January 2018

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South Carolina Farm Service Agency

From the State Executive Director

I don’t know about you, but I’m ready for some warmer weather! These short days and long nights have taken a toll on me—all I want to do is eat and sleep. I hope you are having a great 2018 and still honoring those New Year’s Resolutions.

Here’s an idea to break the monotony of winter: stop in to your local FSA office. There is some important business we can take care of now in order to free up your time later in the year when field work calls. For instance, enrollment for our main commodity crop safety net programs, the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs, is open right now. For most producers, this is a critical piece of their overall business plan, so why not take care of it? While you are in, we also can address important farm records changes, such as address or banking information updates that may seem minor, but actually can hold up program benefit distribution later in the year.

As producers look to finalize their financing for the season, our county office farm loan staff also is extremely busy. The articles
Acting Administrative Officer:  
Kenn Jameson

Farm Programs Chief:  
Amy Turner

Farm Loan Programs Chief:  
William Shelley

Producers can contact their local FSA Office for more information or to schedule an appointment.

Important Dates and Deadlines:

February 19: Offices Closed for Washington’s Birthday

February 28: NAP Application Closing Date for Beans, Corn, Cantaloupes, Cucumbers, Grain Sorghum, Honeydews, Millet, Okra, Peanuts, Peppers, Pumpkins, Squash, Sunflowers, Sweet Potatoes, Tomatoes, Watermelons, and other spring seeded crops not covered by FCIC

In closing, I want to highlight the Feb. 5, 2018, deadline for turning in your 2017 Census of Agriculture. The Census is conducted by our friends at the USDA National Agricultural Statistics Service (NASS) once every five years. It is a comprehensive analysis of agriculture in the United States, and the information is used in not only USDA programming, but for policy development work at both the state and national levels. To learn more see the article below or click here.

That’s all for this month. Stay warm and stay safe.

-- Boone Peeler

USDA Announces a Near-Record Year for Farm Loans

Infusing Rural Communities with Stronger Businesses and Sounder Agricultural Economies

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) announced another year of high activity in its farm loan programs. Hard-working farm families across the country accessed nearly $6 billion in new credit, either directly or guaranteed through commercial lenders in 2017. At year end, FSA was assisting more than 120,000 family farmers with loans totaling just over $25 billion.

FSA provides a variety of loan assistance, including direct and guaranteed farm ownership loans, operating loans and even direct Microloans up to $50,000 and EZ Guarantees up to $100,000 with streamlined application processes.

More than 25,000 direct and guaranteed FSA loans went to beginning or underserved farmers and ranchers. Over 4,200 beginning farmers received direct farm ownership loans from FSA to make their first land purchase. And of the approximately 6,500 Microloans made in the last fiscal year, three-quarters (almost 4,900) went to beginning farmers, 1,000 went to women and 400 to veterans.

FSA’s direct farm loans are unique in that the agency provides technical assistance in addition to credit. Consistent with efforts to continually improve technical assistance, today FSA announced the publication of two booklets that will serve as important informational tools and resources for existing and prospective farm loan borrowers.

Your FSA Farm Loan Compass booklet was recently developed specifically for farmers and ranchers who have an existing farm loan with FSA. It provides detailed guidance outlining borrower responsibilities and the servicing options that FSA offers. It also addresses common questions borrowers may have as they navigate through loan program requirements and the financial concepts involved.

Originally published in 2012, Your Guide to FSA Farm Loans was designed for new loan customers. It provides information about the various types of farm loans available and guides new borrowers through the application process. The revised version addresses program changes and
includes new loan offerings, like the popular Microloan program that was rolled out after the publication of the original Guide.

“Your FSA Farm Loan Compass” and “Your Guide to FSA Farm Loans” are available on the FSA website at www.fsa.usda.gov/dafl. Farmers and ranchers are encouraged to download and share them with others in their community who may require assistance in understanding FSA’s loans and servicing processes. For additional information about FSA farm loans, please contact your loan officer or other FSA staff at your local office. To find your local FSA office, visit http://offices.usda.gov.

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### Census of Agriculture Response Deadline Approaching

In December farmers and ranchers across the nation received the 2017 Census of Agriculture. Producers can mail in their completed census form, or respond online via the improved web questionnaire. The online questionnaire has been revised extensively to make it more convenient for producers.

Conducted once every five years, the census of agriculture is a complete count of all U.S. farms, ranches, and those who operate them; it is the only source of uniform, comprehensive, and impartial agriculture data for every state and county in the nation. Completed surveys are due by Feb. 5, 2018.

Farmers and ranchers, trade associations, government, extension educators, researchers, and many others rely on census of agriculture data when making decisions that shape American agriculture – from creating and funding farm programs to boosting services for communities and the industry.

For more information about the 2017 Census of Agriculture, visit www.agcensus.usda.gov or call (800) 727-9540.

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### Enrollment Period for Safety Net Coverage in 2018.

Farmers and ranchers with base acres in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) safety net program may enroll for the 2018 crop year. The enrollment period will end on Aug. 1, 2018.

**Since shares and ownership of a farm can change year-to-year, producers must enroll by signing a contract each program year.**

The producers on a farm that are not enrolled for the 2018 enrollment period will not be eligible for financial assistance from the ARC or PLC programs for the 2018 crop should crop prices or farm revenues fall below the historical price or revenue benchmarks established by the program. Producers who made their elections in previous years must still enroll during the 2018 enrollment period.

The ARC and PLC 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.
New Actively Engaged Provisions for Non-Family Joint Operations or Entities

Many Farm Service Agency programs require all program participants, either individuals or legal entities, to be “actively engaged in farming”. This means participants provide a significant contribution to the farming operation, whether it is capital, land, equipment, active personal labor and/or management. For entities, each partner, stockholder or member with an ownership interest, must contribute active personal labor and/or management to the operation on a regular basis.

The 2014 Farm Bill established additional payment eligibility provisions relating to the farm management component of meeting “actively engaged in farming”. These new provisions apply to joint operations comprised of non-family members or partners, stockholders or persons with an ownership in the farming operation. Effective for 2016 and subsequent crop years, non-family joint operations are afforded to one member that may use a significant contribution of active personal management exclusively to meet the requirements to be determined “actively engaged in farming”. The person or member will be defined as the Farm Manager for the purposes of administering these new management provisions.

In some instances, additional persons or members of a non-family member joint operation who meet the definition of Farm Manager may also be allowed to use such a contribution of active personal management to meet the eligibility requirements. However, under no circumstances may the number of Farm Managers in a non-family joint operation exceed a total of three in any given crop and program year.

2018 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 calendars 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.

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 (HELC) 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.

**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.

**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.
Emergency Assistance for Livestock, Honeybee, and Farm-Raised Fish Program (ELAP)

The Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP) provides emergency assistance to eligible livestock, honeybee, and farm-raised fish producers who have losses due to disease, adverse weather or other conditions, such as blizzards and wildfires, not covered by other agricultural disaster assistance programs.

Eligible livestock losses include grazing losses not covered under the Livestock Forage Disaster Program (LFP), loss of purchased feed and/or mechanically harvested feed due to an eligible adverse weather event, additional cost of transporting water because of an eligible drought and additional cost associated with gathering livestock to treat for cattle tick fever.

Eligible honeybee losses include loss of purchased feed due to an eligible adverse weather event, cost of additional feed purchased above normal quantities due to an eligible adverse weather condition, colony losses in excess of normal mortality due to an eligible weather event or loss condition, including CCD, and hive losses due to eligible adverse weather.

Eligible farm-raised fish losses include death losses in excess of normal mortality and/or loss of purchased feed due to an eligible adverse weather event.

Producers who suffer eligible livestock, honeybee, or farm-raised fish losses from Oct. 1, 2017 to Sept. 30, 2018 must file:

- A notice of loss the earlier of 30 calendar days of when the loss is apparent or by Nov. 1, 2018
- An application for payment by Nov. 1, 2018

The Farm Bill caps ELAP disaster funding at $20 million per federal fiscal year.

The following ELAP Fact Sheets (by topic) are available online:

- ELAP for Farm-Raised Fish Fact Sheet
- ELAP for Livestock Fact Sheet
- ELAP for Honeybees Fact Sheet

To view these and other FSA program fact sheets, visit the FSA fact sheet web page at www.fsa.usda.gov/factsheets.

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).