

May 2016



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## Alaska FSA Newsletter

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### Alaska State Farm Service Agency

800 W Evergreen, Ste 216  
Palmer, AK 99645  
[www.fsa.usda.gov/ak](http://www.fsa.usda.gov/ak)

### State Executive Director

Danny Consenstein  
907-761-7738  
Cell: 907-841-4890  
Email:  
[danny.consenstein@ak.usda.gov](mailto:danny.consenstein@ak.usda.gov)

### Northern County Office

PO Box 585  
Delta Junction, AK 99737

### County Executive Director/Farm Loan Officer

Lloyd Wilhelm  
907-895-4242 ext 150

### Alaska FSA State Director News - USDA Offers New Loans for Portable Farm Storage and Handling Equipment

*Portable Equipment Can Help Producers, including Small-Scale and Local Farmers, Get Products to Market Quickly*

USDA's Farm Service Agency (FSA) will provide a new financing option to help farmers purchase portable storage and handling equipment. The loans, which now include a smaller microloan option with lower down payments, are designed to help producers, including new, small and mid-sized producers, grow their businesses and markets.

The program also offers a new "microloan" option, which allows applicants seeking less than \$50,000 to qualify for a reduced down payment of five percent and no requirement to provide three years of production history. Farms and ranches of all sizes are eligible. The microloan option is expected to be of particular benefit to smaller farms and ranches, and specialty crop

Fax: 855-711-9095  
Email:  
[lloyd.wilhelm@ak.usda.gov](mailto:lloyd.wilhelm@ak.usda.gov)

**Southern County Office**  
800 W Evergreen, Ste 216  
Palmer, AK 99645

**County Executive Director**  
Erin Sturdivant  
907-761-7754  
Fax: 907-761-7789  
Email:  
[erin.sturdivant@ak.usda.gov](mailto:erin.sturdivant@ak.usda.gov)

**Farm Loan Manager**  
Jeff Curry  
907-761-7773  
Fax: 907-761-7789  
Email: [jeff.curry@ak.usda.gov](mailto:jeff.curry@ak.usda.gov)

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

Committee Meetings:  
Northern Co TBA  
Southern Co June 7, 4:00 p.m.

Please contact your local FSA  
Office for questions specific to  
your operation or county.

producers who may not have access to commercial storage or on-farm storage after harvest. These producers can invest in equipment like conveyers, scales or refrigeration units and trucks that can store commodities before delivering them to markets. Producers do not need to demonstrate the lack of commercial credit availability to apply.

Earlier this year, FSA significantly expanded the list of commodities eligible for Farm Storage Facility Loan. Eligible commodities now include aquaculture; floriculture; fruits (including nuts) and vegetables; corn, grain sorghum, rice, oilseeds, oats, wheat, triticale, spelt, buckwheat, lentils, chickpeas, dry peas sugar, peanuts, barley, rye, hay, honey, hops, maple sap, unprocessed meat and poultry, eggs, milk, cheese, butter, yogurt and renewable biomass. FSFL microloans can also be used to finance wash and pack equipment used post-harvest, before a commodity is placed in cold storage.

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

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## Final Planting Dates

All producers are encouraged to contact their local FSA office for more information on the final planting date for specific crops. The final planting dates vary by crop, planting period and county so please contact your local FSA office for a list of county-specific planting deadlines. The timely planting of a crop, by the final planting date, may prevent loss of program benefits.

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## USDA Establishes New Partnerships to Link Underserved Farmers to FSA Programs

*Minority, Women, New and Beginning, Military Veteran and Urban Producers to Receive Training and Information on Agency Services*

USDA announced cooperative agreements with 55 partners to educate farmers and other producers that have been underserved by USDA programs historically about Farm Service Agency (FSA) programs that provide financial, disaster or technical support. Nearly \$2.5 million will go to nonprofits, associations, universities, and foundations that will provide training and information on agricultural best practices, local networking opportunities, and more.

FSA, which solicited applications last fall, received nearly 100 proposals that requested over \$9 million in funding. Cooperative agreements, encompassing more than 28 states, will be between \$20,000 and \$75,000 each and several involve multi-state or national efforts. A list of awardees can be found at [www.fsa.usda.gov/outreach](http://www.fsa.usda.gov/outreach).

FSA also announced today that it is accepting proposals for consideration in the second evaluation period. Applications are due no later than July 11, 2016. Projects not selected during the first evaluation period will be reconsidered during the second period. Additional information on the funding solicitation and the related FSA programs can be found at [www.grants.gov](http://www.grants.gov) using reference number USDA-FSA-CA-2016-001. For nonprofits and public institutions of higher education that are considering participation, a recording of the online informational session held with stakeholders is posted on the web at [www.fsa.usda.gov/outreach](http://www.fsa.usda.gov/outreach).

USDA is also helping producers find an entry into farming through urban agriculture opportunities and the increasing consumer demand for locally-produced items. Under this Administration, USDA has invested more than \$1 billion in over 40,000 local and regional food businesses and infrastructure projects. USDA is committed to helping farmers, ranchers, and businesses access the growing market for local and regional foods, which was valued at \$12 billion in 2014 according to industry estimates. More information on how USDA investments are connecting producers with consumers and expanding rural economic opportunities is available in [Chapter IV](#) of [USDA Results on Medium](#).

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## **USDA Financial Assistance Available to Help Organic Farmers Create Conservation Buffers**

USDA is assisting organic farmers with the cost of establishing up to 20,000 acres of new conservation buffers and other practices on and near farms that produce organic crops.

The financial assistance is available from the USDA Conservation Reserve Program (CRP), a federally funded voluntary program that contracts with agricultural producers so that environmentally sensitive land is not farmed or ranched, but instead used for conservation benefits. CRP participants establish long-term, resource-conserving plant species, such as approved grasses or trees (known as “covers”) to control soil erosion, improve water quality and develop wildlife habitat. In return, FSA provides participants with rental payments and cost-share assistance. Contract duration is between 10 and 15 years.

For conservation buffers, funds are available for establishing shrubs and trees, or supporting pollinating species, and can be planted in blocks or strips. Interested organic producers can offer eligible land for enrollment in this initiative at any time.

Other USDA FSA programs that assist organic farmers include:

- The Noninsured Crop Disaster Assistance Program that provides financial assistance for 55 to 100 percent of the average market price for organic crop losses between 50 to 65 percent of expected production due to a natural disaster.
- Marketing assistance loans that provide interim financing to help producers meet cash flow needs without having to sell crops during harvest when market prices are low, and deficiency payments to producers who forgo the loan in return for a payment on the eligible commodity.
- A variety of loans for operating expenses, ownership or guarantees with outside lenders, including streamlined microloans that have a lower amount of paperwork.

- Farm Storage Facility Loans for that provide low-interest financing to build or upgrade storage facilities for organic commodities, including cold storage, grain bins, bulk tanks and drying and handling equipment.
- Services such as mapping farm and field boundaries and reporting organic acreage that can be provided to a farm's organic certifier or crop insurance agent.

Visit [www.fsa.usda.gov/organic](http://www.fsa.usda.gov/organic) to learn more about how FSA can help organic farmers. For an interactive tour of CRP success stories, visit [www.fsa.usda.gov/CRPis30](http://www.fsa.usda.gov/CRPis30) or follow #CRPis30 on Twitter. To learn more about FSA programs visit a local FSA office or [www.fsa.usda.gov](http://www.fsa.usda.gov). To find your local FSA office, visit <http://offices.usda.gov>.

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## Enrollment Period for 2016 USDA Safety Net Coverage Ends Aug. 1

Producers who chose coverage from the safety net programs established by the 2014 Farm Bill, known as the Agriculture Risk Coverage (ARC) or the Price Loss Coverage (PLC) programs, can visit FSA county offices through Aug. 1, 2016, to sign contracts to enroll in coverage for 2016.

Although the choice between ARC and PLC is completed and remains in effect through 2018, producers must still enroll their farm by signing a contract each year to receive coverage.

Producers are encouraged to contact their local FSA office to schedule an appointment to enroll. If a farm is not enrolled during the 2016 enrollment period, producers on that farm will not be eligible for financial assistance from the ARC or PLC programs should crop prices or farm revenues fall below the historical price or revenue benchmarks established by the program.

The two 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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## 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 (HELC) 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.

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## **Farm Loan Graduation Reminder**

FSA Direct Loans are considered a temporary source of credit that is available to producers who do not meet normal underwriting criteria for commercial banks.

FSA periodically conducts Direct Loan graduation reviews to determine a borrower's ability to graduate to commercial credit. If the borrower's financial condition has improved to a point where they can refinance their debt with commercial credit, they will be asked to obtain other financing and partially or fully pay off their FSA debt.

By the end of a producer's operating cycle, the Agency will send a letter requesting a current balance sheet, actual financial performance and a projected farm budget. The borrower has 30 days to return the required financial documents. This information will be used to evaluate the borrower's potential for refinancing to commercial credit.

If a borrower meets local underwriting criteria, FSA will send the borrower's name, loan type, balance sheet and projected cash flow to commercial lenders. The borrower will be notified when loan information is sent to local lenders.

If any lenders are interested in refinancing the borrower's loan, FSA will send the borrower a letter with a list of lenders that are interested in refinancing the loan. The borrower must contact the lenders and complete an application for commercial credit within 30 calendar days.

If a commercial lender rejects the borrower, the borrower must obtain written evidence that specifies the reasons for rejection and submit to their local FSA farm loan office.

If a borrower fails to provide the requested financial information or to graduate, FSA will notify the borrower of noncompliance, FSA's intent to accelerate the loan, and appeal rights.

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## **Guaranteed Loan Program**

FSA guaranteed loans allow lenders to provide agricultural credit to farmers who do not meet the lender's normal underwriting criteria. Farmers and ranchers apply for a guaranteed loan through a lender, and the lender arranges for the guarantee. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan. Guaranteed loans can be used for both farm ownership and operating purposes.

Guaranteed farm ownership loans can be used to purchase farmland, construct or repair buildings, develop farmland to promote soil and water conservation or to refinance debt.

Guaranteed operating loans can be used to purchase livestock, farm equipment, feed, seed, fuel, farm chemicals, insurance and other operating expenses.

FSA can guarantee farm ownership and operating loans up to \$1,399,000. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

Please contact your lender or local FSA farm loan office for more information on guaranteed loans.

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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).

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