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Minnesota FSA Newsletter: August 2016

Minnesota Farm Service Agency **A Message to Our Producers...**

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www.fsa.usda.gov/mn

State Executive Director:
Grant Herfindahl

Executive Officer:
Michelle Page

You might have seen me this week on the road. Over four days this last week I put on 800 miles driving around Minnesota. On Tuesday I left St. Paul and drove to Farmfest. On the way I stopped at a few county offices and I also drove on a number of back roads over the next two to look at crops and visited nine offices and visited with numerous farmers. I stopped a couple of times along the road and walked out into the fields to have a close up look at the crops. To say that we have a beautiful crop overall this year is an understatement. This crop has huge potential. Potential is the word though, we never know when the next storm that comes through is the one that will hit closer to home. I walked through a hailed out corn field, I think that it was the storm that hit right after the Fourth of July. The destruction was so great and so hard to look at. I husked one of the cobs and it was only 3/4ths pollinated and had several blank spots in addition where hail stones had hit.

State Committee:

David Haugo, Chair
Richard Peterson, Member
Roger Vogt, Member
Scott Winslow, Member
Deb Crusoe, Member

Program Section Chiefs:

Angela Hanson
Laurie Moss
Stuart Shelstad

To find contact information for
your local office go to
www.fsa.usda.gov/mn

There were two topics that seemed to concern almost everyone that I met at Farmfest this year. The first and biggest topic was the new “buffer requirements” on public waters and public drainage ditches. I sat and listened to the panel discussion forums and learned a few new things about the law. I would recommend that you visit with your local SWCD representative and learn more about how this might affect your farming operation. From the perspective of the Farm Service Agency, I can tell you that we are listening to our partners and stakeholders and plan to do our part in applying assistance in signing you up for a voluntary program such as the Conservation Reserve Program (CRP) if appropriate for your unique conservation needs.

The second topic was low milk prices and the Margin Protection Program (MPP). Our FSA Administrator Val Dolcini has made the following comment on MPP: "Low dairy prices are putting a strain on family dairy farmers across the country and USDA is prepared to look at all the options we have under our authority. We're in the midst of the Dairy Margin Protection Program signup and are hopeful that all dairy families will take a hard look at signing up for coverage under this program. In the meantime, we will continue to work with our customers, the industry, Congress, and other stakeholders to make all of our assistance to producers as meaningful as we can."

FSA is currently in an enrollment period for calendar year 2017 MPP-Dairy coverage that is currently scheduled to conclude on Friday, Sept. 30, 2016.

Grant Herfindahl, State Executive Director

FSA Unveils Monthly Webinar Series

The FSA Outreach and Education Division will host a series of webinars each month to inform producers about FSA programs and initiatives. To register for the webinar below, visit www.fsa.usda.gov/outreach and click on “Outreach Webinars.”

Aug. 9 @ 2 p.m. EDT

Need Commodity Storage? The Farm Storage Facility Loan (FSFL) Can Help

The Farm Storage Facility Loan Program provides low-interest financing so producers can build or upgrade permanent or portable facilities to store commodities. Learn how this program may be able to help your operation.

Persons with disabilities who require accommodations to attend or participate in this webinar should contact Tanya Brown at 202-690-1700 or Federal Relay Service at 1-800-877-8339 at least three business days prior to the webinar.

The webinar will be recorded for future viewing and can be accessed on www.fsa.usda.gov/outreach.

USDA Encourages Producers to Consider 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 the Noninsured Crop Disaster Assistance Program (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.

USDA has partnered with Michigan State University and the University of Illinois to create an online tool at www.fsa.usda.gov/nap that allows producers to determine whether their crops are eligible for federal crop insurance or NAP and to explore the best level of protection for their operation. 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 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.

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.

Farm Loan Graduation Reminder

FSA Direct Loans are considered a temporary source of credit that is available to producers who do not meet normal underwriting criteria for commercial banks.

FSA periodically conducts Direct Loan graduation reviews to determine a borrower's ability to graduate to commercial credit. If the borrower's financial condition has improved to a point where they can refinance their debt with commercial credit, they will be asked to obtain other financing and partially or fully pay off their FSA debt.

By the end of a producer's operating cycle, the Agency will send a letter requesting a current balance sheet, actual financial performance and a projected farm budget. The borrower has 30 days to return the required financial documents. This information will be used to evaluate the borrower's potential for refinancing to commercial credit.

If a borrower meets local underwriting criteria, FSA will send the borrower's name, loan type, balance sheet and projected cash flow to commercial lenders. The borrower will be notified when loan information is sent to local lenders.

If any lenders are interested in refinancing the borrower's loan, FSA will send the borrower a letter with a list of lenders that are interested in refinancing the loan. The borrower must contact the lenders and complete an application for commercial credit within 30 calendar days.

If a commercial lender rejects the borrower, the borrower must obtain written evidence that specifies the reasons for rejection and submit to their local FSA farm loan office.

If a borrower fails to provide the requested financial information or to graduate, FSA will notify the borrower of noncompliance, FSA's intent to accelerate the loan, and appeal rights.

Emergency Assistance for Livestock, Honeybee, and Farm-Raised Fish Program (ELAP)

The Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP) provides emergency assistance to eligible livestock, honeybee, and farm-raised fish producers who have losses due to disease, adverse weather or other conditions, such as blizzards and wildfires, not covered by other agricultural disaster assistance programs.

Eligible livestock losses include grazing losses not covered under the Livestock Forage Disaster Program (LFP), loss of purchased feed and/or mechanically harvested feed due to an eligible adverse weather event, additional cost of transporting water because of an eligible drought and additional cost associated with gathering livestock to treat for cattle tick fever.

Eligible honeybee losses include loss of purchased feed due to an eligible adverse weather event, cost of additional feed purchased above normal quantities due to an eligible adverse weather condition, colony losses in excess of normal mortality due to an eligible weather event or loss condition, including CCD, and hive losses due to eligible adverse weather.

Eligible farm-raised fish losses include death losses in excess of normal mortality and/or loss of purchased feed due to an eligible adverse weather event.

Producers who suffer eligible livestock, honeybee, or farm-raised fish losses from October 1, 2015 to September 30, 2016 must file:

- A notice of loss the earlier of 30 calendar days of when the loss is apparent or by November 1, 2016
- An application for payment by November 1, 2016

The Farm Bill caps ELAP disaster funding at \$20 million per federal fiscal year.

The following ELAP Fact Sheets (by topic) are available online:

- ELAP for Farm-Raised Fish Fact Sheet
- ELAP for Livestock Fact Sheet
- ELAP for Honeybees Fact Sheet

To view these and other FSA program fact sheets, visit the FSA fact sheet web page at www.fsa.usda.gov/factsheets.

Farmers to Receive Documentation of USDA Services

Farm Service Agency (FSA) reminds agricultural producers that FSA provides a receipt to customers who request or receive assistance or information on FSA programs.

The 2014 Farm Bill requires a customer receipt to be issued for any agricultural program assistance requested from FSA, the National Resources Conservation Service (NRCS) and Rural Development (RD). Receipts include the date, summary of the visit and any agricultural information, program and/or loan assistance provided to an individual or entity. Electronic receipts for acreage reports will begin on August 1, 2016. A service is any information, program or loan assistance provided whether through a visit, email, fax or letter.

ARC, PLC and CTAP Acreage Maintenance

Producers enrolled in Agriculture Risk Coverage (ARC), Price Loss Coverage (PLC) or the Cotton Transition Assistance Program (CTAP) must protect all cropland and noncropland acres on the farm from wind and water erosion and noxious weeds. Producers who sign ARC county or individual contracts and PLC contracts agree to effectively control noxious weeds on the farm according to sound agricultural practices. If a producer fails to take necessary actions to correct a maintenance problem on a farm that is enrolled in ARC, PLC or CTAP, the County Committee may elect to terminate the contract for the program year.

Marketing Assistance Available for 2016 Wheat

The 2014 Farm Bill authorized 2014-2018 crop year Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs).

In Minnesota, wheat prices are nearing a range where LDPs may be applicable, so producers should become familiar with the process to access this assistance.

MALs and LDPs provide financing and marketing assistance for wheat, as well as other commodities such as feed grains, soybeans and other oilseeds, pulse crops, rice, peanuts, cotton, wool and honey. MALs provide producers interim financing after harvest to help them meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows.

A producer who is eligible to obtain an MAL, but agrees to forgo the loan, may obtain an LDP if such a payment is available.

To be eligible for an MAL or an LDP, producers must have a beneficial interest in the commodity, in addition to other requirements. A producer retains beneficial interest when control of and title to the commodity is maintained. For an LDP, the producer must retain beneficial interest in the commodity from the time of planting through the date the producer filed [Form CCC-633EZ \(page 1\)](#) in the FSA County Office. For more information, producers should contact their local FSA county office or view the [LDP Fact Sheet](#).

Women in Ag Event Scheduled for September 13

Join us on September 13 for a day of learning at Morris' West Central Research and Outreach Center. University of Minnesota Extension staff and other representatives will come together to discuss important safety issues and concerns in many different aspects of the farming industry. Attendees will also have an opportunity to tour the West Central Research and Outreach Center's ag innovations. Staff from FSA will be present to answer any questions you may have on FSA programs currently available.

Date & Time:

September 13, 2016

8:30 am - 3:30 pm, lunch is included

Location:

West Central Research and Outreach Center
46352 MN 329
Morris, MN 56267

Cost:

\$20- payment can be made day of event via cash, check, or credit card

Register by September 9! Online registration can be completed at: z.umn.edu/SafetyReg, or contact Mary Jo Fox at #320-235-0726, ext 2001 or foxxx055@umn.edu.

Persons with disabilities who require accommodations to attend or participate in this event should contact Lindsay Mutegi at 651-602-7705 or Federal Relay Service at 1-800-877-8339 by no later than Sept. 9, 2016.

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).