

April 2019



Farm Service Agency **Electronic News Service**

# NEWSLETTER

**GovDelivery**

- [Message from Craig A. McCain, FSA State Executive Director](#)
- [Upcoming Important Dates](#)
- [Higher Limits Now Available on USDA Farm Loans](#)
- [USDA Announces Buy-Up Coverage Availability and New Service Fees for Noninsured Crop Coverage Policies](#)
- [Livestock Inventory Records](#)
- [Report Noninsured Crop Disaster Assistance Program \(NAP\) Losses](#)
- [Breaking New Ground](#)
- [Payments to Deceased Producers](#)
- [Disaster Set-Aside \(DSA\) Program](#)
- [Selected Interest Rates for April 2019](#)

---

## Louisiana FSA Newsletter

---

### Louisiana Farm Service Agency

3737 Government Street  
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

#### Next State Committee Meeting:

To be determined

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

Here we go again. We all recognize the rainfall and wet conditions that began last fall and continued through early March in much of the State; however, by the first week of April, a significant portion (over 66%) of the State was abnormally dry. Mother Nature is an awesome force. The good news about that dry spell is that it allowed significant field work to be completed, rice and corn was planted, sugar was worked, and significant acres were repaired from the damage incurred during last year's harvest. Thus far, we have generally been spared the significant flood damage, rivers are beginning to recede, and current forecasts are favorable.

I recognize that you are awaiting updates on Farm Bill implementation. Be assured that USDA is hard at work researching the Statutory requirements, and developing the regulations and policy required to implement the programs. I have one last ask regarding your interaction with FSA! Please be aware and consider enrolling in the option to allow FSA to use texts to alert you of significant program information or upcoming deadlines. We all recognize the many ways that technology has changed our world and its value to our success in agriculture. Please consider using this now common option to promote efficient communication with

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

FSA regarding your farming operation. Thanks for all that you do and as the Secretary says "Do Right and Feed Everyone"!

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.**

---

## Upcoming Important Dates

- **May 1** - Last day to self certify production for Market Facilitation Program (MFP)
- **May 27** - USDA Service Centers will be closed in observance of the Memorial Day holiday
- **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

---

## Higher Limits Now Available on USDA Farm Loans

*2018 Farm Bill Increases Limits and Makes Other Changes to Farm Loans*

Higher limits are now available for borrowers interested in USDA's farm loans, which help agricultural producers purchase farms or cover operating expenses. The 2018 Farm Bill increased the amount that producers can borrow through direct and guaranteed loans available through USDA's Farm Service Agency (FSA) and made changes to other loans, such as microloans and emergency loans.

Key changes include:

- The Direct Operating Loan limit increased from \$300,000 to \$400,000, and the Guaranteed Operating Loan limit increased from \$ 1.429 million to \$1.75 million. Operating loans help producers pay for normal operating expenses, including machinery and equipment, seed, livestock feed, and more.
- The Direct Farm Ownership Loan limit increased from \$300,000 to \$600,000, and the Guaranteed Farm Ownership Loan limit increased from \$1.429 million to \$1.75 million. Farm ownership loans help producers become owner-operators of family farms as well as improve and expand current operations.
- Producers can now receive both a \$50,000 Farm Ownership Microloan and a \$50,000 Operating Microloan. Previously, microloans were limited to a combined \$50,000. Microloans provide flexible access to credit for small, beginning, niche, and non-traditional farm operations.
- Producers who previously received debt forgiveness as part of an approved FSA restructuring plan are now eligible to apply for emergency loans. Previously, these producers were ineligible.
- Beginning and socially disadvantaged producers can now receive up to a 95 percent guarantee against the loss of principal and interest on a loan, up from 90 percent.

## About Farm Loans

Direct farm loans, which include microloans and emergency loans, are financed and serviced by FSA, while guaranteed farm loans are financed and serviced by commercial lenders. For guaranteed loans, FSA provides a guarantee against possible financial loss of principal and interest.

For more information on FSA farm loans, visit [www.fsa.usda.gov](http://www.fsa.usda.gov) or contact your [local USDA service center](#).

---

## USDA Announces Buy-Up Coverage Availability and New Service Fees for Noninsured Crop Coverage Policies

*Changes apply beginning April 8, 2019*

USDA's Farm Service Agency (FSA) announced that higher levels of coverage will be offered through the Noninsured Crop Disaster Assistance Program (NAP), a popular safety net program, beginning April 8, 2019. The 2018 Farm Bill also increased service fees and made other changes to the program, including service fee waivers for qualified military veterans interested in obtaining NAP coverage.

"When other insurance coverage is not an option, NAP is a valuable risk mitigation tool for farmers and ranchers," said FSA Administrator Richard Fordyce. "In agriculture, losses from natural disasters are a matter of when, not if, and having a NAP policy provides a little peace of mind."

NAP provides financial assistance to producers of commercial crops for which insurance coverage is not available in order to protect against natural disasters that result in lower yields or crop losses, or prevent crop planting.

### NAP Buy-Up Coverage Option

The 2018 Farm Bill reinstates higher levels of coverage, from 50 to 65 percent of expected production in 5 percent increments, at 100 percent of the average market price. Producers of organics and crops marketed directly to consumers also may exercise the "buy-up" option to obtain NAP coverage of 100 percent of the average market price at the coverage levels of between 50 and 65 percent of expected production. NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production.

Producers have a *one-time opportunity until May 24, 2019*, to obtain buy-up coverage for 2019 or 2020 eligible crops for which the NAP application closing date has passed.

Buy-up coverage is not available for crops intended for grazing.

### NAP Service Fees

For all coverage levels, the new NAP service fee is the lesser of \$325 per crop or \$825 per producer per county, not to exceed a total of \$1,950 for a producer with farming interests in multiple counties. These amounts reflect a \$75 service fee increase for crop, county or multi-county coverage. The fee increases apply to obtaining NAP coverage on crops on or after April 8, 2019.

## NAP Enhancements for Qualified Military Veterans

The 2018 Farm Bill NAP amendments specify that qualified veteran farmers or ranchers are now eligible for a service fee waiver and premium reduction, if the NAP applicant meets certain eligibility criteria.

Beginning, limited resource and targeted underserved farmers or ranchers remain eligible for a waiver of NAP service fees and premium reduction when they file form CCC-860, "*Socially Disadvantaged, Limited Resource and Beginning Farmer or Rancher Certification.*"

For NAP application, eligibility and related program information, visit [www.fsa.usda.gov/nap](http://www.fsa.usda.gov/nap) or contact your local USDA Service Center. To locate your local FSA office, visit [www.farmers.gov](http://www.farmers.gov).

---

## Livestock Inventory Records

Producers are reminded to keep updated livestock inventory records. These records are necessary in the event of a natural disaster.

When disasters strike, the USDA Farm Service Agency (FSA) can assist producers who suffered excessive livestock death losses and grazing or feed losses due to eligible natural disasters.

To participate in livestock disaster assistance programs, producers will be required to provide verifiable documentation of death losses resulting from an eligible adverse weather event and must submit a notice of loss to their local FSA office within 30 calendar days of when the loss of livestock is apparent. For grazing or feed losses, producers must submit a notice of loss to their local FSA office within 30 calendar days of when the loss is apparent and should maintain documentation and receipts

Producers should record all pertinent information regarding livestock inventory records including:

- Documentation of the number, kind, type, and weight range of livestock
- Beginnings inventory supported by birth recordings or purchase receipts

For more information on documentation requirements, contact your local FSA office.

---

## Report Noninsured Crop Disaster Assistance Program (NAP) Losses

The Noninsured 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 including freeze, hail, excessive moisture, excessive wind or hurricanes, flood, excessive heat and qualifying drought (includes native grass for grazing), among others.

Eligible producers must have purchased NAP coverage for 2019 crops. A notice of loss must be filed the earlier of 15 days of the occurrence of the disaster or when losses become apparent or 15 days of the final harvest date.

Producers of hand-harvested crops and certain perishable crops must notify FSA within 72 hours of when a loss becomes apparent.

Eligible crops must be commercially produced agricultural commodities for which crop insurance is not available, including perennial grass forage and grazing crops, fruits, vegetables, mushrooms,

floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

For more information on NAP, contact your local FSA office or visit [www.fsa.usda.gov/nap](http://www.fsa.usda.gov/nap).

---

## 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.

---

## Payments to Deceased Producers

In order to claim a Farm Service Agency (FSA) payment on behalf of a deceased producer, all program conditions for the payment must have been met before the applicable producer's date of death.

If a producer earned a FSA payment prior to becoming deceased, the following is the order of precedence of the representatives of the producer:

- administrator or executor of the estate
- the surviving spouse
- surviving sons and daughters, including adopted children
- surviving father and mother
- surviving brothers and sisters
- heirs of the deceased person who would be entitled to payment according to the State law

In order for FSA to release the payment, the legal representative of the deceased producer must file a form FSA-325, to claim the payment for themselves or an estate. The county office will verify and determine that the application, contract, loan agreement, or other similar form requesting payment issuance, was signed by the applicable deadline for such form, by the deceased or a person legally authorized to act on their behalf at that time of application.

If the application, contract or loan agreement form was signed by someone other than the participant who is deceased, FSA will determine whether the person submitting the form has the legal authority to submit the form to compel FSA to pay the deceased participant.

Payments will be issued to the respective representative's name using the deceased program participant's tax identification number. Payments made to representatives are subject to offset regulations for debts owed by the deceased.

FSA is not responsible for advising persons in obtaining legal advice on how to obtain program benefits that may be due to a participant who has died, disappeared or who has been declared incompetent.

---

## Disaster Set-Aside (DSA) Program

FSA borrowers with farms located in designated primary or contiguous disaster areas who are unable to make their scheduled FSA loan payments should consider the Disaster Set-Aside (DSA) program.

DSA is available to producers who suffered losses as a result of a natural disaster and is intended to relieve immediate and temporary financial stress. FSA is authorized to consider setting aside the portion of a payment/s needed for the operation to continue on a viable scale.

Borrowers must have at least two years left on the term of their loan in order to qualify.

Borrowers have eight months from the date of the disaster designation to submit a complete application. The application must include a written request for DSA signed by all parties liable for the debt along with production records and financial history for the operating year in which the disaster occurred. FSA may request additional information from the borrower in order to determine eligibility.

All farm loans must be current or less than 90 days past due at the time the DSA application is complete. Borrowers may not set aside more than one installment on each loan.

The amount set-aside, including interest accrued on the principal portion of the set-aside, is due on or before the final due date of the loan.

For more information, contact your local FSA farm loan office.

---

## Selected Interest Rates for April 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) — 2.500%
- Farm Storage Facility Loans (10 years) — 2.625%
- Farm Storage Facility Loans (12 years) — 2.750%
- Sugar Storage Facility Loans (15 year term) — 2.750%
- Commodity Loans — 3.500%

---

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).