



Hawaii & Pacific Basin NEWSLETTER

July 2013



Your Farm Service Agency Online Monthly Newsletter Covering the Latest Topics

In this Issue:

Page 1:

2012 RTCP Payments and 2013 RTCP Signup

Page 2:

County Committee Election Nomination Deadline—August 01

Filing for NAP Losses

Crop Certification

Disaster Assistance

Page 3:

Farm Safety

Highly Erodible Lands and Wetlands Compliance

Compliance Checkup

Page 4:

Microloan Program

Beginning and Limited Resource Loans

Guaranteed Loan Program

Rural Youth Loans

Farm Loan Interest Rates

Page 5:

Rota's Little Treasure Calamansi and a Whole Lot More

Page 6:

Successor-in-Interest

Foreign Landowner Notification

Dates to Remember

Land Contract Guarantees

2012 RTCP Payments and 2013 RTCP Signup



Agriculture Secretary Tom Vilsack has announced that USDA has begun issuing approximately \$1.996 million in payments for fiscal year (FY) 2012 Reimbursement Transportation Cost Payment Program for Geographically Disadvantaged Farmers and Ranchers (RTCP) payments. The program assists producers outside the contiguous United States who paid to transport either an agricultural commodity or an input used to produce an agricultural commodity. The sign-up period for the FY 2013 program began on July 22.

“All farmers and ranchers face challenges but U.S. farmers and ranchers who are not on the mainland have a real competitive disadvantage when it’s time to move their products to market,” Vilsack said. “These payments help them offset some of their increased transportation cost, which not only helps the producers but also benefits consumers who have access to increased varieties of nutritious food for the family table.”

Authorized by the 2008 Farm Bill and extended for FY 2013 by the American Taxpayer Relief Act of 2012, the RTCP program provides payments intended to offset a portion of the higher costs of

transporting inputs and commodities over long distances. The program assists farmers and ranchers in Alaska, Hawaii and insular areas including the Commonwealth of Puerto Rico, Guam, American Samoa, Commonwealth of Northern Mariana Islands, Virgin Islands of the United States, Federated States of Micronesia, Republic of the Marshall Islands and Republic of Palau.

Benefits for RTCP are calculated based on the costs incurred by the producer for the transportation of agricultural commodities or inputs during a fiscal year, subject to an \$8,000 per producer cap per fiscal year. Payments to geographically disadvantaged farmers and ranchers for FY 2012 began June 28, 2013. Because total FY 2012 claims exceeded available funding, a payment factor of 0.7662762 was applied to program payments for all applicants.

Signup for FY 2013 began on July 22, 2013, and will end on September 09, 2013. For benefits, applicants must file their RTCP application Form FSA-218, in their administrative county FSA office no later than September 09, 2013. An electronic version of Form FSA-218 can be found by visiting the FSA website www.fsa.usda.gov and clicking on the “Forms” tab at the top of the web page. Applicants will have until November 04, 2013, to provide supporting documentation of actual costs of transporting agricultural inputs and commodities in FY 2013 to the FSA county office.

For more information on the RTCP program, farmers and ranchers in eligible areas can visit their local FSA county office or online at:

www.fsa.usda.gov/pricesupport.

Hawaii State & Pacific Basin Farm Service Agency Offices:

Hawaii State & Pacific Basin FSA Office
737 Bishop St, Ste 2340
Honolulu, HI 96813
Ph: (808)441-2704
Fax: (808)441-2705

Hawaii County FSA Hilo
154 Waiuanue Ave,
Rm 219
Hilo, HI 96720
Ph: (808)933-8381 x 1
Fax: (808)933-8345

Kona
The Kona Office is closed until further notice. Please call (808)933-8381 x 1 for service or information

Honolulu County FSA
99-193 Aiea Heights Dr,
Suite 114
Aiea, HI 96701
Ph: (808)483-8600 x 2
Fax: (808)483-8615

Kauai County FSA
4334 Rice St, Rm 103
Lihue, HI 96766
Ph: (808)245-9014 x 2
Fax: (808)246-4639

Maui County FSA
77 Hookele St, Ste 201
Kahului, HI 96732
Ph: (808)871-5500 x 2
Fax: (808)873-6183

Guam FSA Office
770 East Sunset Blvd.
Suite 265
Barrigada, GU 96913
Ph: (671)472-7568
Fax: (671)472-7580
CNMI (670)234-0896

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Pago Plaza Building
Suite 213
Pago Pago, AS 96799
Ph: (684)633-1031 x121
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Hours
Monday—Friday
8:00 am—4:00 pm

Website
www.fsa.usda.gov/hi

NOMINATE NOW!

County Committee Election Nomination Deadline August 01, 2013

The election of agricultural producers to Farm Service Agency (FSA) county committees (COC) is important to farmers and ranchers. It is crucial that every eligible producer participate in these elections because FSA county committees are a link between the agricultural community and the U.S. Department of Agriculture (USDA).

County committee members are critical to the operations of FSA by helping deliver FSA farm programs at the local level. Farmers and ranchers who serve on county committees help oversee administration of farm programs in their counties. They work to ensure FSA agricultural programs serve the needs of local producers. Farm Service Agency (FSA) county committees apply their judgment and knowledge to make local decisions and operate within official regulations and federal laws.

The COC nomination period runs from June 17, 2013 through August 1, 2013. The nomination form is available at USDA Service Centers and [online](#). For more information contact your local FSA office.

Filing for NAP Losses

For losses on crops covered by the Non-Insured Crop Disaster Assistance Program (NAP) and crop insurance, you must file a CCC-576, Notice of Loss, in the FSA County Office within 15 days of the occurrence of the disaster or when losses become apparent. The CCC-576, Notice of Loss, is used to report failed acreage and prevented planting and may be completed by any producer with an interest in the crop. Timely filing a Notice of Loss is required for all crops including grasses.

Crop Certification

After planting, producers should certify their acreage. Filing an accurate acreage report for all crops and land uses, including failed acreage and prevented planting acreage can prevent the loss of benefits for a variety of programs.

Failed acreage must be reported within 15 days of the disaster event and before disposition of the crop. Prevented planting must be reported no later than 15 days after the final planting date.

Acreage reports are required for many Farm Service Agency (FSA) programs. For all crops, including Non-Insured Crop Disaster Assistance Program (NAP) crops, acreage reports are to be certified by the deadline for each crop. For exact deadlines, call your FSA County Office for information.

Disaster Assistance

The Farm Service Agency (FSA) would like to remind agricultural producers that have recently experienced severe damage from drought that FSA programs are available to assist with recovery.



Producers who have suffered a disaster due to severe weather conditions are encouraged to read the FSA program fact sheets and visit their local FSA county office to get a quick start in the recovery process. Fact sheets for all programs can be found at www.fsa.usda.gov; click on Newsroom, then Fact Sheets.

Need Information?

The Hawaii and Pacific Basin Farm Service Agency (FSA) internet site contains news and information on FSA programs, an FSA Calendar, and hot links to other agricultural related sites.

Find the information you are looking for at: www.fsa.usda.gov/hi



Farm Safety

Working in agriculture has its risks due to the use of a wide range of equipment. Please remember to practice farm safety.

VISUAL INSPECTION: Remember to walk around machinery and check shields and guards; make sure the master shield is in place; make sure Slow Moving Vehicle signs are on machinery.

MEDICATION EFFECTS: If you are taking medicine, take it at the appropriate time and eat on schedule. Take seriously any cautions about drowsiness and operating machinery.

SAFETY TIPS from the American Society of Safety Engineers:

- Educate yourself on farm equipment. Read and follow instructions according to the equipment's safety manuals.
- Conduct regular equipment inspections.
- Avoid loose clothing near machinery or when entering confined spaces. Install Rollover Protective Structures (ROPS) on tractors.
- Use seat belts while operating tractors with a ROPS. No additional passengers on the tractors.
- Use caution while operating tractors and other farm equipment on roads.
- Use protective gear when operating machinery. Take extra precaution when handling chemicals.

Consistently educate your family (especially children) and co-workers about safety practices.



Highly Erodible Lands and Wetland Compliance

Producers participating in most programs administered by the Farm Service Agency (FSA) and the Natural Resources Conservation Service (NRCS) are required to abide by certain conditions on any land owned or farmed that is highly erodible or that is considered a wetland.

To be in compliance with the highly erodible land conservation and wetland conservation provisions, producers must agree, that they will not:

- Produce an agricultural commodity on highly erodible land without a conservation system;
- Plant an agricultural commodity on a converted wetland; or
- Convert a wetland to make possible the production of an agricultural commodity.

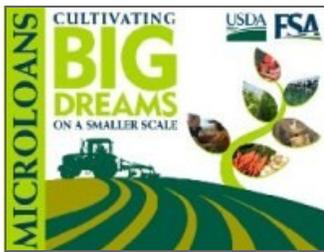
Producers planning to remove fence rows, convert woodlots to cropland, combine crop fields, divide a crop field into two or more fields, install new drainage, or improve or modify existing drainage, must notify the FSA and update Form AD-1026. Farm Service Agency will notify NRCS and NRCS will then provide highly erodible land or wetland technical determinations.

To get additional information on highly erodible land and wetland conservation compliance contact the FSA office or the NRCS office at a local United States Department of Agriculture Service Center. Additional information about conservation programs offered by FSA is online at www.fsa.usda.gov/conservation, and information on NRCS programs can be found at <http://www.nrcs.usda.gov>.



Compliance spot checks will be conducted on 2013 crops. Instead of locally selecting farms, contracts, etc. for review, a nationwide selection of producers is employed. Spot check selections are to be conducted based on a producer's participation in the Conservation Reserve Program (including the Hawaii Conservation Reserve Enhancement Program) and other programs.

For more information about the spot check selection procedure, feel free to contact your local Farm Service Agency office.



Microloan Program

The Farm Service Agency (FSA) has a new Microloan program to better serve the unique financial operating needs of beginning, niche and small family farm operations.

The low-interest FSA Microloan can help farmers with credit needs of \$35,000 or less. The streamlined application process fits the needs of new and smaller producers. This loan program will also be useful to specialty crop producers and operators of community supported agriculture.

Eligible applicants can apply for up to \$35,000 to pay for start-up expenses such as hoop houses to extend the growing season, essential tools, irrigation and annual expenses such as seed, fertilizer, utilities, land rents, marketing, and distribution expenses. As financing needs increase, applicants can apply for a regular operating loan up to the maximum amount of \$300,000. Applicants can also obtain financing from a lender under FSA's Guaranteed Loan Program.

Individuals interested in applying for a microloan or would like to discuss other farm loan programs available, should contact the local FSA office to setup an appointment with an FSA Farm Loan Manager or Farm Loan Officer.

Beginning and Limited Resource Loans

Farm Service Agency (FSA) assists beginning farmers and/or members of minority groups or women to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. Farm Service Agency 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; and
- Does not own a farm in excess of 30 percent of the county's median farm size.

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

Guaranteed Loan Program

The Farm Service Agency (FSA) loan limit for the Guaranteed Loan Program has increased to \$1,302,000. The limit is adjusted annually based on data compiled by the National Agricultural Statistics Service.

The lending limit increases every year according to an inflation index. The maximum combined guaranteed and direct farm loan indebtedness has increased to \$1,602,000.

As a reminder, the one-time loan origination fee charged on FSA guaranteed farm ownership and operating loans is 1.5 percent of the guaranteed portion of the loan. Producers should contact their local FSA County Offices with questions about farm loans.

Rural Youth Loans



The Farm Service Agency makes loans to rural youths to establish and operate income-producing projects in connection with 4-H Clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5,000.

For more information call the FSA county office and staff will assist with preparing and processing the application forms.

Farm Loan Programs	
Farm Operating - Direct	1.25%
Farm Ownership - Direct	3.375%
Farm Ownership - Direct Down Payment,	1.50%
Emergency	2.25%
Limited Resource	5.00%
Microloan	1.250%

Rota's Little Treasure - Calamansi and a whole lot more

Rota, the “Friendly Island,” is one of three (3) inhabited islands making up the 15 island archipelago of the United States Commonwealth of the Northern Marianas Islands (CNMI). Located approximately 47 miles North of Guam, 3,800 miles from Hawaii and 8,900 miles away from Washington, D.C., Rota’s agriculture sector is challenged by its geographic isolation and limited market, with most producers specializing in root crops and the main export being sweet potatoes. Then again, meet David Calvo, a local farmer, who chose a different path - pursuing novel niche crops and markets.



David Calvo displaying the “fruits” of his labor

David was a value-added hot pepper producer selling freshly ground hot pepper. While on a business trip in Korea searching for a sealing machine for his operation, he stumbled across a labeling company that was producing labels for a calamansi (also known as calamondin) juice company. Calamansi is a native fruit tree of the Philippine Islands, with fruit that resembles a small round lime which turns orange in color when ripe and has an alluring tangerine aroma with a sour taste.

In order to succeed, David had to rethink his farming path as the hot pepper plant operation was labor intensive; required high cost imported packaging material; and the market competition was fierce. Just like that, David decided to uproot his hot pepper plants and started a new calamansi operation in 1998.

Following in his father’s footsteps, David learned the benefits of farming early in life. He noted, “I practice what my father taught me by providing food for my family while farming and making money at the same time.” Five hundred (500) calamansi trees later, David is the main exporter of calamansi to Guam and Saipan.



Passion Fruit

Sustainability is another key component in David’s future. Steadily adding to his export list, his first harvest of passion fruit will be hitting the Guam market by the end of this year. He recently set his sights on vermiculture, aquaponics, and agritourism; stating,

“The vision I have for the future of my farm is to have it organically certified. I want to be able to teach people how to farm organically on their own.” Through agro-education, David hopes to draw the attention of students so that he can bring awareness to the importance of sustainable agriculture, and similar efforts in agro-tourism will educate visitors to the farm.

With his go-getter attitude and an insatiable appetite to expand his operation, David has a hand in just about everything the small island of Rota has to offer. He currently serves on an advisory committee for the Marianas Grazing and Livestock Management Academy, based out of the University of Hawai’i at Manoa. The objective of the committee is to focus on improving grazing and livestock management by introducing different varieties of pasture grass as well as improving cattle genetics through artificial insemination.

A former Vice Chairperson of the Farm Service Agency’s County Committee (COC), David currently serves as the alternate member for the CNMI COC. He has participated in FSA’s Reimbursement of Transportation Costs Payment (RTCP) Program and has been a Non-Insured Crop Disaster Assistance Program (NAP) participant since 2005.

Successor-In-Interest

Many Farm Service Agency (FSA) programs will allow payments to be made to heirs or successors when a program participant passes away. Contracts in programs such as Conservation Reserve Program (CRP) and the Hawaii Conservation Reserve Enhancement Program (CREP) must be revised to reflect the successor(s) to a deceased participant's interest.

In the event of an FSA program participant's death, it is important that FSA be notified. Entities and joint operations that participate in FSA programs also need to notify FSA if a shareholder or member passes away. Farm Service Agency benefits are reported to the Internal Revenue Service (IRS), so maintaining current, accurate records about participants is vital to ensuring that those payments are reported correctly.

Foreign Landowner Notification

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of agricultural land in the United States to report their holdings to the Secretary of Agriculture. The Farm Service Agency (FSA) administers this program for the United States Department of Agriculture.

Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA with 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25 percent of the fair market value of the property.

If you are a county government official, real estate agent, attorney or are involved in real estate transactions remember to notify foreign investors of these reporting requirements.

USDA is an equal opportunity provider and employer. 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).

Dates to Remember

Ongoing through August 1, 2013	COC nomination period
July 22 through September 9, 2013	Reimbursement Transportation Cost Payment (RTCP) Program Signup
September 9, 2013	Deadline to apply for emergency loans due to drought in Hawaii and Maui Counties
Ongoing	Hawaii Conservation Reserve Enhancement Program (CREP) Sign-up

Land Contract (LC) Guarantees

The Land Contract (LC) Guarantee Program is a valuable tool to transfer farm real estate to the next generation of farmers and ranchers.

Guarantees will be offered to the owner of a farm who wishes

to sell real estate through a land contract to a beginning or minority or women farmer or rancher. The guarantee reduces the financial risk to the seller.



Farm Service Agency offers two types of guarantees:

- Prompt Payment Guarantee - A guarantee up to the amount of three amortized annual installments plus the cost of any related real estate taxes and insurance.
- Standard Guarantee - A guarantee of 90 percent of the outstanding principal balance under the land contract.

The guarantee period is 10 years and the contract payments must be amortized for a minimum of 20 years. The purchase price of the farm cannot exceed the lesser of \$500,000 or the market value of the property. For additional information see the

[Land Contract Guarantee Program Fact Sheet](#).