

December 2018



Farm Service Agency **Electronic News Service**

NEWSLETTER

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Topics for December

South Carolina Farm Service Agency

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State Executive Director:
Boone Peeler

State Committee:
Anthony Grant, Chairperson
Robert Battle
Bill Sarratt
Landy Weathers
Beth White

A Message from the State Executive Director

Greetings South Carolina farmers and ranchers. We are about to complete what I hope has been an overall good year for all of you.

The 2018 growing season certainly presented its challenges. 2 hurricanes and continued waterlogged fields have delayed harvesting in many of the areas throughout the state. Through these challenges, those of us involved in agriculture remain an optimistic group. We meet any obstacle we face head on and look forward to the next one, because we value the strength we gain from working through adversity.

All of us at FSA want to thank you for all that you do and the sacrifices you have made. We hope our services were and continue to be beneficial for you, your family, and your operation.

We wish you a Merry Christmas and a happy, healthy 2019.

--Boone Peeler

USDA Market Facilitation Program

Administrative Officer:

Kenn Jameson

Farm Programs Chief:

Amy Turner

Farm Loan Programs Chief:

William Shelley

Producers can contact their [local FSA Office](#) for more information or to schedule an appointment.

Important Dates and Deadlines:

December 25: Offices closed for Christmas Day.

January 1: Offices closed for New Years Day.

January 15: Acreage Reporting Deadline for Apples, Blueberries, Canola, Peaches, and Fall-Seeded Small Grains

January 21: Offices Closed for the Birthday of Dr. Martin Luther King, Jr.

January 23-24: SC AgriBiz & Farm Expo - Florence, SC

USDA launched the trade mitigation package aimed at assisting farmers suffering from damage due to unjustified trade retaliation by foreign nations. Producers of certain commodities can now sign up for the Market Facilitation Program (MFP).

USDA's Farm Service Agency (FSA) will administer MFP to provide payments to corn (fresh and processed), cotton, dairy, hog, sorghum, soybean (fresh and processed), wheat, shelled almond, and fresh sweet cherry producers. An announcement about further payments will be made in the coming months, if warranted.

The sign-up period for MFP runs through Jan. 15, 2019, with information and instructions provided at www.farmers.gov/mfp. MFP provides payments to producers of eligible commodities who have been significantly impacted by actions of foreign governments resulting in the loss of traditional exports. Eligible producers should apply after harvest is complete, as payments will only be issued once production is reported.

A payment will be issued on 50 percent of the producer's total production, multiplied by the MFP rate for a specific commodity. A second payment period, if warranted, will be determined by the USDA.

For a list of initial MFP payments rates, view the [MFP Fact Sheet](#).

MFP payments are capped per person or legal entity as follows:

- A combined \$125,000 for eligible crop commodities
- A combined \$125,000 for dairy production and hogs
- A combined \$125,000 for fresh sweet cherries and almonds

Applicants must also have an average adjusted gross income for tax years 2014, 2015, and 2016 of less than \$900,000. Applicants must also comply with the provisions of the Highly Erodible Land and Wetland Conservation regulations.

Expanded Hog Timeline

USDA has expanded the timeline for producers with whom the Aug. 1, 2018, date does not accurately represent the number of head of live hogs they own. Producers may now choose any date between July 15 to Aug. 15, 2018, that correctly reflects their actual operation.

MFP applications are available online at www.farmers.gov/mfp. Applications can be completed at a local FSA office or submitted electronically either by scanning, emailing, or faxing. To locate or contact your local FSA office, visit www.farmers.gov.

Breaking New Ground

Agricultural producers are reminded to consult with FSA and NRCS before breaking out new ground for production purposes as doing so without prior authorization may put a producer's federal farm program benefits in jeopardy. This is especially true for land that must meet Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions.

Producers with HEL determined soils are required to apply tillage, crop residue and rotational requirements as specified in their conservation plan.

Producers should notify FSA as a first point of contact prior to conducting land clearing or drainage type projects to ensure the proposed actions meet compliance criteria such as clearing any trees to create new cropland, then these areas will need to be reviewed to ensure such work will not risk your eligibility for benefits.

Landowners and operators complete the form AD-1026 - Highly Erodible Land Conservation (HEL) and Wetland Conservation (WC) Certification to identify the proposed action and allow FSA to determine whether a referral to Natural Resources Conservation Service (NRCS) for further review is necessary.

FSA Offers Joint Financing Option on Direct Farm Ownership Loans

The USDA Farm Service Agency's (FSA) [Direct Farm Ownership loans](#) are a resource to help farmers and ranchers become owner-operators of family farms, improve and expand current operations, increase agricultural productivity, and assist with land tenure to save farmland for future generations.

Depending on the applicant's needs, there are three types of Direct Farm Ownership Loans: regular, down payment and joint financing. FSA also offers a [Direct Farm Ownership Microloan](#) option for smaller financial needs up to \$50,000.

Joint financing allows FSA to provide more farmers and ranchers with access to capital. FSA lends up to 50 percent of the total amount financed. A commercial lender, a State program or the seller of the property being purchased, provides the balance of loan funds, with or without an FSA guarantee. The maximum loan amount for a Joint Financing loan is \$300,000 and the repayment period for the loan is up to 40 years.

To be eligible, the operation must be an eligible farm enterprise. Farm Ownership loan funds cannot be used to finance nonfarm enterprises and all applicants must be able to meet general eligibility requirements. Loan applicants are also required to have participated in the business operations of a farm or ranch for at least three years out of the 10 years prior to the date the application is submitted. The applicant must show documentation that their participation in the business operation of the farm or ranch was not solely as a laborer.

For more information about FSA Loan programs, contact your local FSA office or visit www.fsa.usda.gov. To find your local FSA office, visit <http://offices.usda.gov>.

Storage and Handling Trucks Eligible for Farm Storage Facility Loans

Farm Storage Facility Loans (FSFL) provide low-interest financing so producers can build or upgrade facilities to store commodities. Some storage and handling trucks are eligible for the FSFL. These include:

- **Cold Storage Trucks**-A van or truck designed to carry perishable freight at specific temperatures. Cold storage trucks can be ice-cooled or equipped with any variety of mechanical refrigeration systems.
- **Flatbed Trucks**-Truck with an open body in the form of a platform with no side walls for easy loading and unloading. These trucks can be categorized into different sizes which range from light, medium, or heavy duty, compact or full-size, or short and expandable beds.
- **Grain Trucks**-A piece of farm equipment specially made to accommodate grain products and are traditionally truck chassis units with a mounted grain "dump" body where grain commodities are transported from a field to either a grain elevator or a storage bin.

- **Storage Trucks with a Chassis Unit**—Commonly referred to as a box truck, box van or straight truck, is a truck with a cargo body mounted on the same chassis with the engine and cab.

To be eligible for FSFL, the storage and handling truck must be less than 15 years old and have a maximum of four axles with a gross weight rating of 60,000 pounds or less. Pick-up trucks, semi-trucks, dump trucks, and simple insulated and ventilated vans are ineligible for FSFL.

FSFL for storage and handling trucks must be \$100,000 or less. FSFL-financed storage and handling trucks must be used for the purpose for which they were acquired for the entire FSFL term.

Eligible commodities include grains, oilseeds, pulse crops, hay, honey, renewable biomass commodities, fruits and vegetables, floriculture, hops, maple sap, milk, cheese, yogurt, butter, eggs, meat/poultry (unprocessed), rye and aquaculture.

For more information or to apply for a FSFL, contact your local [FSA Service Center](#).

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.

Loan Servicing

There are options for Farm Service Agency loan customers during financial stress. If you are a borrower who is unable to make payments on a loan, contact your local FSA Farm Loan Manager to learn about the options available to you.

USDA Encourages Producers to Consider NAP Risk Protection Coverage before Crop Sales Deadlines

The Farm Service Agency encourages producers to examine available USDA crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the applicable crop sales deadline.

Producers are reminded that crops not covered by insurance may be eligible for NAP. Beginning, underserved and limited resource farmers are now eligible for free catastrophic level coverage.

Federal crop insurance covers crop losses from natural adversities such as drought, hail and excessive moisture. NAP covers losses from natural disasters on crops for which no permanent federal crop insurance program is available, including perennial grass forage and grazing crops, fruits, vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

Producers can determine if crops are eligible for federal crop insurance or NAP by visiting <https://webapp.rma.usda.gov/apps/ActuarialInformationBrowser2018/CropCriteria.aspx>. NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production.

Deadlines for coverage vary by state and crop. To learn more about NAP visit www.fsa.usda.gov/nap or contact your local USDA Service Center. To find your local USDA Service Centers go to <http://offices.usda.gov>.

Federal crop insurance coverage is sold and delivered solely through private insurance agents. Agent lists are available at all USDA Service Centers or at USDA's online Agent Locator: <http://prodwebnlb.rma.usda.gov/apps/AgentLocator/#>. Producers can use the USDA Cost Estimator, <https://ewebapp.rma.usda.gov/apps/costestimator/Default.aspx>, to predict insurance premium costs.

Environmental Review Required Before Project Implementation

The National Environmental Policy Act (NEPA) requires Federal agencies to consider all potential environmental impacts for federally-funded projects before the project is approved.

For all Farm Service Agency (FSA) programs, an environmental review must be completed before actions are approved, such as site preparation or ground disturbance. These programs include, **but are not limited to**, the Emergency Conservation Program (ECP), Emergency Forest Restoration Program (EFRP), Farm Storage Facility Loan (FSFL) program and farm loans. If project implementation begins before FSA has completed an environmental review, this will result in a denial of the request. There are exceptions regarding the Stafford Act and emergencies. It is important to wait until you receive written approval of your project proposal before starting any actions, including, but not limited to, vegetation clearing, site preparation or ground disturbance.

Remember to contact your local FSA office early in your planning process to determine what level of environmental review is required for your program application so that it can be completed timely.

Applications cannot be approved contingent upon the completion of an environmental review. FSA must have copies of all permits and plans before an application can be approved.

SC AgriBiz & Farm Expo Offers Wide Range of Educational Sessions

Building on past success, the SC AgriBiz and Farm Expo will offer new educational opportunities as well as valuable information from returning speakers. Set for Jan. 23 and 24 at the Florence Civic Center in Florence, S.C., the expo will cover topics for anyone interested in agriculture.

Returning this year are champion North Carolina corn and soybean farmer Kevin Matthews and Dr. Ron Heiniger, North Carolina State University's internationally known cropping systems specialist.

"At our last expo, Mr. Matthews and Dr. Heiniger gave two outstanding presentations on maximizing corn and soybean yields. They earned rave reviews, so it will be great to have them return for the 2019 expo. Both experts are well known and respected across the country," said Expo Manager Jody Martin.

Matthews and his wife, Cindy, own and operate Matthews Family Farms of North Carolina, Inc., Precision Nutrient Management, Inc. and Deep Creek Grain, Inc. in East Bend and Yadkinville, N.C. He has presented at conferences across the country on maximizing corn and soybean yields. On his farm, he achieved corn yields topping 300 bushels per acre and soybean yields exceeding 100 bushels per acre.

Heiniger is a professor in the Department of Crop and Soil Sciences at North Carolina State University and is the Extension specialist for both corn and cropping systems. He has an international reputation as a gifted teacher and brilliant scientist.

The presentations by Matthews and Heiniger will be interactive and in-depth. The first session will be "Introducing New Management Practices for Corn and Soybeans," from 11 a.m. to 12:20 p.m. on Thursday, Jan. 24. The second presentation "Adapting New High Yield Management Practices for Corn and Soybeans: How Can I Make Those Yields on My Farm?" will follow at 2 p.m. to 4:30 p.m.

"Education is a primary goal of the SC AgriBiz & Farm Expo. Programs are designed to give farmers the tools they need to grow better crops and make a profit," Martin said.

In addition to the corn and soybean sessions, other educational sessions will include: South Carolina Hemp, First Year and Future; Your Forestry Land May be a Hidden Jewel on Your Farm; and Managing Agriculture and Wildlife: A Win-Win Proposition. Educational sessions will also be held on trade, tariffs, the farm bill, fruit and vegetable farming and livestock production.

New for 2019 are Lunch 'n Learn sessions where brief and timely topics will be discussed during the luncheon period.

The keynote speaker on Wednesday, Jan. 23 will be Michelle Payn with Cause Matters Corporation. She will also give two inspiring presentations on "Celebrating Agriculture" and "Championing Agriculture." In an interactive program, she will discuss the importance of collaboration in farming and present an action plan to help farmers engage in more productive conversations with non-farm audiences on topics such as: sustainability, chemicals and GMOs.

Along with the educational offerings, Martin said there are many other reasons to attend the expo. One highlight of the expo will once again be the Taste of SC, a ticketed event set for Wednesday evening Jan. 23. Also, there will be over 100 exhibitors of farm equipment, supplies and services.

Admission to the expo is free. For more information, visit <http://scagribizexpo.com/>.

"We hope farmers in South Carolina, North Carolina, Virginia, Georgia and other states will attend the expo in January. We designed a program that is on par with national conferences such as Commodity Classic. All are welcome and urged to attend," Martin said.

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