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Texas FSA Newsletter

Farm Service Agency Texas State Office

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From the State Executive Director

The holiday season is often a time to pause and reflect. The USDA Texas Farm Service Agency (FSA) is honored to have spent another year working to improve and protect the livelihood of farmers and ranchers across the state.

A life of agriculture is both challenging and rewarding. We appreciate the dedication of all Texas farmers and ranchers, from the sixth-generation rancher to the neighbor who began a small farming operation this year. Texas FSA stands with our producers through disaster assistance, support programs, conservation initiatives, and low-interest loans.

From 2009 to 2015, Texas FSA delivered \$11.7 billion to Texas farmers and ranchers, including nearly \$2.2 billion during Fiscal Year 2015 alone, as a result of federal farm program payments and low-interest loans added or expanded by the Agricultural Act of 2014, also known as the 2014 Farm Bill.

These are more than big numbers. These numbers represent significant resources for Texas families, their agricultural

Division Chiefs:

Ronda Arnett
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operations, and the environment.

Although many Texas FSA programs exist to assist producers as they recover from losses due to severe weather or difficult market conditions, others provide opportunities for people like Fina Longoria, who is on her way to reaching her agricultural dreams.

To find contact information for your local office go to www.fsa.usda.gov/tx

Fina turned a love for farming into a quickly growing business. She applied for the Noninsured Disaster Assistance Program (NAP) to protect her against loss, and recently used a Farm Storage Facility Loan (FSFL) to purchase a cold storage facility.

The added storage space allowed her to keep vegetables fresh longer and expand into larger markets in the Dallas-Fort Worth area.

We also reached out to veterans looking to begin a life of agriculture through Beginning Farmers and Ranchers Loans. Texas FSA made a total of 115 loans to veterans during Fiscal Year 2016; the second highest number in the nation.

Texas FSA also recently participated in the, "Hiring Red, White, and You," statewide career fair organized by the Texas Workforce Commission. Texas FSA representatives attended seven events visited by approximately 1,500 attendees, and made contact with an estimated 500 veterans considering a career with FSA.

To learn more about any of our Texas 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>.

We are truly grateful to our Texas farming and ranching community. Happy Holidays to you and your family from Texas FSA.

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

Marketing Assistance Available for 2016 Cotton, Other Crops in Texas

The 2014 Farm Bill authorized 2014-2018 crop year Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs). MALs and LDPs provide financing and marketing assistance for cotton, as well as other commodities such as wheat, feed grains, soybeans and other oilseeds, pulse crops, rice, peanuts, 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](#).

USDA Announces New Conservation Opportunities to Improve Water Quality and Restore Wildlife Habitat

USDA will offer farmers and ranchers more opportunities to participate in the Conservation Reserve Program (CRP). The announcement includes new CRP practices to protect water quality and adds an additional 1.1 million acres targeted to benefit wildlife, pollinators and wetlands.

The new conservation initiative known as Clean Lakes, Estuaries and Rivers (CLEAR) will add new tools to CRP that can help to improve water quality. CLEAR will assist landowners with the cost of building bioreactors and saturated buffers that filter nitrates and other nutrients from tile-drained cropland. Early estimates indicate that CLEAR could help to reduce nitrate runoff by as much as 40 percent over traditional conservation methods. CLEAR may cover up to 90 percent of the cost to install these new practices through incentives and cost-share. These new methods are especially important in areas where traditional buffers have not been enough to prevent nutrients from reaching bodies of water.

USDA will also add an additional 1.1 million acres to a number of key CRP practices that are critically important to wildlife and conservation. These include 700,000 acres for State Acres for Wildlife Enhancement (SAFE) efforts, which restore high-priority wildlife habitat tailored to a specific state's needs. In addition to SAFE, 300,000 acres will be added to target wetlands restoration that are nature's water filters and 100,000 acres for pollinator habitat that support 30 percent of agricultural production.

The continued strong demand for CRP combined with the limited acreage available for enrollment and lower land rental rates, allows USDA to modify certain program components without affecting the integrity of the program. Signing incentives are being reduced by \$25 per acre on certain practices for fiscal year 2018 enrollments (incentives are currently between \$100 and \$150 per acre) and a cap on the maximum soil rental rate is being instituted for Continuous CRP at \$300 per acre. The savings from these changes are being reinvested back in CRP, including the additional acres for SAFE, pollinator habitat and wetlands restoration.

To learn more about FSA's conservation programs, visit www.fsa.usda.gov/conservation or contact your local FSA office. To find your local FSA office, visit <http://offices.usda.gov>.

USDA Announces Additional Financial Incentives for Conservation Reserve Program Participants to Improve Forest Health and Enhance Wildlife Habitat

In an effort to improve wildlife habitat and the health of private forest lands, the U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) today announced additional incentives available for Conservation Reserve Program (CRP) participants to actively manage forest lands enrolled in the program.

Under the provisions of the 2014 Farm Bill, \$10 million is available nationwide to eligible CRP participants. Those selected will be encouraged to thin, prescribe burn or otherwise manage their forests in order to allow sunlight to reach the forest floor. This will encourage the development of grasses, forbs and legumes, benefitting numerous species including pollinators and grassland-dependent birds such as the northern bobwhite.

Eligibility is limited to landowners and agricultural producers already enrolled in CRP with conservation covers primarily containing trees. Incentive payments, not to exceed 150 percent of the cost to implement a particular customary forestry activity as described, have been established. CRP participants meeting eligibility requirements and interested in making offers to participate should visit their local FSA county office.

For more information about FSA conservation programs, visit the FSA office at the local USDA service center or go to www.fsa.usda.gov/conservation. To locate the nearest FSA office, go to <http://offices.usda.gov>.

USDA Partners with Farmers and Ranchers to Protect More Than 500,000 Acres of Working Grasslands

USDA will accept more than 504,000 acres that were offered nationwide by producers during the recent ranking period for the Conservation Reserve Program (CRP) Grasslands enrollment. Through the voluntary CRP Grasslands program, grasslands threatened by development or conversion to row crops are maintained as livestock grazing areas, while providing important conservation benefits.

Texas will accept 93 offers totaling nearly 28,000 acres. Nationwide, over 70 percent of the acres are from beginning farmers, veterans and underserved producers. About two-thirds of the acres are in counties with the highest threat for conversion. Additionally, nearly 60 percent of the acres are in wildlife priority areas and nearly three-fourths of the acres will have a wildlife-focused conservation plan as part of the operation.

USDA is also reminding producers that it is still accepting additional offers for CRP Grasslands. The current ranking period that closes on Dec. 16, also includes a new CRP Grasslands practice specifically tailored for small-scale livestock grazing operations to encourage broader participation. Small livestock operations with 100 or fewer head of grazing dairy cows (or the equivalent) can submit applications to enroll up to 200 acres of grasslands per farm. USDA's goal is to enroll up to additional 200,000 acres. The new practice for small-scale livestock grazing operations encourages greater diversity geographically and in all types of livestock operation. Small livestock operations are encouraged to contact their local Farm Service Agency office to learn more about this program before Dec. 16, to be considered as part of the current ranking period.

Small livestock operations or other farming and ranching operations interested in participating in CRP Grasslands should contact their local FSA office. To find your local FSA office, visit <http://offices.usda.gov>. To learn more about FSA's conservation programs, visit www.fsa.usda.gov/conservation.

Margin Protection Program-Dairy Enrollment Deadline Dec. 16

The deadline for dairy producers to enroll in the Margin Protection Program (MPP) for Dairy is Dec. 16, 2016. 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, allows dairy producers to calculate levels of coverage available from MPP based on price projections.

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.

USDA Announces Streamlined Guaranteed Loans and Additional Lender Category for Small-Scale Operators

Options Help More Beginning, Small, Urban Producers Gain Access to Credit

The U.S. Department of Agriculture (USDA) announced the availability of a streamlined version of USDA guaranteed loans, which are tailored for smaller scale farms and urban producers. The program, called EZ Guarantee Loans, uses a simplified application process to help beginning, small, underserved and family farmers and ranchers apply for loans of up to \$100,000 from USDA-approved lenders to purchase farmland or finance agricultural operations.

USDA today also unveiled a new category of lenders that will join traditional lenders, such as banks and credit unions, in offering USDA EZ Guarantee Loans. Microlenders, which include Community Development Financial Institutions and Rural Rehabilitation Corporations, will be able to offer their customers up to \$50,000 of EZ Guaranteed Loans, helping to reach urban areas and underserved producers. Banks, credit unions and other traditional USDA-approved lenders, can offer customers up to \$100,000 to help with agricultural operation costs.

EZ Guarantee Loans offer low interest rates and terms up to seven years for financing operating expenses and 40 years for financing the purchase of farm real estate. USDA-approved lenders can issue these loans with the Farm Service Agency (FSA) guaranteeing the loan up to 95 percent.

USDA is providing a 90-day period for the public to review and comment on program improvements. To review program details, visit www.regulations.gov, reference RIN 0560-AI34 and follow the instructions to submit comments.

More than half of all FSA loans go to new farmers and more than a quarter to underserved borrowers. FSA also offers loans of up to \$5,000 to young farmers and ranchers through the Youth Loan Program. Loans are made to eligible youth to finance agricultural projects, with almost 9,000 young people now participating. More information about the available types of FSA farm loans can be found at www.fsa.usda.gov/farmloans or by contacting your local FSA office. To find your nearest office location, visit <http://offices.usda.gov>

New Loans for Portable Farm Storage, Handling Equipment

Portable Equipment Can Help Producers, including Small-Scale and Local Farmers, Get Products to Market Quickly

USDA's Farm Service Agency (FSA) will provide a new financing option to help farmers purchase portable storage and handling equipment. The loans, which now include a smaller microloan option with lower down payments, are designed to help producers, including new, small and mid-sized

producers, grow their businesses and markets.

The program also offers a new “microloan” option, which allows applicants seeking less than \$50,000 to qualify for a reduced down payment of five percent and no requirement to provide three years of production history. Farms and ranches of all sizes are eligible. The microloan option is expected to be of particular benefit to smaller farms and ranches, and specialty crop producers who may not have access to commercial storage or on-farm storage after harvest. These producers can invest in equipment like conveyers, scales or refrigeration units and trucks that can store commodities before delivering them to markets. Producers do not need to demonstrate the lack of commercial credit availability to apply.

Earlier this year, FSA significantly expanded the list of commodities eligible for Farm Storage Facility Loan. Eligible commodities now include aquaculture; floriculture; fruits (including nuts) and vegetables; corn, grain sorghum, rice, oilseeds, oats, wheat, triticale, spelt, buckwheat, lentils, chickpeas, dry peas sugar, peanuts, barley, rye, hay, honey, hops, maple sap, unprocessed meat and poultry, eggs, milk, cheese, butter, yogurt and renewable biomass. FSFL microloans can also be used to finance wash and pack equipment used post-harvest, before a commodity is placed in cold storage.

To learn more about Farm Storage Facility Loans, visit www.fsa.usda.gov/pricesupport or contact a local FSA county office. To find your local FSA county office, visit <http://offices.usda.gov>.

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).