#### September 2017





## Farm Service Agency Electronic News Service

# NEWSLETTER

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## **Connecticut FSA September Newsletter**

# Connecticut Farm Service Agency

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Vincent Malerba, Chair

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# Dairy Producers Can Enroll for 2018 Coverage

Secretary Allows Producers to Opt Out

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) today announced that starting Sept. 1, 2017, dairy producers can enroll for 2018 coverage in the Margin Protection Program (MPP-Dairy). Secretary Sonny Perdue has utilized additional flexibility this year by providing dairy producers the **option of opting out** of the program for 2018.

To opt out, a producer should not sign up during the annual registration period. By opting out, a producer would not receive any MPP-Dairy benefits if payments are triggered for 2018. Full details will be included in a subsequent Federal Register Notice. The decision would be for 2018 and is not retroactive.

The voluntary program, established by the 2014 Farm Bill, provides financial assistance to participating dairy producers when the

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margin - the difference between the price of milk and feed costsfalls below the coverage level selected by the produce.

MPP-Dairy gives participating dairy producers the flexibility to select coverage in calendar year 2018. Participating farmers will remain in the program through December 31, 2018, and pay a minimum \$100 administrative fee for 2018 coverage. Producers have the option of selecting a different coverage level from the previous coverage year during open enrollment.

Dairy operations enrolling in the program must meet conservation compliance provisions and cannot participate in the Livestock Gross Margin Dairy Insurance Program. Producers can mail the appropriate form to the administrative county FSA office, along with applicable fees, without necessitating a trip to the local FSA office. If electing higher coverage for 2018, dairy producers can either pay the premium in full at enrollment or pay 100 percent of the premium by Sept. 1, 2018. Premium fees may be paid directly to FSA or producers can work with their milk handlers to remit premiums on their behalf.

USDA has a web tool to help producers determine the level of coverage under the MPP-Dairy that will provide them with the strongest safety net under a variety of conditions. The online resource, available at <a href="https://www.fsa.usda.gov/mpptool">www.fsa.usda.gov/mpptool</a>, allows dairy farmers to quickly and easily combine unique operation data and other key variables to calculate their coverage needs based on price projections. Producers can also review historical data or estimate future coverage based on data projections. The secure site can be accessed via computer, Smartphone, tablet or any other platform, 24 hours a day, seven days a week.

For more information, visit FSA online at <a href="https://www.fsa.usda.gov/dairy">www.fsa.usda.gov/dairy</a> or stop by a local FSA office to learn more about MPP-Dairy.

## **Agriculture Meetings & Deadlines**

**September 22** - Crop Insurance Workshop for Farmers, 10 to 12 at Tolland Agriculture Center, 24 Hyde Avenue, Vernon. Preregistration required. Contact <a href="Mackenzie.white@uconn.edu">Mackenzie.white@uconn.edu</a> or 860-875-3331

**September 23 -** Celebrating Agriculture, 9 to 3, Woodstock Fairgrounds, Woodstock, CT, <a href="https://www.celebratingagriculture.org">www.celebratingagriculture.org</a>

**September 30** - Organic Certification Cost Share Program - Info at <a href="https://www.fsa.usda.gov/organic">www.fsa.usda.gov/organic</a> or visit your local office.

October 27 - Crop Insurance Workshop for Farmers, 10 to 12 at Litchfield County Extension Center, 843 University Drive, Torrington. Pre-registration required. Contact Mackenzie.white@uconn.edu or 860-875-3331

#### **Loan Interest Rates**

- \* Farm Operating Direct 2.875%
- Farm Ownership: Direct 3.75%
- Farm Ownership: Direct Down Payment, Beginning Farmer 1.50%
  - Farm Storage Facility Loan (3 years) 1.5%
  - Farm Storage Facility Loan (7 years) 2..125%

### **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.

#### Filing CCC-941 Adjusted Gross Income (AGI) Certifications

Many producers have experienced delays in receiving Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) payments because they have not filed form CCC-941, Adjusted Gross Income Certification.

Producers without a valid CCC-941 certifying their compliance with the average adjusted gross income provisions will not receive payments that have been processed. All farm operator/tenants/owners who have not filed a CCC-941 and have pending payments should IMMEDIATELY file the form with their recording county FSA office. Farm operators and tenants are encouraged to ensure that their landowners have filed the form.

FSA can accept the CCC-941 for 2015, 2016 and 2017. Unlike the past, producers must have the CCC-941 certifying their AGI compliance before any payments can be issued.

#### **Update Your Records**

Updating your producer records is important. If you have any unreported changes of address or an incorrect name, or business name on file, change in members, they need to be reported to our office. Changes in your farm operation, like the addition of a farm by lease or purchase also needs to be reported. Producers participating in FSA and NRCS programs are required to timely report changes in their operation to the County Committee in writing and update their CCC-902 Farm Operating Plan.

Contact your local FSA office to make updates, corrections or ask questions about updating your records.

#### **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 and 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, 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. 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 farm markets, non-traditional farm products, and underserved producers.

Info is at www.fsa.usda.gov/pricesupport or contact your local FSA office.

## Sap Happens Farm Grows with Youth Loan

In 2013, on a drive to the local farm supply store, 16 year old Orion Newall-Vuillemot's mother posed a question to him – "Why don't we boil our own syrup?" That sparked his interest and inspired the creation of Sap Happens Farm.

The Woodstock, Connecticut, youth started with five buckets, collecting sap and processing it on his parent's kitchen stove. When looking to expand his business, Newall-Vuillemot learned about USDA Farm Service Agency's (FSA) <u>Youth Loan Program</u>. FSA Youth Loans provide young people, ages 10 to 20, financing to start and expand income-producing projects. Newall-Vuillemot received a \$5,000 loan to purchase a <u>maple syrup evaporator</u> to help increase production.

FSA Youth Loans are available up to \$5,000 for projects connected with participation in 4-H, FFA, a tribal youth group, or similar agricultural youth organization. The project being financed with an FSA

Youth Loan needs to provide an opportunity for the young person to acquire experience and education in agriculture-related skills.

Making maple syrup is a year-round commitment. Newall-Vuillemot begins the process by cutting seven cords of wood in the fall. In the winter, he taps the trees then collects and hauls the sap to the sugar house. There, Newall-Vuillemot boils the sap down and uses a recently purchased finishing unit to complete the bottling process.

"You have to put your mind to it and make it happen," Newall-Vuillemot said.

Ron Clark, farm loan manager for Connecticut FSA, assisted Newall-Vuillemot on his youth loan application. Clark said working with Newall-Vuillemot was an uplifting experience for him and his staff.

"It was nice to see how interested and determined he was to pursue producing maple syrup for sale," Clark said. "Orion was well-organized, passionate and motivated to succeed. He sought advice and was able to develop it into a small scale business."

Today, Newall-Vuillemot has 350 taps from which he collects 1,500 gallons of sap. The collected sap is filtered three times, netting 30 gallons of syrup. He taps trees on his family's three acres and also at nine other locations. Newall-Vuillemot shows his appreciation to the tree owners by giving them maple syrup.

Newall-Vuillemot found a mentor in Glenn Boies, also of Woodstock. Boies, a fellow maple syrup producer, loaned Newall-Vuillemot equipment as he got started in syrup production. Boies, along with other local maple producers, have taken the time to advise Newall-Vuillemot on all aspects of syrup production.

"A lot of people in the area who do maple syrup have been very supportive of Orion by lending him equipment and supporting the project," said Jane Newall, Orion's mother. "We are thankful for their community spirit and their willingness to pass on the knowledge and experience they have to help Orion keep the tradition of producing maple syrup going."

Sap Happens Farm maple syrup is sold at local stores in Woodstock. Newall-Vuillemot also sells the syrup to his high school, Woodstock Academy, where some students are trying maple syrup for the first time. The use of his syrup on the school menu has expanded his sales to others.

Sap Happens Farm maple syrup won first place at the <u>Woodstock Fair</u> in 2015 and 2016. After he graduates from high school, he plans to continue tapping trees while he attends community college.

Through his experience, Newall-Vuillemot encourages other young entrepreneurs.

"You learn so much from the experience. Producing maple syrup has also taught me to be prepared to deal with unexpected situations," Newall-Vuillemot said. "You can choose to raise a calf, start a greenhouse or other agriculture venture. At least try something and challenge yourself to do your best."

For more information, contact your local FSA office or visit www.fsa.usda.gov..

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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).