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Farm Service Agency **Electronic News Service**

NEWSLETTER

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FSA News - Lone Star State Edition

Farm Service Agency Texas State Office

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From the State Executive Director

Even though it's been 40 years since I started my career with FSA, I feel like a kid again. I'll miss working side-by-side with the Yoakum County team, but I am truly looking forward to serving our farmers, ranchers, and employees across Texas.

After 32 years as a County Executive Director, I know how important the relationship is between county staff and local producers. I also quickly saw first-hand how capable and dedicated this state office team is. Together, our ultimate mission is to support agricultural producers throughout Texas. As State Executive Director, one of my most important jobs is to make sure employees have the resources they need to effectively deliver FSA programs to our customers.

I also want to take this opportunity to wish everyone a safe and Merry Christmas and happy holidays. I hope each of you has a peaceful and enjoyable time with loved ones.

Sincerely,

Gary L. Six
State Executive Director

Division Chiefs:

Ronda Arnett
Gaye De Leon, Acting
Darren Owens
David Sullivan

Recourse Seed Cotton Loans

Cotton producers can request a recourse seed cotton loan at their local Farm Service Agency (FSA) office. Due to this year's large cotton crop and delayed ginning, these seed cotton loans can provide interim financing to producers until their cotton is ginned.

To find contact information for your local office go to:

<http://www.fsa.usda.gov/tx>

Recourse seed cotton loans are available from the beginning of harvest through March 31, 2018. Seed cotton loans must be repaid by May 31, 2018.

After the cotton has been ginned, the seed cotton loan is repaid with proceeds from the ginned cotton.

County Offices will provide written or e-mail notification to every Cooperative Marketing Association (CMA) or Loan Servicing Agent (LSA) used by the producer to ensure that the proceeds from a ginned cotton loan are used to repay a seed cotton loan obligation. Any proceeds obtained from LSA or CMA, whether from a loan or Loan Deficiency Payment (LDP), will be jointly payable to the producer and to the Commodity Credit Corporation if these proceeds are from a loan for the same cotton that is collateral for the seed cotton loan.

Contact your local FSA office to learn about eligible requirements or to request a seed cotton loan.

Microloans Help Purchase Farmland, Improve Property

Producers, Including Beginning and Underserved Farmers, Have New Option to Gain Land

The U.S. Department of Agriculture (USDA) is offering farm ownership microloans, creating a new financing avenue for farmers to buy and improve property. These microloans are especially helpful to beginning or underserved farmers, U.S. veterans looking for a career in farming, and those who have small and mid-sized farming operations.

The microloan program has been hugely successful, providing more than 16,800 low-interest loans, totaling over \$373 million to producers across the country. Microloans have helped farmers and ranchers with operating costs, such as feed, fertilizer, tools, fencing, equipment, and living expenses since 2013. Seventy percent of loans have gone to new farmers.

Now, microloans will be available to also help with farm land and building purchases, and soil and water conservation improvements. FSA designed the expanded program to simplify the application process, expand eligibility requirements and expedite smaller real estate loans to help farmers strengthen their operations. Microloans provide up to \$50,000 to qualified producers, and can be issued to the applicant directly from the USDA Farm Service Agency (FSA).

To learn more about the FSA microloan program visit www.fsa.usda.gov/microloans or contact your local FSA office.

Preauthorized Debit Available for Farm Loan Borrowers

USDA Farm Service Agency (FSA) has implemented pre-authorized debit (PAD) for Farm Loan Program (FLP) borrowers. PAD is a voluntary and alternative method for making weekly, bi-weekly, monthly, quarterly, semi-annual or annual payments on loans.

PAD payments are pre authorized transactions that allow the National Financial and Accounting Operations Center (NFAOC) to electronically collect loan payments from a customer's account at a financial institution.

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PAD may be useful for borrowers who use nonfarm income from regular wages or salary to make payments on loans or adjustment offers or for payments from seasonal produce stands. PAD can only be established for future payments.

To request PAD, customers and their financial institution must fill out form RD 3550-28. This form has no expiration date, but a separate RD 3550-28 must be completed for each loan to which payments are applied. A fillable form can be accessed on the USDA Rural Development (RD) website at <http://www.rd.usda.gov/publications/regulations-guidelines>. Click "Forms" and search for "Form 3550-28."

If a financial institution account includes a "filter," the following information will need to be provide to the financial institution: Origination ID = 1220040804, Agency Name = USDA RD DCFO.

PAD is offered by FSA at no cost. Check with your financial institution to discuss any potential cost. Preauthorized debit has no expiration date, but you can cancel at any time by submitting a written request to your local FSA office. If a preauthorized debit agreement receives three payment rejections within a three month period, the preauthorized debt agreement will be cancelled by FSA. The payment amount and due date of your loan is not affected by a cancellation of preauthorized debit. You are responsible to ensure your full payment is made by the due date.

For more information about PAD, contact your local FSA office. To find a local FSA 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.

Reconstitutions

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) programs. A reconstitution is considered to be requested when:

- all required signatures are on form FSA-155
- all 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.

Change in Farming Operation

If you have bought or sold land, or picked up or dropped rented land from your operation, make sure to report the changes to your local FSA office as soon as possible.

Contact the FSA office any time there is a change in farm operations to ensure records are kept current and accurate. Making timely record changes will also save time in the spring.

You will need to provide a copy of your deed or recorded land contract for purchased property. Remember to update signature authorization when changes in the operation occur.

Failure to maintain accurate records with FSA on all land in which you have an interest can lead to possible program ineligibility and penalties.

Report Prevented Planting, Failed Acres

USDA Farm Service Agency (FSA) reminds producers to report prevented planting and failed acres in order to establish or retain FSA program eligibility for some programs.

Producers should report crop acreage they intended to plant but were prevented from planting due to natural disaster. Prevented planting acreage must be reported on form CCC-576, Notice of Loss, no later than 15 calendar days after the final planting date as established by FSA and Risk Management Agency (RMA).

Contact your local FSA office for a list of final planting dates by crop.

If a producer is unable to report the prevented planting acreage within the 15 calendar days following the final planting date, a late-filed report can be submitted. Late-filed reports will only be accepted if FSA conducts a farm visit to assess the eligible disaster condition that prevented the crop from being planted. A measurement service fee will be charged.

Producers must also timely file a Notice of Loss to report failed acres on all crops, including grasses.

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 filing a CCC-576 are still required to file a Notice of Loss within 15 calendar days.

For losses on crops covered by the Non-Insured Crop Disaster Assistance Program (NAP), producers must file a Notice of Loss within 15 days of the occurrence of the disaster or when losses become apparent.

Filing Adjusted Gross Income (AGI) Certifications

Many producers have experienced delays in receiving Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) payments, Loan Deficiency Payments (LDPs) and Market Gains on Marketing Assistance Loans (MALs) because they have not filed form CCC-941, Adjusted Gross Income Certification. LDPs will not be paid until all eligible producers, including landowners who share in the crop, have filed a valid CCC-941.

Producers without a valid CCC-941 certifying their compliance with the average adjusted gross income provisions will not receive payments that have been processed. All farm operator/tenants/owners who have not filed a CCC-941 and have pending payments should IMMEDIATELY file the form with their recording county FSA office. Farm operators and tenants are encouraged to ensure their landowners have filed the form.

FSA can accept the CCC-941 for 2015, 2016 and 2017. Unlike the past, producers must have the CCC-941 certifying their AGI compliance before any payments can be issued.

USDA Processing Pending Conservation Reserve Program Continuous Enrollment Offers

Acceptance of Most 2018 Offers Temporarily Suspended

USDA's Farm Service Agency (FSA) will process many pending eligible offers for land enrollment in the Conservation Reserve Program (CRP), and will temporarily suspend accepting most new offers until later in the 2018 fiscal year.

All current, eligible CRP continuous enrollment offers made through Sept. 30, 2017, except those made under the Pollinator Habitat Initiative (CP42), will be approved. Additionally, FSA is temporarily suspending acceptance of most offers going forward, providing time to review CRP allocation levels and avoid exceeding the statutory cap of 24 million acres.

The CRP acreage cap is a provision of the 2014 Farm Bill. Current enrollment is about 23.5 million acres nationwide. USDA is accepting all pending continuous enrollment offers made between May 4, 2017, and Sept. 30, 2017, except Pollinator Habitat Initiative offers, which are being declined because the program has met its acreage enrollment goal. USDA suspended acceptance of all new CRP continuous offers received or submitted after Sept. 30, 2017. The suspension will continue until later in the 2018 fiscal year.

However, FSA will continue to accept eligible offers for state-specific Conservation Reserve Enhancement Program (CREP) and CRP Grasslands enrollment. Offers received on or after Oct. 1, 2017, are subject to fiscal year 2018 rental rates, which have been adjusted to reflect current market conditions and established after careful review of the latest USDA National Agricultural Statistics Service (NASS) cash rent data.

In return for enrolling in CRP contracts that last between 10 and 15 years, FSA provides participating landowners with rental payments and cost-share assistance. CRP pays farmers and ranchers who remove sensitive lands from production and plant certain grasses, shrubs, and trees that improve water quality, prevent soil erosion, and increase wildlife habitat. Payment totals for 2017 totaled more than \$1.6 billion.

For more information about CRP, contact your local FSA office or visit www.fsa.usda.gov/crp. To locate your local FSA 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).

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