

March 2018



Farm Service Agency **Electronic News Service**

NEWSLETTER

GovDelivery

- [USDA Offers Drought Impacted Arizona Farmers and Ranchers Immediate Disaster Assistance](#)
- [USDA Enrollment Period for Safety Net Coverage in 2018](#)
- [Payment Limitations by Program](#)
- [ELAP Covers Losses from Additional Cost of Transporting Water to Livestock](#)
- [USDA Offers Targeted Farm Loan Funding for Underserved Groups and Beginning Farmers](#)
- [Preauthorized Debit Available for Farm Loan Borrowers](#)

Arizona FSA Newsletter

Arizona Farm Service Agency

230 N 1st Ave, Suite 506
Phoenix, AZ 85003-1726

Phone: 602-285-6300

Fax: 602-285-6325

State Executive Director:
James Mago

Farm Loan Manager: Sharon
Kinnison

Program Specialist: Ryan
Hunt, Pam Solem

USDA Offers Drought Impacted Arizona Farmers and Ranchers Immediate Disaster Assistance

Arizona State Farm Service Agency (FSA) reminds farmers and ranchers of federal farm program benefits that may be available to help eligible producers recover from drought.

FSA offers disaster assistance and low-interest loan programs to assist agricultural producers in their recovery efforts during drought or similar qualifying natural disasters. Available programs and loans include:

- **Non-Insured Crop Disaster Assistance Program (NAP)**
– provides financial assistance to producers of non-insurable crops when low yields, loss of inventory, or prevented planting occur due to natural disasters (includes native grass for grazing). Eligible producers must have purchased NAP coverage for 2018 crops.

To find contact information for your local office go to www.fsa.usda.gov/az

- **Livestock Forage Disaster Program (LFP)** – provides compensation to eligible livestock producers who suffered grazing losses for covered livestock due to drought on privately owned or cash leased land or if a federal agency prohibits producers from grazing normally permitted livestock on federally managed lands due to qualifying fire. Producers must provide a completed application for payment and required supporting documentation to their FSA office within 30 calendar days after the end of the calendar year in which the grazing loss occurred.
- **Livestock Indemnity Program (LIP)** – LIP provides benefits to livestock producers for livestock deaths in excess of normal mortality caused by eligible adverse weather conditions. Drought is not an eligible adverse weather event, except when associated with anthrax, a condition that occurs because of drought and directly results in the death of eligible livestock. Producers must submit a notice of loss within 30 days after the death is first apparent.
- **Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP)** – provides emergency relief for losses due to feed or water shortages, disease, adverse weather, or other conditions, which are not adequately addressed by other disaster programs. Producers must submit a notice of loss to their local FSA office within 30 calendar days of when the loss is apparent.
- **Emergency Loan Program** – Available to producers with agriculture operations located in a county under a primary or contiguous **Secretarial Disaster designation**. These low interest loans help producers recover from production and physical losses.
- **Emergency Conservation Program (ECP)** – provides emergency funding for farmers and ranchers to rehabilitate land severely damaged by natural disasters and to implement emergency water conservation measures in periods of severe drought. Submit an application at your local FSA office.
- **HayNet** – is an internet-based Hay and Grazing Net Ad Service allowing farmers and ranchers to share 'Need Hay' ads and 'Have Hay' ads online. Farmers also can use another feature to post advertisements for grazing land, specifically ads announcing the availability of grazing land or ads requesting a need for land to graze. www.fsa.usda.gov/haynet.
- **Conservation Reserve Program (CRP) Emergency Grazing** – authorized to provide relief to livestock producers in areas affected by a severe drought or similar natural disaster on qualifying CRP acres. Emergency authorization is provided by either a national FSA office authorization or by a state FSA committee determination utilizing the U.S. Drought Monitor.

To establish or retain FSA program eligibility, farmers and ranchers must report prevented planting and failed acres (crops and grasses). Prevented planting acreage must be reported on form FSA-576, Notice of Loss, no later than 15 calendar days after the final planting date as established by FSA and Risk Management Agency (RMA).

For more information on disaster assistance programs and loans visit www.fsa.usda.gov/disaster or contact your local FSA Office. To find your local FSA county office, visit <http://offices.usda.gov>.

USDA Enrollment Period for Safety Net Coverage in 2018

Farmers and ranchers with base acres in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) safety net program may enroll for the 2018 crop year. The enrollment period will end on Aug. 1, 2018. **Since shares and ownership of a farm can change year-to-year, producers must enroll by signing a contract each program year.**

The producers on a farm that are not enrolled for the 2018 enrollment period will not be eligible for financial assistance from the ARC or PLC programs for the 2018 crop should crop prices or farm revenues fall below the historical price or revenue benchmarks established by the program. Producers who made their elections in previous years must still enroll during the 2018 enrollment period.

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 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.

For more information, producers are encouraged to visit their local FSA office. To find a local FSA office, visit <http://offices.usda.gov>.

Payment Limitations by Program

The 2014 Farm Bill established a maximum dollar amount for each program that can be received annually, directly or indirectly, by each person or legal entity. Payment limitations vary by program for 2014 through 2018.

Below is an overview of payment limitations by program.

Commodity and Price Support Programs

The annual limitation for the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs, Loan Deficiency Payments (LDPs) and Market Loan Gains is \$125,000 total.

Conservation Programs

The Conservation Reserve Program (CRP) annual rental payment and incentive payment is limited to \$50,000. CRP contracts approved before Oct. 1, 2008, may exceed the limitation, subject to payment limitation rules in effect on the date of contract approval.

The Emergency Conservation Program (ECP) has an annual limit of \$200,000 per disaster event. The Emergency Forest Restoration Program (EFRP) has an annual limit of \$500,000 per disaster event.

Disaster Assistance Programs

The annual limitation of \$125,000 applies to the Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP), Livestock Forage Disaster Program (LFP) and Livestock Indemnity Program (LIP). The total payments received under ELAP, LFP and LIP may not exceed \$125,000. A separate limitation of \$125,000 applies to Tree Assistance Program (TAP) payments. There is also a separate \$125,000 payment limit for the Noninsured Crop Disaster Assistance Program (NAP).

Payment limitations also apply to Natural Resources Conservation Service (NRCS) programs. Contact your local NRCS office more information.

For more information on FSA payment limitations by program, visit

https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdfiles/FactSheets/2015/payment_eligibility_payment_limitations.pdf.

ELAP Covers Losses from Additional Cost of Transporting Water to Livestock

Assistance is available to livestock producers through the Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP) for producers who have incurred additional operating costs for transporting water to livestock due to an eligible drought.

An eligible drought means that part or all of a county is designated D3 (extreme drought) or higher as indicated by the U.S. Drought Monitor (www.droughtmonitor.unl.edu). Producers must file a notice of loss on form CCC-851 the earlier of 30 calendar days of when the loss is apparent to the producer, or by Nov. 1, 2018. Additionally, the deadline to submit an application for payment for 2018 ELAP assistance is Nov. 1, 2018.

To qualify for ELAP, eligible livestock must be: adult or non-adult dairy cattle, beef cattle, buffalo and beefalo, as well as alpacas, deer, elk, emus, equine, goats, llamas, reindeer, or sheep.

Additionally, the livestock must have been owned 60 calendar days prior to the beginning of the drought and be physically located in the county designated as a disaster area due to drought. Adequate livestock watering systems or facilities must have existed before the drought occurred and producers are only eligible if they do not normally transport water to the livestock.

Livestock that were or would have been in a feedlot are not eligible for transporting water. ELAP covers the additional cost of transporting water and does not cover the cost of the water itself.

Producers will have to provide documentation to FSA that shows the method used to transport the water, the number of gallons of water transported and the number of eligible livestock to which water was transported.

Livestock producers should contact FSA to make an appointment to sign up for ELAP and to learn more about eligibility, application and documentation requirements.

USDA Offers Targeted Farm Loan Funding for Underserved Groups and Beginning Farmers

The USDA Farm Service Agency (FSA) reminds producers that FSA offers targeted farm ownership and farm operating loans to assist underserved applicants as well as beginning farmers and ranchers.

USDA defines underserved applicants as a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of the group without regard to their individual qualities. For farm loan program purposes, targeted underserved groups are women, African Americans, American Indians and Alaskan Natives, Hispanics and Asians and Pacific Islanders.

Underserved or beginning farmers and ranchers who cannot obtain commercial credit from a bank can apply for either FSA direct loans or guaranteed loans. Direct loans are made to applicants by FSA. Guaranteed loans are made by lending institutions who arrange for FSA to guarantee the loan. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan. The FSA guarantee allows lenders to make agricultural credit available to producers who do not meet the lender's normal underwriting criteria.

The direct and guaranteed loan program provides for two types of loans: farm ownership loans and farm operating loans. In addition to customary farm operating and ownership loans, FSA now offers Microloans through the direct loan program. The focus of Microloans is on the financing needs of small, beginning farmer, niche and non-traditional farm operations. Microloans are available for both ownership and operating finance needs. To learn more about microloans, visit www.fsa.usda.gov/microloans.

To qualify as a beginning producer, the individual or entity must meet the eligibility requirements outlined for direct or guaranteed loans. Additionally, individuals and all entity members must have operated a farm for less than 10 years. Applicants must materially or substantially participate in the operation. For more information on FSA's farm loan programs and targeted underserved and beginning farmer guidelines, visit www.fsa.usda.gov/farmloans.

Preauthorized Debit Available for Farm Loan Borrowers

USDA Farm Service Agency (FSA) has implemented pre-authorized debit (PAD) for Farm Loan Program (FLP) borrowers. PAD is a voluntary and alternative method for making weekly, bi-weekly, monthly, quarterly, semi-annual or annual payments on loans.

PAD payments are pre authorized transactions that allow the National Financial and Accounting Operations Center (NFAOC) to electronically collect loan payments from a customer's account at a financial institution.

PAD may be useful for borrowers who use nonfarm income from regular wages or salary to make payments on loans or adjustment offers or for payments from seasonal produce stands. PAD can only be established for future payments.

To request PAD, customers, along with their financial institution, must fill out form RD 3550-28. This form has no expiration date, but a separate form RD 3550-28 must be completed for each loan to which payments are to be applied. A fillable form can be accessed on the USDA Rural Development (RD) website at <http://www.rd.usda.gov/publications/regulations-guidelines>. Click forms and search for "Form 3550-28."

If you have a "filter" on the account at your financial institution, you will need to provide the financial institution with the following information: Origination ID: 1220040804, Agency Name: USDA RD DCFO.

PAD is offered by FSA at no cost. Check with your financial institution to discuss any potential cost. Preauthorized debit has no expiration date, but you can cancel at any time by submitting a written request to your local FSA office. If a preauthorized debit agreement receives three payment rejections within a three month period, the preauthorized debt agreement will be cancelled by FSA. The payment amount and due date of your loan is not affected by a cancellation of preauthorized debit. You are responsible to ensure your full payment is made by the due date.

For more information about PAD, contact your local FSA office. To find a local FSA office, visit <http://offices.usda.gov>

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).