

May 2019



Farm Service Agency **Electronic News Service**

# NEWSLETTER

*GovDelivery*

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## FSA News - Lone Star State Edition

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### Farm Service Agency Texas State Office

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Gary L. Six

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Ronda Arnett  
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Scott Reed  
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To find contact information for  
your local office go  
to: <http://www.fsa.usda.gov/tx>

### From the State Executive Director

Spring rains have put a damper on planting and field work across the state. While you're waiting for warm and windy days to dry your fields, make sure you're current on FSA program news.

Producers have until **May 31, 2019**, to apply for crop year 2018 marketing assistance loans for feed grains, upland cotton, soybeans and minor oilseeds. These loans provide short-term financing to help producers meet interim cash flow needs.

Last week, USDA announced that FSA will provide \$14.5 billion in direct payments to producers of certain commodities through the Market Facilitation Program for 2019 to assist producers affected by unjustified retaliatory tariffs and trade disruptions. Stay tuned for more details.

June will be a busy month in your local offices as enrollment opens for two programs.

FSA will start accepting applications for certain practices under the continuous Conservation Reserve Program (CRP) beginning **June 3**. A one-year extension will be offered to existing CRP participants who have expiring contracts of 14 years or less. Producers who are eligible for an extension will receive a letter with more information.

Dairy producers can begin enrolling in the new Dairy Margin Coverage (DMC) Program starting **June 17**. Payments have already triggered for January, February and March for producers who purchase the appropriate level of coverage. Producers can use the [DMC decision tool](#) for help selecting the level of coverage that works best for their operation.

Earlier this month, FSA announced that dairy producers who had coverage under the Margin Protection Program for Dairy are

eligible to receive a payment for part of the premiums paid into the program. Eligible dairy producers will receive a letter from FSA outlining their repayment options.

If you need to conduct any business with your local FSA office, please call to make an appointment.

Sincerely,

Gary L. Six  
State Executive Director  
Farm Service Agency – Texas

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## Report Noninsured Crop Disaster Assistance Program (NAP) Losses

The Noninsured Crop Disaster Assistance Program (NAP) provides financial assistance to producers of non-insurable crops when low yields, loss of inventory, or prevented planting occur due to natural disasters including freeze, hail, excessive moisture, excessive wind or hurricanes, flood, excessive heat and qualifying drought (includes native grass for grazing), among others.

Eligible producers must have purchased NAP coverage for 2019 crops. A notice of loss must be filed the earlier of 15 days of the occurrence of the disaster or when losses become apparent or 15 days of the final harvest date.

Producers of hand-harvested crops and certain perishable crops must notify FSA within 72 hours of when a loss becomes apparent.

Eligible crops must be commercially produced agricultural commodities for which crop insurance is not available, including perennial grass forage and grazing crops, fruits, vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

For more information on NAP, contact your local FSA office or visit [www.fsa.usda.gov/nap](http://www.fsa.usda.gov/nap).

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## USDA Reopens Continuous CRP Signup

USDA's Farm Service Agency (FSA) will accept applications beginning June 3, 2019, for certain practices under the continuous Conservation Reserve Program (CRP) signup and will offer extensions for expiring CRP contracts. The 2018 Farm Bill reauthorized CRP, one of the country's largest conservation programs.

FSA stopped accepting applications last fall for the continuous CRP signup when 2014 Farm Bill authority expired. Since passage of the 2018 Farm Bill last December, Fordyce said FSA has carefully analyzed the language and determined that a limited signup prioritizing water-quality practices furthers conservation goals and makes sense for producers as FSA works to fully implement the program.

## Continuous CRP Signup

This year's signup will include such practices as grassed waterways, filter strips, riparian buffers, wetland restoration and others. [View a full list of practices approved for this program.](#)

Continuous signup enrollment contracts are 10 to 15 years in duration. Soil rental rates will be set at 90 percent of the existing rates. Incentive payments will not be offered for these contracts.

## Conservation Reserve Enhancement Program Signup

FSA will also reopen signup for existing Conservation Reserve Enhancement Program (CREP) agreements. Fact sheets on current CREP agreements are available on [this webpage](#).

## Other CRP Signup Options

FSA will open a CRP general signup in December 2019 and a CRP Grasslands signup later.

## CRP Contract Extensions

A one-year extension will be offered to existing CRP participants who have expiring CRP contracts of 14 years or less. Producers eligible for an extension will receive a letter describing their options.

Alternatively, producers with expiring contracts may have the option to enroll in the Transition Incentives Program, which provides two additional annual rental payments on the condition the land is sold or rented to a beginning farmer or rancher or a member of a socially disadvantaged group.

## More Information

Producers interested in applying for continuous CRP practices, including those under existing CREP agreements, or who need an extension, should contact their USDA service center beginning June 3. To locate your local FSA office, visit [www.farmers.gov](http://www.farmers.gov). More information on CRP can be found at [www.fsa.usda.gov/crp](http://www.fsa.usda.gov/crp).

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## 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](http://www.fsa.usda.gov).

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## 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.

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, along with their financial institution, must fill out form RD 3550-28. This form has no expiration date, but a separate form RD 3550-28 must be completed for each loan to which payments are to be 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 you have a "filter" on the account at your financial institution, you will need to provide the financial institution with the following information: 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>

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## 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.

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## 2018 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.

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

### **Disaster Assistance Programs – 2017 & 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.

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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).