

April 2018



Farm Service Agency **Electronic News Service**

# NEWSLETTER

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## Alabama FSA Newsletter

### Alabama Farm Service Agency

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To find contact information for your local office go to [www.fsa.usda.gov/al](http://www.fsa.usda.gov/al)

### Livestock Inventory Records

Producers are reminded to keep updated livestock inventory records. These records are necessary in the event of a natural disaster.

When disasters strike, the USDA Farm Service Agency (FSA) can assist producers who suffered excessive livestock death losses and grazing or feed losses due to eligible natural disasters.

To participate in livestock disaster assistance programs, producers will be required to provide verifiable documentation of death losses resulting from an eligible adverse weather event and must submit a notice of loss to their local FSA office within 30 calendar days of when the loss of livestock is apparent. For grazing or feed losses, producers must submit a notice of loss to their local FSA office within 30 calendar days of when the loss is apparent and should maintain documentation and receipts.

Producers should record all pertinent information regarding livestock inventory records including:

- Documentation of the number, kind, type, and weight range of livestock
- Beginning inventory supported by birth recordings or purchase receipts;

For more information on documentation requirements, contact your local FSA office.

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## 2018 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.

The following acreage reporting dates are applicable for Alabama:

**November 15, 2017** - Apiculture, PRF/Perennial Forage, Onions

**January 2, 2018** - Honey (If colonies are acquired after January 2, 2018, the crop must be reported within 30 calendar days of the date colonies of bees are acquired, brought into, or removed from the county.)

**January 15, 2018** - Blueberries, Canola, Rapeseed, Fall Oats, Peaches, Fall Wheat

**March 15, 2018** - Pecans, Potatoes (planted Jan. 1- Mar. 1)

**May 15, 2018** - Sweet Corn, Potatoes (planted Mar. 2-Apr. 15), Tobacco, Tomatoes

**May 31, 2018** - Nursery Crops

**July 15, 2018** - CRP and All Other Crops

**September 30, 2018** - Aquaculture and Value Loss Crops

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.

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## USDA to Immediately Assist Producers for Qualifying Livestock, Honeybee and Farm-raised Fish Program Losses

\$34 Million in Payments for 2017 Losses Part of Broad Suite of Programs Aiding Ag Operations

USDA will issue \$34 million to help agricultural producers recover from 2017 natural disasters through the [Emergency Assistance for Livestock, Honeybees and Farm-raised Fish Program](#) (ELAP), which covers losses not covered by certain other USDA disaster assistance programs. These payments are being made available today, and they are part of a broader USDA effort to help producers recover from hurricanes Harvey, Irma and Maria, wildfires and drought. A large portion of this assistance will be made available in [federally designated disaster areas](#).

ELAP aims to help eligible producers of livestock, honeybees and farm-raised fish for losses due to disease, certain adverse weather events or loss conditions, including blizzards and wildfires, as determined by the Secretary. ELAP assistance is provided for losses not covered by other disaster assistance programs such as the [Livestock Forage Disaster Program \(LFP\)](#) and the [Livestock Indemnity Program \(LIP\)](#).

The increased amount of assistance through ELAP was made possible by the Bipartisan Budget Act of 2018, signed earlier this year. The Act amended the 2014 Farm Bill to enable USDA's [Farm Service Agency](#) (FSA) to provide assistance to producers without an annual funding cap and immediately for 2017. It also enables FSA to pay ELAP applications as they are filed for 2018 and subsequent program years.

#### **Other USDA Disaster Assistance Programs**

The Act removed program year payment limitations and increased the acreage cap for the [Tree Assistance Program](#) (TAP), a nationwide program that provides owners of orchards, vineyards and nurseries with cost share assistance to replant eligible trees, bushes, and vines following a natural disaster. For example, the program will help owners of citrus groves in Florida, avocado trees in California, coffee plantations in Puerto Rico and vineyards reduce the cost of replanting, and speed recovery from the loss of fruit and nut trees, bushes, and vines.

Prior to the Act, there was a combined program year payment limitation of \$125,000 for ELAP, LIP and LFP per person or legal entity. The Tree Assistance Program (TAP) had its own \$125,000 payment limitation. The Act removed the program year per person and legal entity payment limitation for LIP and TAP. As a result of the Act, a \$125,000 per person and legal entity single payment limitation applies to the total amount of program year payments received under both ELAP and the [Livestock Forage Disaster Program](#) (LFP) and program payments under LIP and TAP no longer have payment limits.

Under the updated program, as amended by the Act, growers are eligible to be partly reimbursed for losses on up to 1,000 acres per program year, double the previous acreage limit of 500 acres.

In total, it is estimated that the Act will enable USDA to provide more than \$3 billion in disaster assistance, including the \$2.36 billion announced last week to be made available through FSA's new 2017 Wildfires and Hurricanes Indemnity Program. This includes \$400 million made available for the [Emergency Conservation Program](#), which helps farmers and ranchers repair damage to farmlands caused by natural disasters. As signups across the country are completed, additional applications will be funded. .

According to the U.S. National Oceanic and Atmospheric Administration (NOAA), the United States was impacted by 16 separate billion-dollar disaster events in 2017 including: three tropical cyclones, eight severe storms, two inland floods, a crop freeze, drought and wildfire. More than 25 million people – almost eight percent of the population – were affected by major disasters. From severe flooding in Puerto Rico and Texas to mudslides and wildfires in California, major natural disasters caused catastrophic damages, with an economic impact totaling more than \$300 billion

#### **For Assistance**

Producers with operations impacted by natural disasters and diseases in 2018 are encouraged to contact their [local USDA service center](#) to apply for assistance through ELAP, TAP, LIP and LFP.

Producers with 2017 ELAP claims need to take no action as FSA will begin paying those claims today.

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## Farm Reconstitutions

When changes in farm ownership or operation take place, a farm reconstitution is necessary. The reconstitution — or recon — is the process of combining or dividing farms or tracts of land based on the farming operation.

To be effective for the current Fiscal Year (FY), farm combinations and farm divisions must be requested by **August 1 of the FY** for farms subject to the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) program. A reconstitution is considered to be requested when all:

- of the required signatures are on FSA-155
- other applicable documentation, such as proof of ownership, is submitted.

Total Conservation Reserve Program (CRP) and non-ARC/PLC farms may be reconstituted at any time.

The following are the different methods used when doing a farm recon:

**Estate Method** — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate;

**Designation of Landowner Method** — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding;

**DCP Cropland Method** — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract;

**Default Method** — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

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## USDA Enrollment Period for Safety Net Coverage in 2018

Farmers and ranchers with base acres in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) safety net program may enroll for the 2018 crop year. The enrollment period will end on Aug. 1, 2018.

**Since shares and ownership of a farm can change year-to-year, producers must enroll by signing a contract each program year.**

The producers on a farm that are not enrolled for the 2018 enrollment period will not be eligible for financial assistance from the ARC or PLC programs for the 2018 crop should crop prices or farm revenues fall below the historical price or revenue benchmarks established by the program.

Producers who made their elections in previous years must still enroll during the 2018 enrollment period.

The ARC and PLC programs were authorized by the 2014 Farm Bill and offer a safety net to agricultural producers when there is a substantial drop in prices or revenues for covered commodities. Covered commodities include barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium grain rice (which includes short grain and sweet rice), safflower seed, sesame, soybeans, sunflower seed and wheat. Upland cotton is no longer a covered commodity. For more details regarding these programs, go to [www.fsa.usda.gov/arc-plc](http://www.fsa.usda.gov/arc-plc).

For more information, producers are encouraged to visit their local FSA office. To find a local FSA office, visit <http://offices.usda.gov>.

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## USDA Reopens Enrollment for Improved Dairy Safety Net Tool

USDA's Farm Service Agency encourages dairy producers to consider enrolling in the new and improved [Margin Protection Program for Dairy](#) (MPP-Dairy), which will provide better protections for dairy producers from shifting milk and feed prices. With changes authorized under the Bipartisan Budget Act of 2018, the U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) has set the enrollment period to run from April 9, 2018 to June 1, 2018.

### About the Program:

The program protects dairy producers by paying them when the difference between the national all-milk price and the national average feed cost (the margin) falls below a certain dollar amount elected by the producer.

Changes include:

- Calculations of the margin period is monthly rather than bi-monthly.
- Covered production is increased to 5 million pounds on the Tier 1 premium schedule, and premium rates for Tier 1 are substantially lowered.
- An exemption from paying an administrative fee for limited resource, beginning, veteran, and disadvantaged producers. Dairy operators enrolled in the previous 2018 enrollment period that qualify for this exemption under the new provisions may request a refund.

Dairy operations must make a new coverage election for 2018, even if you enrolled during the previous 2018 signup period. Coverage elections made for 2018 will be retroactive to January 1, 2018. All dairy operations desiring coverage must sign up during the enrollment period and submit an appropriate form (CCC-782) and dairy operations may still "opt out" by not submitting a form. All outstanding balances for 2017 and prior years must be paid in full before 2018 coverage is approved.

Dairy producers can participate in FSA's MPP-Dairy or the Risk Management Agency's Livestock Gross Margin Insurance Plan for Dairy Cattle (LGM-Dairy), but not both. During the 2018 enrollment period, only producers with an active LGM-Dairy policy who have targeted marketings insured in 2018 months will be allowed to enroll in MPP-Dairy by June 1, 2018; however, their coverage will start only after active target marketings conclude under LGM-Dairy.

USDA has a web tool to help producers determine the level of coverage under the MPP-Dairy that will provide them with the strongest safety net under a variety of conditions. The online resource,

which will be updated and available by April 9 at [www.fsa.usda.gov/mpptool](http://www.fsa.usda.gov/mpptool), allows dairy farmers to quickly and easily combine unique operation data and other key variables to calculate their coverage needs based on price projections. Producers can also review historical data or estimate future coverage based on data projections. The secure site can be accessed via computer, smartphone, tablet or any other platform.

USDA is mailing postcards advising dairy producers of the changes. For more information, visit [www.fsa.usda.gov/dairy](http://www.fsa.usda.gov/dairy) or contact your [local USDA service center](#).

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## Small-Scale Operators

*Options Help More Beginning, Small and Urban Producers Gain Access to Credit*

The U.S. Department of Agriculture (USDA) announced the availability of a streamlined version of USDA guaranteed loans, which are tailored for smaller scale farms and urban producers. The program, called EZ Guarantee Loans, uses a simplified application process to help beginning, small, underserved and family farmers and ranchers apply for loans of up to \$100,000 from USDA-approved lenders to purchase farmland or finance agricultural operations.

A new category of lenders will join traditional lenders, such as banks and credit unions, in offering USDA EZ Guarantee Loans. Microlenders, which include Community Development Financial Institutions and Rural Rehabilitation Corporations, will be able to offer their customers up to \$50,000 of EZ Guaranteed Loans, helping to reach urban areas and underserved producers. Banks, credit unions and other traditional USDA-approved lenders, can offer customers up to \$100,000 to help with agricultural operation costs.

EZ Guarantee Loans offer low interest rates and terms up to seven years for financing operating expenses and 40 years for financing the purchase of farm real estate. USDA-approved lenders can issue these loans with the Farm Service Agency (FSA) guaranteeing the loan up to 95 percent.

More information about the available types of FSA farm loans can be found at [www.fsa.usda.gov/farmloans](http://www.fsa.usda.gov/farmloans) or by contacting your local FSA office.

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## 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.

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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).