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November 2015



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## Mississippi FSA November Newsletter

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### Mississippi Farm Service Agency (FSA)

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### State Committee:

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### Mississippi Farmers to Receive Documentation of USDA Services

*Local Offices Issue Receipts for Services Provided*

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

As part of FSA's mission to provide enhanced customer service, producers who visit FSA will receive documentation of services requested and provided. From December through June, FSA issued more than 327,000 electronic receipts.

**State Executive Director:**

Michael R. Sullivan

**Next State Committee**

**Meeting:**

December 9, 2015 at 9:30 a.m.

**Interest Rates:**

90-Day Treasury Bill .125%

Farm Operating Loans - Direct 2.50%

Farm Ownership Loans - Direct 3.875%

Farm Ownership Loans - Direct Down Payment, Beginning Farmer 1.50%

Emergency Loans 3.50%

Farm Storage Facility Loan (7 year) 1.750%

Farm Storage Facility Loan (10 years) 2.125%

Farm Storage Facility Loan (12 years) 2.250%

**COC Election 2015 Dates**

**Dec. 7** - Last day to return voted ballots to the USDA Service Center

**Jan. 1, 2016** - Newly elected county committee members take office

USDA Service Centers will be closed on Wednesday, Nov. 11 in observance of Veterans Day. We will re-open for business on Thursday, Nov. 12.

The 2014 Farm Bill requires a 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.

In some cases, a form or document – such as a completed and signed program enrollment form –serve as the customer receipt instead of a printed or electronic receipt. A service is any information, program or loan assistance provided whether through a visit, email, fax or letter.

To learn more about FSA, visit [www.fsa.usda.gov](http://www.fsa.usda.gov) or to find your local USDA office, visit <http://offices.usda.gov>.

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## USDA Farm Service Agency (FSA) Online Hay and Grazing Acres Locator Tool

FSA's **Hay Net** website [www.fsa.usda.gov/haynet](http://www.fsa.usda.gov/haynet) is the "go to" online resource for agricultural producers to list information concerning the need for hay and grazing acres or the availability of hay and grazing acres.

If, due to extenuating circumstances, producers are in need of hay and/or grazing acres to support livestock, please use **Hay Net** to post an advertisement seeking these resources. Likewise, landowners who have hay and/or grazing acres available for livestock producers should post a Hay Net advertisement as well.

A few things to remember when using the **Hay Net** website:

- There is a one-time registration process that should be completed by all users who want to post an ad online.
- Users who just want to browse ads **DO NOT NEED** to have an eAuthentication user id.

Please contact your [local FSA Office](#) for questions specific to your operation or county.

- Hay and grazing acre ads will be automatically removed after a period of 13 months.
- Please help your fellow farmer and rancher by keeping ads current and up to date and remove ads you no longer need or want advertised on **Hay Net**. Please, no corporate advertisements on this site.

**Hay Net** is brought to you by FSA as a public service. The sole purpose of this online resource is to provide a site for the exchange of information. FSA does not endorse, guarantee, or otherwise make representations of any kind regarding any user of this site and FSA is not responsible for defining the terms of grazing agreements or lease contracts.

For more information about **Hay Net** and other FSA services and programs, please contact your local FSA office. For local FSA Service Center contact information, please visit: [offices.usda.gov](http://offices.usda.gov).

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## New USDA Commitments to Help Build Up Next Generation of Farmers and Ranchers

The U.S. Department of Agriculture today announced a commitment by the U.S. Department of Agriculture (USDA) to prioritize \$5.6 billion over the next two years within USDA programs and services that serve new and beginning farmers and ranchers. Deputy Secretary Harden also announced a new, tailored web tool designed to connect burgeoning farm entrepreneurs with programs and resources available to help them get started.

The new web tool is available at [www.usda.gov/newfarmers](http://www.usda.gov/newfarmers). The site was designed based on feedback from new and beginning farmers and ranchers around the country, who cited unfamiliarity with programs and resources as a challenge to starting and expanding their operations. The site features advice and guidance on everything a new farm business owner needs to know, from writing a business plan, to obtaining a loan to grow their business, to filing taxes as a new small business owner. By answering a series of questions about their operation, farmers can use the site's Discovery Tool to build a personalized set of recommendations of USDA programs and services that may meet their needs.

Using the new web tool and other outreach activities, and operating within its existing resources, USDA has set a new goal of increasing beginning farmer and rancher participation by an additional 6.6 percent across key USDA programs, which were established or strengthened by the 2014 Farm Bill, for a total investment value of approximately \$5.6 billion. Programs were targeted for expanded outreach and commitment based on their impact on expanding opportunity for new and beginning farmers and ranchers, including starting or expanding an operation, developing new markets, supporting more effective farming and conservation practices, and having access to relevant training and education opportunities. USDA will provide quarterly updates on its progress towards

meeting its goal. A full explanation of the investment targets, benchmarks and outcomes is available at: [BFR-Commitment-Factsheet](#).

As the average age of the American farmer now exceeds 58 years, and data shows that almost 10 percent of farmland in the continental United States will change hands in the next five years, we have no time to lose in getting more new farmers and ranchers established. Equally important is encouraging young people to pursue careers in industries that support American agriculture. According to [an employment outlook report](#) released by USDA's National Institute of Food and Agriculture (NIFA) and Purdue University, one of the best fields for new college graduates is agriculture. Nearly 60,000 high-skilled agriculture job openings are expected annually in the United States for the next five years, yet only 35,000 graduates with a bachelor's degree or higher in agriculture related fields are expected to be available to fill them. The report also shows that women make up more than half of the food, agriculture, renewable natural resources, and environment higher education graduates in the United States. USDA recently released a [series of fact sheets](#) showcasing the impact of women in agriculture nationwide.

Today's announcement builds on USDA's ongoing work to engage its resources to inspire a strong next generation of farmers and ranchers by improving access to land and capital; building market opportunities; extending conservation opportunities; offering appropriate risk management tools; and increasing outreach and technical support. To learn more about USDA's efforts, visit the [Beginning Farmers and Ranchers Results Page](#).

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## **MAL and LDP Policy for Crop Years 2015-2018**

The Agricultural Act of 2014 authorized 2014-2018 crop year Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs), with a few minor policy changes.

MALs and LDPs provide financing and marketing assistance for wheat, 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 a loan, but agrees to forgo the loan, may obtain an LDP if such a payment is available. Marketing loan provisions and LDPs are not available for sugar and extra-long staple cotton.

FSA is now accepting requests for 2015 MALs and LDPs for all eligible commodities after harvest.

Before MAL repayments with a market loan gain or LDP disbursements can be made, producers must meet the requirements of actively engaged in farming, cash rent tenant and member contribution.

Additionally, form CCC-902 and CCC-901 must be submitted for the 2015 crop year, if applicable, with a county committee determination and updated subsidiary files.

To be considered eligible for an LDP, producers must have form [CCC-633EZ](#), Page 1 on file at their local FSA Office before losing beneficial interest in the crop. Pages 2, 3 or 4 of the form must be submitted when payment is requested.

The 2014 Farm Bill also establishes payment limitations per individual or entity not to exceed \$125,000 annually on certain commodities for the following program benefits: price loss coverage payments, agriculture risk coverage payments, marketing loan gains (MLGs) and LDPs. These payment limitations do not apply to MAL loan disbursements.

Adjusted Gross Income (AGI) provisions were modified by the 2014 Farm Bill, which states that a producer whose total applicable three-year average AGI exceeds \$900,000 is not eligible to receive an MLG or LDP. Producers must have a valid CCC-941 on file to earn a market gain of LDP.

For more information and additional eligibility requirements, please visit a nearby USDA Service Center or FSA's website [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## 2015 General Loan/Loan Deficiency Payments Provisions

### 2015 GENERAL LOAN/LDP PROVISIONS

Marketing assistance loans and loan deficiency payments (LDP) are authorized for the 2015 crop year. The 2015 crop commodities eligible for loan and LDP regardless of whether produced on a participating or nonparticipating farm are:

Wheat	Rice	Soybeans	Other Oilseeds
Upland Cotton	ELS Cotton	Oats	Corn
Grain Sorghum	Wool	Honey	Lentils
Peanuts	Dry peas	Small Chick peas	Barley

Hay, silage, and unshorn pelts derived from the above commodities are eligible for LDP, but not for marketing assistance loan.

In addition, producers who graze eligible wheat, oats, barley, and triticale are eligible for LDP-like GRAZE-OUT payments, if the crop is grazed out by livestock and not mechanically harvested. GRAZE-OUT payments only apply at times when an LDP is available on the particular commodity (depending on the posted county price).

#### Beneficial Interest Requirements

For a commodity to be eligible for a loan or LDP the producer must have beneficial interest in the commodity. Beneficial interest means the producer has complete control of the commodity, and title to the commodity. Once beneficial interest is lost, the commodity is ineligible for loan and LDP, even if beneficial interest is regained. For LDP's producers must maintain beneficial interest from harvest through the date the LDP is requested. For loans producers must maintain beneficial interest from harvest through the date the commodity is redeemed from loan, or the Commodity Credit Corporation (CCC) takes title to the commodity.

All producers and landowners who share in the proceeds of the loans or LDP's are encouraged to sign Form CCC-633 EZ, Page 1 prior to harvest. Signing this form prior to loss of beneficial interest protects the producer or landowner if loan or LDP benefits are not requested prior to loss of beneficial interest. Signing the form does not take away any option to request a commodity loan or an LDP.

#### General Provisions

To be eligible for loans and LDP's producers must certify and comply with the following:

1. Highly Erodible Land Conservation/Wetland Conservation Provisions (HELC/WC)
2. Planted acreage reports must be filed for all crops and must account for all cropland
3. Must not violate controlled substance provisions

#### 4. Must comply with Adjusted Gross Income provisions (AGI)

##### Loans

All commodities pledged for CCC loan must be free and clear of all liens, judgments, and other encumbrances. If not, lien waivers must be provided. Commodities pledged for CCC loan must be stored in approved on-farm storage or in approved State or federally licensed warehouses. Producers are responsible for maintaining the storability and quality of commodities mortgaged to CCC and stored on the farm. Also, producers MUST obtain permission from FSA BEFORE moving, delivering to buyers, selling, or feeding commodities mortgaged to CCC. Severe penalties apply for non-compliance with this regulation.

##### Loan Deficiency Payments (LDP's)

LDP's are payments made to producers who, although eligible to obtain a CCC loan, agree to forgo the loan in return for a payment on the eligible quantity. LDP's are available when the CCC determined value (loan repayment rate) falls below the loan rate for the commodity.

##### Debt Collection Improvement Act (DCIA) Requirements

As required by the DCIA, producers that owe a delinquent nontax debt to the Federal Government are ineligible to receive a commodity loan and/or LDP. Producers may resolve the Federal debt and become eligible to receive a commodity loan and/or LDP.

##### Payment Limitations

The total amount of payments received directly or indirectly, by a person or legal entity (except a joint venture or general partnership) for the crop year for Price Loss Coverage (PLC), Agriculture Risk Coverage (ARC), marketing loan gains or LDP payments for all loan commodities, other than peanuts, may not exceed \$125,000. A person or legal entity that receives payments for peanuts has a separate \$125,000 payment limitation for PLC, ARC, marketing loan gains and LDP's.

##### Locking-In Repayment Rates

Producers with outstanding CCC loans may "lock-in" the repayment rate by completing form CCC-697. The locking-in of the repayment rate is allowed for all commodities except cotton.

The CCC-697 (lock-in) expires the earlier of 60 days after it is executed, or 14 days before the loan matures. Specific quantities of a commodity can be "locked-in" only once. For specific quantities locked-in and not repaid during the lock-in period, the repayment rate for that specific quantity cannot be locked-in again. Also, for warehouse stored loans, the request to lock-in the repayment rate must cover entire warehouse receipt quantities.

##### Final Loan/LDP Availability Date

The final date to request a loan or LDP for the 2015 crop commodities commonly produced in Mississippi is as follows:

- |   |                  |
|---|------------------|
| - cotton, rice, soybeans, corn, grain sorghum | May 31, 2016     |
| - wheat, oats, honey                          | March 31, 2016   |
| - wool, peanuts, unshorn pelts,               | January 31, 2016 |

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## 2016 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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## USDA Packages Disaster Protection with Loans to Benefit Specialty Crop and Diversified Producers

*Free basic coverage and discounted premiums available for new and underserved loan applicants*

U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) today announced that producers who apply for FSA farm loans also will be offered the opportunity to enroll in new disaster loss protections created by the 2014 Farm Bill. The new coverage, available from the Noninsured Crop Disaster Assistance Program (NAP), is available to FSA loan applicants who grow non-insurable crops, so this is especially important to fruit and vegetable producers and other specialty crop growers.

New, underserved and limited income specialty growers who apply for farm loans could qualify for basic loss coverage at no cost, or higher coverage for a discounted premium.

The basic disaster coverage protects at 55 percent of the market price for crop losses that exceed 50 percent of production. Covered crops include “specialty” crops, for instance, vegetables, fruits, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, hay, forage, grazing and energy crops. FSA allows beginning, underserved or limited income producers to obtain NAP coverage up to 90 days after the normal application closing date when they also apply for FSA credit.

In addition to free basic coverage, beginning, underserved or limited income producers are eligible for a 50 percent discount on premiums for the higher levels of coverage that protect up to 65 percent of expected production at 100 percent of the average market price. Producers also may work with FSA to protect value-added production, such as organic or direct market crops, at their fair market value in those markets. Targeted underserved groups eligible for free or discounted

coverage are American Indians or Alaskan Natives, Asians, Blacks or African Americans, Native Hawaiians or other Pacific Islanders, Hispanics, and women.

FSA offers a variety of loan products, including farm ownership loans, operating loans and microloans that have a streamlined application process.

Growers need not apply for an FSA loan, nor be a beginning, limited resource, or underserved farmer, to be eligible for Noninsured Crop Disaster Assistance Program assistance. To learn more, visit [www.fsa.usda.gov/nap](http://www.fsa.usda.gov/nap) or [www.fsa.usda.gov/farmloans](http://www.fsa.usda.gov/farmloans), or contact your local FSA office at <https://offices.usda.gov>.

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## Direct Loans

FSA offers direct farm ownership and direct farm operating Loans to producers who want to establish, maintain or strengthen their farm or ranch. FSA loan officers process, approve and service direct loans.

Direct farm operating loans can be used to purchase livestock and feed, farm equipment, fuel, farm chemicals, insurance and other costs including family living expenses. Operating loans can also be used to finance minor improvements or repairs to buildings and to refinance some farm-related debts, excluding real estate.

Direct farm ownership loans can be used to purchase farmland, enlarge an existing farm, construct and repair buildings, and to make farm improvements.

The maximum loan amount for both direct farm ownership and operating loans is \$300,000 and a down payment is not required. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

Please contact your local FSA office for more information or to apply for a direct farm ownership or operating loan.

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## Guaranteed Loan Program

FSA guaranteed loans allow lenders to provide agricultural credit to farmers who do not meet the lender's normal underwriting criteria. Farmers and ranchers apply for a guaranteed loan through a lender, and the lender arranges for the guarantee. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan. Guaranteed loans can be used for both farm ownership and operating purposes.

Guaranteed farm ownership loans can be used to purchase farmland, construct or repair buildings, develop farmland to promote soil and water conservation or to refinance debt.

Guaranteed operating loans can be used to purchase livestock, farm equipment, feed, seed, fuel, farm chemicals, insurance and other operating expenses.

FSA can guarantee farm ownership and operating loans up to \$1,399,000. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

Please contact your lender or local FSA farm loan office for more information on guaranteed loans.

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## Youth Loans Available to Establish Agricultural Income-Producing Projects

The Farm Service Agency makes loans to youth to establish and operate agricultural income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5000.

### Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Comply with FSA's general eligibility requirements
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the youth loan applicant, along with providing adequate supervision.

Stop by the county office for help preparing and processing the application forms.

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USDA is an equal opportunity provider and employer. 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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