

February 2016



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South Carolina FSA February 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.

Farm Loan Programs

Chief:

Frank Sligh

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

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

USDA Offers Flood Impacted South Carolina Farmers and Ranchers Immediate Disaster Assistance

Farm Service Agency Stands Ready to Assist Agricultural Producers Slammed by Recent Heavy Rains

South Carolina Farm Service Agency (FSA) reminds farmers and ranchers across the state of federal farm program benefits that may be available to help eligible producers recover from recent heavy rains and flooding.

FSA offers disaster assistance and low-interest loan programs to assist agricultural producers in their recovery efforts following floods or similar qualifying natural disasters. Available programs and loans include:

- **Non-Insured Crop Disaster Assistance Program (NAP)** - provides financial assistance to producers of non-insurable crops when low yields, loss of inventory, or prevented planting occur due to natural disasters (includes native grass for grazing). Eligible producers must have purchased NAP coverage for 2015 crops.
- **Livestock Indemnity Program (LIP)** - offers payments to eligible producers for livestock death losses in excess of normal mortality due to adverse weather. Eligible losses may include those determined by FSA to have been caused by hurricanes, floods, blizzards, wildfires, tropical storms, tornados lightening, extreme heat, and extreme cold. Producers will be required to provide verifiable documentation of death losses resulting from an eligible adverse weather event and must submit a notice of loss to their local FSA office within 30 calendar days of when the loss of livestock is apparent.
- **Tree Assistance Program (TAP)** – provides assistance to eligible orchardists and nursery tree growers for qualifying tree, shrub and vine losses due to natural disaster.
- **Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP)** - provides emergency relief for losses due to feed or water shortages, disease, adverse weather, or other conditions, which are not adequately addressed by other disaster programs. ELAP covers physically damaged or destroyed livestock feed that was purchased or mechanically harvested forage or feedstuffs intended for use as feed for the **producer's** eligible livestock. In order to be considered eligible, harvested forage must be baled; forage that is only cut, raked or windrowed is not eligible. Producers must submit a notice of loss to their local FSA office within 30 calendar days of when the loss is apparent. ELAP also covers up to 150 lost grazing days in instances when a producer has been forced to remove livestock from a grazing pasture due to floodwaters. For beekeepers,

ELAP covers beehive losses (the physical structure) in instances where the hive has been destroyed by a natural disaster including flooding, high winds and tornadoes.

- **Emergency Loan Program** – Available to producers with agriculture operations located in a county under a primary or contiguous **Secretarial Disaster designation**. These low interest loans help producers recover from production and physical losses due to drought, flooding.
- **Emergency Conservation Program (ECP)** - provides emergency funding for farmers and ranchers to rehabilitate land severely damaged by natural disasters; includes fence loss.
- **HayNet** - is an Internet-based Hay and Grazing Net Ad Service allowing farmers and ranchers to share 'Need Hay' ads and 'Have Hay' ads online. Farmers also can use another feature to post advertisements for grazing land, specifically ads announcing the availability of grazing land or ads requesting a need for land to graze. www.fsa.usda.gov/haynet.

To establish or retain FSA program eligibility, farmers and ranchers must report prevented planting and failed acres (crops and grasses). Prevented planting acreage must be reported on form FSA-576, Notice of Loss, no later than 15 calendar days after the final planting date as established by FSA and Risk Management Agency (RMA).

For more information on disaster assistance programs and loans visit www.fsa.usda.gov/ or contact your local FSA Office. To find your local FSA county office, visit <http://offices.usda.gov>.

USDA Announces Changes to Fruit, Vegetable and Wild Rice Planting Rules

Farm Service Agency (FSA) has announced fruit, vegetable and wild rice provisions that affect producers who intend to participate in certain programs authorized by the Agricultural Act of 2014.

Producers who intend to participate in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs are subject to an acre-for-acre payment reduction when fruits and nuts, vegetables or wild rice are planted on the payment acres of a farm. Payment reductions do not apply to mung beans, dry peas, lentils or chickpeas. Planting fruits, vegetables or wild rice on acres that are not considered payment acres will not result in a payment reduction. Farms that are eligible to participate in ARC/PLC but are not enrolled for a particular year may plant unlimited fruits, vegetables and wild rice for that year but will not receive ARC/PLC payments for that year. Eligibility for succeeding years is not affected.

Planting and harvesting fruits, vegetables and wild rice on ARC/PLC acreage is subject to the acre-for-acre payment reduction when those crops are planted on either more than 15 percent of the base acres of a farm enrolled in ARC using the county coverage or PLC, or more than 35 percent of the base acres of a farm enrolled in ARC using the individual coverage.

Fruits, vegetables and wild rice that are planted in a double-cropping practice will not cause a payment reduction if the farm is in a double-cropping region as designated by the USDA's Commodity Credit Corporation.

Filing CCC-941 Adjusted Gross Income (AGI) Certifications

Many producers have experienced delays in receiving Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) payments, Loan Deficiency Payments (LDPs) and Market Gains on Marketing Assistance Loans (MALs) because they have not filed form CCC-941, Adjusted Gross Income Certification. LDPs will not be paid until all eligible producers, including landowners who share in the crop, have filed a valid CCC-941.

Producers without a valid CCC-941 certifying their compliance with the average adjusted gross income provisions will not receive payments that have been processed. All farm operator/tenants/owners who have not filed a CCC-941 and have pending payments should IMMEDIATELY file the form with their recording county FSA office. Farm operators and tenants are

encouraged to ensure that their landowners have filed the form. FSA has been issuing 2014 ARC/PLC payments, 2015 LDPs and Market Gains.

FSA can accept the CCC-941 for 2014, 2015 and 2016. Unlike the past, producers must have the CCC-941 certifying their AGI compliance before any payments can be issued.

Save Time – Make an Appointment with FSA

To insure maximum use of your time and to insure that you are afforded our full attention to your important business needs, please call our office ahead of your visit to set an appointment and to discuss any records or documentation that you may need to have with you when you arrive for your appointment. For local FSA Service Center contact information, please visit:

<http://offices.sc.egov.usda.gov/locator/app>.

Update Your Records

FSA is cleaning up our producer record database. If you have any unreported changes of address or zip code 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.

Farm Reconstitutions

When changes in farm ownership or operation take place, a farm reconstitution is necessary. The reconstitution — or recon — is the process of combining or dividing farms or tracts of land based on the farming operation.

The following are the different methods used when doing a farm recon.

Estate Method — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate;

Designation of Landowner Method — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding;

DCP Cropland Method — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract;

Default Method — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

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.

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.

Loans for Targeted Underserved Producers

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or to purchase or improve farms or ranches.

While all qualified producers are eligible to apply for these loan programs, FSA has provided priority funding for members of targeted underserved applicants.

A targeted underserved applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities.

For purposes of this program, targeted underserved groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders.

FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

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).