

February 2016



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FSA Arizona Newsletter

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USDA Expands Microloans to Help Farmers Purchase Farmland and Improve Property

Producers, Including Beginning and Underserved Farmers,
Have a New Option to Gain Access to Land

The U.S. Department of Agriculture (USDA) will begin offering farm ownership microloans, creating a new financing avenue for farmers to buy and improve property. These microloans will be especially helpful to beginning or underserved farmers, U.S. veterans looking for a career in farming, and those who have small and mid-sized farming operations.

The microloan program, which celebrates its third anniversary this week, has been hugely successful, providing more than 16,800 low-interest loans, totaling over \$373 million to producers across the country. Microloans have helped farmers and ranchers with operating costs, such as feed, fertilizer, tools, fencing, equipment, and living expenses since 2013. Seventy percent of loans have gone to new farmers.

Now, microloans will be available to also help with farm land

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Please
contact
your local
FSA Office
for
questions
specific to
your
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and building purchases, and soil and water conservation improvements. FSA designed the expanded program to simplify the application process, expand eligibility requirements and expedite smaller real estate loans to help farmers strengthen their operations. Microloans provide up to \$50,000 to qualified producers, and can be issued to the applicant directly from the USDA Farm Service Agency (FSA).

This microloan announcement is another USDA resource for America's farmers and ranchers to utilize, especially as [new and beginning farmers and ranchers](#) look for the assistance they need to get started. To learn more about the FSA microloan program visit www.fsa.usda.gov/microloans, or contact your local FSA office. To find your nearest office location, please visit <http://offices.usda.gov>.

USDA Encourages Producers to Consider 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 the Noninsured Crop Disaster Assistance Program (NAP). The 2014 Farm Bill expanded NAP to include higher levels of protection. Beginning, underserved and limited resource farmers are now eligible for free catastrophic level coverage, as well as discounted premiums for additional levels of protection."

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.

USDA has partnered with Michigan State University and the University of Illinois to create an online tool at www.fsa.usda.gov/nap that allows producers to determine whether their crops are eligible for federal crop insurance or NAP and to explore the best level of protection for their operation. NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production, with higher levels of coverage, up to 65

percent of their expected production at 100 percent of the average market price, including coverage for organics and crops marketed directly to consumers.

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.

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.

New USDA Commitments to Help Build Up Next Generation of Farmers and

The U.S. Department of Agriculture today announced a commitment by the U.S. Department of Agriculture (USDA) to prioritize \$5.6 billion over the next two years within USDA programs and services that serve new and beginning farmers and ranchers. Deputy Secretary Harden also announced a new, tailored web tool designed to connect burgeoning farm entrepreneurs with programs and resources available to help them get started.

The new web tool is available at www.usda.gov/newfarmers. The site was designed based on feedback from new and beginning farmers and ranchers around the country, who cited unfamiliarity with programs and resources as a challenge to starting and expanding their operations. The site

features advice and guidance on everything a new farm business owner needs to know, from writing a business plan, to obtaining a loan to grow their business, to filing taxes as a new small business owner. By answering a series of questions about their operation, farmers can use the site's Discovery Tool to build a personalized set of recommendations of USDA programs and services that may meet their needs.

Using the new web tool and other outreach activities, and operating within its existing resources, USDA has set a new goal of increasing beginning farmer and rancher participation by an additional 6.6 percent across key USDA programs, which were established or strengthened by the 2014 Farm Bill, for a total investment value of approximately \$5.6 billion. Programs were targeted for expanded outreach and commitment based on their impact on expanding opportunity for new and beginning farmers and ranchers, including starting or expanding an operation, developing new markets, supporting more effective farming and conservation practices, and having access to relevant training and education opportunities. USDA will provide quarterly updates on its progress towards meeting its goal. A full explanation of the investment targets, benchmarks and outcomes is available at: [BFR-Commitment-Factsheet](#).

As the average age of the American farmer now exceeds 58 years, and data shows that almost 10 percent of farmland in the continental United States will change hands in the next five years, we have no time to lose in getting more new farmers and ranchers established. Equally important is encouraging young people to pursue careers in industries that support American agriculture. According to [an employment outlook report](#) released by USDA's National Institute of Food and Agriculture (NIFA) and Purdue University, one of the best fields for new college graduates is agriculture. Nearly 60,000 high-skilled agriculture job openings are expected annually in the United States for the next five years, yet only 35,000 graduates with a bachelor's degree or higher in agriculture related fields are expected to be available to fill them. The report also shows that women make up more than half of the food, agriculture, renewable natural resources, and environment higher education graduates in the United States. USDA recently released a [series of fact sheets](#) showcasing the impact of women in agriculture nationwide.

Today's announcement builds on USDA's ongoing work to engage its resources to inspire a strong next generation of farmers and ranchers by improving access to land and capital; building market opportunities; extending conservation opportunities; offering appropriate risk management tools; and increasing outreach and technical support. To learn more about USDA's efforts, visit the [Beginning Farmers and Ranchers Results Page](#).

USDA Sees Strong Demand for Conservation Reserve Program

Deadline to Submit Offers for Competitive Enrollment is Feb. 26

WASHINGTON, Feb. 11, 2016 – The U.S. Department of Agriculture (USDA) is reminding farmers and ranchers that the competitive sign-up deadline for its most popular voluntary conservation program, the Conservation Reserve Program (CRP), is Feb. 26, 2016. This will be one of the most competitive general sign-up periods in history, in part due a statutory limit on the number of acres that can be enrolled in the program. The most competitive applications will be those that combine multiple conservation benefits, such as water quality and wildlife habitat.

For the past thirty years, CRP has provided financial incentives to farmers and ranchers to remove environmentally sensitive agricultural land from production to be planted with certain grasses, shrubs and trees that improve water quality, prevent soil erosion and increase wildlife habitat. Since 1985, CRP has sequestered an annual average of 49 million tons of greenhouse gases, equal to

taking 9 million cars off the road; prevented 9 billion tons of soil from erosion, enough to fill 600 million dump trucks; and reduced nitrogen and phosphorous runoff by 95 and 85 percent, respectively. CRP also protects more than 170,000 stream miles with forests and grasses, enough to go around the world seven times. The program has allowed for the restoration of 2.7 million acres of wetland and protects more than 170,000 stream miles with forests and grasses, enough to go around the world seven times.

“Since the start of this Administration, USDA has invested more than \$29 billion to help producers make conservation improvements, working with as many as 500,000 farmers, ranchers and landowners to protect land and water on over 400 million acres nationwide,” said Agriculture Secretary Tom Vilsack. “The Conservation Reserve Program has been and continues to be a key piece of USDA’s conservation strategy, and with this competitive sign-up we are encouraging applications that offer the greatest environmental protection.”

As of January 2016, 23.6 million acres were enrolled in CRP, with contracts for more than 1.6 million acres set to expire this fall. The statutory cap on acres that can be enrolled is 24 million acres. Submissions will be ranked according to environmental benefits in comparison to all other offers nationwide. USDA will announce accepted offers after the enrollment period ends and offers are reviewed. For an interactive tour of CRP success stories from across the U.S., visit www.fsa.usda.gov/CRPis30, or follow on Twitter at #CRPis30.

In 2015, a record number of continuous CRP acres were enrolled, totaling over 830,000 acres. These high-value acres provide multiple benefits on the same land including water quality, wildlife, carbon sequestration and others. For example, the acres dedicated to pollinators have almost tripled to over 190,000 acres and support the National Strategy to Promote the Health of Honey Bees and Other Pollinators.

This record sign-up came after a May 2015 announcement that an additional 800,000 acres would be accepted for key natural resource enhancements. Since the May 2015 announcement, wetland restorations have increased by 77,000 acres, duck nesting habitats have increased 35,000 acres and other wildlife habitat has increased 255,000 acres within the CRP State Acres for Wildlife Enhancement (SAFE).

Surveys have demonstrated significant increases in populations of upland grassland birds; the 227,000 acres dedicated to upland bird habitat buffers are estimated to increase bobwhite quail numbers by 350,000 each fall.

For an interactive look at USDA's work in conservation and forestry over the course of this Administration, visit <http://medium.com/usda-results>.

For more information on Farm Service Agency (FSA) conservation programs, visit a local FSA office or www.fsa.usda.gov/conservation. To find your local FSA office, visit <http://offices.usda.gov>.

CRP was re-authorized by the 2014 Farm Bill, which builds on historic economic gains in rural America over the past seven years, while achieving meaningful reform and billions of dollars in savings for taxpayers. Since enactment, USDA has made significant progress to implement each provision of this critical legislation, including providing disaster relief to farmers and ranchers; strengthening risk management tools; expanding access to rural credit; funding critical research; establishing innovative public-private conservation partnerships; developing new markets for rural-made products; and investing in infrastructure, housing and community facilities to help improve quality of life in rural America. For more information, visit www.usda.gov/farmbill.

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