

February 2018



Farm Service Agency **Electronic News Service**

# NEWSLETTER

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## New York State FSA Newsletter

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### New York State Farm Service Agency

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

### Dates To Remember

#### March 15

NAP coverage application deadline for most spring planted fruits and vegetables - **see article below**

#### March 31

Marketing Assistance Loans Deadline for prior year harvested wheat, barley and oats

#### Ongoing

CREP (Conservation Reserve Enhancement Program) Sign-Up

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## Producers Urged to Consider NAP Risk Protection Coverage before March 15 Deadline

The USDA Farm Service Agency (FSA) reminds producers to review available USDA crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the crop deadline of March 15.

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.

**The following crops in New York have a NAP application deadline of March 15, 2018:** Artichokes, Beans, Broccoflower, Broccoli, Brussel Sprouts, Buckwheat, Cabbage, Calaloo, Canary Melon, Cantaloupe, Carrots, Cauliflower, Celeriac, Celery, Corn-Sweet, Crenshaw Melons, Cucumbers, Eggplant, Gourds, Honeydew, Hops, Jerusalem Artichokes, Kohlrabi, Korean Golden Melon, Millet, Okra, Parsnips, Peas, Peppers, Potatoes, Pumpkins, Rutabaga, Safflower, Sesame, Sorghum – FG, Soybeans, Squash, Sunflowers, Sweet Potatoes, Tomatoes, Tomatillos, Watermelon, and Yams

Producers can determine if crops are eligible for federal crop insurance or NAP by visiting <https://webapp.rma.usda.gov/apps/actuarialinformationbrowser2017/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.

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.

For more information on NAP, service fees, premiums and sales deadlines, contact your local county office, or visit the web at [www.fsa.usda.gov/nap](http://www.fsa.usda.gov/nap).

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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.

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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## Update Your Records

FSA is cleaning up our producer record database. If you have any unreported changes of address, zip code, phone number, email address or an incorrect name or business name on file they need to be reported to our office. Changes in your farm operation, like the addition of a farm by lease or purchase, need to be reported to our office as well. Producers participating in FSA and NRCS programs are required to timely report changes in their farming operation to the County Committee in writing and update their CCC-902 Farm Operating Plan.

If you have any updates or corrections, please call your local FSA office to update your records.

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## FSA Offers Joint Financing Option on Direct Farm Ownership Loans

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Joint financing allows FSA to provide more farmers and ranchers with access to capital. FSA lends up to 50 percent of the total amount financed. A commercial lender, a State program or the seller of the property being purchased, provides the balance of loan funds, with or without an FSA guarantee. The maximum loan amount for a Joint Financing loan is \$300,000 and the repayment period for the loan is up to 40 years.

To be eligible, the operation must be an eligible farm enterprise. Farm Ownership loan funds cannot be used to finance nonfarm enterprises and all applicants must be able to meet general eligibility requirements. Loan applicants are also required to have participated in the business operations of a farm or ranch for at least three years out of the 10 years prior to the date the application is submitted. The applicant must show documentation that their participation in the business operation of the farm or ranch was not solely as a laborer.

For more information about FSA Loan programs, contact your local FSA office or visit

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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 (HEL) 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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