

March 2017



Farm Service Agency

GovDelivery Electronic
News Service
NEWSLETTER



Having trouble viewing this email? [View it as a Web page.](#)

March 2017 Topics

- [Acting State Executive Director Message](#)
- [Organic Producers and Handlers May Apply for Certification Cost Share Reimbursements; Expanded Eligibility for Transition and State Certification Cost](#)
- [Payment Limitations by Program](#)
- [2017 Acreage Reporting Dates](#)
- [Reporting Organic Crops](#)
- [2016 Crop MAL and LDP Deadline](#)
- [Preauthorized Debit Available for Farm Loan Borrowers](#)
- [Disaster Set-Aside \(DSA\) Program](#)
- [Selected Interest Rates for March 2017](#)
- [Dates to Remember](#)

Virginia FSA State Newsletter

Virginia FSA State Office

James M. Dunn
Acting State Executive
Director

1606 Santa Rosa Rd
Suite 138
Richmond, VA 23229

804-287-1503
855-621-5866 fax

Acting State Executive Director Message

Change is something that we face in all of our everyday lives, sometimes more than we want, and sometimes we can't get enough change. As we move through our recent change in Administration and transition to our new leadership, realize that one thing will not change and that is our commitment to serve our producers in rural America! Discussions are currently being held about our next Farm Bill and any changes that may be affected by the new bill. While a new farm bill is still a long ways away, I feel comfortable that FSA will be the Agency that delivers the farm programs at the local level, and we will handle any changes that come our way with the same dedication to our producers as we have in the past.

Hours

Monday - Friday
7:30 a.m. - 4:30 p.m.

State Office Staff

Pete Adamson, Chief
Farm Loans

Brent L. Whitlock, Chief
Farm Programs

Connie Washburn-Marsh,
Chief Administration Officer

Diane Lenoir-Giles
Public Relations/Outreach
Specialist

Virginia FSA Internet

More Information about
Virginia FSA programs,
activities and news can be
found on the VA FSA Internet
at

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

To learn more about FSA
programs you can also visit
the National website at
<http://www.fsa.usda.gov>

Organic Producers and Handlers May Apply for Certification Cost Share Reimbursements; Expanded Eligibility for Transition and State Certification Cost

Starting March 20, 2017, organic producers and handlers will be able to visit over 2,100 USDA Farm Service Agency (FSA) offices to apply for federal reimbursement to assist with the cost of receiving and maintaining organic or transitional certification.

USDA reimburses organic producers up to 75 percent of the cost of organic certification, but only about half of the nation's organic operations currently participate in the program. Starting March 20, USDA will provide a uniform, streamlined process for organic producers and handlers to apply for organic cost share assistance either by mail or in person.

USDA is making changes to increase participation in the National Organic Certification Cost Share Program (NOCCSP) and the Agricultural Management Assistance Organic Certification Cost Share Program, and at the same time provide more opportunities for organic producers to access other USDA programs, such as disaster protection and loans for farms, facilities and marketing. Producers can also access information on nonfederal agricultural resources, and get referrals to local experts, including organic agriculture, through USDA's Bridges to Opportunity service at the local FSA office.

Historically, many state departments of agriculture have obtained grants to disburse reimbursements to those producers and handlers qualifying for cost share assistance. FSA will continue to partner with states to administer the programs. For states that want to continue to directly administer the programs, applications will be due Feb. 17, 2017.

Eligible producers include any certified producers or handlers who have paid organic or transitional certification fees to a [USDA-accredited certifying](#) agent. Application fees, inspection costs, fees related to equivalency agreement/ arrangement requirements, travel/per diem for inspectors, user fees, sales assessments and postage are all eligible for a cost share reimbursement from USDA.

Once certified, producers and handlers are eligible to receive reimbursement for up to 75 percent of certification costs each year up to a maximum of \$750 per certification scope—crops, livestock, wild crops and handling. This announcement also adds transitional certification and state organic program fees as additional scopes.

To learn more about organic certification cost share, please visit www.fsa.usda.gov/organic or contact a local FSA office by visiting <http://offices.usda.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 each.

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

The annual limitation of \$125,000 applies to the Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP), Livestock Forage Disaster Program (LFP), Livestock Indemnity Program (LIP), Noninsured Crop Disaster Assistance Program (NAP) and Tree Assistance Program (TAP). The total payments received under ELAP, LFP and LIP may not exceed \$125,000. A separate limitation applies to TAP payments.

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

For more information on FSA payment limitations by program, visit

https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdafiles/FactSheets/2015/payment_eligibility_payment_limitations.pdf.

2017 Acreage Reporting Dates

In order to comply with FSA program eligibility requirements, all producers are encouraged to visit their local FSA office to file an accurate crop certification report by the applicable deadline.

Acreage reporting dates vary by crop and by county so please contact your local FSA office for a list of county-specific deadlines.

The following exceptions apply to acreage reporting dates:

- If the crop has not been planted by the applicable acreage reporting date, then the acreage must be reported no later than 15 calendar days after planting is completed.
- If a producer acquires additional acreage after the applicable acreage reporting date, then the acreage must be reported no later than 30 calendar days after purchase or acquiring the lease. Appropriate documentation must be provided to the county office.

- If a perennial forage crop is reported with the intended use of “cover only,” “green manure,” “left standing,” or “seed,” then the acreage must be reported by July 15th. Noninsured Crop Disaster Assistance Program (NAP) policy holders should note that the acreage reporting date for NAP covered crops is the earlier of the applicable dates or 15 calendar days before grazing or harvesting of the crop begins. For questions regarding crop certification and crop loss reports, please contact your local FSA office.

Reporting Organic Crops

Producers who want to use the Noninsured Crop Disaster Assistance Program (NAP) organic price and selected the "organic" option on their NAP application must report their crops as organic.

When certifying organic acres, the buffer zone acreage must be included in the organic acreage.

Producers must also provide a current organic plan, organic certificate or documentation from a certifying agent indicating an organic plan is in effect. Documentation must include:

- name of certified individuals
- address
- telephone number
- effective date of certification
- certificate number
- list of commodities certified
- name and address of certifying agent
- a map showing the specific location of each field of certified organic, including the buffer zone acreage

Certification exemptions are available for producers whose annual gross agricultural income from organic sales totals \$5,000 or less. Although exempt growers are not required to provide a written certificate, they are still required to provide a map showing the specific location of each field of certified organic, transitional and buffer zone acreage.

For questions about reporting organic crops, contact your local FSA office. To find your local office, visit <http://offices.usda.gov>.

2016 Crop MAL and LDP Deadline

The Agricultural Act of 2014 authorized 2014-2018 crop year Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs), with a few minor policy changes.

Among the changes, farm-stored MAL collateral transferred to warehouse storage will retain the original loan rate, be allowed to transfer only the outstanding farm-stored quantity with no additional quantity allowed and will no longer require producers to have a paid for measurement service when moving or commingling loan collateral.

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, pulse crops, rice, peanuts, cotton, 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 a loan,

but agrees to forgo the loan, may obtain an LDP if such a payment is available. Marketing loan provisions and LDPs are not available for sugar and extra-long staple cotton.

FSA is now accepting requests for 2016 MALs and LDPs for all eligible commodities after harvest. Requests for loans and LDP's shall be made on or before the final availability date for the respective commodities. March 31 is the final loan availability date for Barley, Canola, Crambe, Flaxseed, Honey, Oats, Rapeseed, Wheat, and Sesame Seed. May 31 is the final loan availability date for Corn, Dry Peas, Grain Sorghum, Lentils, Mustard Seed, Rice, Safflower Seed, Chickpeas, Soybeans, Sunflower Seed, and cotton.

Before MAL repayments with a market loan gain or LDP disbursements can be made, producers must meet the requirements of actively engaged in farming, cash rent tenant and member contribution.

Commodity certificates are available to loan holders who have outstanding nonrecourse loans for wheat, upland cotton, rice, feed grains, pulse crops (dry peas, lentils, large and small chickpeas), peanuts, wool, soybeans and designated minor oilseeds. These certificates can be purchased at the posted county price (or adjusted world price or national posted price) for the quantity of commodity under loan, and must be immediately exchanged for the collateral, satisfying the loan. MALs redeemed with commodity certificates are not subject to the actively engaged in farming, cash-rent tenant, Adjusted Gross Income provisions or the payment limitation.

To be considered eligible for an LDP, producers must have form [CCC-633EZ](#), Page 1 on file at their local FSA Office before losing beneficial interest in the crop. Pages 2, 3 or 4 of the form must be submitted when payment is requested.

The 2014 Farm Bill also establishes payment limitations per individual or entity not to exceed \$125,000 annually on certain commodities for the following program benefits: price loss coverage payments, agriculture risk coverage payments, marketing loan gains (MLGs) and LDPs. These payment limitations do not apply to MAL loan disbursements or redemptions using commodity certificate exchange.

Adjusted Gross Income (AGI) provisions were modified by the 2014 Farm Bill, which states that a producer whose total applicable three-year average AGI exceeds \$900,000 is not eligible to receive an MLG or LDP. Producers must have a valid CCC-941 on file to earn a market gain of LDP. The AGI does not apply to MALs redeemed with commodity certificate exchange.

For more information and additional eligibility requirements, please visit a nearby USDA Service Center or FSA's website www.fsa.usda.gov.

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>

Disaster Set-Aside (DSA) Program

FSA borrowers with farms located in designated primary or contiguous disaster areas who are unable to make their scheduled FSA loan payments should consider the Disaster Set-Aside (DSA) program.

DSA is available to producers who suffered losses as a result of a natural disaster and is intended to relieve immediate and temporary financial stress. FSA is authorized to consider setting aside the portion of a payment/s needed for the operation to continue on a viable scale.

Borrowers must have at least two years left on the term of their loan in order to qualify.

Borrowers have eight months from the date of the disaster designation to submit a complete application. The application must include a written request for DSA signed by all parties liable for the debt along with production records and financial history for the operating year in which the disaster occurred. FSA may request additional information from the borrower in order to determine eligibility.

All farm loans must be current or less than 90 days past due at the time the DSA application is complete. Borrowers may not set aside more than one installment on each loan.

The amount set-aside, including interest accrued on the principal portion of the set-aside, is due on or before the final due date of the loan.

For more information, contact your local FSA farm loan office.

Selected Interest Rates for March 2017

90-Day Treasury Bill - 0.790%
Farm Operating Loans - Direct - 3.000%
Farm Ownership Loans - Direct - 4.000%
Farm Ownership Loans - Direct Down Payment, Beginning Farmer or Rancher - 1.500%
Emergency Loans - 4.000%
Farm Storage Facility Loans (3 years) - 1.500%
Farm Storage Facility Loans (5 years) - 1.875%
Farm Storage Facility Loans (7 years) - 2.250%
Farm Storage Facility Loans (10 years) - 2.500%
Farm Storage Facility Loans (12 years) - 2.500%
Commodity Loans 1996-Present - 1.875%

Dates to Remember

Mar. 15:
Final FCIC enrollment date for Spring Seeded Crops & WFRP

Mar. 20:
Organic Certification Cost Share Program Sign Up Begins

Mar. 31:
Deadline to request 2016 crop MALs for Wheat and small grains

Continuous:
Submit AD-1026 for forest land to be cleared for agricultural use and new ground (hay and pasture) to be planted to a row crop or vegetable.

Continuous:
Timely report changes in your farming operation to the County Office in writing and update your CCC-902 Farm Operating Plan.

Continuous:
Submit Continuous CRP and Grassland CRP Enrollment Offers.

Jul. 15:
Deadline to report 2017 Cover Crop

Aug. 1:
Deadline to submit 2017 ARC/PLC Contracts

For more information on bulletin subjects or details regarding your GovDelivery subscription with the Virginia FSA State Office, contact Diane Lenoir-Giles at diane.lenoir-giles@va.usda.gov or call at 804-287-1537.

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).