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Farm Service Agency **Electronic News Service**

NEWSLETTER

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Alaska State FSA Newsletter

Alaska State Farm Service Agency

800 W Evergreen, Ste 216
Palmer, AK 99645
www.fsa.usda.gov/ak

907-761-7738

Northern County Office

PO Box 585
Delta Junction, AK 99737

County Executive Director/Farm Loan Manager

Lloyd Wilhelm
907-895-4242 ext 150
Fax: 855-711-9095
Email:

USDA Program Helps Offset Transportation Costs for Farmers and Ranchers in Alaska

The Reimbursement Transportation Cost Payment Program (RTCP) for fiscal year 2017 began on July 17, 2017, and will end on Sept. 8, 2017.

The 2014 Farm Bill reauthorized RTCP, which offsets a portion of the costs of transporting agricultural products over long distances. The program allows farmers and ranchers in Alaska, Hawaii and insular areas including the Commonwealth of Puerto Rico, Guam, American Samoa, Commonwealth of Northern Mariana Islands, Virgin Islands of the United States, Federated States of Micronesia, Republic of the Marshall Islands and Republic of Palau, to recover any transportation costs.

This program helps U.S. farmers and ranchers outside the 48 contiguous states who are at a competitive disadvantage when transporting agriculture products to market.

loyd.wilhelm@ak.usda.gov

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

**County Executive
Director/Farm Loan
Manager**

Erin Sturdivant
907-761-7754
Fax: 907-761-7789
Email:

erin.sturdivant@ak.usda.gov

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

Committee Meetings:
Northern Co TBA
Southern Co TBA

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

RTCP payments are calculated based on the costs incurred for transportation of the agricultural commodity or inputs during a fiscal year, subject to an \$8,000 per producer cap per fiscal year. In the event that claims for payments exceed the funds available from the program for a fiscal year, payments will be reduced on a pro-rata basis.

For more information on RTCP, farmers and ranchers in the eligible areas can visit their administrative FSA county office or the FSA website at www.fsa.usda.gov/pricesupport. To find your local FSA county office, visit <http://offices.usda.gov> or www.fsa.usda.gov/ak.

The Reimbursement Transportation Cost Payment Program (RTCP) for Geographically Disadvantaged Farmers and Ranchers [fact sheet](#).

Elections for the 2017 County Committee

Elections for the USDA's Farm Service Agency's (FSA) Northern and Southern County Committees are underway.

It is important that every eligible producer participate in these elections because FSA county committees are a link between the agricultural community and the USDA. **The 2017 election for Alaska** will be conducted for the following representatives for the following Local Administrative Area (LAA):

Southern County LAA-3

LAA-3 Matanuska Borough.

Northern County LAA-2

LAA-2 Area beginning where the Clearwater road intersects the AK Hwy NE to north line of Southeast Fairbanks census area, proceeding NE to Canadian border, then SE following Canadian border, where the Alaska Gateway Regional Educational Attendance Area (AKGREAA) line intersects the Canadian border, turning NW following AKGREAA line to the AK Hwy, then proceed NW on AK Hwy to Clearwater road.

County committee members are a critical component of FSA operations. Committees should be comprised of members who reflect the diversity of producers involved in production agriculture in the

Alaska County FSA Offices. This means that producers representing underserved groups or communities should be on the committee to speak on behalf of their constituency.

Underserved producers are beginning, women and other minority farmers and ranchers and land owners and/or operators who have limited resources. Other minority groups including Native American and Alaska Natives; persons under the poverty level, and persons that have disabilities are also considered underserved.

County committee election ballots will be mailed to eligible voters on Nov. 6, 2017. The last day to return completed ballots to the Northern and Southern County USDA service center is Dec. 4, 2017.

For more information on eligibility to serve on FSA county committees, visit: www.fsa.usda.gov/elections.

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 and click on the “ARC/PLC Program Data” link.

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 between \$50,000 and \$100,000 may require additional security. Loans exceeding \$100,000 require additional security.

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 or contact your local FSA county office. To find your local FSA county office, visit <http://offices.usda.gov>.

USDA Makes it Easier to Transfer Land to the Next Generation of Farmers and Ranchers

Allows for Transfer of Certain Conservation Reserve Program Land to New Farmers; Provides Priority Enrollment in Working Lands Conservation Programs

U.S. Department of Agriculture (USDA) is offering an early termination opportunity for certain Conservation Reserve Program (CRP) contracts, making it easier to transfer property to the next generation of farmers and ranchers, including family members. The land that is eligible for the early termination is among the least environmentally sensitive land enrolled in CRP.

Normally if a landowner terminates a CRP contract early, they are required to repay all previous payments plus interest. The new policy waives this repayment if the land is transferred to a beginning farmer or rancher through a sale or lease with an option to buy. With CRP enrollment close to the Congressionally-mandated cap of 24 million acres, the early termination will also allow USDA to enroll other land with higher conservation value elsewhere.

Acres terminated early from CRP under these land tenure provisions will be eligible for priority enrollment consideration into the CRP Grasslands, if eligible; or the Conservation Stewardship Program or Environmental Quality Incentives Program, as determined by the Natural Resources Conservation Service.

According to the Tenure, Ownership and Transition of Agricultural Land survey, conducted by USDA in 2014, U.S. farmland owners expect to transfer 93 million acres to new ownership during 2015-2019. This represents 10 percent of all farmland across the nation. Details on the early termination opportunity will be available starting on Jan. 9, 2017, at local USDA service centers. For more information about CRP and to find out if your acreage is eligible for early contract termination, contact your local Farm Service Agency (FSA) office or go online at www.fsa.usda.gov/crp.

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.

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.

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.

Persons with disabilities who require accommodations to attend or participate in these meetings and/or events should contact Lloyd Wilhelm, Northern CED, at (907) 895-4242, Erin Sturdivant, Southern CED, at (907) 761-7754 or Federal Relay Service at 1-800-877-8339.

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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