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NEWSLETTER

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Connecticut FSA Newsletter

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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 producers who may not have access to commercial storage or on-farm

Administrative Officer

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

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.

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 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.

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](#).

USDA Expands Safety-Net for Dairy Operations Adding Next-Generation Family Members

Dairy farms participating in the Margin Protection Program (MPP) can now update their production history when an eligible family member joins the operation. The voluntary program, established by the 2014 Farm Bill, protects participating dairy producers when the margin – the difference between the price of milk and feed costs – falls below levels of protection selected by the applicant.

The U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) published a final rule which makes these changes effective on April 13, 2016. Any dairy operation already enrolled in the Margin Protection Program that had an intergenerational transfer occur will have an opportunity to increase the dairy operations production history during the 2017 registration and annual coverage election period. The next election period begins on July 1, 2016, and ends on Sept. 30, 2016. For intergenerational transfers occurring on or after July 1, 2016, notification must be made to the FSA within 60 days of purchasing the additional cows. Each participating dairy operation is authorized one intergenerational transfer at any time of its choosing until 2018.

For \$100 a year, dairy producers can receive basic catastrophic protection that covers 90 percent of milk production at a \$4 margin coverage level. For additional premiums, operations can protect 25 to 90 percent of production history with margin coverage levels from \$4.50 to \$8, in 50 cent increments. Annual enrollment in the program is required in order to receive margin protection. The final rule also provides improved risk protection for dairy farmers that pay premiums to buy-up higher levels of coverage by clarifying that 90 percent of production is covered below the \$4 level even if a lower percentage was selected above the \$4 margin.

Earlier this year, FSA gave producers the opportunity to pay their premium through additional options including via their milk cooperative or handler. This rule facilitates those options and also clarifies that the catastrophic level protection at \$4 will always cover 90 percent of the production

history, even if a producer selected a less than a 90 percent percentage for the buy-up coverage.

Assuming current participation, had the Margin Protection Program existed from 2009 to 2014, premiums and fees would have totaled \$500 million while providing producers with \$2.5 billion in financial assistance, nearly \$1 billion more than provided by the old Milk Income Loss Contract program during the same period.

For more information, visit FSA online at www.fsa.usda.gov/dairy or stop by a local FSA office and ask about the Margin Protection Program. To find a local FSA office in your area, visit <http://offices.usda.gov>.

New Program Connects Farmers to More Resources That Benefit Their Operation

The Farm Service Agency (FSA) has launched a new service that combines resources offered by national, state and local agricultural organizations to help farmers and ranchers start, improve or expand their operation.

Bridges to Opportunity is a partnership of USDA and non-USDA agricultural agencies, coming together to help provide the information farmers and ranchers need. The Bridges service is supported through a customized software application that houses information from partner organizations, making the information easily accessible to customers seeking agricultural resources while in FSA county offices.

Partnering with FSA's Bridges to Opportunity provides a central location for USDA and local, state and national agricultural organizations to offer support to farmers and ranchers and help with disaster assistance, grants, technical help, financial advice and educational courses.

Agricultural organizations that partner with FSA are providing access to programs, upcoming events, workshops and other resources with farmers and ranchers that come through the doors of FSA county offices.

To learn more about Bridges to Opportunity and how it can help you, contact your FSA County Office representative with the contact information located at <http://offices.usda.gov>

Reporting Organic Crops

Producers who want to use the Noninsured Crop Disaster Assistance Program (NAP) organic price and selected the "organic" option on their NAP application must report their crops as organic.

When certifying organic acres, the buffer zone acreage must be included in the organic acreage.

Producers must also provide a current organic plan, organic certificate or documentation from a certifying agent indicating an organic plan is in effect. Documentation must include:

- name of certified individuals
- address
- telephone number
- effective date of certification
- certificate number
- list of commodities certified
- name and address of certifying agent
- a map showing the specific location of each field of certified organic, including the buffer zone acreage

Certification exemptions are available for producers whose annual gross agricultural income from organic sales totals \$5,000 or less. Although exempt growers are not required to provide a written certificate, they are still required to provide a map showing the specific location of each field of certified organic, transitional and buffer zone acreage.

For questions about reporting organic crops, contact your local FSA office. To find your local office, visit <http://offices.usda.gov>.

Filing a Notice of Loss

The CCC-576, Notice of Loss, is used to report failed acreage and prevented planting and may be completed by any producer with an interest in the crop. Timely filing a Notice of Loss is required for all crops including grasses. For losses on crops covered by the Non-Insured Crop Disaster Assistance Program (NAP), you must file a CCC-576, Notice of Loss, in the FSA County Office within 15 days of the occurrence of the disaster or when losses become apparent or 15 calendar days after the normal harvest date.

Producers of hand-harvested crops must notify FSA of damage or loss through the administrative County Office within 72 hours of the date of damage or loss first becomes apparent. This notification can be provided by filing a CCC-576, email, fax or phone. Producers who notify the County Office by any method other than by filing the CCC-576 are still required to file a CCC-576, Notice of Loss, within the required 15 calendar days.

If filing for prevented planting, an acreage report and CCC-576 must be filed within 15 calendar days of the final planting date for the crop.

ARC, PLC and CTAP Acreage Maintenance

Producers enrolled in Agriculture Risk Coverage (ARC), Price Loss Coverage (PLC) or the Cotton Transition Assistance Program (CTAP) must protect all cropland and noncropland acres on the farm from wind and water erosion and noxious weeds. Producers who sign ARC county or individual contracts and PLC contracts agree to effectively control noxious weeds on the farm according to sound agricultural practices. If a producer fails to take necessary actions to correct a maintenance problem on a farm that is enrolled in ARC, PLC or CTAP, the County Committee may elect to terminate the contract for the program year.

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.

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.

USDA to Provide Agricultural Credit Training, Expand Opportunities for Farmer Veterans and Beginning Farmers

USDA is partnering with the Farmer Veteran Coalition (FVC) to conduct agricultural credit training sessions in the Midwest for military veterans and beginning farmers and ranchers. States under consideration to host the workshops include Iowa, Illinois, Indiana, Michigan, Minnesota, Missouri, and Nebraska.

These workshops will provide individuals interested in farming as a career, including military veterans, with methods to improve business planning and financial skills, and improve understanding of the risk management tools that can help small farm operations.

Other partners include Niman Ranch a community network of more than 700 independent family farmers and ranchers, and the Farm Credit Council and the Farm Credit System, which provides loans, leases and financial services to farmers, ranchers and rural businesses across the United States. The workshops will also include assistance with credit applications and introductions to local or regional food markets.

To learn more about veterans in agriculture, visit www.usda.gov/veterans. Visit www.fsa.usda.gov/farmloans or your local Farm Service Agency (FSA) office to learn more about FSA's farm loan programs. To find your local FSA office, visit <http://offices.usda.gov>. More information also is available from the Farmer Veteran Coalition at www.farmvetco.org.

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).