



NEWSLETTER



June 2014

**Lake County
Farm Service Agency
17612 Hwy 395
Lakeview, OR 97630
(541) 947-2367 Ext 2
FAX: (541) 947-2070
www.fsa.usda.gov/OR**

Hours

**Monday - Friday
8:00 a.m. - 4:30 p.m.**

County Committee

**Jim McNeley
Martin Landa
LeeRoy Horton**

**Next county
committee meeting is
scheduled for
July 29, 2014 at
10:00 a.m.**

Office Staff

**Marti Hamilton, CED
Missy Merrill, PT**

USDA Announces Restart of the Biomass Crop Assistance Program

The Biomass Crop Assistance Program (BCAP) was reauthorized by the 2014 Farm Bill and will resume on a limited basis on June 9, 2014 upon the publication of a Notice of Funding Availability.

BCAP employs three types of biomass assistance primarily through approved BCAP project areas. For growing new biomass, BCAP provides financial assistance with 50 percent of the cost of establishing a perennial crop. To maintain the crop as it matures until harvest, BCAP provides an annual payment for up to 5 years for herbaceous crops, or up to 15 years for woody crops. To collect existing agriculture or forest residues that are not economically retrievable, BCAP provides assistance with mitigating the cost of harvesting and transporting the materials to the end-use facility.

The 2014 Farm Bill authorizes \$25 million annually for BCAP, requiring between 10 and 50 percent of the total funding to be used for harvest and transportation of biomass residues. Traditional food and feed crops are ineligible for assistance. The 2014 Farm Bill also enacted several modifications for BCAP, including higher incentives for socially disadvantaged farmers and ranchers, and narrower biomass qualifications for matching payments, among other changes.

Only the matching payments portion of the BCAP, with narrower biomass qualifications, will resume this summer. Additional information will be provided as the updated BCAP regulations and policies are implemented. With the 2014 Farm Bill requiring several regulatory updates to BCAP, the resumption of establishment and annual payments has been deferred until a later date.

For forest residues, this year's matching payments are targeted for energy generation while reducing fire, insect and disease threats on Forest Service and Bureau of Land Management lands. Agriculture residues for energy are also eligible for matching payments.

The USDA Farm Service Agency (FSA), which administers BCAP, will coordinate the BCAP enrollments. For more information on BCAP and other FSA programs, visit a local FSA office or go online to www.fsa.usda.gov.

Bank Account Changes

Current policy mandates that FSA payments be electronically transferred into a bank account. In order for timely payments to be made, producers need to notify the FSA county office when an account has been changed or if another financial institution purchases the bank where payments are sent. Payments can be delayed if the FSA office is not aware of updates to bank accounts and routing numbers.

Highly Erodible Land and Wetland Compliance

Landowners and operators are reminded that in order to receive payments from USDA, they must be compliant with Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions. Farmers with HEL determined soils must apply tillage, crop residue and rotation requirements as specified in their conservation plan.

Producers should notify FSA prior to conducting land clearing or drainage projects to ensure compliance. If you intend to clear any trees to create new cropland, these areas will need to be reviewed to ensure any work will not jeopardize your eligibility for benefits.

Landowners and operators can complete form AD-1026 Highly Erodible Land Conservation (HEL) and Wetland Conservation (WC) Certification to determine whether a referral to Natural Resources Conservation Service (NRCS) is necessary.

For more information on Highly Erodible Land and Wetland Conservation provisions, contact a FSA County Office or visit the FSA website at www.fsa.usda.gov.

Direct Loan Changes

Changes were made to the interest rate charged on loans where FSA provides 50% or less on jointly financed purchases of real estate also called Direct Farm Ownership Participation Loans. The interest rate will be the greater of 2.5% or the current interest rate for direct Farm Ownership loans minus 2%, as a fixed rate for the duration of the loan.

At present, the June direct Farm Ownership rate is 4.00%. Because the 2.5% floor is greater than subtracting 2% from the current direct farm ownership loan rate, the rate for Direct Farm

Ownership Participation Loans in June is 2.50%.

Microloan Program

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

FSA offers applicants a Microloan designed to help farmers with credit needs of \$35,000 or less. The loan features a streamlined application process built to fit the needs of new and smaller producers. This loan program will also be useful to specialty crop producers and operators of community supported agriculture (CSA).

Eligible applicants can apply for a maximum amount of \$35,000 to pay for initial 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 or obtain financing from a commercial lender under FSA's Guaranteed Loan Program.

Individuals who are interested in applying for a microloan or would like to discuss other farm loan programs available should contact their local FSA office to set up an appointment with a loan official.

USDA Seeks Sponsors For SUMMER Food Service Program (SFSP)

The Summer Food Service Program (SFSP) is looking for sponsors to ensure that low-income children continue to receive nutritious meals when school is not in session. SFSP is administered by the Food and Nutrition Service (FNS), an agency of the United States Department of Agriculture (USDA).

SFSP reimburses approved sponsors for serving meals that meet Federal nutritional guidelines. Sponsors receive payments from USDA based on the number of meals they serve. All meals are served free to eligible children, who are 18 years old and under at approved SFSP sites in areas with significant concentrations of low-income children.

Sponsors are organizations that manage SFSP feeding sites. Sponsors must be organizations that are fully capable of managing a food service program. To be a sponsor, you must follow regulations and be responsible, financially and administratively, for running your program.

The following types of organizations can be sponsors:

- Public or private nonprofit schools
- Units of local, municipal, county, tribal, or State government
- Private nonprofit organizations
- Public or private nonprofit camps
- Public or private nonprofit universities or colleges

A sponsor may prepare its own meals, purchase meals through an agreement with an area school, or contract for meals with a food service management company (vendor).

For questions or to apply, please visit <http://www.fns.usda.gov/sfsp/summer-food-service-program-sfsp>.