

March 2019



Farm Service Agency **Electronic News Service**

# NEWSLETTER

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## Louisiana FSA Newsletter

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### Louisiana Farm Service Agency

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Alexandria, LA 71302

[www.fsa.usda.gov/la](http://www.fsa.usda.gov/la)

**State Executive Director:**  
Craig A. McCain

**State Committee:**  
Ray Young, Chairperson  
John Earles  
Emery Jones  
Julie Richard  
Donna Winters

### Message from Craig A. McCain, FSA State Executive Director

Greetings from FSA! I recently attended an event in which four very deserving Agriculturalists were inducted into the Louisiana Agricultural Hall of Distinction. This honor was bestowed based on their lifetime of work and contributions to several facets of Louisiana Agriculture. While the event was designed to recognize the contributions of the honorees, when given the opportunity to speak about their experiences, each of them spoke about the contributions and influences of other people, family, friends and their relationships from other facets of the industry. Each spoke about their life and about their accomplishments with a consistent reference to the cooperation, support and encouragement that they received in meeting the challenges before them.

I was reminded of what I find so alluring about Louisiana agriculture! While we currently face significant challenges, it is not a new experience. It is an age old challenge, faced by all generations

### **Next State Committee**

**Meeting:** To be determined

Please contact your local FSA Office for questions specific to your operation or parish.

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

**Louisiana FSA now offers SMS texting; receive text message alerts on your cell phone regarding important deadlines, reporting requirements and updates.**

**Contact your local FSA Office for more information.**

“Do Right and Feed Everyone”

before us. Our response will be similar to theirs; rolling up our collective sleeves and putting our hands to the plow and demonstrating the cooperation, support and encouragement that is Louisiana Agriculture! It is the way of the past and the way to our future!

With this in mind, FSA is excited to be a part of this great team and we are here to assist you in any way that we can. Additional information may be found at [www.usda.gov](http://www.usda.gov) or at your local USDA Service Center.

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## **Upcoming Important Dates**

- **April 1** - Final Marketing Assistance Loan Availability Date for 2018 wheat, oats, and honey
- **May 1** - Last day to self certify production for Market Facilitation Program (MFP)
- **May 31** - Final availability date for 2018 Marketing Assistance Loans & LDPs for rice, upland, cotton, soybeans, corn & sorghum
- **July 15** - Acreage reporting deadline for most spring-seeded crops
- **Aug. 1** - final date to request a reconstitution-combining or dividing farms or tracts of land based on farming operation

**LA Women in Ag Conference, March 21 & 22 in Alexandria; to pre-register visit <http://louisianawomeninag.com/>**

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## **Today and All Days, We Thank #OurFarmers**

Happy National Ag Week! - National Ag Day is on March 14

We celebrate by highlighting just a few of the farmers working hard to grow food, fiber, and fuel for our nation and beyond.

These farmers dedicate their lives to providing for us all. Today and every day, join us in thanking them.

[Read more.](#)

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## **USDA Announces January Income over Feed Cost Margin Triggers First 2019 Dairy Safety Net Payment**

The U.S. Department of Agriculture's Farm Service Agency (FSA) announced that the January 2019 income over feed cost margin was \$7.99 per hundredweight, triggering the first payment for eligible

dairy producers who purchase the appropriate level of coverage under the new but yet-to-be established Dairy Margin Coverage (DMC) program.

DMC, which replaces the Margin Protection Program for Dairy, is a voluntary risk management program for dairy producers that was authorized by the 2018 Farm Bill. DMC offers protection to dairy producers when the difference between the all milk price and the average feed cost (the margin) falls below a certain dollar amount selected by the producer.

Agriculture Secretary Sonny Perdue announced that sign up for DMC will open by mid-June of this year. At the time of sign up, producers who elect a DMC coverage level between \$8.00 and \$9.50 would be eligible for a payment for January 2019.

For example, a dairy operation with an established production history of 3 million pounds (30,000 cwt.) that elects the \$9.50 coverage level for 50 percent of its production could potentially be eligible to receive \$1,887.50 for January.

Sample calculation:

- $\$9.50 - \$7.99 \text{ margin} = \$1.51 \text{ difference}$
- $\$1.51 \text{ times } 50 \text{ percent of production times } 2,500 \text{ cwt. } (30,000 \text{ cwt.}/12) = \$1,887.50$

The calculated annual premium for coverage at \$9.50 on 50 percent of a 3-million-pound production history for this example would be \$2,250.

Sample calculation:

- $3,000,000 \text{ times } 50 \text{ percent} = 1,500,000/100 = 15,000 \text{ cwt. times } 0.150 \text{ premium fee} = \$2,250$

Operations making a one-time election to participate in DMC through 2023 are eligible to receive a 25 percent discount on their premium for the existing margin coverage rates.

Additional details about DMC and other FSA farm bill program changes can be found at [farmers.gov/farmbill](http://farmers.gov/farmbill).

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## Reminder to FSA Direct and Guaranteed Borrowers with Real Estate Security

Farm Service Agency would like to remind farm loan borrowers who have pledged real estate as security for their loans, of key items for maintaining loan collateral. It is required that borrowers must obtain prior consent, or approval, by either FSA, for direct loans, or by a guaranteed lender, for any transaction affecting real estate security. Examples of these transactions include, but are not limited to:

- Leases of any kind;
- Easements of any kind;
- Subordinations;
- Partial releases, and
- Sales

Failure to meet or follow the requirements set forth in the loan agreement, promissory note, and other security instruments could lead to nonmonetary default which could jeopardize your current and future loans.

It is critical that borrowers keep an open line of communication with their FSA loan staff or guaranteed lender when it comes to changes in their operation. For more information on borrower responsibilities, read [Your FSA Farm Loan Compass](#).

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## **Acresage Crop Reporting Streamlining Initiative (ACRSI)**

Farmers and ranchers filing crop acresage reports with the Farm Service Agency (FSA) and participating insurance providers approved by the Risk Management Agency (RMA) now can provide the common information from their acresage reports at one office and the information will be electronically shared with the other location. This new process is part of the USDA Acresage Crop Reporting Streamlining Initiative (ACRSI).

Producers must still visit both their local FSA office and their insurance provider to validate and sign acresage reports, complete maps, or provide program-specific information, including reporting uninsured crops to FSA. The common data from the first-filed acresage report will now be available to pre-populate and accelerate completion of the second report.

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## **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.

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## Environmental Review Required Before Project Implementation

The National Environmental Policy Act (NEPA) requires Federal agencies to consider all potential environmental impacts for federally-funded projects before the project is approved.

For all Farm Service Agency (FSA) programs, an environmental review must be completed before actions are approved, such as site preparation or ground disturbance. These programs include, **but are not limited to**, the Emergency Conservation Program (ECP), Farm Storage Facility Loan (FSFL) program and farm loans. If project implementation begins before FSA has completed an environmental review, this will result in a denial of the request. There are exceptions regarding the Stafford Act and emergencies. It is important to wait until you receive written approval of your project proposal before starting any actions, including, but not limited to, vegetation clearing, site preparation or ground disturbance.

Remember to contact your local FSA office early in your planning process to determine what level of environmental review is required for your program application so that it can be completed timely.

Applications cannot be approved contingent upon the completion of an environmental review. FSA must have copies of all permits and plans before an application can be approved.

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## Storage and Handling Trucks Eligible for Farm Storage Facility Loans

Farm Storage Facility Loans (FSFL) provide low-interest financing so producers can build or upgrade facilities to store commodities. Some storage and handling trucks are eligible for the FSFL. These include:

- **Cold Storage Trucks**-A van or truck designed to carry perishable freight at specific temperatures. Cold storage trucks can be ice-cooled or equipped with any variety of mechanical refrigeration systems.
- **Flatbed Trucks**-Truck with an open body in the form of a platform with no side walls for easy loading and unloading. These trucks can be categorized into different sizes which range from light, medium, or heavy duty, compact or full-size, or short and expandable beds.
- **Grain Trucks**-A piece of farm equipment specially made to accommodate grain products and are traditionally truck chassis units with a mounted grain "dump" body where grain commodities are transported from a field to either a grain elevator or a storage bin.

- **Storage Trucks with a Chassis Unit**-Commonly referred to as a box truck, box van or straight truck, is a truck with a cargo body mounted on the same chassis with the engine and cab.

To be eligible for FSFL, the storage and handling truck must be less than 15 years old and have a maximum of four axles with a gross weight rating of 60,000 pounds or less. Pick-up trucks, semi-trucks, dump trucks, and simple insulated and ventilated vans are ineligible for FSFL.

FSFL for storage and handling trucks must be \$100,000 or less. FSFL-financed storage and handling trucks must be used for the purpose for which they were acquired for the entire FSFL term.

Eligible commodities include grains, oilseeds, pulse crops, hay, honey, renewable biomass commodities, fruits and vegetables, floriculture, hops, maple sap, milk, cheese, yogurt, butter, eggs, meat/poultry (unprocessed), rye and aquaculture.

For more information or to apply for a FSFL, contact your local [FSA Service Center](#).

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## Loan Servicing

There are options for Farm Service Agency loan customers during financial stress. If you are a borrower who is unable to make payments on a loan, contact your local FSA Farm Loan Manager to learn about the options available to you.

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## Selected Interest Rates for March 2019

- Farm Operating Loans — Direct 3.500%
- Farm Ownership Loans — Direct 4.000%
- Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher — 1.50%
- Emergency Loans — 3.750%
- Farm Storage Facility Loans (3 years) — 2.500%
- Farm Storage Facility Loans (5 years) — 2.500%
- Farm Storage Facility Loans (7 years) — 2.625%
- Farm Storage Facility Loans (10 years) — 2.750%
- Farm Storage Facility Loans (12 years) — 2.750%
- Sugar Storage Facility Loans (15 year term) — 2.750%
- Commodity Loans — 3.625%

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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).