

March 2018



Farm Service Agency **Electronic News Service**

# NEWSLETTER

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## Massachusetts FSA Newsletter

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### Massachusetts Farm Service Agency

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**State Executive Director**  
Edward Davidian

**State Committee**  
Bradford N. Morse, Chair  
James J. Larkin, Member  
Matthew J. Parsons, Member

Please contact your local FSA Office for questions specific to your operation or county at [offices.usda.gov](http://offices.usda.gov).

### A Special 2018 Ag Day Message from Edward Davidian, State Executive Director

#### National Agriculture Day Celebrates American Food and Fiber Production

March 20 is National Agriculture Day – a day designated each year by the [Agriculture Council of America \(ACA\)](#) to celebrate the accomplishments of agriculture. The [Farm Service Agency \(FSA\)](#) joins the council in thanking American agricultural producers, especially in Massachusetts, for their contributions to the nation's outstanding quality of life.

This year's theme, **Agriculture: Food for Life**, spotlights the hard work of American farmers, ranchers and foresters who diligently work to provide food, fiber and more to the United States and countries around the world. To ensure a prosperous future for American agriculture, FSA provides continuous support to agriculturalists across the country.

FSA is rural America's engine for economic growth, job creation

and development, offering local service to millions of rural producers. In fiscal year 2017, [USDA Farm Loan programs](#) provided \$6 billion in support to producers across America, the second highest total in FSA history. FSA also distributed \$1.6 billion in [Conservation Reserve Program \(CRP\)](#) payments to over 375,000 Americans to improve water quality, reduce soil erosion and increase wildlife habitat.

For agricultural producers who suffered market downturns in 2016, USDA is issuing approximately \$8 billion in payments under the [Agriculture Risk Coverage \(ARC\) and Price Loss Coverage \(PLC\) programs](#). USDA also continues to provide extensive assistance in response to natural [disasters](#) throughout the country, including last year's hurricanes in Florida, Texas, Puerto Rico and the Virgin Islands, drought in the northern high plains, wildfires in the west and central plains, floods, tornados, freezes and other catastrophic weather events.

To support [beginning farmers and ranchers](#), Agriculture Secretary Sonny Perdue signed a Memorandum of Understanding with officials from [SCORE](#), the nation's largest volunteer network of expert business mentors, to support new and beginning farmers. The agreement provides new help and resources for beginning ranchers, veterans, women, socially disadvantaged Americans and others, providing new tools to help them both grow and thrive in agribusiness.

I am honored to administer programs that enable our producers to manage their risks when the agriculture industry faces hardship. On behalf of the Farm Service Agency here in Massachusetts, I would like to thank our agricultural producers for continuing to feed our nation and the world.

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## Using FSA Direct Farm Ownership Loans for Construction

The USDA Farm Service Agency's (FSA) [Direct Farm Ownership loans](#) are a resource to help farmers and ranchers become owner-operators of family farms, improve and expand current operations, increase agricultural productivity, and assist with land tenure to save farmland for future generations.

Depending on the applicant's needs, there are three types of Direct Farm Ownership Loans: regular, down payment and joint financing. FSA also offers a [Direct Farm Ownership Microloan](#) option for smaller financial needs up to \$50,000.

Amongst other purposes, Direct Farm Ownership Loans can be used to construct, purchase or improve farm dwellings, service buildings or other facilities and improvements essential to an operation.

To do this, applicants must provide FSA with an estimate of the

total cost of all planned development that completely describe the work, prior to loan approval and must show proof of sufficient funds to pay for the total cost of all planned development at or before loan closing. In some instances, applicants may be asked to provide certified plans, specifications or contract documents. The applicant cannot incur any debts for materials or labor or make any expenditures for development purposes prior to loan closing with the expectation of being reimbursed from FSA funds.

Construction and development work may be performed either by the contract method or the borrower method. Under the contract method, construction and development contractors perform work according to a written contract with the applicant or borrower. An applicant for a direct loan to finance a construction project must obtain a surety bond that guarantees both payment and performance in the amount of the construction contract from a construction contractor.

A surety bond is required when a contract exceeds \$100,000, an authorized agency official determines that a surety bond appears advisable to protect the borrower against default of the contractor or a contract provides for partial payments in excess of the amount of 60 percent of the value of the work in place.

Under the borrower method, the applicant or borrower will perform the construction and development work. The borrower method may only be used when the authorized agency official determines, based on information from the applicant, that the applicant possesses or arranges to obtain the necessary skill and managerial ability to complete the work satisfactorily and that such work will not interfere with the applicant's farming operation or work schedule.

Potential applicants should visit with FSA early in the initial project planning process to ensure environmental compliance.

For more eligibility requirements and information about FSA Loan programs, contact your local FSA office or visit [www.fsa.usda.gov](http://www.fsa.usda.gov). To find your local FSA office, visit <http://offices.usda.gov>.

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## Breaking New Ground

Agricultural producers are reminded to consult with FSA and NRCS before breaking out new ground for production purposes as doing so without prior authorization may put a producer's federal farm program benefits in jeopardy. This is especially true for land that must meet Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions.

Producers with HEL determined soils are required to apply tillage, crop residue and rotational requirements as specified in their conservation plan.

Producers should notify FSA as a first point of contact prior to conducting land clearing or drainage type projects to ensure the proposed actions meet compliance criteria such as clearing any trees to create new cropland. Then these areas will need to be reviewed to ensure such work will not risk

your eligibility for benefits.

Landowners and operators complete the form AD-1026 - Highly Erodible Land Conservation (HELIC) and Wetland Conservation (WC) Certification to identify the proposed action and allow FSA to determine whether a referral to Natural Resources Conservation Service (NRCS) for further review is necessary.

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## USDA Encourages Producers to Consider NAP Risk Protection Coverage before Crop Sales Deadlines

The Farm Service Agency encourages producers to examine available USDA crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the applicable crop sales deadline.

Producers are reminded that crops not covered by insurance may be eligible for NAP. The 2014 Farm Bill expanded NAP to include higher levels of protection. Beginning, underserved and limited resource farmers are now eligible for free catastrophic level coverage, as well as discounted premiums for additional levels of protection."

Federal crop insurance covers crop losses from natural adversities such as drought, hail and excessive moisture. NAP covers losses from natural disasters on crops for which no permanent federal crop insurance program is available, including perennial grass forage and grazing crops, fruits, vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

Producers can determine if crops are eligible for federal crop insurance or NAP by visiting <https://webapp.rma.usda.gov/apps/ActuarialInformationBrowser2018/CropCriteria.aspx>.

NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production, with higher levels of coverage, up to 65 percent of their expected production at 100 percent of the average market price, including coverage for organics and crops marketed directly to consumers.

Deadlines for coverage vary by state and crop. To learn more about NAP visit [www.fsa.usda.gov/nap](http://www.fsa.usda.gov/nap) or contact your local USDA Service Center. To find your local USDA Service Centers go to <http://offices.usda.gov>.

Federal crop insurance coverage is sold and delivered solely through private insurance agents. Agent lists are available at all USDA Service Centers or at USDA's online Agent Locator: <http://prodwebnlb.rma.usda.gov/apps/AgentLocator/#>. Producers can use the USDA Cost Estimator, <https://ewebapp.rma.usda.gov/apps/costestimator/Default.aspx>, to predict insurance premium costs.

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## Producers are Encouraged to Report Prevented Planting and Failed Acres

USDA Farm Service Agency (FSA) reminds producers to report prevented planting and failed acres in order to establish or retain FSA program eligibility for some programs.

Producers should report crop acreage they intended to plant, but due to natural disaster, were prevented from planting. Prevented planting acreage must be reported on form CCC-576 Notice of

Loss, no later than 15 calendar days after the final planting date as established by FSA and Risk Management Agency (RMA).

Contact your local FSA office for a list of final planting dates by crop.

If a producer is unable to report the prevented planting acreage within the 15 calendar days following the final planting date, a late-filed report can be submitted. Late-filed reports will only be accepted if FSA conducts a farm visit to assess the eligible disaster condition that prevented the crop from being planted. A measurement service fee will be charged.

Additionally, producers with failed acres should also use form CCC-576, Notice of Loss, to report failed acres.

Producers of hand-harvested crops must notify FSA of damage or loss through the administrative County Office within 72 hours of the date of damage or loss first becomes apparent. This notification can be provided by filing a CCC-576, email, fax or phone. Producers who notify the County Office by any method other than by filing the CCC-576 are still required to file a CCC-576, Notice of Loss, within the required 15 calendar days.

For losses on crops covered by the Non-Insured Crop Disaster Assistance Program (NAP), producers must file a Notice of Loss within 15 days of the occurrence of the disaster or when losses become apparent. Producers must timely file a Notice of Loss for failed acres on all crops including grasses.

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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).

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