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- [USDA Expands Microloans to Help Farmers Purchase Farmland and Improve Property](#)
- [Enrollment Period for 2016 USDA Safety Net Coverage Began Dec. 7](#)
- [USDA Begins 49th Enrollment Period for the Conservation Reserve Program](#)
- [Firearms and Dangerous Weapons Forbidden In Federal Facilities](#)
- [Farmers to Receive Documentation of USDA Services](#)
- [Direct Loans](#)
- [MAL and LDP Policy Changes for Crop Years 2015-2018](#)
- [Rural Energy for America Program \(REAP\) Grant Workshops](#)
- [Value Added Producer Grant Program](#)

South Carolina FSA January Newsletter

South Carolina Farm Service Agency

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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

Producers can contact their [local FSA Office](#) for more information or to schedule an appointment.

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, or contact your local FSA office. To find your nearest office location, please visit <http://offices.usda.gov>.

Enrollment Period for 2016 USDA Safety Net Coverage Began Dec. 7

USDA's Farm Service Agency (FSA) has announced that producers who chose coverage from the safety net programs established by the 2014 Farm Bill, known as the Agriculture Risk Coverage (ARC) or the Price Loss Coverage (PLC) programs, can begin visiting FSA county offices starting Dec. 7, 2015, to sign contracts to enroll in coverage for 2016. The enrollment period will continue until Aug. 1, 2016.

Although the choice between ARC and PLC is completed and remains in effect through 2018, producers must still enroll their farm by signing a contract each year to receive coverage.

Producers are encouraged to contact their local FSA office to schedule an appointment to enroll. If a farm is not enrolled during the 2016 enrollment period, producers on that farm will not be eligible for financial assistance from the ARC or PLC programs should crop prices or farm revenues fall below the historical price or revenue benchmarks established by the program.

The two programs were authorized by the 2014 Farm Bill and offer a safety net to agricultural producers when there is a substantial drop in prices or revenues for covered commodities. Covered commodities include barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium grain rice (which includes short grain and sweet rice), safflower seed, sesame, soybeans, sunflower seed and wheat. Upland cotton is no longer a covered commodity. For more details regarding these programs, go to www.fsa.usda.gov/arc-plc.

For more information, producers are encouraged to visit their local FSA office. To find a local FSA office, visit <http://offices.usda.gov>.

USDA Begins 49th Enrollment Period for the Conservation Reserve Program

December 2015 Marks 30th Anniversary for the Nation's Most Successful Voluntary Conservation Program

Farmers and ranchers are reminded that the next general enrollment period for the Conservation Reserve Program (CRP) started Dec. 1, 2015, and ends on Feb. 26, 2016. December 2015 also marks the 30th anniversary of CRP, a federally funded program that assists agricultural producers with the cost of restoring, enhancing and protecting certain grasses, shrubs and trees to improve water quality, prevent soil erosion and reduce loss of wildlife habitat.

As of September 2015, 24.2 million acres were enrolled in CRP. CRP also is protecting more than 170,000 stream miles with riparian forest and grass buffers, enough to go around the world 7 times. For an interactive tour of CRP success stories from across the U.S., visit www.fsa.usda.gov/CRPis30, or follow on Twitter at #CRPis30.

Participants in CRP establish long-term, resource-conserving plant species, such as approved grasses or trees (known as “covers”) to control soil erosion, improve water quality and develop wildlife habitat on marginally productive agricultural lands. In return, FSA provides participants with rental payments and cost-share assistance. At times when commodity prices are low, enrolling sensitive lands in CRP can be especially attractive to farmers and ranchers, as it softens the economic hardship for landowners at the same time that it provides ecological benefits. Contract duration is between 10 and 15 years. The long-term goal of the program is to re-establish native plant species on marginal agricultural lands for the primary purpose of preventing soil erosion and improving water quality and related benefits of reducing loss of wildlife habitat.

Contracts on 1.64 million acres of CRP are set to expire on Sept. 30, 2016. Producers with expiring contracts or producers with environmentally sensitive land are encouraged to evaluate their options under CRP.

Since it was established on Dec. 23, 1985, CRP has:

- Prevented more than 9 billion tons of soil from eroding, enough soil to fill 600 million dump trucks;
- Reduced nitrogen and phosphorous runoff relative to annually tilled cropland by 95 and 85 percent respectively;
- Sequestered an annual average of 49 million tons of greenhouse gases, equal to taking 9 million cars off the road.

Since 1996, CRP has created nearly 2.7 million acres of restored wetlands.

For more information FSA conservation programs, visit a local FSA office or www.fsa.usda.gov/conservation. To find your local FSA office, visit <http://offices.usda.gov>.

Firearms and Dangerous Weapons Forbidden In Federal Facilities

USDA Service Centers and Farm Service Agency Offices are Off Limits for Firearms

This is an important reminder to all customers and patrons of USDA Farm Service Agency (FSA) offices and USDA Service Centers statewide that **firearms are forbidden (even with a permit/license) in Federal Buildings**. A Federal Building by definition is any building owned, leased or rented by the Federal Government, where Federal employees are regularly present for the purpose of performing their official duties.

The items that are prohibited in Federal facilities include any item prohibited by any applicable Federal, State, local, and tribal law and/or ordinance, as well as firearms, dangerous weapons, explosives, or other destructive devices (including their individual parts or components) designed, redesigned, used, intended for use, or readily converted to cause injury, death, or property damage. Possession of firearms and dangerous weapons in Federal facilities as outline above is a crime punishable by fines and imprisonment.

For a complete list of items prohibited in Federal facilities, please view and/or download the document titled, **Items Prohibited from Federal Facilities: An Interagency Security Committee Standard**: <http://www.dhs.gov/sites/default/files/publications/isc-items-prohibited-federal-facilities-feb-2013-508.pdf>. **The lists of prohibited items outlined in this document apply to all facility occupants, contractors, and the visiting public.**

If you have questions or concerns regarding this notification, please contact your local Farm Service Agency Office—<http://offices.usda.gov>.

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.

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 or to find your local USDA office, visit <http://offices.usda.gov>.

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.

MAL and LDP Policy Changes 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.

Among the changes, farm-stored MAL collateral transferred to warehouse storage will retain the original loan rate, be allowed to transfer only the outstanding farm-stored quantity with no additional quantity allowed and will no longer require producers to have a paid for measurement service when moving or commingling loan collateral.

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 2014 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.

Rural Energy for America Program (REAP) Grant Workshops

For Agricultural Producers & Rural Small Businesses

USDA, Rural Development (RD) offers agricultural producers and rural small businesses in South Carolina the opportunity to reduce their energy consumption with the assistance of the Rural Energy for America Program (REAP). REAP grants can pay for up to 25% of the cost of doing energy efficiency improvements to a facility, building, or a process within the agricultural operation.

Energy Efficiency Project maximum grant amount is \$250,000 and the minimum grant is \$1,500. Renewable Energy Grants are available for a system that produces or produces and delivers usable energy from sources such as a renewable energy source, with a maximum grant of \$500,000 and a minimum grant of \$2,500. Applications can be filed at any time.

Eligible agricultural producers and rural small businesses may use REAP funds to purchase and install renewable energy systems and make energy efficiency improvements. Eligible renewable energy systems include energy from wind, solar, renewable biomass (including anaerobic digesters), small hydro-electric, ocean, geothermal, or hydrogen derived from these renewable resources. Funds may also be used for the purchase, installation and construction of energy efficiency improvements, such as: high efficiency heating, ventilation and air conditioning systems (HVAC), insulation, lighting, cooling or refrigeration units, doors and windows, electric, solar or gravity pumps for sprinkler pivots, switching from a diesel to electric irrigation motor and replacement of energy-inefficient equipment.

RD will be holding workshops at the sites listed below on the dates and times provided to discuss the REAP Program and to provide application assistance. Farm Service Agency (FSA) and Natural Resource Conservation Service (NRCS) representatives will be available to discuss their programs as well.

February 2, 2016 @ 11:30 am – Ridgeland, SC

Palmetto Electric Cooperative, Inc.

4063 Grays Highway, Ridgeland, SC 29936

Contact: Eva Franklin Phone: 843.549.1822, ext. 131 Email: eva.franklin@sc.usda.gov

February 18, 2016 - Kingstree, SC

*Location and Time To Be Determined

Contact: Eva Franklin Phone: 843.549.1822, ext. 131 Email: eva.franklin@sc.usda.gov

March 24, 2016 @ 1:00 pm – Florence, SC

Florence USDA Service Center Conference Room

215 Third Loop Road, Florence, SC 29505

Contact: Laura Siple Phone: 843.669.9686, ext. 117 Email: laura.siple@sc.usda.gov

***Space is limited. Please contact Laura Siple to make a reservation**

If you are interested in these programs, we invite you to attend our GRANT WORKSHOP to learn more.

Persons with disabilities who require accommodations to attend or participate in these meetings should contact Janice Allen at 803.765.5247 or Federal Relay Service at 1-800-877-8339 at least 24 hours before the event.

Value Added Producer Grant Program

The Value Added Producer Grant (VAPG) program helps agricultural producers enter into value-added activities related to the processing and/or marketing of bio-based, value-added products. Generating new products, creating and expanding marketing opportunities, and increasing producer income are the goals of this program. You may receive priority if you are a beginning farmer or rancher, a socially-disadvantaged farmer or rancher, a small or medium-sized farm or ranch structured as a family farm, a farmer or rancher cooperative, or are proposing a mid-tier value chain. Grants are awarded through a national competition. Each fiscal year, applications are requested through a notice published in the Federal Register and through an announcement posted on Grants.gov. The maximum amount of grant for Fiscal Year 2016 will be announced in the Notice of Funding Availability. In Fiscal Year 2015, \$1.1 million in grant funds were awarded to South Carolina's applicants.

Maximum Grant Amount: \$75,000 for planning grants; \$250,000 for working capital grants (was available in FY 2015)

Matching Funds Requirements: 50% of total project costs

Who may apply for this program? Independent producers, agricultural producer groups, farmer- or rancher-cooperatives, and majority-controlled producer-based business ventures are eligible to apply for this program.

How may funds be used?

Grant and matching funds can be used for planning activities or for working capital expenses related to producing and marketing a value-added agricultural product. Examples of planning activities include conducting feasibility studies and developing business plans for processing and marketing the proposed value-added product. Examples of working capital expenses include:

- Processing costs
- Marketing and advertising expenses
- Some inventory and salary expenses

How do I get started? Before you apply:

- Request a Data Universal Number System (DUNS) number if your organization doesn't already have one.
- Register your organization with the System for Award Management (SAM) if you aren't already registered.

Additional requirements: You need to read the Federal Register notice for the details on what is needed for an application. Make sure you start putting together the required information at least a month before the application deadline because you may need to provide letters of commitment or

support from other organizations, a work plan and budget, and other information that will take you some time to look up or write. You may also need to fill out required forms. You can get copies of those forms from your nearest Rural Development Office. For more information, contact W. Gartman, Agricultural Marketing Specialist, USDA Rural Development, Waltherboro Office - 843-549-1822 ext.119.

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).