



**February 2016**

**Rhode Island Service Agency**

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# NEWSLETTER

## USDA Expands Microloans to Help Farmers Purchase Farmland and Improve Property

*Producers, Including Beginning and Underserved Farmers, Have a New Option to Gain Access to Land*

The U.S. Department of Agriculture (USDA) will begin offering farm ownership microloans, creating a new financing avenue for farmers to buy and improve property. These microloans will be especially helpful to beginning or underserved farmers, U.S. veterans looking for a career in farming, and those who have small and mid-sized farming operations.

The microloan program, which celebrates its third anniversary this week, has been hugely successful, providing more than 16,800 low-interest loans, totaling over \$373 million to producers across the country. Microloans have helped farmers and ranchers with operating costs, such as feed, fertilizer, tools, fencing, equipment, and living expenses since 2013. Seventy percent of loans have gone to new farmers.

Now, microloans will be available to also help with farm land and building purchases, and soil and water conservation improvements. FSA designed the expanded program to simplify the application process, expand eligibility requirements and expedite smaller real estate loans to help farmers strengthen their operations. Microloans provide up to \$50,000 to qualified producers, and can be issued to the applicant directly from the USDA Farm Service Agency (FSA).

This microloan announcement is another USDA resource for America's farmers and ranchers to utilize, especially as new and beginning farmers and ranchers look for the assistance they need to get started. To learn more about the FSA microloan program visit [www.fsa.usda.gov/microloans](http://www.fsa.usda.gov/microloans), or contact your local FSA office. To find your nearest office location, please visit <http://offices.usda.gov>

### **Beginning Farmer Loans**

FSA assists beginning farmers to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more than 10 years
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
- Does not own a farm in excess of 30 percent of the county's average size farm.

Additional program information, loan applications, and other materials are available at your local USDA Service Center. You may also visit [www.fsa.usda.gov](http://www.fsa.usda.gov).

## 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>.

## Farm Service Agency (FSA) and Risk Management Agency (RMA) to Prevent Fraud, Waste, and Abuse

FSA supports the RMA in the prevention of fraud, waste and abuse of the Federal Crop Insurance Program. FSA has been, and will continue to, assist RMA and insurance providers by monitoring crop conditions throughout the growing season. FSA will continue to refer all suspected cases of fraud, waste and abuse directly to RMA. Producers can report suspected cases to the county office staff, the RMA office, or the Office of the Inspector General

## USDA Commits \$2.5 Million to Expand New Farmer Education

### *Training Will also Help Returning Service Members, Underserved, and Urban Producers*

U.S. Department of Agriculture (USDA) has announced that \$2.5 million in grants is now available for projects to educate new and underserved farmers about more than 20 Farm Service Agency (FSA) programs that can provide financial, disaster or technical assistance to the agricultural community.

The grants will be awarded to nonprofits and public higher education institutions that develop proposals to improve farmer education on topics such as financial training, value-added production, recordkeeping, property inheritance, and crop production practices.

USDA will conduct four evaluation periods to review applications, with the deadlines of Nov. 20, 2015, Jan. 22, 2015, Mar. 18, 2016, and May 27, 2016. Awards between \$20,000 and \$100,000 per applicant will be available. To learn more about the funding solicitation and the related Farm Service Agency programs, details can be found at [www.grants.gov](http://www.grants.gov) with the reference number USDA-FSA-CA-2015-001. For nonprofits and public institutions of higher education that are considering participation, an online informational session will be conducted on Sept. 28, 2015. Additional information is posted on the Web at [www.fsa.usda.gov/outreach](http://www.fsa.usda.gov/outreach).

## Disaster Set-Aside (DSA) Program

FSA borrowers with farms located in designated primary or contiguous disaster areas who are unable to make their scheduled FSA loan payments should consider the Disaster Set-Aside (DSA) program.

DSA is available to producers who suffered losses as a result of a natural disaster and is intended to relieve immediate and temporary financial stress. FSA is authorized to consider setting aside the portion of a payment/s needed for the operation to continue on a viable scale. Borrowers must have at least two years left on the term of their loan in order to qualify.

Borrowers have eight months from the date of the disaster designation to submit a complete application. The application must include a written request for DSA signed by all parties liable for the debt along with production records and financial history for the operating year in which the disaster occurred. FSA may request additional information from the borrower in order to determine eligibility.

All farm loans must be current or less than 90 days past due at the time the DSA application is complete. Borrowers may not set aside more than one installment on each loan.

The amount set-aside, including interest accrued on the principal portion of the set-aside, is due on or before the final due date of the loan.

For more information, contact your local FSA farm loan office.

## Farm Storage Facility Loans

FSA's Farm Storage Facility Loan (FSFL) program provides low-interest financing to producers to build or upgrade storage facilities.

The low-interest funds can be used to build or upgrade permanent facilities to store commodities. Eligible commodities include corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley, minor oilseeds harvested as whole grain, pulse crops (lentils, chickpeas and dry peas), hay, honey, renewable biomass, fruits, nuts and vegetables for cold storage facilities, floriculture, hops, maple sap, rye, milk, cheese, butter, yogurt, meat and poultry (unprocessed), eggs, and aquaculture (excluding systems that maintain live animals through uptake and discharge of water). Qualified facilities include grain bins, hay barns and cold storage facilities for eligible commodities.

Loans up to \$50,000 can be secured by a promissory note/security agreement and some loans between \$50,000 and \$100,000 will no longer require additional security.

Producers do not need to demonstrate the lack of commercial credit availability to apply. The loans are designed to assist a diverse range of farming operations, including small and mid-sized businesses, new farmers, operations supplying local food and farmers markets, non-traditional farm products, and underserved producers.

To learn more about the FSA Farm Storage Facility Loan, visit [www.fsa.usda.gov/pricesupport](http://www.fsa.usda.gov/pricesupport) or contact your local FSA county office. To find your local FSA county office, visit <http://offices.usda.gov>.

## Tree Assistance Program (TAP) Sign-up

Orchardists and nursery tree growers who experience losses from natural disasters during calendar year 2015 must submit a TAP application either 90 calendar days after the disaster event or the date when the loss is apparent. TAP was authorized by the Agricultural Act of 2014 as a permanent disaster program. TAP provides financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes and vines damaged by natural disasters.

Eligible tree types include trees, bushes or vines that produce an annual crop for commercial purposes. Nursery trees include ornamental, fruit, nut and Christmas trees that are produced for commercial sale. Trees used for pulp or timber are ineligible.

To qualify for TAP, orchardists must suffer a qualifying tree, bush or vine loss in excess of 15 percent mortality from an eligible natural disaster. The eligible trees, bushes or vines must have been owned when the natural disaster occurred; however, eligible growers are not required to own the land on which the eligible trees, bushes and vines were planted.

If the TAP application is approved, the eligible trees, bushes and vines must be replaced within 12 months from the date the application is approved. The cumulative total quantity of acres planted to trees, bushes or vines, for which a producer can receive TAP payments, cannot exceed 500 acres annually.