementation](#)
- [April 2019 Interest Rates](#)
- [FSA Hawaii & Pacific Basin State Committee](#)
- [Sign Up Today for Text Alerts from FSA](#)

Hawaii & Pacific Basin FSA State Office

PJKK Federal Building
P.O. Box 50065
300 Ala Moana Blvd, Rm 5-108
Honolulu, HI 96850

Phone: 808-541-2600 x 2
FAX: 855-356-9493

State Executive Director:
AL Frenzel

Acting Chief Program Specialist:
Kristen Kiri

Chief, Farm Loan Program:
Theresa Correa

USDA Announces Buy-Up Coverage Availability and New Service Fees for

USDA's Farm Service Agency (FSA) announced that higher levels of coverage will be offered through the Noninsured Crop Disaster Assistance Program (NAP), a popular safety net program, beginning April 8, 2019. The 2018 Farm Bill also increased service fees and made other changes to the program, including service fee waivers for qualified military veterans interested in obtaining NAP coverage.

"When other insurance coverage is not an option, NAP is a valuable risk mitigation tool for farmers and ranchers," said FSA Administrator Richard Fordyce. "In agriculture, losses from natural disasters are a matter of when, not if, and having a NAP policy provides a little peace of mind."

NAP provides financial assistance to producers of commercial crops for which insurance coverage is not available in order to protect against natural disasters that result in lower yields or crop losses, or prevent crop planting.

NAP Buy-Up Coverage Option

Upcoming County Committee Meetings:

Hawaii County Committee
July 12, 2019 at 8:30am

Honolulu County Committee
April 19, 2019 at 3:00pm

Maui County Committee
April 18, 2019 at 8:30am

Kauai County Committee
April 17, 2019 at 9:00 am

Contact the County Office to confirm meeting date and time, as budget constraints may limit the County Committee's ability to meet each month.

[Click here for a list of County Offices, contact numbers and addresses.](#)

Website for Hawaii and Pacific Basin FSA:

www.fsa.usda.gov/hi

The 2018 Farm Bill reinstates higher levels of coverage, from 50 to 65 percent of expected production in 5 percent increments, at 100 percent of the average market price. Producers of organics and crops marketed directly to consumers also may exercise the "buy-up" option to obtain NAP coverage of 100 percent of the average market price at the coverage levels of between 50 and 65 percent of expected production. NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production.

Producers have a *one-time opportunity until May 24, 2019*, to obtain buy-up coverage only for 2019 or 2020 eligible crops for which the NAP application closing date has passed.

Buy-up coverage is not available for crops intended for grazing.

NAP Service Fees

For all coverage levels, the new NAP service fee is the lesser of \$325 per crop or \$825 per producer per county, not to exceed a total of \$1,950 for a producer with farming interests in multiple counties. These amounts reflect a \$75 service fee increase for crop, county or multi-county coverage. The fee increases apply to obtaining NAP coverage on crops on or after April 8, 2019.

NAP Enhancements for Qualified Military Veterans

The 2018 Farm Bill NAP amendments specify that qualified veteran farmers or ranchers are now eligible for a service fee waiver and premium reduction, if the NAP applicant meets certain eligibility criteria.

Beginning, limited resource and targeted underserved farmers or ranchers remain eligible for a waiver of NAP service fees and premium reduction when they file form CCC-860, "*Socially Disadvantaged, Limited Resource and Beginning Farmer or Rancher Certification*."

For NAP application, eligibility and related program information, visit www.fsa.usda.gov/nap or contact your local USDA Service Center. To locate your local FSA office, visit www.farmers.gov.

Hawaii County Producers May be Eligible for Emergency Conservation Program Assistance

A severe storm that occurred on February 8, 2019 in Hawaii County has caused severe damage in the Hamakua Coast, Kohala and Puna area(s) of the County.

Farms and ranches suffering severe damage may be eligible for assistance under the Emergency Conservation Program (ECP) administered by the Hawaii County Farm Service Agency (FSA)

For land to be eligible, the natural disaster must create new conservation problems that, if untreated, would:

- be so costly to rehabilitate that Federal assistance is or will be needed to return the
- land to productive agricultural use

- is unusual and is not the type that would recur frequently in the same area
- affect the productive capacity of the farmland
- impair or endanger the land

A producer qualifying for ECP assistance may receive cost-share levels not to exceed

75 percent of the eligible cost of restoration measures. No producer is eligible for more than

\$500,000 cost sharing per natural disaster occurrence. The following types of measures may be eligible:

- removing debris from farmland
- grading, shaping, or releveling severely damaged farmland
- restoring permanent fences

Producers who have suffered a loss from this natural disaster may contact the local FSA County Office and request assistance from April 15, 2019 to May 15, 2019.

To be eligible for assistance, practices must not be started until all of the following are met:

- an application for cost-share assistance has been filed
- the local FSA County Committee (COC) or its representative has conducted an onsite
- inspection of the damaged area
- the Agency responsible for technical assistance, such as the Natural Resource Conservation Service (NRCS), has made a needs determination, which may include cubic yards of earthmoving, etc., required for rehabilitation

For more information about ECP, please contact the Hawaii County FSA Office at 808-933-8381 ext 2 or visit www.fsa.usda.gov/hi.

USDA Announces Streamlined Guaranteed Loans and Additional Lender Category for Small-Scale Operators

Options Help More Beginning, Small and Urban Producers Gain Access to Credit

The U.S. Department of Agriculture (USDA) announced the availability of a streamlined version of USDA guaranteed loans, which are tailored for smaller scale farms and urban producers. The program, called EZ Guarantee Loans, uses a simplified application process to help beginning, small, underserved and family farmers and ranchers apply for loans of up to \$100,000 from USDA-approved lenders to purchase farmland or finance agricultural operations.

A new category of lenders will join traditional lenders, such as banks and credit unions, in offering USDA EZ Guarantee Loans. Microlenders, which include Community Development Financial Institutions and Rural Rehabilitation Corporations, will be able to offer their customers up to \$50,000 of EZ Guaranteed Loans, helping to reach urban areas and underserved producers. Banks, credit unions and other traditional USDA-approved lenders, can offer customers up to \$100,000 to help with agricultural operation costs.

EZ Guarantee Loans offer low interest rates and terms up to seven years for financing operating expenses and 40 years for financing the purchase of farm real estate. USDA-approved lenders can issue these loans with the Farm Service Agency (FSA) guaranteeing the loan up to 95 percent.

More information about the available types of FSA farm loans can be found at www.fsa.usda.gov/farmloans or by contacting your local FSA office.

Reporting Organic Crops

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>.

Environmental Review Required Before Project Implementation

The National Environmental Policy Act (NEPA) requires Federal agencies to consider all potential environmental impacts for federally-funded projects before the project is approved.

For all Farm Service Agency (FSA) programs, an environmental review must be completed before actions are approved, such as site preparation or ground disturbance. These programs include, **but are not limited to**, the Emergency Conservation Program (ECP), Farm Storage Facility Loan (FSFL) program and farm loans. If project implementation begins before FSA has completed an environmental review, this will result in a denial of the request. There are exceptions regarding the Stafford Act and emergencies. It is important to wait until you receive written approval of your project proposal before starting any actions, including, but not limited to, vegetation clearing, site preparation or ground disturbance.

Remember to contact your local FSA office early in your planning process to determine what level of environmental review is required for your program application so that it can be completed timely.

Applications cannot be approved contingent upon the completion of an environmental review. FSA must have copies of all permits and plans before an application can be approved.

April 2019 Interest Rates

Farm Operating Loans 3.500%
Farm Operating Microloans 3.500%
Farm Ownership Loans 4.000%

Farm Ownership Microloans 4.000%
Farm Ownership Loans Direct Down Payment for Beginning Farmer or Rancher 1.50%
Emergency Loans 3.75%

FSA Hawaii & Pacific Basin State Committee

Teena Marie Rasmussen, Chairperson
Wilson Kenzo Koike
Glenn Martinez
Boyd J. Ready
Simon Russell

Sign Up Today for Text Alerts from FSA

Subscribers Can Receive Important Program Reminders and Updates

USDA Farm Service Agency (FSA) farmers and ranchers 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 the **short codes** below to FSANOW (372-669) to subscribe to text message alerts from their respective counties. Standard text messaging rates apply. Contact your wireless carrier for details associated with your particular data plan. Participants may unsubscribe at any time.

Hawaii County : **HPBHawaii**
Honolulu County: **HPBHonolulu**
Kauai County: **HPBKauai**
Maui County: **HPBMaui**

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Maui County: **HPBMaui**

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