



“SCOOP”

ARKANSAS FARM SERVICE AGENCY - - STATE OFFICE

JUNE 2014

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CONSERVATION RESERVE PROGRAM (CRP)

- FSA's authority to accept or approve offers ended September 30, 2013, this continues until the National Agricultural Act of 2014 Farm Bill is implemented.

EMERGENCY CONSERVATION PROGRAM (ECP)

- If you have been approved and funded for assistance under a Disaster ID, please be mindful of the expiration date for implementing the practice(s) for which you applied.

EMERGENCY FOREST RESTORATION PROGRAM (EFRP)

- If you have been approved and funded for assistance under a Disaster ID, please be mindful of the expiration date for implementing the practice(s) for which you applied.

TREE ASSISTANCE PROGRAM (TAP)

- Signup Began on April 15, 2014 for the years of 2012, 2013, 2014 Tree Assistance Program. The National Agricultural Act of 2014 authorized Tree Assistance Program (TAP) as a permanent program.
- TAP provides assistance to eligible orchardists and nursery tree growers to replant or rehabilitate bushes, vines, and trees, including nursery, ornamental, fruit, nut, or Christmas trees that were lost and damaged because of an eligible natural disaster. Contact your County Office to make an appointment to apply for this program.

EXPIRED CHECKS

CCC checks expire 1 year from the date of issuance. However, CCC's policy allows replacement of expired checks for a period of 6 years from the date of issuance. When the 6 year period ends, CCC disposes of the records of the original checks in accordance with the General Services Administration's record retention policy. Once the records are disposed of, CCC can no longer verify if the amounts due to the original check holder are still outstanding. Therefore, after checking Financial Services, if it is verified that the original checks were purged and the obligated amounts no longer exist – FSA cannot authorize the issuance of replacement checks.

SELLING LAND

If you plan on selling farmland, you should be aware of several consequences associated with FSA programs. For example, if you're planning to sell land that's enrolled in the Conservation Reserve Program, the buyer must agree to continue the enrollment. If the buyer doesn't want to continue the CRP contract, you might have to refund all of the payments you've received to date.

Reviewing program implications with your local Farm Service Agency staff before completing a sale of farmland is always a prudent precaution.

INCREASED GUARANTEED LOAN LIMIT

The loan limit for the Guaranteed Loan Program increased to \$1,355,000 on Oct. 1, 2013. 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 will also increase to \$1,655,000.

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.

MICROLOAN PROGRAM

The Farm Service Agency (FSA) developed the Microloan 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 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 a Loan Approval Official.

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 \$5000.

Youth Loan Eligibility Requirements:

Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien

- Be 10 years to 20 years of age
- Comply with FSA's general eligibility requirements

- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the project and the loan, along with providing adequate supervision.

Stop by the county office for help preparing and processing the application forms.

BEGINNING FARMER LOANS

FSA assists beginning farmers to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA 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
- Does not own a farm in excess of 30 percent of the county's average size.

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

LOANS FOR THE SOCIALLY DISADVANTAGED

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or purchase or improve farms or ranches.

While all qualified producers are eligible to apply for these loan programs, the FSA has provided priority funding for members of socially disadvantaged applicants.

A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities.

For purposes of this program, socially disadvantaged groups are women, African-Americans, American Indians, Alaskan Natives, Hispanics, Asian-Americans and Pacific Islanders.

FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

GUARANTEED LOAN ELIGIBILITY (AS PER FLP-667)

Changes to FSA regulations have removed Guaranteed Operating term limits. Previous and current guaranteed loan borrowers who were not eligible for further guaranteed loans due to the previous 15 year eligibility term limit may now be eligible for further guaranteed loans through their commercial lender.

DIRECT LOAN CHANGES (AS PER FLP-667)

Changes were made to the interest rate charged on loans where FSA provides 50 percent 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 percent or the current interest rate for Direct Farm Ownership Loans minus 2 percent, as a fixed rate for the duration of the loan. At present, the May Direct Farm Ownership rate is 4.00 percent. Because the 2.5 percent floor is greater than subtracting 2 percent from the Direct Farm Ownership Loan rate, the rate for Direct Farm Ownership Participation Loans in May is 2.5 percent.

FSA ALLOWS LENDERS TO USE EVALUATIONS INSTEAD OF APPRAISALS FOR LOANS OF \$250,000 OR LESS

Lenders that originate Farm Service Agency (FSA) guaranteed loans may now use internal real estate “collateral evaluations” to support loan requests of \$250,000 or less, rather than appraisals.

This policy change will allow lenders more flexibility and a faster underwriting process, and is consistent with industry standards.

Lenders must follow their regulator’s “Interagency Appraisal and Evaluation Guidelines” and apply these same policies to FSA guaranteed loans as non-guaranteed loans. In addition, lenders should request an appraisal when they would do so for unguaranteed loans even if the loan is under the threshold, such as when the expected loan-to-value is above their established standards.

A description of the method of establishing the real estate value – whether appraisal or evaluation – needs to be described to FSA in their credit presentation.

COUNTIES ELIGIBLE FOR EMERGENCY LOANS

The streamlined disaster designation process issues a drought disaster declaration when a county has experienced a drought intensity value of at least a D2 (severe drought) level for eight consecutive weeks based on the U.S. Drought Monitor during the crop year.

Emergency loans help producers recover from production and physical losses due to drought, flooding and other natural disasters or quarantine.

Producers have eight months from the date of the declaration to apply for emergency loan assistance. FSA will consider each loan application on its own merits, taking into account the extent of losses, security available and repayment ability. Producers can borrow up to 100 percent of actual production or physical losses, to a maximum amount of \$500,000.

For more information about emergency loans, please contact your local FSA office or visit www.fsa.usda.gov.

USDA SUPPLEMENTAL REVENUE ASSISTANCE PAYMENTS (SURE) PROGRAM SIGNUP BEGINS

WASHINGTON, May 5, 2014 - U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) announced that sign-up begins today for 2012 crop losses under the Supplemental Revenue Assistance Payments (SURE) program. The program, established by the 2008 Farm Bill, provides for one final period of eligibility for producers suffering crop losses caused by natural disasters occurring through Sept. 30, 2011, for crops intended for 2012 harvest.

"Most producers who suffered losses before Sept. 30, 2011, have already been compensated if they applied for SURE benefits for the 2011 crop year," said FSA Administrator Juan M. Garcia. "This sign-up period is only for those producers who suffered crop losses for 2012 crops before Sept. 30, 2011."

To be eligible for SURE, a farm or ranch must have:

- At least a 10 percent production loss on a crop of economic significance resulting from a disaster occurring on or before Sept. 30, 2011. A crop of economic significance contributes at least five percent of the expected revenue for a producer's farm. Additionally, the crop must also meet the following eligibility criteria:
 - The crop must be considered a 2012 crop which means, in general, that the crop was intended for harvest in 2012;
 - For insured crops, the coverage period must have begun on or before Sept. 30, 2011;
 - For crops covered by the Non-Insured Crop Assistance Program, the coverage period must have begun on or before Sept. 30, 2011;
 - The final planting date, according to the specific coverage for the crop, must have been on or before Sept. 30, 2011.
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Note: A producer who only plants fall seeded or spring seeded crops with a final planting date on Oct. 1, 2011 or later) cannot meet the above eligibility criteria and will not be eligible for the 2012 SURE program.

- A policy or plan of insurance under the Federal Crop Insurance Act or the Noninsured Crop Disaster Assistance Program for all economically significant crops;
- Been physically located in a county that was declared a primary disaster county or contiguous county by the Secretary of Agriculture under a Secretarial Disaster Designation. Without a Secretarial Disaster Designation, individual producers may be eligible if the actual production on the farm is less than 50 percent of the normal production on the farm due to a natural disaster. A "farm" for SURE purposes means the entirety of all crop acreage in all counties that a producer planted or intended to be planted for harvest for normal commercial sale or on-farm livestock feeding, including native and improved grassland intended for haying.

Producers considered socially disadvantaged, a beginning farmer or rancher, or a limited resource farmer may be eligible for SURE without a policy or plan of insurance or Noninsured Crop Disaster Assistance Program coverage.

Farmers and ranchers interested in signing up must do so before the Aug. 29, 2014, deadline. For more information on the 2012 SURE program, visit any USDA Service Center or online at www.fsa.usda.gov/sure.

SIGN-UP CONTINUES FOR USDA DISASTER ASSISTANCE PROGRAMS RESTORED BY FARM BILL

Agriculture Secretary Tom Vilsack announced on April 15, 2014, that eligible farmers and ranchers can sign up for U.S. Department of Agriculture (USDA) disaster assistance programs restored by passage of the 2014 Farm Bill.

Depending on the size and type of farm or ranch operation, eligible producers can enroll in one of four programs administered by the Farm Service Agency. The Livestock Indemnity Program (LIP) and the Livestock Forage Disaster Program (LFP) will provide payments to eligible producers for livestock deaths and grazing losses that have occurred since the expiration of the livestock disaster assistance programs in 2011, and including calendar years 2012, 2013, and 2014.

Enrollment also began on April 15 for producers with losses covered by the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP) and the Tree Assistance Program (TAP).

- LIP provides compensation to eligible livestock producers that have suffered livestock death losses in excess of normal mortality due to adverse weather. Eligible livestock includes beef cattle, dairy cattle, bison, poultry, sheep, swine, horses, and other livestock as determined by the Secretary.
- LFP provides compensation to eligible livestock producers that have suffered grazing losses due to drought or fire on publicly managed land. An eligible livestock producer must own, cash lease, or be a contract grower of eligible livestock during the 60 calendar days before the beginning date of the qualifying drought or fire in a county that is rated by the U.S. Drought Monitor as D2, D3, or D4.
- ELAP provides emergency assistance to eligible producers of livestock, honeybees and farm-raised fish that have losses due to disease, adverse weather, or other conditions, such as blizzards and wildfires, as determined by the Secretary of Agriculture.
- TAP provides financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes and vines damaged by natural disasters.

Producers signing up for these programs are encouraged to contact their local FSA office for information on the types of records needed and to schedule an appointment. Taking these steps in advance will help producers ensure their application moves through the process as quickly as possible.

Supporting documents may include livestock birth records, purchase and transportation receipts, photos and ownership records showing the number and type of livestock lost, documents listing the gallons of water transported to livestock during drought, and more. Crop records may include purchase receipts for eligible trees, bushes, or vines, seed and fertilizer purchases, planting and production records, and documentation of labor and equipment used to plant or remove eligible trees, bushes, or vines.

Producers have three to nine months to apply depending on the program and year of the loss. Details are available from any local FSA office.

For more information, producers may review the 2014 Farm Bill Fact Sheet, and the LIP, LFP, ELAP and TAP fact sheets online, or visit any local FSA office or USDA Service Center.

JULY 15, 2014 ACREAGE REPORTING DEADLINE

July 15, 2014 is the final acreage reporting deadline for spring seeded planted crops. Many FSA programs require all cropland on a farm to be certified in order to earn FSA benefits. However, if the crops are not planted by July 15, 2014, FSA's provisions allow crops to be considered timely reported if reported to FSA within 15 calendar days after planting is completed. However, it is extremely important for producers to understand all fields that are planted by July 15, 2014 must be certified by this date.

PREVENTED PLANTED PROVISIONS

Producers should report prevented planted acreage to their local FSA Office when the crop acreage is not planted due to disaster-related conditions.

- To be considered timely filed, prevented planted acres should be reported no later than 15 calendar days after the final planting date established by Federal Crop Insurance.
- Final planting dates are provided in this SCOOP titled "Program Deadlines."

FAILED ACREAGE PROVISIONS

Producers should report failed crop acres to their local FSA Office when the crop failed due to disaster related conditions. To be timely filed the failed acreage shall be reported to FSA before the crop is destroyed. County Committee review and action is required to receive history credit in accordance with applicable rules and regulations. The County Committee may require the office to conduct a field visit for crop residue and verification.

Selected Interest Rates for June 2014	
90-Day Treasury Bill	0.125%
Farm Operating Loans — Direct	2.250%
Farm Ownership Loans — Direct	4.000%
Farm Ownership Loans, Direct Down Payment, Beginning farmer or Rancher	1.500%
Emergency Loans Actual Loss	3.250%
Farm Ownership – Joint Financing	2.500%
Farm Storage Facility Loans 7 years	2.250%
Farm Storage Facility Loans 10 years	2.625%
Farm Storage Facility Loans 12 years	2.750%
Sugar Storage Facility Loans	3.00 %
Commodity Loans 1996-Present	1.125%

FARM STORED FACILITY LOAN PROGRAM

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) Farm Storage Facility Loan Program (FSFL) provides low-interest financing for producers to build or upgrade farm storage and handling facilities. The FSA is authorized to implement the program through USDA's Commodity Credit Corporation (CCC).

Eligible Facility Loan Commodities

The following commodities are eligible for farm storage facility loans:

- Corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley or minor oilseeds harvested as whole grain
- Corn, grain sorghum, wheat, oats or barley harvested as other-than-whole grain
- Pulse crops – lentils, chickpeas and dry peas
- Hay
- Renewable biomass
- Fruits (includes nuts) and vegetables – cold storage facilities

Where to File the Application

Loan applications should be filed in the administrative FSA Office that maintains the farm's records.

More Information

For more information about FSA programs, contact your local FSA office or USDA Service Center, or visit the World Wide Web at www.fsa.usda.gov

APPLYING FOR NAP ASSISTANCE WHEN A NATURAL DISASTER STRIKES

When a NAP crop or planting is affected by a natural disaster, producers must notify the FSA office where their farm records are maintained and complete Part B, (the Notice of Loss portion) of Form CCC-576, Notice of Loss and Application for Payment. This must be completed within 15 calendar days of whichever occurs earlier:

Natural disaster occurrence;

- Final planting date if planting was prevented by a natural disaster
- Date damage to the crop or loss of production became apparent
- The normal harvest date

To receive NAP benefits, producers must complete Form CCC-576, Notice of Loss, and Application for Payment, Parts D, E, and F as applicable, and certify in Part G, no later than the immediately subsequent crop year acreage reporting date for the crop. The CCC-576 requires acceptable appraisal information. Producers must provide evidence of production and note whether the crop was marketable, unmarketable, salvaged or used differently than intended.

Amount of Production Loss to Receive a NAP Payment

The natural disaster must have either:

- Reduced the expected unit production of the crop by more than 50 percent or;

- Prevented the producer from planting more than 35 percent of the intended crop acreage.

Expected production is the amount of the crop produced in the absence of a natural disaster. FSA compares expected production to actual production to determine the percentage of crop loss.

<u>PROGRAM DEADLINES</u>	
<u>Final</u> date to inform FSA of crop losses	Before Crop Disposition
The date FSA uses to look at the structure of farming operations to calculate direct attributions	June 1, 2014
<u>Final</u> date to file prevented planted acreage/credit for Upland Cotton for: Clay, Craighead, Crittenden, Cross, Greene, Jackson, Lawrence, Mississippi, Poinsett, St. Francis, White, and Woodruff Counties	June 4, 2014
<u>Final</u> date to file prevented planted acreage/credit for Rice	June 9, 2014
<u>Final</u> date to file prevented planted acreage/credit for Upland Cotton for: Arkansas, Ashley, Bradley, Chicot, Clark, Dallas, Desha, Drew, Jefferson, Lafayette, Lee, Lincoln, Little River, Lonoke, Miller, Monroe, Phillips, Prairie, and Pulaski Counties	June 9, 2014
<u>Final</u> date to file prevented planted acreage/credit for Peanuts	June 9, 2014
<u>Final</u> date to file prevented planted acreage/credit for Soybeans Not Following Another Crop (NFAC)	June 30, 2014
<u>Final</u> date to file prevented planted acreage/credit for Soybeans Following Another Crop (FAC)	July 10, 2014
<u>Final</u> date to Report 2014 Spring Seeded Crops (Note crop insured under the NAP Program may have an earlier acreage reporting date. Check with your local county office for verification.)	July 15, 2014

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