

August 2018



Farm Service Agency **Electronic News Service**

# NEWSLETTER

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## Maryland FSA Newsletter

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### Maryland Farm Service Agency

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

**State Executive Director:**  
Jim Eichhorst

### Deadline Approaches for Continuous Conservation Reserve Program Enrollment

*Producers Must File by August 17, One-Year Extension Available to Holders of Many Expiring Contracts*

The deadline to sign up for enrollment in the Conservation Reserve Program (CRP) is Friday, Aug. 17, 2018.

In return for enrolling land in CRP, FSA provides participants with annual rental payments and cost-share assistance to remove sensitive lands from production and plant certain grasses, shrubs

**State Committee:**

Jenny Rhodes, Chairperson  
Steve Ernst  
Steve Isaacson  
Pat Langenfelder

To find contact information for your local office go to [www.fsa.usda.gov/md](http://www.fsa.usda.gov/md)

and trees that improve water quality, prevent soil erosion and increase wildlife habitat. Landowners enter into contracts that last between 10 and 15 years.

For this year's signup, limited priority practices are available for continuous enrollment. These include grassed waterways, filter strips, riparian buffers, wetland restoration and others. [View a full list of practices.](#)

FSA will use [updated soil rental rates](#) to make annual rental payments, reflecting current values. It will not offer incentive payments as part of the new signup.

USDA will not open a general signup this year, however, a one-year extension will be offered to existing CRP participants with expiring CRP contracts of 14 years or less.

Additionally, FSA established new [ranking criteria](#) for CRP grasslands. To guarantee all CRP grasslands offers are treated equally, applicants who previously applied (prior to the current sign-up period) will be asked to reapply using the new ranking criteria.

Producers wanting to apply for the CRP continuous signup or CRP grasslands should contact their USDA service center. To locate your local FSA office, visit <https://www.farmers.gov>. More information on CRP can be found at [www.fsa.usda.gov/crp](http://www.fsa.usda.gov/crp).

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## 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.

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 by the producer subject to the \$900,000 limitation. The State FSA Office has begun notifying producers selected for review. If you have any questions about the review process or determinations, please contact the Maryland FSA Office at (443) 482-2760. 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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## **Frederick County Producers May be Eligible for Emergency Conservation Program Assistance**

Severe storms and flooding that occurred from May 15 to May 19, 2018 has caused severe damage in Frederick County.

Farms and ranches suffering severe damage may be eligible for assistance under the Emergency Conservation Program (ECP) administered by the Frederick 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 \$200,000 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

- restoring conservation structures and other similar installations

Producers who have suffered a loss from a natural disaster may contact the local FSA County Office and request assistance from August 1 to September 17, 2018.

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 Frederick County FSA Office at (301) 662-1321 ext. 2 or visit [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## Emergency Disaster Declarations and Designations

Farmers and ranchers know all too well that natural disasters can be a common, and likely a costly, variable to their operation. The Farm Service Agency (FSA) has emergency assistance programs to provide assistance when disasters strike, and for some of those programs, a disaster designation may be the eligibility trigger.

FSA administers four types of disaster designations:

### USDA Secretarial Disaster Designation

- The designation process can be initiated by individual farmers, local government officials, State governors, State agriculture commissions, tribal councils or the FSA State Executive Director
- This designation is triggered by a 30-percent or greater production loss to at least one crop because of a natural disaster, or at least 1 producer who sustained individual losses because of a natural disaster and is unable to obtain commercial financing to cover those losses
- In 2012, USDA developed a fast-track process for disaster declarations for severe drought. This provides for a nearly automatic designation when, during the growing season, any portion of a county meets the D2 (Severe Drought) drought intensity value for eight consecutive weeks or a higher drought intensity value for any length of time as reported by the U.S. Drought Monitor (<http://droughtmonitor.unl.edu>)

### Administrator's Physical Loss Notification

- This designation is initiated by the FSA State Executive Director.
- The designation is triggered by physical damage and losses because of a natural disaster, including but not limited to dead livestock, collapsed buildings, and destroyed farm structures.

### Presidential Designation

- A Presidential major disaster designation and emergency declaration is initiated by the Governor of the impacted state through the Federal Emergency Management Agency (FEMA).
- This designation is triggered by damage and losses caused by a disaster of such severity and magnitude that effective response is beyond the capability of the State and local governments.

### **Quarantine Designation**

- This designation is requested of the Secretary of Agriculture by the FSA State Executive Director.
- A quarantine designation is triggered by damage and losses caused by the effects of a plant or animal quarantine approved by the Secretary under the Plant Protection Act or animal quarantine laws.

All four types of designations immediately trigger the availability of low-interest Emergency loans to eligible producers in all primary and contiguous counties. FSA borrowers in these counties who are unable to make their scheduled payments on any debt may be authorized to have certain set asides. Additional disaster assistance requiring a designation may also be provided by new programs in the future.

For more information on FSA disaster programs and disaster designations, visit [www.fsa.usda.gov/disaster](http://www.fsa.usda.gov/disaster).

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## **Dorchester, Frederick, Somerset, and Wicomico Counties are Eligible for Emergency Loans**

Dorchester, Frederick, Somerset, and Wicomico Counties were declared primary disaster counties, and Caroline, Carroll, Howard, Montgomery, Talbot, Washington, and Worcester Counties were declared contiguous disaster counties due to rain and flooding that occurred from May 12 to May 23, 2018. Under this designation, producers with operations in any primary or contiguous county are eligible to apply for low interest emergency loans.

Emergency loans help producers recover from production and physical losses due to drought, flooding and other natural disasters or quarantine.

Producers have eight months from the date of the declaration to apply for emergency loan assistance. FSA will consider each loan application on its own merits, taking into account the extent of losses, security available and repayment ability. Producers can borrow up to 100 percent of actual production or physical losses, to a maximum amount of \$500,000.

For more information about emergency loans, please contact your local FSA office or visit [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## **Maryland Counties are Eligible for Emergency Loans**

Caroline, Dorchester, Kent, Queen Anne's, Wicomico, and Worcester Counties were declared contiguous disaster counties due to rain and flooding that occurred from April 25 to June 21, 2018.

Under this designation, producers with operations in any primary or contiguous county are eligible to apply for low interest emergency loans.

Emergency loans help producers recover from production and physical losses due to drought, flooding and other natural disasters or quarantine.

Producers have eight months from the date of the declaration to apply for emergency loan assistance. FSA will consider each loan application on its own merits, taking into account the extent of losses, security available and repayment ability. Producers can borrow up to 100 percent of actual production or physical losses, to a maximum amount of \$500,000.

For more information about emergency loans, please contact your local FSA office or visit [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## **Frederick and Washington Counties Eligible for Emergency Loans Following Presidential Disaster Declaration**

Frederick and Washington Counties were declared primary disaster counties, and Allegany, Carroll, Howard, and Montgomery Counties were declared contiguous disaster counties due to severe storms and flooding that occurred from May 15 to May 19, 2018. Under this designation, producers with operations in any primary or contiguous county are eligible to apply for low interest emergency loans.

Emergency loans help producers recover from production and physical losses due to drought, flooding and other natural disasters or quarantine.

Producers have eight months from the date of the declaration to apply for emergency loan assistance. FSA will consider each loan application on its own merits, taking into account the extent of losses, security available and repayment ability. Producers can borrow up to 100 percent of actual production or physical losses, to a maximum amount of \$500,000.

For more information about emergency loans, please contact your local FSA office or visit [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## **Baltimore and Howard Counties Eligible for Emergency Loans Following Presidential Disaster Declaration**

Baltimore and Howard Counties were declared primary disaster counties, and Anne Arundel, Carroll, Frederick, Harford, Montgomery, and Prince George's Counties and Baltimore City were declared contiguous disaster counties due to severe storms, flooding, landslides, and mudslides that occurred from May 27 to May 18, 2018. Under this designation, producers with operations in any primary or contiguous county are eligible to apply for low interest emergency loans.

Emergency loans help producers recover from production and physical losses due to drought, flooding and other natural disasters or quarantine.

Producers have eight months from the date of the declaration to apply for emergency loan assistance. FSA will consider each loan application on its own merits, taking into account the extent

of losses, security available and repayment ability. Producers can borrow up to 100 percent of actual production or physical losses, to a maximum amount of \$500,000.

For more information about emergency loans, please contact your local FSA office or visit [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## Allegany, Garrett, and Washington Counties Eligible for Emergency Loans Following Presidential Disaster Declaration

Allegany, Garrett, and Washington Counties were declared a contiguous disaster due to severe storms, flooding, landslides, and mudslides that occurred from May 28 to June 3, 2018. Under this designation, producers with operations in any primary or contiguous county are eligible to apply for low interest emergency loans.

Emergency loans help producers recover from production and physical losses due to drought, flooding and other natural disasters or quarantine.

Producers have eight months from the date of the declaration to apply for emergency loan assistance. FSA will consider each loan application on its own merits, taking into account the extent of losses, security available and repayment ability. Producers can borrow up to 100 percent of actual production or physical losses, to a maximum amount of \$500,000.

For more information about emergency loans, please contact your local FSA office or visit [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## Selected Interest Rates and Dates to Remember

Selected Interest Rates for August 2018	
90-Day Treasury Bill	2.375%
Farm Operating Loans — Direct	3.750%
Farm Ownership Loans — Direct	4.125%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	2.500%
Emergency Loans	3.750%
Farm Storage Facility Loans (7 years)	2.875%
Sugar Storage Facility Loans	2.875%
Commodity Loans 1996-Present	3.375%

Dates to Remember	
Aug. 17	Deadline to sign up for enrollment in the Conservation Reserve Program (CRP)
Sept. 1	NAP application deadline for value-loss crops or controlled environment crops, ornamental nursery, aquaculture, Christmas trees, ginseng, floriculture, mushrooms, and turf grass sod.
Sept. 3	MD FSA offices closed for Labor Day.
Sept. 30	NAP application deadline for biennial and perennial forage crops, alfalfa, grass forages, mixed forages, and other forages.
Sept. 30	Crop reporting deadline for value-loss and controlled environment crops, including aquaculture, Christmas trees, ginseng, floriculture, mushrooms, and turf grass sod. Excludes nursery.

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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).