

March 2016



- [A Message From the State Executive Director](#)
- [USDA Financial Assistance Available to Help Organic Farmers Create Conservation Buffers](#)
- [USDA To Offer Certificates for Farm Commodities Pledged to Marketing](#)
- [USDA Removes Farm Program Payments to Managers Not Actively Engaged in Farming](#)
- [USDA Encourages Producers to Consider Risk Protection Coverage before Crop Sales Deadlines](#)
- [Emergency Assistance for Livestock, Honeybee, and Farm-Raised Fish Program \(ELAP\)](#)
- [Report Livestock Losses](#)
- [Farm Storage Facility Loans](#)
- [Guaranteed Loan Program](#)
- [Loans for Targeted Underserved Producers](#)
- [USDA Accepting More Farmland for Wildlife Habitat in Texas](#)
- [What Are Playas?](#)

Texas FSA Newsletter

Texas Farm Service Agency

2405 Texas Ave. S.
College Station, Texas 77840
www.fsa.usda.gov/tx

State Committee:

Jerry D. Glover
Debra Barrett
Armando Mandurjano
Wesley Ratcliff
Glen Rod

State Executive Director:

Judith A. Canales

A Message From the State Executive Director

National Agriculture Day is a time to honor American farmers and ranchers. We sincerely thank everyone who plays a role in producing the food, fiber, and fuel our country depends upon. This year National Ag Week is March 13–19 and is highlighted by National Ag Day on March 15.

In addition to being National Ag Day, March 15 is also the spring deadline to apply for the Non-Insured Crop Disaster Assistance Program (NAP) in Texas. NAP provides financial assistance for producers of noninsurable crops when low yields, loss of inventory, or prevented planting occur due to natural disasters. During 2015, Texas FSA provided more than \$34 million in NAP assistance to Texas farmers and producers.

Several types of natural disasters are covered under NAP, including drought, freeze, hail, excessive moisture, excessive wind, tornadoes or hurricanes, earthquake or flood. Conditions related to damaging weather are also included, such as excessive heat, plant

Division Chiefs:

Ronda Arnett
Chris Morris
Darren Owens
David Sullivan
Eddie Trevino
Micky Woodard

Please contact your local FSA Office for questions specific to your operation or county.

disease, and insect infestation.

An eligible producer is a landowner, tenant, or sharecropper who shares in the risk of producing an eligible crop and is entitled to an ownership share of that crop. Also, eligible crops must be commercially produced agricultural commodities for which crop insurance is not available.

Certain crop information must also be reported, including the crop type (lettuce, clover, etc.), variety, location, acreage, and other details.

Eligible producers must apply for NAP coverage and pay the applicable service fee at the FSA office where their farm records are maintained.

The application must be filed and service fee paid by the application closing deadline. Please [visit USDA's NAP web page](#) for more information, or stop by your local FSA office.

Texas FSA stands by all Texas farmers and ranchers to deliver programs needed to prepare for, adjust to, and recover from the uncertainties of production agriculture.

Sincerely,
Judith A. Canales
Texas Farm Service Agency Executive Director

USDA Financial Assistance Available to Help Organic Farmers Create Conservation Buffers

USDA is assisting organic farmers with the cost of establishing up to 20,000 acres of new conservation buffers and other practices on and near farms that produce organic crops.

The financial assistance is available from the USDA Conservation Reserve Program (CRP), a federally funded voluntary program that contracts with agricultural producers so that environmentally sensitive land is not farmed or ranched, but instead used for conservation benefits. CRP participants 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. In return, FSA provides participants with rental payments and cost-share assistance. Contract duration is between 10 and 15 years.

For conservation buffers, funds are available for establishing shrubs and trees, or supporting pollinating species, and can be planted in blocks or strips. Interested organic producers can offer eligible land for enrollment in this initiative at any time.

Other USDA FSA programs that assist organic farmers include:

- The Noninsured Crop Disaster Assistance Program that provides financial assistance for 55 to 100 percent of the average market price for organic crop losses between 50 to 65 percent of expected production due to a natural disaster
- Marketing assistance loans that provide interim financing to help producers meet cash flow needs without having to sell crops during harvest when market prices are low, and deficiency payments to producers who forgo the loan in return for a payment on the eligible commodity
- A variety of loans for operating expenses, ownership or guarantees with outside lenders

- including streamlined microloans that have a lower amount of paperwork
- Farm Storage Facility Loans for that provide low-interest financing to build or upgrade storage facilities for organic commodities, including cold storage, grain bins, bulk tanks and drying and handling equipment
 - Services such as mapping farm and field boundaries and reporting organic acreage that can be provided to a farm's organic certifier or crop insurance agent

Visit www.fsa.usda.gov/organic to learn more about how FSA can help organic farmers. For an interactive tour of CRP success stories, visit www.fsa.usda.gov/CRPis30 or follow #CRPis30 on Twitter. To learn more about FSA programs visit a local FSA office or www.fsa.usda.gov. To find your local FSA office, visit <http://offices.usda.gov>.

USDA To Offer Certificates for Farm Commodities Pledged to Marketing

Producers who have crops pledged as collateral for a marketing assistance loan can now purchase a commodity certificate that may be exchanged for the outstanding loan collateral. The authority is provided by the 2016 Consolidated Appropriations Act, legislation enacted by Congress in December. Commodity certificates are available beginning with the 2015 crop in situations where the applicable marketing assistance loan rate exceeds the exchange rate. Currently, the only eligible commodity is cotton.

USDA's Farm Service Agency (FSA) routinely provides agricultural producers with marketing assistance loans that provide interim cash flow without having to sell the commodities when market prices are at harvest time lows. The loans allow the producer to store and delay the sale of the commodity until more favorable market conditions emerge, while also providing for a more orderly marketing of commodities throughout the marketing year.

These loans are considered "nonrecourse" because the loan can be redeemed by delivering the commodity pledged as collateral to the government as full payment for the loan upon maturity. Commodity certificates are available to loan holders having outstanding nonrecourse loans for wheat, upland cotton, rice, feed grains, pulse crops (dry peas, lentils, large and small chickpeas), peanuts, wool, soybeans and designated minor oilseeds. These certificates can be purchased at the posted county price (or adjusted world price or national posted price) for the quantity of commodity under loan, and must be immediately exchanged for the collateral, satisfying the loan.

Producers may contact their FSA office that maintains their loan or their loan service agent for additional information. Producers who do business with Cooperative Marketing Associations (CMA) or Designated Marketing Associations (DMA) may contact their respective associations for additional information. To learn more about commodity certificates, visit www.fsa.usda.gov/pricesupport.

USDA Removes Farm Program Payments to Managers Not Actively Engaged in Farming

USDA finalized a rule to ensure that farm safety-net payments are issued only to active managers of farms that operate as joint ventures or general partnerships, consistent with the direction and authority provide by Congress in the 2014 Farm Bill. The action, which exempts family farm operations, closes a loophole where individuals who were not actively part of farm management still received payments.

Since 1987 the broad definition of "actively engaged" resulted in some general partnerships and

joint ventures adding managers to the farming operation, qualifying for more payments, that did not substantially contribute to management. The rule applies to operations seeking more than one farm manager, and requires measureable, documented hours and key management activities each year. Some operations of certain sizes and complexity may be allowed up to three qualifying managers under limited conditions. The changes apply to payments for 2016 and subsequent crop years for Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Programs, Loan Deficiency Payments (LDP) and Marketing Loan Gains (MLG) realized via the Marketing Assistance Loan program.

As required by Congress, the new rule does not apply to family farms, or change regulations related to contributions of land, capital, equipment, or labor. The changes go into effect for the 2016 crop year for most farms. Farms that have already planted fall crops for 2016 have until the 2017 crop year to comply. For more details, producers are encouraged to consult their local Farm Service Agency office.

USDA Encourages Producers to Consider 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 the Noninsured Crop Disaster Assistance Program (NAP). The 2014 Farm Bill expanded NAP to include higher levels of protection. Beginning, underserved and limited resource farmers are now eligible for free catastrophic level coverage, as well as discounted premiums for additional levels of protection."

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.

USDA has partnered with Michigan State University and the University of Illinois to create an online tool at www.fsa.usda.gov/nap that allows producers to determine whether their crops are eligible for federal crop insurance or NAP and to explore the best level of protection for their operation. NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production, with higher levels of coverage, up to 65 percent of their expected production at 100 percent of the average market price, including coverage for organics and crops marketed directly to consumers.

Deadlines for coverage vary by state and crop. To learn more about NAP visit 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.

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 October 1, 2015 to September 30, 2016 must file:

- A notice of loss the earlier of 30 calendar days of when the loss is apparent or by November 1, 2016
- An application for payment by November 1, 2016

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

Report Livestock Losses

The Livestock Indemnity Program (LIP) provides assistance to eligible producers for livestock death losses in excess of normal mortality due to adverse weather 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 2016, eligible losses must occur on or after Jan. 1, 2016, and before December 31, 2016. A notice of loss must be filed with FSA within 30 days of when the loss of livestock is apparent. Participants must provide the following supporting documentation to their local FSA office no later than 30 calendar days after the end of the calendar year for which benefits are requested:

- Proof of death documentation
- Copy of growers 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) = 3%. These established percentages reflect losses that are considered expected or typical under “normal” conditions. Producers who suffer livestock losses in 2016 must file both of the following:

- A notice of loss the earlier of 30 calendar days of when the loss was apparent or by January 30, 2017
- An application for payment by January 30, 2017.

Additional Information about LIP is available at your local FSA office or online at: www.fsa.usda.gov.

Farm Storage Facility Loans

FSA’s Farm Storage Facility Loan (FSFL) program provides low-interest financing to producers to build or upgrade storage facilities.

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 some loans between \$50,000 and \$100,000 will no longer 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 or contact your local FSA county office. To find your local FSA county office, visit <http://offices.usda.gov>.

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.

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 Accepting More Farmland for Wildlife Habitat in Texas

The Texas Farm Service Agency (FSA) announced that an additional 27,300 acres of agricultural land in Texas is eligible for funding for wildlife habitat restoration.

The initiative, known as State Acres for Wildlife Enhancement (SAFE), is part of the USDA Conservation Reserve Program (CRP), a federally-funded voluntary program that for 30 years has assisted 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. In return, USDA provides participants with rental payments and cost-share assistance. CRP has helped farmers and ranchers prevent more than 8 billion tons of soil from eroding, reduce nitrogen and phosphorous runoff relative to cropland by 95 and 85 percent respectively, and even sequester 43 million tons of greenhouse gases annually, equal to taking 8 million cars off the road.

In total, up to 400,000 acres of additional agricultural land will be eligible for wildlife habitat restoration funding through this SAFE announcement. The additional acres are part of an [earlier CRP wildlife habitat announcement](#) made by Secretary Vilsack. Currently, more than 1 million acres, representing 98 projects, are enrolled in SAFE nationwide.

In Texas, 114,800 acres in the Mixed Grass Project for the benefit of the Lesser Prairie Chicken are designed specifically to increase the Lesser Prairie Chicken habitat. Since it was first established in 2008, farmers and ranchers have enrolled 87,500 acres, which increased managed and developed habitats, resulting in a 25 percent increase of the Lesser Prairie Chicken population. We hope to continue this progress by offering interested farmers and ranchers the opportunity to enroll another 27,300 acres in this project.

Interested producers can offer land for enrollment in SAFE and other CRP initiatives by contacting their local FSA county office at <http://offices.usda.gov>. To learn more the 30th anniversary of CRP

and to review 30 success stories throughout the year, visit www.fsa.usda.gov/CRPis30 or follow Twitter at #CRPis30. And for more information about FSA conservation programs, visit www.fsa.usda.gov/conservation.

What Are Playas?

We grew up on the High Plains thinking of those occasionally muddy pasture depressions as “buffalo wallows” or “mud holes.” Turns out, scientists are learning those playas play a significant role in recharging the Ogallala aquifer. They are the most numerous wetland in the region, more than 75,000 of them, and they’re an important source of water — both for people and wildlife. Learn more in this short radio spot by Playa Lakes Joint Venture. Audio:

http://pljv.org/radio_episodes/what-are-playas/

***These spotlights are brought to you through USDA’s partnership with the Playa Lakes Joint Venture— The mission of Playa Lakes Joint Venture (PLJV) is to conserve the playas, prairies and landscapes of the western Great Plains — including portions of Colorado, Kansas, Nebraska, New Mexico, Oklahoma and Texas. <http://pljv.org/>

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