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## Texas FSA Newsletter

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### Farm Service Agency Texas State Office

2405 Texas Ave. South  
College Station, Texas 77840  
Phone: 979-680-5151  
[www.fsa.usda.gov/tx](http://www.fsa.usda.gov/tx)

**State Executive Director:**  
Judith A. Canales

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Eddie Trevino

### From the State Executive Director

Texas farmers and ranchers are often at their busiest when fall harvest is in full swing. Fall is also a busy time of year at the USDA Texas Farm Service Agency (FSA). I'd like to take this opportunity to remind you of some important program updates and deadlines.

As you may already be aware, many of the 1.7 million farms across the nation that enrolled in either the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs will receive safety-net payments due to market downturns during the 2015 crop year. In Texas, more than 86,000 ARC/PLC contracts were signed during 2015 enrollment, and 88,000 contracts were signed for 2016.

Additionally, FSA is currently issuing Conservation Reserve Program (CRP) annual rental payments to participants with active CRP contracts.

Aside from issuing payments, producers should be aware of several upcoming deadlines and policies that may directly impact your operation and require your timely attention:

**Division Chiefs:**

Ronda Arnett  
Chris Morris  
Darren Owens  
David Sullivan  
Micky Woodard

- November 1 is the deadline to sign-up for the 2016 Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP)
- November 15 is the acreage reporting deadline for grasses
- December 16 is the deadline to enroll in the Margin Protection Program (MPP-Dairy)

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

Although not specific deadlines, there are a few additional important FSA program reminders that may require your attention in order to remain eligible for certain benefits.

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These policy and program reminders include:

- Low yield losses must be timely filed to qualify for Noninsured Crop Disaster Assistance Program (NAP) benefits
- Producers should report small grain acreage 15 days prior to the onset of grazing
- Counties that have received Secretarial disaster designations have eight months from the date of the designation to apply for FSA Emergency Loans (contact FSA to determine exact designation dates)
- Marketing Assistance Loans (MALs) provide interim financing at harvest time to help producers meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows

I hope this summary of reminders and deadlines will help save you time as you prepare to visit your local FSA office.

To learn more about these and other FSA programs, visit <http://www.fsa.usda.gov>, or contact your local FSA county office. To find your local FSA county office, visit <http://offices.usda.gov>.

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

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## **GRAZE-OUT Payments Now Available to Texas Producers**

### ***Wheat, Barley, Oats or Triticale***

FSA is now accepting applications for 2016 GRAZE-OUT payments for producers who elect to use their acreage planted to wheat, barley, oats, or triticale for grazing by livestock and agree to forgo any other harvesting of the commodity in 2016.

Producers must request graze-out payments by farm and complete form CCC-633 GRAZING. If multiple producers share in the acreage, all signatures must be obtained before the request is considered complete.

The graze-out payment rate is determined by the amount the applicable commodity loan rate exceeds the CCC-determined value of the commodity for the county where the farm is located. This is referred to as the Loan Deficiency Payment (LDP) rate. The graze-out payment will be based on the LDP rate in effect for the county on the date of the request.

Producers may file an application for graze-out any time prior to March 31, 2017.

Farm acres identified on form CCC-633 GRAZING will not be eligible for an indemnity under the Federal Crop Insurance Act or Noninsured Crop Disaster Assistance Program (NAP).

Graze-out payments are subject to the same basic eligibility requirements as commodity loans and LDPs including, but not limited to Adjusted Gross Income (AGI) provisions, beneficial interest, conservation compliance, foreign person, payment limitations for crop years 2014 through 2018, together with market loan gains and ARC/PLC.

Before MAL repayments with a market loan gain (MLG) or LDP disbursements can be made, producers must meet the requirements of actively engaged in farming, cash rent tenant and member contribution. The 2014 Farm Bill also establishes payment limitations per individual or entity not to exceed \$125,000 annually on certain commodities for the following program benefits: price loss coverage payments, agriculture risk coverage payments, MLGs and LDPs.

AGI provisions state that a producer whose total applicable three-year average AGI exceeds \$900,000 is not eligible to receive an MLG or LDP. Producers must have a valid CCC-941 on file to earn a market gain or LDP.

For more information and additional eligibility requirements, producers should contact their local FSA Service Center or FSA's website [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## Marketing Assistance Available for 2016 Wheat, Other Crops in Texas

The 2014 Farm Bill authorized 2014-2018 crop year Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs).

In Texas, wheat prices are nearing a range where LDPs may be applicable, so producers should become familiar with the process to access this assistance.

MALs and LDPs provide financing and marketing assistance for wheat, as well as other commodities such as feed grains, soybeans and other oilseeds, pulse crops, rice, peanuts, cotton, wool and honey. MALs provide producers interim financing after harvest to help them meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows.

A producer who is eligible to obtain an MAL, but agrees to forgo the loan, may obtain an LDP if such a payment is available.

To be eligible for an MAL or an LDP, producers must have a beneficial interest in the commodity, in addition to other requirements. A producer retains beneficial interest when control of and title to the commodity is maintained. For an LDP, the producer must retain beneficial interest in the commodity from the time of planting through the date the producer filed [Form CCC-633EZ \(page 1\)](#) in the FSA County Office. For more information, producers should contact their local FSA county office or view the [LDP Fact Sheet](#).

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## USDA Extends Margin Protection Program for Dairy Enrollment Deadline

USDA announced that it will extend the deadline for dairy producers to enroll in the Margin Protection Program (MPP) for Dairy to December 16, 2016, from the previous deadline of September 30.

This voluntary dairy safety net program, established by the 2014 Farm Bill, provides financial assistance to participating dairy producers when the margin – the difference between the price of milk and feed costs – falls below the coverage level selected by the producer. A USDA web tool, available at [www.fsa.usda.gov/mpptool](http://www.fsa.usda.gov/mpptool), allows dairy producers to calculate levels of coverage available from MPP based on price projections.

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## USDA Encourages Producers to Consider Risk Protection Coverage before Crop Sales Deadlines

The Farm Service Agency (FSA) 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. 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](http://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](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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## 2017 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 calendar 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 15

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.

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## USDA Reminds Producers of Nov. 1 ELAP Application Deadline

Eligible livestock, honeybee, and farm-raised fish producers who experienced losses due to disease, adverse weather or other conditions, such as blizzards and wildfires, not covered by other agricultural disaster assistance programs, have until Nov. 1, 2016, to submit an application and notice of loss under the Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP).

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 loss is apparent or 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](http://www.fsa.usda.gov/factsheets).

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## Filing a Notice of Loss

The CCC-576, Notice of Loss, is used to report failed acreage and prevented planting and may be completed by any producer with an interest in the crop. Timely filing a Notice of Loss is required for all crops including grasses. For losses on crops covered by the Non-Insured Crop Disaster Assistance Program (NAP), you must file a CCC-576, Notice of Loss, in the FSA County Office within 15 days of the occurrence of the disaster or when losses become apparent or 15 calendar days after the normal harvest date.

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.

If filing for prevented planting, an acreage report and CCC-576 must be filed within 15 calendar days of the final planting date for the crop.

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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 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.

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## **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.

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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).