

May 2018



Farm Service Agency **Electronic News Service**

# NEWSLETTER

**GovDelivery**

Having trouble viewing this email? [View it as a Web page.](#)

## Topics for May

- [Secretary Perdue Names FSA Administrator](#)
- [Farm Storage Facility Loans](#)
- [Update Your Records](#)
- [Farm Reconstitutions](#)
- [Communication is Key in Lending](#)
- [Report Non-Insured Crop Disaster Assistance Program \(NAP\) Losses](#)
- [Farm Service Agency Makes Administrative Change to the Livestock Indemnity Program](#)
- [Borrower Training](#)
- [USDA Reopens Enrollment for Improved Dairy Safety Net Tool](#)
- [Breaking New Ground](#)

---

## South Carolina Farm Service Agency Newsletter

---

### South Carolina Farm Service Agency

1927 Thurmond Mall  
Suite 100  
Columbia, SC 29201  
Phone: 803.806.3820

[www.fsa.usda.gov/sc](http://www.fsa.usda.gov/sc)

**State Executive Director:**  
Boone Peeler

**State Committee:**  
Anthony Grant, Chairperson  
Robert Battle  
Bill Sarratt  
Landy Weathers  
Beth White

### Secretary Perdue Names FSA Administrator

U.S. Secretary of Agriculture Sonny Perdue announced on Friday, May 11, 2018, the appointment of Richard Fordyce to serve as Administrator of the U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA). In his role, Fordyce will provide leadership for FSA and its mission to support agricultural production across America through a network of over 2,100 county and 50 state offices.

Richard Fordyce, a fourth-generation farmer, most recently served as State Executive Director for FSA in Missouri. Prior to his appointment by the Trump Administration, Fordyce served as the director of the Missouri Department of Agriculture from 2013 to 2017. In 2015, Fordyce was awarded the Missouri Farm Bureau Distinguished Service Award and the Agricultural Leaders of Tomorrow Alumnus of the Year. He and his wife, Renee, have two

**Administrative Officer:**  
Kenn Jameson

children and grow soybeans, corn and beef cattle on the family farm.

**Farm Programs Chief:**  
Amy Turner

For more information about the Farm Service Agency, please visit [www.fsa.usda.gov](http://www.fsa.usda.gov).

**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:**

**May 28:** Offices Closed for Memorial Day

**July 4:** Offices Closed for Independence Day

**July 16:** Acreage Reporting Deadline for Spring and Summer Seeded Crops

---

## **Farm Storage Facility Loans**

FSA's Farm Storage Facility Loan (FSFL) program provides low-interest financing to producers to build or upgrade storage facilities and to purchase portable (new or used) structures, equipment and storage and handling trucks.

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 loans between \$50,000 and \$100,000 may require additional security. Loans exceeding \$100,000 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>.

---

## **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.

---

## **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.

To be effective for the current Fiscal Year (FY), farm combinations and farm divisions must be requested by **August 1 of the FY** for farms subject to the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) program. A reconstitution is considered to be requested when all:

- of the required signatures are on FSA-155
- other applicable documentation, such as proof of ownership, is submitted.

Total Conservation Reserve Program (CRP) and non-ARC/PLC farms may be reconstituted at any time.

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.

---

## Communication is Key in Lending

Farm Service Agency (FSA) is committed to providing our farm loan borrowers the tools necessary to be a success. A part of ensuring this success is providing guidance and counsel from the loan application process through the borrower's graduation to commercial lending institutions. While it is FSA's commitment to advise borrowers as they identify goals and evaluate progress, it is crucial for borrowers to communicate with their farm loan staff when changes occur. It is the borrower's responsibility to alert FSA to any of the following:

- Any proposed or significant changes in the farming operation;
- Any significant changes to family income or expenses;
- The development of problem situations;
- Any losses or proposed significant changes in security

In addition, if a farm loan borrower cannot make payments to suppliers, other creditors, or FSA on time, contact your farm loan staff immediately to discuss loan servicing options.

For more information on FSA farm loan programs, visit [www.fsa.usda.gov](http://www.fsa.usda.gov).

---

## Report Non-Insured Crop Disaster Assistance Program (NAP) Losses

The 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.

Eligible producers must have purchased NAP coverage for 2018 crops. A notice of loss must be filed the earlier of 15 days of the occurrence of the disaster or when losses become apparent or 15 days of the final harvest date.

Eligible crops must be commercially produced agricultural commodities for which crop insurance is not available, including perennial grass forage and grazing crops, fruits, vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

Producers of hand-harvested crops must notify FSA of damage or loss through the administrative County Office within 72 hours of the date of damage or loss first becomes apparent. This notification can be provided by filing a CCC-576, email, fax or phone. Producers who notify the County Office by any method other than by filing the CCC-576 are still required to file a CCC-576, Notice of Loss, within the required 15 calendar days

For more information on NAP, contact your local FSA office or visit [www.fsa.usda.gov/nap](http://www.fsa.usda.gov/nap).

---

## Farm Service Agency Makes Administrative Change to the Livestock Indemnity Program

Starting today, agricultural producers who have lost livestock to disease, resulting from a weather disaster, have an additional way to become eligible for the [Livestock Indemnity Program](#).

In the event of disease, this change by USDA's Farm Service Agency (FSA) authorizes local FSA county committees to accept veterinarian certifications that livestock deaths were directly related to adverse weather and unpreventable through good animal husbandry and management. The committees may then use this certification to allow eligibility for producers on a case-by-case basis for LIP.

LIP provides benefits to agricultural producers for livestock deaths in excess of normal mortality caused by adverse weather, disease or by attacks by animals reintroduced into the wild by the federal government. Eligible weather events include earthquakes, hail, tornadoes, hurricanes, storms, blizzard and flooding.

Producers interested in LIP or other USDA disaster assistance programs should contact their [local USDA service center](#).

---

## Borrower Training

Borrower training is available for all Farm Service Agency customers. This training is required for all direct loan applicants, unless the applicant has a waiver issued by the agency.

Borrower training includes instruction in production and financial management. The purpose is to help the applicant develop and improve skills that are necessary to successfully operate a farm and build equity in the operation. It aims to help the producer become financially successful. Borrower training is provided, for a fee, by agency approved vendors. Contact your local FSA Farm Loan Manager for a list of approved vendors.

---

## USDA Reopens Enrollment for Improved Dairy Safety Net Tool

USDA's Farm Service Agency encourages dairy producers to consider enrolling in the new and improved [Margin Protection Program for Dairy](#) (MPP-Dairy), which will provide better protections for dairy producers from shifting milk and feed prices. With changes authorized under the Bipartisan Budget Act of 2018, the U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) has set the enrollment period to run from April 9, 2018 to June 1, 2018.

## About the Program:

The program protects dairy producers by paying them when the difference between the national all-milk price and the national average feed cost (the margin) falls below a certain dollar amount elected by the producer.

Changes include:

- Calculations of the margin period is monthly rather than bi-monthly.
- Covered production is increased to 5 million pounds on the Tier 1 premium schedule, and premium rates for Tier 1 are substantially lowered.
- An exemption from paying an administrative fee for limited resource, beginning, veteran, and disadvantaged producers. Dairy operators enrolled in the previous 2018 enrollment period that qualify for this exemption under the new provisions may request a refund.

Dairy operations must make a new coverage election for 2018, even if you enrolled during the previous 2018 signup period. Coverage elections made for 2018 will be retroactive to January 1, 2018. All dairy operations desiring coverage must sign up during the enrollment period and submit an appropriate form (CCC-782) and dairy operations may still “opt out” by not submitting a form. All outstanding balances for 2017 and prior years must be paid in full before 2018 coverage is approved.

Dairy producers can participate in FSA’s MPP-Dairy or the Risk Management Agency’s Livestock Gross Margin Insurance Plan for Dairy Cattle (LGM-Dairy), but not both. During the 2018 enrollment period, only producers with an active LGM-Dairy policy who have targeted marketings insured in 2018 months will be allowed to enroll in MPP-Dairy by June 1, 2018; however, their coverage will start only after active target marketings conclude under LGM-Dairy.

USDA has a web tool to help producers determine the level of coverage under the MPP-Dairy that will provide them with the strongest safety net under a variety of conditions. The online resource, which will be updated and available by April 9 at [www.fsa.usda.gov/mpptool](http://www.fsa.usda.gov/mpptool), allows dairy farmers to quickly and easily combine unique operation data and other key variables to calculate their coverage needs based on price projections. Producers can also review historical data or estimate future coverage based on data projections. The secure site can be accessed via computer, smartphone, tablet or any other platform.

USDA is mailing postcards advising dairy producers of the changes. For more information, visit [www.fsa.usda.gov/dairy](http://www.fsa.usda.gov/dairy) or contact your [local USDA service center](#).

---

## 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.

---

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).