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Farm Service Agency **Electronic News Service**

NEWSLETTER

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FSA News - Lone Star State Edition

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From the State Executive Director

It is always an honor to visit our county offices across Texas. Not only do I look forward to talking with the dedicated men and women of FSA, I also sincerely enjoy meeting the hard-working farmers and ranchers we serve.

I recently visited an FSA county office reopening after months of repairs to damage caused by Hurricane Harvey. Staff and producers were both heavily impacted by the storm. Even as the community continues working to recover, many others across Texas face severe drought and wildfires.

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Executive Officer:
Erasmus (Eddie) Trevino

Division Chiefs:
Ronda Arnett
David Sullivan

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for your local office go to:
<http://www.fsa.usda.gov/tx>

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Service), (800) 877-8339 (Local or
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voice users).

I encourage everyone to review FSA disaster assistance programs, including the 2017 Wildfires and Hurricanes Indemnity Program (2017 WHIP), which may provide payments to agricultural producers to offset losses from hurricanes and wildfires during 2017. Disaster assistance program information can be found online at <http://disaster.fsa.usda.gov>.

USDA values the insight and experience of our producers. FSA customers may be able to help their community as a member of an FSA County Committee. This is the time to begin considering nominees for 2018 County Committee elections. Look for more information as we approach the nomination period beginning in June. Read more about County Committee elections at <http://www.fsa.usda.gov/elections>.

FSA program deadlines and other details can be found at <http://www.fsa.usda.gov>, or by contacting your local FSA county office. To find your local FSA county office, visit: <http://offices.usda.gov>.

Sincerely,

Gary L. Six
State Executive Director

Secretary Perdue Names FSA Administrator

U.S. Secretary of Agriculture Sonny Perdue announced the appointment of Richard Fordyce to serve as Administrator of the U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA). In his role, Fordyce will provide leadership for FSA and its mission to support agricultural production across America through a network of over 2,100 county and 50 state offices.

Richard Fordyce, a fourth-generation farmer, most recently served as State Executive Director for FSA in Missouri. Prior to his appointment by the Trump Administration, Fordyce served as the director of the Missouri Department of Agriculture from 2013 to 2017. In 2015, Fordyce was awarded the Missouri Farm Bureau Distinguished Service Award and the Agricultural Leaders of Tomorrow Alumnus of the Year. He and his wife, Renee, have two children and grow soybeans, corn and beef cattle on the family farm.

For more information about the Farm Service Agency, please visit www.fsa.usda.gov.

FSA Releases Signup Information for Tree Assistance Program

USDA's Farm Service Agency recently released signup information for the [Tree Assistance Program](#), a nationwide program that provides orchardists and nursery tree growers with cost share assistance to replant eligible trees, bushes, and vines following a natural disaster.

The Bipartisan Budget Act of 2018 prescribed several changes to the program, including the removal of the \$125,000 per person and legal entity payment limitation. The [notice](#) outlined when producers should file applications for any recent losses, given the changes to the program.

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Eligible producers should file for TAP assistance by the later of these two dates:

- 90 days of the disaster or when damages from the disaster are noticed; or
- 60 days after the regulation is published on the Federal Register later this summer

The following producers can file applications:

- Producers who did not previously apply for TAP for 2017 or 2018 losses; and
- Producers who had applied and received an adverse determination that their 2017 or 2018 TAP application was filed late

Additionally, producers with 2017 losses can also file an application or revise an original application because of the changes made through the Act.

For more information on TAP, producers should contact their [local USDA service center](#).

USDA Enrollment Period for Safety Net Coverage in 2018

Farmers and ranchers with base acres in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) safety net programs may enroll for the 2018 crop year. The enrollment period will end on Aug. 1, 2018.

Since shares and ownership of a farm can change year-to-year, producers must enroll by signing a contract each program year.

The producers on a farm that are not enrolled for the 2018 enrollment period will not be eligible for financial assistance from the ARC or PLC programs for the 2018 crop should crop prices or farm revenues fall below the historical price or revenue benchmarks established by the program. Producers who made their elections in previous years must still enroll during the 2018 enrollment period.

The ARC and PLC programs were authorized by the 2014 Farm Bill and offer a safety net to agricultural producers when there is a substantial drop in prices or revenues for covered commodities. Covered commodities include barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium grain rice (which includes short grain and sweet rice), safflower seed, sesame, soybeans, sunflower seed and wheat. Upland cotton is no longer a covered commodity. For more details regarding these programs, go to www.fsa.usda.gov/arc-plc.

For more information, producers are encouraged to visit their local FSA office. To find a local FSA office, visit <http://offices.usda.gov>.

ARC/PLC Acreage Maintenance

Producers enrolled in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs must protect all cropland and noncropland acres on the farm from wind and water erosion and noxious weeds. Producers who sign ARC county or individual contracts and PLC contracts agree to effectively control noxious weeds on the farm according to sound agricultural practices.

If a producer fails to take necessary actions to correct a maintenance problem on a farm that is enrolled in ARC or PLC, the County Committee may elect to terminate the contract for the program year.

Enrollment Reopens for Improved Dairy Safety Net Tool

USDA's Farm Service Agency (FSA) encourages dairy producers to consider enrolling in the new and improved [Margin Protection Program for Dairy](#) (MPP-Dairy), which will provide better protections for dairy producers from shifting milk and feed prices. With changes authorized under the Bipartisan Budget Act of 2018, FSA has set the enrollment period to run from April 9 to June 1, 2018.

About the Program:

The program protects dairy producers by paying them when the difference between the national all-milk price and the national average feed cost (the margin) falls below a certain dollar amount elected by the producer.

Changes include:

- Calculations of the margin period is monthly rather than bi-monthly
- Covered production is increased to 5 million pounds on the Tier 1 premium schedule, and premium rates for Tier 1 are substantially lowered
- An exemption from paying an administrative fee for limited resource, beginning, veteran, and disadvantaged producers; Dairy operators enrolled in the previous 2018 enrollment period that qualify for this exemption under the new provisions may request a refund

Dairy operations must make a new coverage election for 2018, even if you enrolled during the previous 2018 signup period. Coverage elections made for 2018 will be retroactive to January 1, 2018. All dairy operations desiring coverage must sign up during the enrollment period and submit an appropriate form (CCC-782) and dairy operations may still "opt out" by not submitting a form. All outstanding balances for 2017 and prior years must be paid in full before 2018 coverage is approved.

Dairy producers can participate in FSA's MPP-Dairy or the Risk Management Agency's Livestock Gross Margin Insurance Plan for Dairy Cattle (LGM-Dairy), but not both. During the 2018 enrollment period, only producers with an active LGM-Dairy policy who have targeted marketings insured in 2018 months will be allowed to enroll in MPP-Dairy by June 1, 2018; however, their coverage will start only after active target marketings conclude under LGM-Dairy.

USDA has a web tool to help producers determine the level of coverage under the MPP-Dairy that will provide them with the strongest safety net under a variety of conditions. The online resource, which will be updated and available by April 9 at www.fsa.usda.gov/mpptool, allows dairy farmers to quickly and easily combine unique operation data and other key variables to calculate their coverage needs based on price projections. Producers can also review historical data or estimate future coverage based on data projections. The secure site can be accessed via computer, smartphone, tablet or any other platform.

USDA is mailing postcards advising dairy producers of the changes. For more information, visit www.fsa.usda.gov/dairy or contact your [local USDA service center](#).

USDA Helps Cotton Producers Maintain, Expand Domestic Market

The U.S. Department of Agriculture (USDA) is taking action to assist cotton producers through a Cotton Ginning Cost Share (CGCS) program in order to expand and maintain the domestic marketing of cotton.

The sign-up period for the CGCS program runs from March 12 to May 31, 2018.

Under the program, which is administered by the Farm Service Agency (FSA), cotton producers may receive a cost share payment, which is based on a producer's 2016 cotton acres reported to FSA multiplied by 20 percent of the average ginning cost for each production region.

The CGCS payment rates for each region of the country are:

| Region | States | Cost of Ginning/Acre | CGCS Payment Rate |
|-----------|---|----------------------|-------------------|
| Southeast | Alabama, Florida, Georgia N. Carolina, S. Carolina, Virginia | \$116.05 | \$23.21 |
| Mid-South | Arkansas, Illinois, Kentucky, Louisiana Missouri, Mississippi, Tennessee | \$151.97 | \$30.39 |
| Southwest | Kansas, Oklahoma, Texas | \$98.26 | \$19.65 |
| West | Arizona, California, New Mexico | \$240.10 | \$48.02 |

CGCS payments are capped at \$40,000 per producer. To qualify for the program, cotton producers must meet conservation compliance provisions, be actively engaged in farming and have adjusted gross incomes not exceeding \$900,000. FSA will mail letters and pre-filled applications to all eligible cotton producers.

The program was established under the statutory authority of the Commodity Credit Corporation Charter Act.

To learn more about the CGCS program, visit www.fsa.usda.gov/cgcs or contact a local FSA county office. To find your local FSA county office, visit the USDA's new website: <https://www.farmers.gov/>.

Payment Limitations by Program

The 2014 Farm Bill established a maximum dollar amount for each program that can be received annually, directly or indirectly, by each person or legal entity. Payment limitations vary by program for 2014 through 2018.

Below is an overview of payment limitations by program.

Commodity and Price Support Programs

The annual limitation for the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs, Loan Deficiency Payments (LDPs) and Market Loan Gains is \$125,000 total.

Conservation Programs

The Conservation Reserve Program (CRP) annual rental payment and incentive payment is limited to \$50,000. CRP contracts approved before Oct. 1, 2008, may exceed the limitation, subject to payment limitation rules in effect on the date of contract approval.

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The Emergency Conservation Program (ECP) has an annual limit of \$200,000 per disaster event. The Emergency Forest Restoration Program (EFRP) annual limit is \$500,000 per disaster event.

Disaster Assistance Programs – 2017 and Subsequent Years

The Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP) and Livestock Forage Disaster Program (LFP) have a \$125,000 per person and legal entity single payment limitation that applies to the total amount of program year payments received.

Program payments under the Livestock Indemnity Program (LIP) and Tree Assistance Program (TAP) no longer have payment limits.

Payment limitations also apply to Natural Resources Conservation Service (NRCS) programs. Contact your local NRCS office more information on NRCS programs.

Reporting Wind Turbines, Solar Panels Constructed on Cropland

Producers who have wind turbines constructed on their farms should notify the local Farm Service Agency office. Any area that is no longer considered suitable as cropland (producing annual or perennial crops) should be designated in FSA's records and aerial photography maps.

When base acres on a farm are converted to a non-agricultural commercial or industrial use, the total base acres on the farm must be reduced accordingly. Non-cropland areas used for wind turbines might impact payments calculated using base acres, such as Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC).

Producers who have solar panels constructed on their farms should notify the local Farm Service Agency office. Any area that is no longer considered suitable as cropland (producing annual or perennial crops) should be designated in FSA's records and aerial photography maps. When base acres on a farm are converted to a non-agricultural commercial or industrial use, the total base acres on the farm must be reduced accordingly.

Non-cropland areas used for solar panels might impact payments calculated using base acres, such as ARC and PLC and Conservation Reserve Program (CRP) annual rental payments.

Transitioning Expiring CRP Land to Beginning, Veteran, Underserved Farmers, Ranchers

Retired or retiring landowners or operators are encouraged to transition their Conservation Reserve Program (CRP) acres to beginning, veteran, or underserved farmers or ranchers through the Transition Incentives Program (TIP). TIP provides annual rental payments to the retiring farmer for up to two additional years after the CRP contract expires, provided the transition is not to a family member.

Enrollment in TIP is on a continuous basis. Beginning, veteran or underserved farmers and ranchers and retiring CRP participants may enroll in TIP beginning one year before the expiration date of the CRP contract or Aug. 15. For example, if a CRP contract is scheduled to expire on Sept. 30, 2018, the land may be offered for enrollment in TIP beginning Oct. 1, 2017, through Aug. 15, 2018. The Aug. 15 deadline allows the Natural Resources Conservation Service (NRCS) time to complete the TIP sustainable grazing or crop production conservation plans. The TIP application must be submitted prior to completing the lease or sale of the affected lands.

New landowners or renters must return the land to production using sustainable grazing or farming methods. For more information on TIP, visit <https://www.fsa.usda.gov/conservation>.

Communication is Key in Lending

Farm Service Agency (FSA) is committed to providing our farm loan borrowers the tools necessary to be a success. A part of ensuring this success is providing guidance and counsel from the loan application process through the borrower's graduation to commercial lending institutions. While it is FSA's commitment to advise borrowers as they identify goals and evaluate progress, it is crucial for borrowers to communicate with their farm loan staff when changes occur.

It is the borrower's responsibility to alert FSA to any of the following:

- Any proposed or significant changes in the farming operation
- Any significant changes to family income or expenses
- The development of problem situations
- Any losses or proposed significant changes in security

In addition, if a farm loan borrower cannot make payments to suppliers, other creditors, or FSA on time, contact your farm loan staff immediately to discuss loan servicing options.

For more information on FSA farm loan programs, visit www.fsa.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.

Beginning Farmer Loans

FSA assists beginning farmers to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more than 10 years
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and, financial management program sponsored by FSA
- Does not own a farm in excess of 30 percent of the county's average size farm

Additional program information, loan applications, and other materials are available at your local USDA Service Center. You may also visit www.fsa.usda.gov.
