|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| |  | | --- | | December 2019 NL Masthead  Having trouble viewing this email? [View it as a Web page](https://content.govdelivery.com/accounts/USFSA/bulletins/2ebfc4a).   * [USDA Safety Net Program Enrollment Opens for 2019 and 2020](#link_2) * [Communication is the Key in Lending](#link_4) * [Update Your Records](#link_1) * [Farm Reconstitutions](#link_3) * [Preauthorized Debit Available for Farm Loan Borrowers](#link_5) * [USDA Microloans Help Farmers Purchase Farmland and Improve Property](#link_6)  Maine FSA Newsletter December 2019 | | |  |  | | --- | --- | | Maine Farm Service Agency 967 Illinois Ave, Suite 2  Bangor, ME  04401  207-990-9140  [www.fsa.usda.gov/me](https://gcc02.safelinks.protection.outlook.com/?url=http%3A%2F%2Fwww.fsa.usda.gov%2Fme%3Futm_medium%3Demail%26utm_source%3Dgovdelivery&data=04%7C01%7C%7C66f805ae4c874a2e434a08d95b617ab5%7Ced5b36e701ee4ebc867ee03cfa0d4697%7C0%7C0%7C637641296494115454%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=a58KQ4CLGTg86whzqCD6aIgcqjdLeYBX5xee9%2B1oAwo%3D&reserved=0)  **State Executive Director:**  David R. Lavway, SED  **State Committee:**  Sue McCrum  Heath Miller  Nancy Ricker  Dave Tuttle  Fred Flewelling  To find contact information for your local office go to [www.fsa.usda.gov/me](https://gcc02.safelinks.protection.outlook.com/?url=http%3A%2F%2Fwww.fsa.usda.gov%2Fme%3Futm_medium%3Demail%26utm_source%3Dgovdelivery&data=04%7C01%7C%7C66f805ae4c874a2e434a08d95b617ab5%7Ced5b36e701ee4ebc867ee03cfa0d4697%7C0%7C0%7C637641296494125411%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=TIOAfl%2B25dLo%2FYDjJBjTD30%2BzQ%2Buue2Xc2P23YonunY%3D&reserved=0) | USDA Safety Net Program Enrollment Opens for 2019 and 2020 Agricultural producers now can enroll in the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs – two U.S. Department of Agriculture (USDA) safety net programs – for the 2019 and 2020 crop year.  ARC provides income support payments on historical base acres when actual crop revenue declines below a specified guaranteed level. PLC provides income support payments on historical base acres when the effective price for a covered commodity falls below its reference price. The 2018 Farm Bill reauthorized and updated both programs.  Signup for the 2019 crop year closes March 15, 2020, while signup for the 2020 crop year closes June 30, 2020. Producers who have not yet enrolled for 2019 can enroll for both 2019 and 2020 during the same visit to an FSA county office.  ARC and PLC have options for the farm operator who is actively farming the land as well as the owner of the land. Farm owners also have a one-time opportunity to update PLC payment yields beginning with crop year 2020. If the farm owner and producer visit the FSA county office together, FSA can also update yield information during that visit.  Covered commodities include barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium and short grain rice, safflower seed, seed cotton, sesame, soybeans, sunflower seed and wheat.  **2018 Crop Year ARC and PLC Payments**  FSA began processing payments last week for 2018 ARC-County (ARC-CO) and PLC on covered commodities that met payment triggers on enrolled farms in the 2018 crop year. In addition to the $1.5 billion now in process, FSA anticipates it will issue another $1 billion in November once USDA’s National Agricultural Statistics Service publishes additional commodity prices for the 2018 crop.  Producers who had 2018 covered commodities enrolled in ARC-CO can visit [www.fsa.usda.gov/arc-plc](https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.fsa.usda.gov%2Fprograms-and-services%2Farcplc_program%2Findex%3Futm_medium%3Demail%26utm_source%3Dgovdelivery&data=04%7C01%7C%7C66f805ae4c874a2e434a08d95b617ab5%7Ced5b36e701ee4ebc867ee03cfa0d4697%7C0%7C0%7C637641296494125411%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=Xam2XhmDv2tZG8jsGhucan4jVKAsfk%2F4PEVWmY1etRA%3D&reserved=0) for payment rates applicable to their county and each covered commodity.  For farms and covered commodities enrolled in 2018 PLC, the following crops met payment triggers:  barley, canola, corn, dry peas, grain sorghum, lentils, peanuts, large chickpeas, sunflower seed, flaxseed, rapeseed, seed cotton, long grain rice, medium/short grain rice and wheat.  Oats, small chickpeas, mustard seed, safflower, crambe, sesame seed and soybeans did not meet 2018 PLC payment triggers.  2018 PLC payment rates for the following covered commodities have not been determined: temperate Japonica rice.  **More Information**  For more information on ARC and PLC including two online decision tools that assist producers in making enrollment and election decisions specific to their operations, visit the [ARC and PLC webpage](https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.fsa.usda.gov%2Fprograms-and-services%2Farcplc_program%2Findex%3Futm_medium%3Demail%26utm_source%3Dgovdelivery&data=04%7C01%7C%7C66f805ae4c874a2e434a08d95b617ab5%7Ced5b36e701ee4ebc867ee03cfa0d4697%7C0%7C0%7C637641296494135367%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=6WFwzOT067qldNAiAOONdM%2FkJyr%2FmrZ%2FGKtAmqwe0UA%3D&reserved=0). Communication is the Key in Lending Farm Service Agency (FSA) is committed to providing our farm loan borrowers the tools necessary to be a success. A part of ensuring this success is providing guidance and counsel from the loan application process through the borrower’s graduation to commercial lending institutions. While it is FSA’s commitment to advise borrowers as they identify goals and evaluate progress, it is crucial for borrowers to communicate with their farm loan staff when changes occur. It is the borrower’s responsibility to alert FSA to any of the following:   * Any proposed or significant changes in the farming operation; * Any significant changes to family income or expenses; * The development of problem situations; * Any losses or proposed significant changes in securityIn addition, if a farm loan borrower cannot make payments to suppliers, other creditors, or FSA on time, contact your farm loan staff immediately to discuss loan servicing options. * For more information on FSA farm loan programs, visit [www.fsa.usda.gov](https://gcc02.safelinks.protection.outlook.com/?url=http%3A%2F%2Fwww.fsa.usda.gov%2F%3Futm_medium%3Demail%26utm_source%3Dgovdelivery&data=04%7C01%7C%7C66f805ae4c874a2e434a08d95b617ab5%7Ced5b36e701ee4ebc867ee03cfa0d4697%7C0%7C0%7C637641296494135367%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=p4HfhQHTgXX0JSdO87i%2BqDgCJi9nSYV6Vmx7cF4jlRc%3D&reserved=0). | | | Update Your Records FSA is cleaning up our producer record database. If you have any unreported changes of address, zip code, phone number, email address or an incorrect name or business name on file they need to be reported to our office. Changes in your farm operation, like the addition of a farm by lease or purchase, need to be reported to our office as well. Producers participating in FSA and NRCS programs are required to timely report changes in their farming operation to the County Committee in writing and update their CCC-902 Farm Operating Plan.  If you have any updates or corrections, please call your local FSA office to update your records. Farm Reconstitutions When changes in farm ownership or operation 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.  To be effective for the current Fiscal Year (FY), farm combinations and farm divisions must be requested by **August 1 of the FY** for farms subject to the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) program.  A reconstitution is considered to be requested when all:   * of the required signatures are on FSA-155 * other applicable documentation, such as proof of ownership, is submitted.   Total Conservation Reserve Program (CRP) and non-ARC/PLC farms may be reconstituted at any time.  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. Preauthorized Debit Available for Farm Loan Borrowers USDA Farm Service Agency (FSA) has implemented pre-authorized 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 pre-authorized 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](https://gcc02.safelinks.protection.outlook.com/?url=http%3A%2F%2Fwww.rd.usda.gov%2Fpublications%2Fregulations-guidelines%3Futm_medium%3Demail%26utm_source%3Dgovdelivery&data=04%7C01%7C%7C66f805ae4c874a2e434a08d95b617ab5%7Ced5b36e701ee4ebc867ee03cfa0d4697%7C0%7C0%7C637641296494145323%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=jhDZlZJImSVRGP6fOo%2Fm%2FhtS5f0YyFScoqUjjY%2BkI4w%3D&reserved=0). 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](http://offices.sc.egov.usda.gov/locator/app?utm_medium=email&utm_source=govdelivery) USDA Microloans Help Farmers Purchase Farmland and Improve Property P***roducers, 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 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).  To learn more about the FSA microloan program visit [www.fsa.usda.gov/microloans](https://gcc02.safelinks.protection.outlook.com/?url=http%3A%2F%2Fwww.fsa.usda.gov%2Fmicroloans%3Futm_medium%3Demail%26utm_source%3Dgovdelivery&data=04%7C01%7C%7C66f805ae4c874a2e434a08d95b617ab5%7Ced5b36e701ee4ebc867ee03cfa0d4697%7C0%7C0%7C637641296494145323%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=GBY1RoaiKtvwXpJgHyIYPkfhjiysl1iRD2hyCsQQOGQ%3D&reserved=0), or contact your local FSA office.  Persons with disabilities who require accommodations to attend or participate in any meeting/event/function should contact Mary Anne Coffin at 207-990-9140 or Federal Relay Service at 1-800-877-8339.  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). | |