

February 2020



Farm Service Agency **Electronic News Service**

# NEWSLETTER

*GovDelivery*

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## South Dakota FSA Newsletter

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### South Dakota Farm Service Agency

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

### USDA Reminds Producers of Feb. 28 Deadline for Conservation Reserve Program General Signup

The U.S. Department of Agriculture (USDA) reminds agricultural producers interested in the Conservation Reserve Program (CRP) 2020 general signup to enroll by February 28, 2020. This signup is available to farmers and private landowners who are either enrolling for the first time or re-enrolling for another 10- to 15-year term.

Farmers and ranchers who enroll in CRP receive yearly rental payments for voluntarily establishing long-term, resource-conserving plant species, such as approved grasses or trees

**Acting State Executive Director:**

Jamie White

**State Committee:**

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Tiffani Robertson, Member

Bill Simonson, Member

Gwen Kitzan, Member

Kelsey Ducheneaux, Member

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Owen Fagerhaug  
*Conservation/Safety Net*

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*Program Delivery/Price Support*

LaDonna Hupp  
*Farm Loan Program*

(known as “covers”), which can control soil erosion, improve water quality and develop wildlife habitat on marginally productive agricultural lands.

CRP has 22 million acres enrolled, but the 2018 Farm Bill lifted the cap to 27 million acres.

Signed into law in 1985, CRP is one of the largest private-lands conservation programs in the U.S. It was originally intended to primarily control soil erosion and potentially stabilize commodity prices by taking marginal lands out of production. The program has evolved over the years, providing many conservation and economic benefits. Marking its 35<sup>th</sup> anniversary in 2020, CRP has had many successes, including:

- Preventing more than 9 billion tons of soil from eroding, enough soil to fill 600 million dump trucks;
- Reducing nitrogen and phosphorous runoff relative to annually tilled cropland by 95 and 85 percent respectively;
- Sequestering an annual average of 49 million tons of greenhouse gases, equal to taking 9 million cars off the road;
- Creating more than 3 million acres of restored wetlands while protecting more than 175,000 stream miles with riparian forest and grass buffers, enough to go around the world 7 times; and
- Benefiting bees and other pollinators and increased populations of ducks, pheasants, turkey, bobwhite quail, prairie chickens, grasshopper sparrows and many other birds.

The CRP continuous signup is ongoing, which enables producers to enroll for [certain practices](#). FSA plans to open the Soil Health and Income Protection Program, a CRP pilot program, in early 2020, and the 2020 CRP Grasslands signup runs from March 16, 2020 to May 15, 2020.

To enroll in CRP, contact your local FSA county office or visit [fsa.usda.gov/crp](https://fsa.usda.gov/crp). To locate your local FSA office, visit [farmers.gov/service-locator](https://farmers.gov/service-locator).

To find contact information for your local office go to [www.fsa.usda.gov/sd](https://www.fsa.usda.gov/sd)

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## Maintaining the Quality of Farm-Stored Loan Grain

Bins are ideally designed to hold a level volume of grain. When bins are overfilled and grain is heaped up, airflow is hindered and the chance of spoilage increases.

Producers who take out marketing assistance loans and use the farm-stored grain as collateral should remember that they are

responsible for maintaining the quality of the grain through the term of the loan.

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## Unauthorized Disposition of Grain

If loan grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties for unauthorized dispositions are severe and a producer's name will be placed on a loan violation list for a two-year period. Always call before you haul any grain under loan.

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## USDA Swine Study for Small and Large Enterprises

Starting in June 2020, the U.S. Department of Agriculture's (USDA) National Animal Health Monitoring System (NAHMS), in collaboration with the USDA's National Agricultural Statistics Service (NASS), will conduct national studies of U.S. small and large enterprise swine operations.

South Dakota producers are included in these studies, which take an in-depth look at small (fewer than 1,000 pigs) and large (1,000 or more pigs) U.S. swine operations and provide information regarding health and management practices to the U.S. swine industry. Information collected will be used to inform disease management and preparedness strategies to safeguard the swine industry.

### **Large Enterprise Study (1,000 or more pigs)**

Representatives from NASS will visit participating operations from July through August 2020 to complete a questionnaire. If you choose to continue in the study, USDA or state veterinary health professionals will visit you from September 2020 through January 2021 to complete a second questionnaire and discuss free biologic testing (oral fluids and feces).

Approximately 2,700 operations will be selected from 13 of the Nation's top swine-producing states representing about 90 percent of the U.S. swine operations with 1,000 or more pigs.

### **Small Enterprise Study (Fewer than 1,000 pigs)**

In June 2020, selected producers will be mailed a letter describing the study and be provided with a questionnaire to complete and return. Producers who don't respond to the questionnaire will be called by a NASS representative to arrange a convenient time to complete the questionnaire via a telephone interview.

Approximately 5,000 swine operations from 38 states will be asked to participate in the study. These states account for about 95 percent of U.S. swine operations with fewer than 1,000 pigs.

Participation in any NAHMS study is voluntary. The privacy of every questionnaire participant is protected. Data will only be presented in an aggregate or summary manner.

For more information, please contact Charles Haley at 970-494-7216 or [charles.a.haley@aphis.usda.gov](mailto:charles.a.haley@aphis.usda.gov).

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## FSA Encourages Producers to Enroll Soon in Agriculture Risk Coverage and Price Loss Coverage Programs

USDA's Farm Service Agency (FSA) encourages agricultural producers to enroll now in the Agriculture Risk Loss (ARC) and Price Loss Coverage (PLC) programs. March 15, 2020 is the enrollment deadline for the 2019 crop year.

Although more than 200,000 producers have enrolled to date, FSA anticipates 1.5 million producers will enroll for ARC and PLC. By enrolling soon, producers can beat the rush as the deadline nears.

FSA offices have multiple programs competing for the time and attention of our staff. Because of the importance and complexities of the ARC and PLC programs; and to ensure FSA meets your program delivery expectations, please do not wait to start the enrollment process. Call your FSA county office and make an appointment soon to ensure your elections are made and contracts signed well ahead of the deadlines.

ARC and PLC provide financial protections to farmers from substantial drops in crop prices or revenues and are vital economic safety nets for most American farms.

The programs cover the following commodities: barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium and short grain rice, safflower seed, seed cotton, sesame, soybeans, sunflower seed and wheat.

Until March 15, producers who have not yet enrolled in ARC or PLC for 2019 can enroll for both 2019 and 2020 during the same visit to an FSA county office unless yield updates are requested. Additionally, farm owners have a one-time opportunity to update PLC payment yields that take effect beginning with crop year 2020. If the owner accompanies the producer to the office, the yield update and enrollments may be completed during the same office visit.

### More Information

For more information on ARC and PLC, download our [program fact sheet](#) or our [2014-2018 farm bills comparison fact sheet](#). Online ARC and PLC election decision tools are available at [fsa.usda.gov/arc/plc](https://fsa.usda.gov/arc/plc). To enroll, contact your [FSA county office](#) for an appointment.

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## Environmental Review Required Before Project Implementation

The National Environmental Policy Act (NEPA) requires Federal agencies to consider all potential environmental impacts for federally-funded projects before the project is approved.

For all Farm Service Agency (FSA) programs, an environmental review must be completed before actions are approved, such as site preparation or ground disturbance. These programs include, **but are not limited to**, the Emergency Conservation Program (ECP), Farm Storage Facility Loan (FSFL) program and farm loans. If project implementation begins before FSA has completed an environmental review, this will result in a denial of the request. There are exceptions regarding the Stafford Act and emergencies. It is important to wait until you receive written approval of your project proposal before starting any actions, including, but not limited to, vegetation clearing, site preparation or ground disturbance.

Remember to contact your local FSA office early in your planning process to determine what level of environmental review is required for your program application so that it can be completed timely.

Applications cannot be approved contingent upon the completion of an environmental review. FSA must have copies of all permits and plans before an application can be approved.

### **Payments to Deceased Producers**

In order to claim a Farm Service Agency (FSA) payment on behalf of a deceased producer, all program conditions for the payment must have been met before the applicable producer's date of death.

If a producer earned a FSA payment prior to his or her death, the following is the order of precedence for the representatives of the producer:

- administrator or executor of the estate
- the surviving spouse
- surviving sons and daughters, including adopted children
- surviving father and mother
- surviving brothers and sisters
- heirs of the deceased person who would be entitled to payment according to the State law

In order for FSA to release the payment, the legal representative of the deceased producer must file a form FSA-325, to claim the payment for themselves or an estate. The county office will verify and determine that the application, contract, loan agreement, or other similar form requesting payment issuance, was signed by the applicable deadline for such form, by the deceased or a person legally authorized to act on their behalf at that time of application.

If the application, contract or loan agreement form was signed by someone other than the participant who is deceased, FSA will determine whether the person submitting the form has the legal authority to submit the form to compel FSA to pay the deceased participant.

Payments will be issued to the respective representative's name using the deceased program participant's tax identification number. Payments made to representatives are subject to offset regulations for debts owed by the deceased.

FSA is not responsible for advising persons in obtaining legal advice on how to obtain program benefits that may be due to a participant who has died, disappeared or who has been declared incompetent.

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## **Livestock Losses**

The Livestock Indemnity Program (LIP) provides assistance to eligible producers for livestock deaths in excess of normal mortality caused by adverse weather, disease and attacks by animals reintroduced into the wild by the federal government or protected by federal law.

LIP compensates livestock owners and contract growers for livestock death losses in excess of normal mortality due to adverse weather, including losses due to hurricanes, floods, blizzards, wildfires, extreme heat or extreme cold.

For disease losses, FSA county committees can accept veterinarian certifications that livestock deaths were directly related to adverse weather and unpreventable through good animal husbandry and management.

For 2019 livestock losses, eligible livestock owners must file a notice within 30 calendar days of when the loss is first apparent.

Participants must provide the following supporting documentation to their local FSA office no later than 60 calendar days after the end of the calendar year in which the eligible loss condition occurred.

- Proof of death documentation
- Copy of grower's contracts
- Proof of normal mortality documentation

USDA has established normal mortality rates for each type and weight range of eligible livestock, i.e. Adult Beef Cow = 1.5% and Non-Adult Beef Cattle (less than 400 pounds) = 5%. These established percentages reflect losses that are considered expected or typical under "normal" conditions.

In addition to filing a notice of loss, producers must also submit an application for payment by March 1, 2020.

Additional Information about LIP is available at your local FSA office or online at: [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## **USDA Encourages Producers to Consider NAP Risk Protection Coverage Before Crop Sales Deadlines**

The Farm Service Agency encourages producers to examine available USDA crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the applicable crop sales deadline.

Producers are reminded that crops not covered by insurance may be eligible for NAP. Beginning, underserved and limited resource farmers are now eligible for free catastrophic level coverage.

Federal crop insurance covers crop losses from natural adversities such as drought, hail and excessive moisture. NAP covers losses from natural disasters on crops for which no permanent federal crop insurance program is 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 can determine if crops are eligible for federal crop insurance or NAP by visiting <https://webapp.rma.usda.gov/apps/ActuarialInformationBrowser2018/CropCriteria.aspx>.

The 2018 Farm Bill reinstates higher levels of coverage, from 50 to 65 percent of expected production in 5 percent increments, at 100 percent of the average market price. Producers of organics and crops marketed directly to consumers also may exercise the "buy-up" option to obtain NAP coverage of 100 percent of the average market price at the coverage levels of between 50 and 65 percent of expected production. NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production.

For all coverage levels, the NAP service fee is the lesser of \$325 per crop or \$825 per producer per county, not to exceed a total of \$1,950 for a producer with farming interests in multiple counties.

Deadlines for coverage vary by state and crop. To learn more about NAP visit [www.fsa.usda.gov/nap](http://www.fsa.usda.gov/nap) or contact your local USDA Service Center. To find your local USDA Service Centers go to <http://offices.usda.gov>.

Federal crop insurance coverage is sold and delivered solely through private insurance agents. Agent lists are available at all USDA Service Centers or at USDA's online Agent Locator: <http://prodwebnlb.rma.usda.gov/apps/AgentLocator/#>. Producers can use the USDA Cost Estimator, <https://ewebapp.rma.usda.gov/apps/costestimator/Default.aspx>, to predict insurance premium costs.

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## Higher Limits Now Available on USDA Farm Loans

Higher limits are now available for borrowers interested in USDA's farm loans, which help agricultural producers purchase farms or cover operating expenses. The 2018 Farm Bill increased the amount that producers can borrow through direct and guaranteed loans available through USDA's Farm Service Agency (FSA) and made changes to other loans, such as microloans and emergency loans.

Key changes include:

- The Direct Operating Loan limit increased from \$300,000 to \$400,000, and the Guaranteed Operating Loan limit increased from \$ 1.429 million to \$1.75 million. Operating loans help producers pay for normal operating expenses, including machinery and equipment, seed, livestock feed, and more.
- The Direct Farm Ownership Loan limit increased from \$300,000 to \$600,000, and the Guaranteed Farm Ownership Loan limit increased from \$1.429 million to \$1.75 million. Farm ownership loans help producers become owner-operators of family farms as well as improve and expand current operations.
- Producers can now receive both a \$50,000 Farm Ownership Microloan and a \$50,000 Operating Microloan. Previously, microloans were limited to a combined \$50,000. Microloans provide flexible access to credit for small, beginning, niche, and non-traditional farm operations.
- Producers who previously received debt forgiveness as part of an approved FSA restructuring plan are now eligible to apply for emergency loans. Previously, these producers were ineligible.
- Beginning and socially disadvantaged producers can now receive up to a 95 percent guarantee against the loss of principal and interest on a loan, up from 90 percent.

### About Farm Loans

Direct farm loans, which include microloans and emergency loans, are financed and serviced by FSA, while guaranteed farm loans are financed and serviced by commercial lenders. For guaranteed loans, FSA provides a guarantee against possible financial loss of principal and interest.

For more information on FSA farm loans, visit [www.fsa.usda.gov](http://www.fsa.usda.gov) or contact your [local USDA service center](#).

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## 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.

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## 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 direct farm ownership loans is \$600,000 and the maximum loan amount for direct operating loans is \$400,000 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.

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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).