

October 2017



Farm Service Agency **Electronic News Service**

# NEWSLETTER

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## Alabama FSA Newsletter

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### Alabama Farm Service Agency

4121 Carmichael Rd.,  
Suite 600  
Montgomery, AL 36106

Phone: 334-279-3500  
Fax: 855-747-0599

[www.fsa.usda.gov/al](http://www.fsa.usda.gov/al)

**State Executive Director:**  
Jackie McCloud, Acting

**State Committee:**  
Dr. Walter Hill, Chairperson  
Laura Elliott, Member  
Danny Ellison, Member  
Fred Hughes, Member

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

### 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), 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.

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## USDA Issues Farm Safety Net and Conservation Payments

USDA Farm Service Agency announced that over \$9.6 billion in payments will be made to producers through the Agriculture Risk Coverage (ARC), Price Loss Coverage (PLC) and Conservation Reserve (CRP) programs. The USDA is issuing approximately \$8 billion in payments under the ARC and PLC programs for the 2016 crop year, and \$1.6 billion under CRP for 2017.

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 revenue or prices for covered commodities. Over half a million producers will receive ARC payments and over a quarter million producers will receive PLC payments for 2016 crops, starting the first week of October and continuing over the next several months.

Payments are being made to producers who enrolled base acres of barley, corn, grain sorghum, lentils, oats, peanuts, dry peas, soybeans, wheat and canola. In the upcoming months, payments will be announced after marketing year average prices are published by USDA's National Agricultural Statistics Service for the remaining covered commodities. Those include long and medium grain rice (except for temperate Japonica rice), which will be announced in November; remaining oilseeds and chickpeas, which will be announced in December; and temperate Japonica rice, which will be announced in early February 2017. The estimated payments are before application of sequestration and other reductions and limits, including adjusted gross income limits and payment limitations.

Also, as part of an ongoing effort to protect sensitive lands and improve water quality and wildlife habitat, USDA will begin issuing 2017 CRP payments in October to over 375,000 Americans.

Signed into law by President Reagan in 1985, CRP is one of the largest private-lands conservation program in the United States. Thanks to voluntary participation by farmers and landowners, CRP has improved water quality, reduced soil erosion and increased habitat for endangered and threatened species. In return for enrolling in CRP, USDA, through the Farm Service Agency (FSA) on behalf of the Commodity Credit Corporation, provides participants with rental payments and cost-share assistance. Participants enter into contracts that last between 10 and 15 years. CRP payments are made to participants who remove sensitive lands from production and plant certain grasses, shrubs and trees that improve water quality, prevent soil erosion and increase wildlife habitat.

For more details regarding ARC and PLC programs, go to [www.fsa.usda.gov/arc-plc](http://www.fsa.usda.gov/arc-plc). For more information about CRP, contact your local FSA office or visit [www.fsa.usda.gov/crp](http://www.fsa.usda.gov/crp)

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## Emergency Assistance for Livestock, Honeybee, and Farm-Raised Fish Program (ELAP)

The Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP) provides emergency assistance to eligible livestock, honeybee, and farm-raised fish producers who have losses due to disease, adverse weather or other conditions, such as blizzards and wildfires, not covered by other agricultural disaster assistance programs.

Eligible livestock losses include grazing losses not covered under the Livestock Forage Disaster Program (LFP), loss of purchased feed and/or mechanically harvested feed due to an eligible adverse weather event, additional cost of transporting water because of an eligible drought and additional cost associated with gathering livestock to treat for cattle tick fever.

Eligible honeybee losses include loss of purchased feed due to an eligible adverse weather event, cost of additional feed purchased above normal quantities due to an eligible adverse weather condition, colony losses in excess of normal mortality due to an eligible weather event or loss condition, including CCD, and hive losses due to eligible adverse weather.

Eligible farm-raised fish losses include death losses in excess of normal mortality and/or loss of purchased feed due to an eligible adverse weather event.

Producers who suffer eligible livestock, honeybee, or farm-raised fish losses from Oct. 1, 2016 to Sept. 30, 2017 must file:

- A notice of loss the earlier of 30 calendar days of when the loss is apparent or by Nov. 1, 2017
- An application for payment by Nov. 1, 2017

The Farm Bill caps ELAP disaster funding at \$20 million per federal fiscal year.

The following ELAP Fact Sheets (by topic) are available online:

- ELAP for Farm-Raised Fish Fact Sheet
- ELAP for Livestock Fact Sheet
- ELAP for Honeybees Fact Sheet

To view these and other FSA program fact sheets, visit the FSA fact sheet web page at [www.fsa.usda.gov/factsheets](http://www.fsa.usda.gov/factsheets).

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## Policy Updates for Acreage Reporting

The USDA Farm Service Agency (FSA) recently made several policy updates for acreage reporting for cover crops, revising intended use, late-filed provisions, grazing allotments as well as updated the definitions of “idle” and “fallow.”

### Reporting Cover Crops:

FSA made changes to the types of cover crops. Cover crop types can be chosen from the following four categories:

- **Cereals and other grasses** - Any cover crop that is classified as a grass plant or cereal grain, and would include, but not be limited to, the following cover crops: cereal rye, wheat, barley, oats, black oats, triticale, annual ryegrass, pearl millet, foxtail millet (also called German, Italian or Hungarian millet), sorghum sudan grass, sorghum and other millets and grasses.
- **Legumes** - Any cover crop that is classified as a legume, including, but not limited to, clovers, vetches, peas, sun hemp, cowpeas, lentils and other legumes.
- **Brassicas and other broadleaves** - Any cover crop that is classified as a non-legume broadleaf, including, but not limited to, Brassicas such as radishes, turnips, canola, rapeseed, oilseed rape, and mustards, as well as other broadleaf plants such as phacelia, flax, sunflower, buckwheat, and safflower.

- **Mixtures** - Mixes of two or more cover crop species planted at the same time, for example, oats and radishes.

If the cover crop is harvested for any use other than forage or grazing and is not terminated according to policy guidelines, then that crop will no longer be considered a cover crop and the acreage report must be revised to reflect the actual crop.

**Permitted Revision of Intended use After Acreage Reporting Date:**

New operators or owners who pick up a farm after the acreage reporting deadline has passed and the crop has already been reported on the farm, have 30 days to change the intended use. Producer share interest changes alone will not allow for revisions to intended use after the acreage reporting date. The revision must be performed by either the acreage reporting date or within 30 calendar days from the date when the new operator or owner acquired the lease on land, control of the land or ownership and new producer crop share interest in the previously reported crop acreage. Under this policy, appropriate documentation must be provided to the County Committee's satisfaction to determine that a legitimate operator or ownership and producer crop share interest change occurred to permit the revision.

**Acreage Reports:**

In order to maintain program eligibility and benefits, producers must timely file acreage reports. Failure to file an acreage report by the crop acreage reporting deadline may result in ineligibility for future program benefits. FSA will not accept acreage reports provided more than a year after the acreage reporting deadline.

**Reporting Grazing Allotments:**

FSA offices can now accept acreage reports for grazing allotments. Producers will use form "FSA-578" to report grazing allotments as animal unit months (AUMs) using the "Reporting Unit" field. The local FSA office will need the grazing period start and end date and the percent of public land.

**Definitions of Terms**

FSA defines "idle" as cropland or a balance of cropland within a Common Land Unit (CLU) (field/subfield) which is not planted or considered not planted and does not meet the definition of fallow or skip row. For example, the balance of a field that could not be planted due to moisture or a turn area that is not planted would be reported as idle.

Fallow is considered unplanted cropland acres which are part of a crop/fallow rotation where cultivated land that is normally planted is purposely kept out of production during a regular growing season. Resting the ground in this manner allows it to recover its fertility and conserve moisture for crop production in the next growing season.

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## **USDA Processing Pending Conservation Reserve Program Continuous Enrollment Offers**

*Acceptance of Most 2018 Offers Temporarily Suspended*

USDA's Farm Service Agency (FSA) will process many pending eligible offers for land enrollment in the Conservation Reserve Program (CRP), and will temporarily suspend accepting most new offers until later in the 2018 fiscal year.

All current, eligible CRP continuous enrollment offers made through Sept. 30, 2017, except for those made under the Pollinator Habitat Initiative (CP42), will be approved, Additionally, FSA is

temporarily suspending acceptance of most offers going forward to provide time to review CRP allocation levels, and to avoid exceeding the statutory cap of 24 million acres.

The CRP acreage cap is a provision of the 2014 Farm Bill. Current enrollment is about 23.5 million acres nationwide. USDA is accepting all pending continuous enrollment offers that were made beginning on May 4, 2017, and extending through Sept. 30, 2017, except Pollinator Habitat Initiative offers. Pollinator acreage offers are being declined because the program has met its acreage enrollment goal. Effective immediately, USDA is suspending acceptance of all new CRP continuous offers received or submitted after Sept. 30, 2017. The suspension will continue until later in the 2018 fiscal year.

However, FSA will continue to accept eligible offers for state-specific Conservation Reserve Enhancement Program (CREP) and CRP Grasslands enrollment. Offers received on or after Oct. 1, 2017, are subject to fiscal year 2018 rental rates which have been adjusted to reflect current market conditions and were established after careful review of the latest USDA National Agricultural Statistics Service (NASS) cash rent data.

In return for enrolling in CRP, USDA, through FSA, provides participants with rental payments and cost-share assistance. Landowners enter into contracts that last between 10 and 15 years. CRP pays farmers and ranchers who remove sensitive lands from production and plant certain grasses, shrubs and trees that improve water quality, prevent soil erosion and increase wildlife habitat. Payment totals for 2017 were announced earlier this week totaling over \$1.6 billion.

For more information about CRP, contact your local FSA office or visit [www.fsa.usda.gov/crp](http://www.fsa.usda.gov/crp). To locate your local FSA office, visit <http://offices.usda.gov>.

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## **USDA Seeks Applications for Grants to Help Agricultural Producers and Small Rural Businesses Develop New Products**

The USDA Rural Development (RD) is accepting applications for grants to help farmers, ranchers and producer-based businesses nationwide develop new product lines.

The funding is being provided through the Value-Added Producer Grant (VAPG) program. VAPG grants can be used to develop new products from raw agricultural products or promote new markets for established products. Veterans, socially-disadvantaged groups, beginning farmers and ranchers, operators of small and medium-sized family farms and ranches and farmer and rancher cooperatives are given special priority.

The deadline to submit paper applications is Jan. 31, 2018. Electronic applications submitted through [grants.gov](http://grants.gov) are due Jan. 24, 2018. For more information on this grant program, visit [USDA Rural Development](http://USDA.RuralDevelopment). For assistance in Alabama, call 334-279-3623.

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## **Farm Storage Facility Loans**

FSA's Farm Storage Facility Loan (FSFL) program provides low-interest financing to producers to build or upgrade storage facilities and to purchase portable (new or used) structures, equipment and storage and handling trucks.

The low-interest funds can be used to build or upgrade permanent facilities to store commodities. Eligible commodities include corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley, minor oilseeds harvested as whole grain, pulse crops (lentils, chickpeas and dry peas), hay, honey, renewable biomass, fruits, nuts and vegetables for cold storage facilities, floriculture, hops, maple sap, rye, milk, cheese, butter, yogurt, meat and poultry (unprocessed), eggs, and aquaculture (excluding systems that maintain live animals through uptake and discharge of water). Qualified facilities include grain bins, hay barns and cold storage facilities for eligible commodities.

Loans up to \$50,000 can be secured by a promissory note/security agreement and loans exceeding \$50,000 require additional security to protect CCC's interest per Alabama State Committee.

Producers do not need to demonstrate the lack of commercial credit availability to apply. The loans are designed to assist a diverse range of farming operations, including small and mid-sized businesses, new farmers, operations supplying local food and farmers markets, non-traditional farm products, and underserved producers.

To learn more about the FSA Farm Storage Facility Loan, visit [www.fsa.usda.gov/pricesupport](http://www.fsa.usda.gov/pricesupport) or contact your local FSA county office. To find your local FSA county office, visit <http://offices.usda.gov>.

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## **2016 PLC Payment Rates and ARC Actual Prices for Wheat, Barley and Oats**

The Agricultural Act of 2014 provides for payments for covered commodities through the Price Loss Coverage (PLC) program when the market year average price is below the reference price. Agricultural Risk Coverage (ARC) program payments are triggered when the actual revenue is below the guarantee established for the program.

The Marketing Year Average (MYA) price for wheat, barley and oats was announced June 29, resulting in a PLC payment rate of \$1.61 per bushel for 2016 wheat and \$0.34 per bushel for 2016 oats. There is no PLC payment on 2016 barley.

For Agriculture Loss Coverage – County (ARC-CO), actual crop revenue is calculated by multiplying the actual average yield for your county times the higher of the MYA price or the national loan rate. For 2016, the following prices have been set – wheat at \$3.89 per bushel; barley at \$4.96 per bushel; and oats at \$2.06 per bushel. 2016 county yields will not be available until this fall.

Agriculture Loss Coverage–Individual Option (ARC-IC) will utilize the same prices as ARC-CO, however the actual crop revenue cannot be calculated until participating producers report all production for all covered commodities planted on the farm and all MYA prices for all covered commodities planted on the farm are known. Both of these items are necessary to calculate the ARC-IC actual revenue for the farm.

All 2016 ARC and PLC payments cannot be made until after Oct. 1, 2017, or the announcement of the final 2016 MYA price for the applicable covered commodity.

For information on release dates for MYA prices, ARC-CO yields and projected and final PLC payment rates, visit [www.fsa.usda.gov/arc-plc](http://www.fsa.usda.gov/arc-plc) and click on the “ARC/PLC Program Data” link.

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## Communication is Key in Lending

Farm Service Agency (FSA) is committed to providing our farm loan borrowers the tools necessary to be a success. A part of ensuring this success is providing guidance and counsel from the loan application process through the borrower's graduation to commercial lending institutions. While it is FSA's commitment to advise borrowers as they identify goals and evaluate progress, it is crucial for borrowers to communicate with their farm loan staff when changes occur. It is the borrower's responsibility to alert FSA to any of the following:

- Any proposed or significant changes in the farming operation;
- Any significant changes to family income or expenses;
- The development of problem situations;
- Any losses or proposed significant changes in security

In addition, if a farm loan borrower cannot make payments to suppliers, other creditors, or FSA on time, contact your farm loan staff immediately to discuss loan servicing options.

For more information on FSA farm loan programs, visit [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## 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.

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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).