

December 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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**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

Season's greetings!!! Recognizing that the holiday season offers many special opportunities for all, we encourage you to make time for family and friends and to enjoy the opportunity that the holiday season brings. However, we also know that the business of farming requires ongoing efforts; closing harvest, continued marketing, delivery of crops, financial review and analysis, and planning for the next crop year. Based on the commodities produced, many operations have already begun this planning process. FSA staffs are ready to assist you with loans or farm programs. As we close out 2019 MFP sign-up, complete the current CRP enrollment and continue to implement both 2019 and 2020 ARCPLC enrollment process, producers and FSA have a significant amount of work left to complete. However, the financial support provided by these and other farm programs is vital to the profitability of most farming operations in the current economy. Closing out last year's financial obligations and making financial arrangements for a new crop year can be difficult; therefore, we encourage producers to begin this

**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.**

process early in order that loan applications may be filed, and financial plans finalized as soon as possible. As you know, loan volume tends to peak after the first of the new year, very near when field work and planting begin. In today's agricultural world, delays of a day or two can make a substantial difference in yield and cost of production, thus affecting the bottom line. On behalf of the FSA family, please allow me to thank you for all that you do each day and for your willingness to face the challenges of agriculture! FSA looks forward to continuing to serve your needs and providing a high level of customer service in the coming year. In closing, it is an honor to serve you and to serve with you in your effort to feed America and the world.

Again, on behalf of the staff of the Louisiana Farm Service Agency, please allow me to say "Thank you" for what you do each day to serve the needs of the United States of America and of the entire World and as the Secretary says "Do Right and Feed Everyone"!

We wish you and your family the very best this holiday season!!!

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## Upcoming Important Dates

- **Sept. 3 - March 15, 2020** is the signup period for 2019 ARCPLC
- **Sept. 11 - ongoing into 2020** is the signup period for WHIP+
- **Oct. 7 - June 30, 2020** is the signup period for 2020 ARCPLC
- **Dec. 24 & 25** - USDA Service Centers will be closed in observance of the Christmas Holiday
- **Jan 1** - USDA Service Centers will be closed in observance of the New Year's Day Holiday

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## USDA Opened Signup for the Conservation Reserve Program on December 9, 2019

USDA opened signup for the Conservation Reserve Program (CRP) on December 9, 2019. The deadline for agricultural producers to sign up for general CRP is February 28, 2020, while signup for continuous CRP is ongoing.

Farmers and ranchers who enroll in CRP receive a yearly rental payment for voluntarily establishing long-term, resource-conserving plant species, such as approved grasses or trees (known as "covers") to control soil erosion, improve water quality and develop wildlife habitat on marginally productive agricultural lands.

CRP has 22 million acres enrolled, but the 2018 Farm Bill lifted the cap to 27 million acres. This means farmers and ranchers have a chance to enroll in CRP for the first time or continue their participation for another term.

By enrolling in CRP, producers are improving water quality, reducing soil erosion, and restoring habitat for wildlife. This in turn spurs hunting, fishing, recreation, tourism, and other economic development across rural America.

## **CRP Enrollment Options**

### *General Signup*

CRP general signup will be held annually. The competitive general signup will now include increased opportunities for enrollment of wildlife habitat through the State Acres For Wildlife Enhancement (SAFE) initiative.

### *Continuous Signup*

While some practices under SAFE will remain available through continuous signup, CRP continuous signup will focus primarily on water quality with the Clean Lakes, Estuaries, and Rivers (CLEAR) Initiative. The 2018 Farm Bill prioritizes water quality practices such as contour grass strips, filter strips, riparian buffers, wetlands and a new prairie strip.

USDA will also be working with Conservation Reserve Enhancement Program (CREP) partners to relaunch CREP continuous options in each state under new statutory provisions. CREP will continue to target high-priority local, state or regional conservation concerns.

### *Grasslands Signups*

CRP Grasslands signup helps landowners and operators protect grassland, including rangeland, and pastureland and certain other lands while maintaining the areas as grazing lands. A separate CRP Grasslands signup will be offered each year following general signup.

### *Pilot Programs*

Later in 2020, FSA will roll out pilot programs within CRP: CLEAR 30, which allows contracts expiring with CLEAR practices to be reenrolled in 30-year contracts and in the Soil Health and Income Protection Program (SHIPP) in the prairie pothole region. More information on these programs will be announced in the new year.

### *Land Transition*

The CRP Transition Incentives Program (TIP) is an option for producers interested in transitioning land to a beginning farmer or rancher or a member of a socially disadvantaged group to return land to production for sustainable grazing or crop production. CRP contract holders no longer need to be a retired or retiring owner or operator to transition their land. TIP participants may have a lease less than five years with an option to purchase, and they have two years before the end of the CRP contract to make conservation and land improvements.

## **Previously Expired Land**

Land enrolled in CRP under a 15-year contract that expired in September 2017, 2018 or 2019, may be eligible for enrollment if there was no opportunity for re-enrollment and the practice under the expired contract has been maintained.

## CRP Rates and Payments

FSA recently posted updated soil rental rates for CRP. County average rates are posted on the [CRP Statistics webpage](#). Soil rental rates are statutorily prorated at 90 percent for continuous signup and 85 percent for general signup. The rental rates will be assessed annually. Under continuous signup, producers also receive incentives, including a signup incentive payment and a practice incentive payment.

To enroll in CRP, contact your local FSA county office or visit [fsa.usda.gov/crp](https://fsa.usda.gov/crp). To locate your local FSA office, visit [farmers.gov/service-locator](https://farmers.gov/service-locator).

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## Annual Financial Check-Up

With the 2019 harvest season coming to an end, now is a good time for an annual financial check-up. This involves reviewing 2019 production and financial records and preparing for 2020. One of the most important keys to success is record keeping. This must be done throughout the year, including through the busy times of the year.

Record keeping should include a detailed breakdown of all financial inflows and outflows. Some of the inflows may include production records, income, program payments, other farm income, non-farm income and capital sales (sale of equipment or real estate). Outflows that should be tracked and recorded are all annual operating expenses, living expenses and personal debt payments, loan advances and/or debt repayment, as well as capital expenses (buying equipment, real estate, etc.). A capital sale or expense is a non-annual type inflow or outflow; this may include the purchase of a tractor or other farm equipment, overhauling equipment, and improving real estate.

An annual review of your records will help plan for the 2020 crop year. Good records will help determine where expenses may need to be reduced or whether more needs to be invested in the operation. FSA customers are encouraged to schedule an appointment with their loan officer as soon as possible to begin the application process.

The same holds true if finances are obtained through a local lender with an FSA guaranteed loan or non-guaranteed. Record keeping provides the lender with the necessary information to process the loan request and also helps prepare for the tax season.

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## USDA Extends Deadlines for Dairy Margin Coverage Program and Market Facilitation Program to Dec. 20, 2019

Due to the prolonged and extensive impacts of weather events this year, the U.S. Department of Agriculture (USDA) today extended the deadline to December 20 for producers to enroll in the [Dairy Margin Coverage](#) (DMC) program for the 2020 calendar year. The deadline had been December 13. USDA announced is also continuing to accept applications for the [Market Facilitation Program](#) through December 20.

2019 has challenged the country's ag sector – prevented or late planting followed by a delayed harvest has been further complicated by wet and cold weather. Because many producers are still in the field, time to conduct business at the local USDA office is at a premium. USDA hopes this deadline extension will allow producers the opportunity to participate in these important programs.

Authorized by the 2018 Farm Bill and available through USDA's Farm Service Agency (FSA), the program offers reasonably priced 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.

The Market Facilitation Program is part of a relief strategy to support American agricultural producers while the Administration continues to work on free, fair, and reciprocal trade deals to open more markets to help American farmers compete globally. MFP payments are aimed at assisting farmers suffering from damage due to unjustified trade retaliation by foreign nations.

For more information, visit the [DMC webpage](#), the [MFP webpage](#) or your local [USDA service center](#). To locate your local FSA office, visit [farmers.gov/service-locator](https://farmers.gov/service-locator).

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## 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.

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## Farmers to Receive Documentation of USDA Services

Farm Service Agency (FSA) reminds agricultural producers that FSA provides a receipt to customers who request or receive assistance or information on FSA programs.

The 2014 Farm Bill requires a customer receipt to be issued for any agricultural program assistance requested from FSA, the Natural Resources Conservation Service (NRCS) and Rural Development

(RD). Receipts include the date, summary of the visit and any agricultural information, program and/or loan assistance provided to an individual or entity.

A service is any information, program or loan assistance provided whether through a visit, email, fax or letter.

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## Selected Interest rates for December 2019

- Farm Operating Loans — Direct 2.500%
- Farm Ownership Loans — Direct 3.125%
- Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher — 1.50%
- Emergency Loans — 3.500%
- Farm Storage Facility Loans (3 years) — 1.625%
- Farm Storage Facility Loans (5 years) — 1.625%
- Farm Storage Facility Loans (7 years) — 1.750%
- Farm Storage Facility Loans (10 years) — 1.875%
- Farm Storage Facility Loans (12 years) — 1.875%
- Sugar Storage Facility Loans (15-year term) — 2.000%
- Commodity Loans — 2.625%

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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).