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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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To find contact information for
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From the State Executive Director

Happy Thanksgiving!

As we prepare to celebrate Thanksgiving with our family and friends, I want to express how thankful I am for the farmers and ranchers, like you, who work day-in and day-out to provide food, fiber and fuel for the world.

I'm also thankful that the Farm Service Agency is able to provide a safety net for producers who face risks every day when it comes to markets and weather.

I know I've been pushing the importance of meeting program deadlines for the last few months, but I can't stress enough how important it is for seed cotton producers to make appointments now to enroll in the Agriculture Risk Coverage or Price Loss Coverage program. Producers with generic base acres have until **Dec. 7, 2018**, to allocate generic base acres, update yields, make a program election for seed cotton base acres and enroll farms that formerly contained generic base acres. We still have a lot of producers who have not made a program election. We need your help to ensure we can get everyone enrolled. Please call your local office as soon as possible to make an appointment.

Additionally, **Dec. 3** is a major deadline for disaster assistance. If you've experienced losses due to natural disasters, please read the article below on disaster assistance for more information.

I want to remind everyone that the perennial forage acreage reporting deadline was moved to **July 15**. However, producers who participate in the Noninsured Crop Disaster Assistance Program must report acreage 15 days prior to harvesting or grazing the crop.

While you're in the office make sure to enroll in the Market Facilitation Program if harvest is complete. Producers have until **Jan. 15, 2019**, to apply for assistance due to unjustified trade retaliations by foreign nations.

Sincerely,
Gary L. Six
State Executive Director
Farm Service Agency - Texas

DON'T MISS OUT! Seed Cotton Safety-Net Program Enrollment Ends December 7

The Bipartisan Budget Act of 2018 added seed cotton as a covered commodity; replacing generic base acres.

Owners of a farm with generic base acres as of September 30, 2013, and a recent planting history of covered commodities, have a **one-time opportunity** to allocate generic base acres.

Steps for implementing the allocation of seed cotton:

- Current owner(s) of the farm allocate generic base acres to seed cotton or allocate generic base acres to seed cotton base and other planted covered commodities as applicable.
- Current owner(s) of the farm may update the seed cotton yield.
- Current producer(s) on the farm elect the applicable program for seed cotton, unless ARC-Individual Coverage (ARC-IC) was previously elected on the farm.
- The producer(s) on the farm enroll the farm for the 2018 crop year.

Deadline for attribution of generic base acres, yield update, program election for seed cotton base acres and enrollment for farm(s) that formerly contained generic base acres is **December 7, 2018**.

Please call your local FSA office as soon as possible to schedule an appointment to complete the attribution, yield update, program election and enrollment process.

For local FSA Service Center contact information, please visit www.farmers.gov.

USDA Reminds Producers of Disaster Program Deadlines

U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) reminds Texas producers who experienced losses from natural disasters during the 2017 and 2018 calendar years that they may be eligible for assistance through the Tree Assistance Program (TAP), Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP) and Livestock Indemnity Program (LIP).

Tree Assistance Program (TAP):

TAP provides financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes and vines lost due to natural disasters. Payment eligibility is triggered when a mortality loss in excess of 15 percent on a stand (adjusted for normal mortality) occurs due to natural disaster.

In addition, up to \$15 million is available to eligible pecan orchardists or pecan nursery tree growers for certain mortality losses incurred during 2017. To be eligible, the grower must have suffered a mortality loss on a stand in excess of 7.5 percent, but less than 15 percent, adjusted for normal mortality from Jan. 1, 2017, through Dec. 31, 2017.

For 2017 and 2018 TAP losses, and 2017 Pecan TAP losses, growers have until the later of **Dec. 3, 2018**, or 90 calendar days after the disaster event or date when the loss of trees becomes apparent to submit an application with supporting documentation.

Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP):

ELAP provides emergency assistance to eligible producers of livestock, honeybees and farm-raised fish who have suffered losses due to an adverse weather or loss condition, including blizzards, disease, water shortages and wildfires. ELAP assistance is provided for losses not covered by other disaster assistance programs.

For 2017 and 2018 ELAP, producers must file a notice of loss and application for payment at their local FSA office by **Dec. 3, 2018**. for losses occurring from Oct. 1, 2016, through Sept. 30, 2018.

Livestock Indemnity Program (LIP):

LIP provides compensation to eligible livestock owners or contract growers for livestock deaths in excess of normal mortality, or injury resulting in reduced value, caused by an eligible loss condition.

For 2017 and 2018 LIP, a livestock owner or contract grower must file a notice of loss the later of 30 calendar days from when the loss of livestock is first apparent, or **Dec. 3, 2018**. For 2017 losses, a livestock owner or contract grower must file an application for payment by **Dec. 3, 2018**. For 2018 losses, a livestock owner or contract grower must file an application for payment by, **March 1, 2019**.

Other Amendments to the 2014 Farm Bill by the Bipartisan Budget Act of 2018

In February, the Bipartisan Budget Act of 2018 made several changes to FSA disaster programs. This includes eliminating the \$20 million fiscal year funding cap for ELAP, eliminating the \$125,000 payment limitation for LIP for 2017 and future years and allowing producers to receive a payment for injured livestock that are sold for a reduced price due to an eligible event.

As a result of these changes, starting June 4, producers were allowed to submit ELAP, LIP and LFP applications for 2017 losses if they reached the payment limitation under the previous rules. The application periods for these programs for the 2017 program year will close on **Dec. 3, 2018**. Producers who already submitted applications and received decisions on their applications for these years do not need to file again but can reapply if they have additional losses or their application or notice of loss was denied because it was late filed.

Contact your local FSA office for program deadlines. For more information on FSA disaster assistance programs or to find your local USDA Service Center, visit <https://www.farmers.gov/>.

USDA Encourages Producers to Consider NAP 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 NAP. Beginning, underserved and limited resource farmers are now eligible for free catastrophic level coverage.

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.

Producers can determine if crops are eligible for federal crop insurance or NAP by visiting <https://webapp.rma.usda.gov/apps/ActuarialInformationBrowser2018/CropCriteria.aspx>.

NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production.

Deadlines for coverage vary by state and crop. To learn more about NAP visit www.fsa.usda.gov/napor 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.

Actively Engaged Provisions for Non-Family Joint Operations or Entities

Many Farm Service Agency programs require all program participants, either individuals or legal entities, to be "actively engaged in farming." This means participants provide a significant contribution to the farming operation, whether it is capital, land, equipment, active personal labor and/or management. For entities, each partner, stockholder or member with an ownership interest, must contribute active personal labor and/or management to the operation on a regular basis.

Joint operations comprised of non-family members or partners, stockholders or persons with an ownership in the farming operation must meet additional payment eligibility provisions. Joint operations comprised of family members are exempt from these additional requirements. For 2016 and subsequent crop years, non-family joint operations can have one member that may use a significant contribution of active personal management exclusively to meet the requirements to be determined "actively engaged in farming." The person or member will be defined as the farm manager for the purposes of administering these management provisions.

Non-family joint operations may request to add up to two additional managers for their farming operation based on the size and/or complexity of the operation. If additional farm managers are requested and approved, all members who contribute management are required to complete form CCC-902MR, Management Activity Record. The farm manager should use the form to record management activities including capital, labor and agronomics, which includes crop selection, planting decisions, acquisition of inputs, crop management and marketing decisions. One form should be used for each month and the farm manager should enter the number of hours of time spent for each activity under the date of the month the actions were completed. The farm manager must also document if each management activity was completed on the farm or remotely.

The records and supporting business documentation must be maintained and timely made available for review by the appropriate FSA reviewing authority, if requested.

If the farm manager fails to meet these requirements, their contribution of active personal management to the farming operation for payment eligibility purposes will be disregarded and their payment eligibility status will be re-determined for the applicable program year.

In some instances, additional persons or members of a non-family member joint operation who meet the definition of farm manager may also be allowed to use such a contribution of active personal management to meet the eligibility requirements. However, under no circumstances may the number of farm managers in a non-family joint operation exceed a total of three in any given crop and program year.

Filing CCC-941 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*. No program payment can be issued to an eligible producer, including landowners who share in the crop, without a valid CCC-941 on file in the county office.

Producers without a valid CCC-941 on file for the applicable crop year will not receive payments. 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 that their landowners have filed the form.

FSA can accept the CCC-941 for 2015, 2016, 2017 and 2018. Unlike the past, producers must have the CCC-941 certifying their AGI compliance before any payments can be issued.

USDA Packages Disaster Protection with Loans to Benefit Specialty Crop and Diversified Producers

Free basic coverage available for new and underserved loan applicants

Producers who apply for FSA farm loans will be offered the opportunity to enroll in the Noninsured Crop Disaster Assistance Program (NAP). NAP is available to producers who grow noninsurable crops, and is especially important to fruit and vegetable producers and other specialty crop growers.

New, underserved and limited income specialty growers who apply for farm loans could qualify for basic loss coverage at no cost.

The basic disaster coverage protects at 55 percent of the market price for crop losses that exceed 50 percent of production. Covered crops include “specialty” crops, for instance, vegetables, fruits, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, hay, forage, grazing and energy crops. FSA allows beginning, underserved or limited income producers to obtain NAP coverage up to 90 days after the normal application closing date when they also apply for FSA credit.

Producers also may work with FSA to protect value-added production, such as organic or direct market crops, at their fair market value in those markets. Targeted underserved groups eligible for free or discounted coverage are American Indians or Alaskan Natives, Asians, Blacks or African Americans, Native Hawaiians or other Pacific Islanders, Hispanics, and women.

FSA offers a variety of loan products, including farm ownership loans, operating loans and microloans that have a streamlined application process.

Growers need not apply for an FSA loan, nor be a beginning, limited resource, or underserved farmer, to be eligible for Noninsured Crop Disaster Assistance Program assistance. To learn more, visit www.fsa.usda.gov/nap or www.fsa.usda.gov/farmloans, or contact your local FSA office at <https://offices.usda.gov>.

CRP Payment Limitation

Payments and benefits received under the Conservation Reserve Program (CRP) are subject to the following:

- payment limitation by direct attribution
- foreign person rule
- average adjusted gross income (AGI) limitation

The 2014 Farm Bill continued the \$50,000 maximum CRP payment amount that can be received annually, directly or indirectly, by each person or legal entity. This payment limitation includes all annual rental payments and incentive payments (Sign-up Incentive Payments and Practice Incentive Payments). Annual rental payments are attributed (earned) in the fiscal year in which program performance occurs. Sign-up Incentive Payments (SIP) are attributed (earned) based on the fiscal year in which the contract is approved, not the fiscal year the contract is effective. Practice Incentive Payments (PIP) are attributed (earned) based on the fiscal year in which the cost-share documentation is completed and the producer or technical service provider certifies performance of practice completion to the county office.

Such limitation on payments is controlled by direct attribution.

- Program payments made directly or indirectly to a *person* are combined with the pro rata interest held in any legal entity that received payment, unless the payments to the legal entity have been reduced by the pro rata share of the person.
- Program payments made directly to a *legal entity* are attributed to those persons that have a direct and indirect interest in the legal entity, unless the payments to the legal entity have been reduced by the pro rata share of the person.
- Payment attribution to a legal entity is tracked through four levels of ownership. If any part of the ownership interest at the fourth level is owned by another legal entity, a reduction in payment will be applied to the payment entity in the amount that represents the indirect interest of the fourth level entity in the payment entity.

Essentially, all payments will be “attributed” to a person’s Social Security Number. Given the current CRP annual rental rates in many areas, it is important producers are aware of how CRP offered acreages impact their \$50,000 annual payment limitation. Producers should contact their local FSA office for additional information.

NOTE: The information in the above article only applies to contracts subject to 4-PL and 5-PL regulations. It does not apply to contacts subject to 1-PL regulations.

Breaking New Ground

Agricultural producers are reminded to consult with FSA and NRCS before breaking out new ground for production purposes as doing so without prior authorization may put a producer’s federal farm

program benefits in jeopardy. This is especially true for land that must meet Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions.

Producers with HEL determined soils are required to apply tillage, crop residue and rotational requirements as specified in their conservation plan.

Producers should notify FSA as a first point of contact prior to conducting land clearing or drainage type projects to ensure the proposed actions meet compliance criteria such as clearing any trees to create new cropland, then these areas will need to be reviewed to ensure such work will not risk your eligibility for benefits.

Landowners and operators complete the form AD-1026 - Highly Erodible Land Conservation (HEL) and Wetland Conservation (WC) Certification to identify the proposed action and allow FSA to determine whether a referral to Natural Resources Conservation Service (NRCS) for further review is necessary.

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).