

June 2018



Farm Service Agency **Electronic News Service**

# NEWSLETTER

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## Minnesota FSA Newsletter: June 2018

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### Minnesota Farm Service Agency

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### Nominations Open for the 2018 County Committee Elections

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) encourages all farmers, ranchers, and FSA program participants to take part in the County Committee election nomination process.

FSA's county committees are a critical component of the day-to-day operations of FSA and allow grassroots input and local administration of federal farm programs.

Committees are comprised of locally elected agricultural producers responsible for the fair and equitable administration of FSA farm programs in their counties. Committee members are accountable to

**Division Chiefs:**

Cassie Buck  
Angela Hanson  
Raj Kohli  
Laurie Moss  
Stuart Shelstad

**State Committee:**

Scott Winslow, Chair  
Kurt Blomgren, Member  
Jay Nord, Member  
Mike Yost, Member  
Karolyn Zurn, Member

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

the Secretary of Agriculture. If elected, members become part of a local decision making and farm program delivery process.

A county committee is composed of three to 11 elected members from local administrative areas (LAA). Each member serves a three-year term. One-third of the seats on these committees are open for election each year. County committees may have an appointed advisor to further represent the local interests of underserved farmers and ranchers. Underserved producers are beginning, women and other minority farmers and ranchers and land owners and/or operators who have limited resources. Other minority groups including Native American and Alaska Natives; persons under the poverty level, and persons that have disabilities are also considered underserved.

All nomination forms for the 2018 election must be postmarked or received in the local USDA service center by Aug. 1, 2018. For more information on FSA county committee elections and appointments, refer to the FSA fact sheet: Eligibility to Vote and Hold Office as a COC Member available online at:  
[www.fsa.usda.gov/elections](http://www.fsa.usda.gov/elections).

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## USDA Partners with Texas A&M to Help Veterans Seeking Agriculture Loans and Careers

USDA announced a partnership between the U.S. Department of Agriculture (USDA) and Texas A&M's AgriLife Extension Service to help military veterans obtain loans and pursue careers as farmers and ranchers. Secretary Perdue joined local dignitaries, members of the Armed Forces, veterans, and community leaders at the Dallas Farmers Market to unveil the new pilot program.

USDA's [Farm Service Agency](#) (FSA) is collaborating with AgriLife Extension Service on the pilot, which is part of the Texas A&M Battleground to Breaking Ground project. The program makes it easier for veterans to meet federal requirements to get FSA direct [farm ownership](#) loans, which can help provide access to land and capital.

The pilot program, which will include 15 to 18 veterans, will roll out in three phases: an introductory workshop, a business planning curriculum, and a production curriculum over a period of 12 to 18 months.

Typically, loan applicants must participate in the business operations of a farm for at least three years during a 10-year period. However, as part of this pilot program, participants can combine the certificate they receive with their military leadership or management experience to satisfy this requirement. According to the U.S. Department of Labor, approximately 45 percent of armed service members are from rural America.

Pilot program applications will be accepted from interested veterans between June 15 and July 20, 2018, until 11 p.m. central standard time, [apply here](#). For more information about USDA programs, visit [newfarmers.usda.gov/veterans](http://newfarmers.usda.gov/veterans) or <https://www.farmers.gov>.

To learn about other ways USDA is supporting veterans, visit <https://www.usda.gov/our-agency/initiatives/veterans>, and watch <https://www.youtube.com/watch?v=OAeLqXHUU3w>.

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## 2018 Acreage Reporting Dates

In order to comply with FSA program eligibility requirements, all producers are encouraged to visit their local FSA office to file an accurate crop certification report by the applicable deadline.

Acreage reporting dates vary by crop and by county so please contact your local FSA office for a list of county-specific deadlines.

The following exceptions apply to acreage reporting dates:

- If the crop has not been planted by the applicable acreage reporting date, then the acreage must be reported no later than 15 calendar days after planting is completed.
- If a producer acquires additional acreage after the applicable acreage reporting date, then the acreage must be reported no later than 30 calendar days after purchase or acquiring the lease. Appropriate documentation must be provided to the county office.
- If a perennial forage crop is reported with the intended use of "cover only," "green manure," "left standing," or "seed," then the acreage must be reported by July 15th.

Noninsured Crop Disaster Assistance Program (NAP) policy holders should note that the acreage reporting date for NAP covered crops is the earlier of the applicable dates or 15 calendar days before grazing or harvesting of the crop begins.

For questions regarding crop certification and crop loss reports, please contact your local FSA office.

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## 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>.

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## USDA Resumes Continuous Conservation Reserve Program Enrollment

*One-Year Extension Available to Holders of Many Expiring Contracts through Continuous Signup*

As part of a 33-year effort to protect sensitive lands and improve water quality and wildlife habitat on private lands, the U.S. Department of Agriculture (USDA) will resume accepting applications for the voluntary [Conservation Reserve Program](#) (CRP). Eligible farmers, ranchers, and private landowners can sign up at their local [Farm Service Agency \(FSA\)](#) office between June 4 and Aug. 17, 2018.

FSA stopped accepting applications last fall for the CRP continuous signup (excluding applications for the Conservation Reserve Enhancement Program (CREP) and CRP grasslands). This pause allowed USDA to review available acres and avoid exceeding the 24 million-acre CRP cap set by the 2014 Farm Bill. New limited practice availability and short sign up period helps ensure that landowners with the most sensitive acreage will enroll in the program and avoid unintended competition with new and beginning farmers seeking leases. CRP enrollment currently is about 22.7 million acres.

### **2018 Signup for CRP**

For this year's signup, limited priority practices are available for continuous enrollment. They 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. Producers eligible for an extension will receive a letter with more information.

### **CRP Grasslands**

Additionally, FSA established new [ranking criteria](#) for [CRP Grasslands](#). To guarantee all CRP grasslands offers are treated equally, applicants who previously applied will be asked to reapply using the new ranking criteria. Producers with pending applications will receive a letter providing the options.

### **About CRP**

In return for enrolling land in CRP, USDA, through FSA on behalf of the Commodity Credit Corporation (CCC), provides participants with annual rental payments and cost-share assistance. Landowners enter into contracts that last between 10 and 15 years. CRP pays producers who remove sensitive lands from production and plant certain grasses, shrubs and trees that improve water quality, prevent soil erosion and increase wildlife habitat.

The new changes to CRP do not impact the Conservation Reserve Enhancement Program, a related program offered by CCC and state partners.

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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## Conservation Reserve Program (CRP) - Annual Certification

Before an annual rental payment can be issued, participants must certify to contract compliance using either the FSA-578, Report of Acreage, or CCC-817U, Certification of Compliance for CRP.

Beginning with 2016, once certified, a CRP acreage report is considered continuous unless there is a CRP revision. Annual reports on FSA-578 or CCC-817U are not required in this case.

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## FSA Releases Signup Information for Tree Assistance Program

USDA's Farm Service Agency recently released signup information for the [Tree Assistance Program](#), a nationwide program that provides orchardists and nursery tree growers with cost share assistance to replant eligible trees, bushes, and vines following a natural disaster.

The Bipartisan Budget Act of 2018 prescribed several changes to the program, including the removal of the \$125,000 per person and legal entity payment limitation. The [notice](#) outlined when producers should file applications for any recent losses, given the changes to the program.

Eligible producers should file for TAP assistance by the later of these two dates:

- 90 days of the disaster or when damages from the disaster are noticed; or
- 60 days after the regulation is published on the Federal Register later this summer.

The following producers can file applications:

- Producers who did not previously apply for TAP for 2017 or 2018 losses; and
- Producers who had applied and received an adverse determination that their 2017 or 2018 TAP application was filed late.

Additionally, producers with 2017 losses can also file an application or revise an original application because of the changes made through the Act.

For more information on TAP, producers should contact their [local USDA service center](#).

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## USDA Reopens Application Period for Producers Recovering from Cattle Loss, Other Disasters

Signup Begins June 4 for Livestock Indemnity Program and Emergency Assistance for Livestock, Honey Bees, and Farm-raised Fish

The U.S. Department of Agriculture (USDA) will begin accepting disaster assistance program applications on June 4 from agricultural producers who suffered livestock, honeybees, farm-raised fish and other losses due to natural disasters.

USDA's [Farm Service Agency](#) (FSA) is reopening the application period for two disaster assistance programs in response to statutory changes made by Congress earlier this year.

Beginning June 4, FSA will accept new applications for losses for calendar year 2017 or 2018 filed under the [Livestock Indemnity Program](#) (LIP) or [Emergency Assistance for Livestock, Honey Bees, and Farm-raised Fish Program](#) (ELAP). Producers who already submitted applications and received decisions on their applications for these years do not need to file again, but they can reapply if they have additional losses or their application was disapproved because it was filed late.

In February, Congress passed the Bipartisan Budget Act of 2018, which made several changes to these two disaster programs, including:

- Removing ELAP's \$20 million fiscal year funding cap, enabling FSA to pay producers' 2017 applications in full and their 2018 applications as soon as they are approved.
- Removing the per-person and legal entity annual program payment limitation of \$125,000 for LIP for 2017 and future years. (The income limitation applies as it did before, meaning producers with an adjusted gross income of more than \$900,000 are not eligible.)
- Changing LIP to allow producers to receive a payment for injured livestock that are sold for a reduced price due to an eligible event. Previously, the program only covered financial loss for livestock death above normal mortality.

Producers interested in LIP or ELAP should contact their [local USDA service center](#). To apply, producers will need to provide verifiable and reliable production records and other information about their operation.

Drought, wildfires and other disasters continue to impact farmers and ranchers, and LIP and ELAP are two of many programs available through USDA to help producers recover. Learn more at <https://www.usda.gov/disaster>.

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## 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.

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## Communication is 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 security

In 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](http://www.fsa.usda.gov).

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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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