

August 2018



Farm Service Agency **Electronic News Service**

# NEWSLETTER

**GovDelivery**

Having trouble viewing this email? [View it as a Web page.](#)

- [Eligibility for Elections for the 2018 County Committee](#)
- [USDA Commodity Loans Available to Arizona Producers](#)
- [Actively Engaged Provisions for Non-Family Joint Operations or Entities](#)
- [USDA to Immediately Assist Producers for Qualifying Livestock, Honeybee and Farm-raised Fish Program Losses](#)
- [USDA Microloans Help Farmers Purchase Farmland and Improve Property](#)
- [Maintaining Good Credit History](#)

---

## Arizona FSA Newsletter

---

### Arizona Farm Service Agency

230 N. 1st Avenue, Suite 506  
Phoenix, Arizona 85003  
Phone: 602-285-6300  
Fax: 855-220-1760  
[www.fsa.usda.gov/az](http://www.fsa.usda.gov/az)

**State Executive Director:**  
James Mago

**State Committee:**  
Pamela Griffin  
Andy Groseta  
Dave Lamoreaux  
Steve Killian  
Lyndon Smith

### Eligibility for Elections for the 2018 County Committee

Elections for USDA's Farm Service Agency's (FSA) County Committee 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 2018 elections will be conducted for the representative Local Administrative Area (LAA) in each county.

To be eligible to vote in the elections, a person must:

Meet requirement one (see explanation below) **or** meet requirement two, and requirement three (see explanation below).

**Requirement One:** Be of legal voting age and have an interest in a farm or ranch as either: an individual who meets one or more of the following; (a) is eligible to vote in one's own right, (b) is a partner of a general partnership, (c) is a member of a joint venture **OR** an

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

authorized representative of a legal entity, such as: (a) a corporation, estate, trust, limited partnership or other business enterprise, excluding general partnership and joint ventures or (b) a state, political subdivision of a state or any state agency (only the designated representative may cast a vote for the entity).

**Requirement Two:** Not of legal voting age, but supervises and conducts the farming operations of an entire farm.

**Requirement Three:** Participates or cooperates in an FSA program that is provided by law.

County committee election ballots will be mailed to eligible voters on Nov. 5, 2018. The last day to return completed ballots to the USDA service center is Dec. 3, 2018.

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

---

## USDA Commodity Loans Available to Arizona Producers

U.S. Department of Agriculture (USDA) Arizona Farm Service Agency reminds producers that Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs) are available to help producers through periods of low market prices. The 2014 Farm Bill authorized MALs and LDPs for the 2014 to 2018 crop years. MALs provide interim financing and allow producers to delay the sale of the commodity at harvest-time lows and wait until more favorable market conditions emerge. A producer who is eligible to obtain a loan, but agrees to forgo the loan, may obtain an LDP if such a payment is available.

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans and other oilseeds, pulse crops, rice, peanuts, cotton, wool and honey.

The FSA County offices throughout Arizona are now accepting requests for 2018 MALs and LDPs for all eligible commodities after harvest.

Before MAL repayments and LDP disbursements can be made, producers must meet the requirements of actively engaged in farming, cash-rent tenant and member contribution. In order to meet eligibility requirements, producers must retain beneficial interest in the commodity, meaning they have control of the commodity or a title to the commodity, until the MAL is repaid or the Commodity Credit Corporation takes title to the commodity.

The 2014 Farm Bill also establishes payment limitations per individual or entity not to exceed \$125,000 annually on certain commodities for the following program benefits: Agriculture Risk Coverage and Price Loss Coverage payments, Marketing Loan

Gains and LDPs. These payment limitations do not apply to MAL disbursements.

Producers or legal entities whose total applicable three-year average adjusted gross income exceeds \$900,000 are not eligible for Marketing Loan Gains and LDPs, but are eligible for MALs repaid at principal plus interest.

For more information, please visit your local FSA office or [www.fsa.usda.gov](http://www.fsa.usda.gov). To find your local USDA service center, visit [www.farmers.gov](http://www.farmers.gov).

---

## Actively Engaged Provisions for Non-Family Joint Operations or Entities

Many Farm Service Agency programs require all program participants, either individuals or legal entities, to be “actively engaged in farming.” This means participants provide a significant contribution to the farming operation, whether it is capital, land, equipment, active personal labor and/or management. For entities, each partner, stockholder or member with an ownership interest, must contribute active personal labor and/or management to the operation on a regular basis.

Joint operations comprised of non-family members or partners, stockholders or persons with an ownership in the farming operation must meet additional payment eligibility provisions. Joint operations comprised of family members are exempt from these additional requirements. For 2016 and subsequent crop years, non-family joint operations can have one member that may use a significant contribution of active personal management exclusively to meet the requirements to be determined “actively engaged in farming.” The person or member will be defined as the farm manager for the purposes of administering these management provisions.

Non-family joint operations may request to add up to two additional managers for their farming operation based on the size and/or complexity of the operation. If additional farm managers are requested and approved, all members who contribute management are required to complete form CCC-902MR, Management Activity Record. The farm manager should use the form to record management activities including capital, labor and agronomics, which includes crop selection, planting decisions, acquisition of inputs, crop management and marketing decisions. One form should be used for each month and the farm manager should enter the number of hours of time spent for each activity under the date of the month the actions were completed. The farm manager must also document if each management activity was completed on the farm or remotely. The records and supporting business documentation must be maintained and timely made available for review by the appropriate FSA reviewing authority, if requested.

If the farm manager fails to meet these requirements, their contribution of active personal management to the farming operation for payment eligibility purposes will be disregarded and their payment eligibility status will be re-determined for the applicable program year.

In some instances, additional persons or members of a non-family member joint operation who meet the definition of farm manager may also be allowed to use such a contribution of active personal management to meet the eligibility requirements. However, under no circumstances may the number of farm managers in a non-family joint operation exceed a total of three in any given crop and program year.

---

## USDA to Immediately Assist Producers for Qualifying Livestock, Honeybee and Farm-raised Fish Program Losses

USDA will issue \$34 million to help agricultural producers recover from 2017 natural disasters through the [Emergency Assistance for Livestock, Honeybees and Farm-raised Fish Program](#) (ELAP), which covers losses not covered by certain other USDA disaster assistance programs. These payments are being made available today, and they are part of a broader USDA effort to help producers recover from hurricanes Harvey, Irma and Maria, wildfires and drought. A large portion of this assistance will be made available in [federally designated disaster areas](#).

ELAP aims to help eligible producers of livestock, honeybees and farm-raised fish for losses due to disease, certain adverse weather events or loss conditions, including blizzards and wildfires, as determined by the Secretary. ELAP assistance is provided for losses not covered by other disaster assistance programs such as the [Livestock Forage Disaster Program \(LFP\)](#) and the [Livestock Indemnity Program \(LIP\)](#).

The increased amount of assistance through ELAP was made possible by the Bipartisan Budget Act of 2018, signed earlier this year. The Act amended the 2014 Farm Bill to enable USDA's [Farm Service Agency](#) (FSA) to provide assistance to producers without an annual funding cap and immediately for 2017. It also enables FSA to pay ELAP applications as they are filed for 2018 and subsequent program years.

---

## USDA Microloans Help Farmers Purchase Farmland and Improve Property

The U.S. Department of Agriculture (USDA) is offering farm ownership microloans, creating a new financing avenue for farmers to buy and improve property. These microloans are 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 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 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).

To learn more about the FSA microloan program visit [www.fsa.usda.gov/microloans](http://www.fsa.usda.gov/microloans), or contact your local FSA office

---

## Maintaining Good Credit History

Farm Service Agency (FSA) Farm Loan programs require that applicants have a satisfactory credit history. A credit report is requested for all FSA direct farm loan applicants. These reports are

reviewed to verify outstanding debts, if bills are paid timely and to determine the impact on cash flow.

Information found on a customer's credit report is strictly confidential and is used only as an aid in conducting FSA business.

Our farm loan staff will discuss options with you if you have an unfavorable credit report and will provide a copy of your report. If you dispute the accuracy of the information on the credit report, it is up to you to contact the issuing credit report company to resolve any errors or inaccuracies.

There are multiple ways to remedy an unfavorable credit score.

- Make sure to pay bills on time. Setting up automatic payments or automated reminders can be an effective way to remember payment due dates.
- Pay down existing debt.
- Keep your credit card balances low.
- Avoid suddenly opening or closing existing credit accounts. FSA's farm loan staff will guide you through the process, which may require you to reapply for a loan after improving or correcting your credit report. For more information on FSA farm loan programs, visit [www.fsa.usda.gov](http://www.fsa.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).