

Louisiana USDA-FSA Updates - April 2024

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From the Desk of the State Executive Director

- Equity is not an add-on or extra; it is central to the Department's mission: To serve all Americans by providing effective, innovative, science-based public policy leadership in agriculture, food and nutrition, natural resource protection and management, rural development, and related issues with a commitment to delivering equitable and climate-smart opportunities that inspire and help America thrive."
- Heirs' property is family-owned land that is jointly owned by descendants of a deceased person whose estate did not clear probate. (Heirs property is also known as clouded title, fractured land, unsettled family land, as well as other terms).
- The Heirs' Property Relending Program (HPRP) provides an avenue for heirs to receive legal title to their family property – in this case, agricultural land – that has been passed down generations. The lack of a clear title has historically excluded heirs from government loans, grants, and other assistance.
- USDA is working to support urban agriculture and innovative production as it plays an important role in growing not only fresh, healthy food, but also providing jobs and increasing access to healthy food in areas where grocery stores are scarce. **(New Orleans Urban Service Center: 2520 Bayou Rd. LA 70119)**
- Agricultural producers play a critical role in fostering a healthy environment through climate-

smart management practices that conserve natural resources, build healthier soils, sequester carbon, and reduce greenhouse gas emissions including carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O).

- At USDA, we believe farmers, ranchers, and private forest landowners are the best stewards of our land. They're already leading the way in implementing climate- smart agriculture and forestry practices that benefit us all.
- USDA Climate Hubs' priorities are developing a better understanding of the full range of potential climate change impacts; accelerating development of science-based solutions; informing deployment of adaptation strategies; building tools for farmers, ranchers, and foresters to understand how to implement climate -informed and nature-based solutions; and just treatment and meaningful involvement of all people that impact human health and the environment.
- USDA frequently works with historically underserved, beginning, and limited resource producers who lack access to legal and certified public accounting services or who are unfamiliar with agricultural accounting best practices. Many producers are unaware that receiving a USDA program payment can create a tax liability for their business.
- USDA Farm Tax efforts focuses on addressing immediate educational needs of producers who received program payments during the pandemic, with the additional benefit of developing infrastructure to support rural taxpayer education and tax preparation for limited resource, beginning, and historically underserved farmers and ranchers. Visit [gov/taxes](#) to learn more and explore online resources.

USDA Now Accepting Farm Loan Payments Online

The U.S. Department of Agriculture (USDA) announced today that most farm loan borrowers will soon be able to make payments to their direct loans online through the Pay My Loan feature on [farmers.gov](#) in early February. Pay My Loan is part of a broader effort by USDA's Farm Service Agency (FSA) to streamline its processes, especially for producers who may have limited time during the planting or harvest seasons to visit a local FSA office; modernize and improve customer service; provide additional customer self-service tools; and expand credit access to assist more producers.

On average, local USDA Service Centers process more than 225,000 farm loan payments each year. Pay My Loan gives most borrowers an online repayment option and relieves them from needing to call, mail, or visit a Service Center to pay their loan installment. Farm loan payments can now be made at the borrower's convenience, on their schedule and outside of FSA office hours.

Pay My Loan also provides time savings for FSA's farm loan employees by minimizing manual payment processing activities. This new service for producers means that farm loan employees will have more time to focus on reviewing and processing new loans or servicing requests.

The Pay My Loan feature can be accessed at [farmers.gov/loans](#). To use the payment feature, producers must establish a USDA customer account and a [USDA Level 2 eAuthentication \("eAuth"\) account or a Login.gov account](#). This initial release only allows individuals with loans to make online payments. For now, borrowers with jointly payable checks will need to continue to make loan payments through their local office.

FSA has a significant initiative underway to streamline and automate the Farm Loan Program

customer-facing business process. For the over 26,000 producers who submit a direct loan application annually, FSA has made various improvements including:

- The [Online Loan Application](#), an interactive, guided application that is paperless and provides helpful features including an electronic signature option, the ability to attach supporting documents such as tax returns, complete a balance sheet, and build a farm operating plan.
- The [Loan Assistance Tool](#) that provides customers with an interactive online, step-by-step guide to identifying the direct loan products that may be a fit for their business needs and to understanding the application process.
- A [simplified direct loan paper application](#), which reduced loan applications by more than half, from 29 pages to 13 pages.

Preauthorized Debit Available for Farm Loan Borrowers

USDA's Farm Service Agency (FSA) has implemented pre-authorized debit (PAD) for Farm Loan Program (FLP) borrowers. PAD is a voluntary and alternative method for making weekly, bi-weekly, monthly, quarterly, semi-annual or annual payments on loans.

PAD payments are pre-authorized transactions that allow the National Financial and Accounting Operations Center (NFAOC) to electronically collect loan payments from a customer's account at a financial institution.

PAD may be useful if you use nonfarm income from regular wages or salary to make payments on loans or adjustment offers or for payments from seasonal produce stands. PAD can only be established for future payments.

To request PAD, customers, along with their financial institution, must fill out form RD 3550-28. This form has no expiration date, but a separate form RD 3550-28 must be completed for each loan to which payments are to be applied. A fillable form can be accessed on the USDA Rural Development (RD) website at rd.usda.gov/publications/regulations-guidelines. Click forms and search for "Form 3550-28."

If you have a "filter" on the account at your financial institution, you will need to provide the financial institution with the following information: Origination ID: 1220040804, Agency Name: USDA RD DCFO.

PAD is offered by FSA at no cost. Check with your financial institution to discuss any potential cost. Preauthorized debit has no expiration date, but you can cancel at any time by submitting a written request to your local FSA office. If a preauthorized debit agreement receives three payment rejections within a three-month period, the preauthorized debit agreement will be cancelled by FSA. The payment amount and due date of your loan is not affected by a cancellation of preauthorized debit. You are responsible to ensure your full payment is made by the due date.

For more information about PAD, contact your local County USDA Service Center or visit fsa.usda.gov.



Policy Updates for Acreage Reporting

The USDA Farm Service Agency (FSA) recently made several policy updates for acreage reporting for cover crops, revising intended use, late-filed provisions, grazing allotments as well as updated the definitions of “idle” and “fallow.”



Reporting Cover Crops:

Cover crop types can be chosen from the following four categories:

- **Cereals and other grasses**
- **Legumes**
- **Brassicas and other broadleaves**
- **Mixtures**

If the cover crop is harvested for any use other than forage or grazing and is not terminated according to policy guidelines, then that crop will no longer be considered a cover crop and the acreage report must be revised to reflect the actual crop.

Permitted Revision of Intended use After Acreage Reporting Date:

New operators or owners who pick up a farm after the acreage reporting deadline has passed and the crop has already been reported on the farm, have 30 calendar days from the date when the new operator or owner acquired the lease on land, control of the land or ownership and new producer crop share interest in the previously reported crop acreage. Under this policy, appropriate documentation must be provided to the County Committee's satisfaction to determine that a legitimate operator or ownership and producer crop share interest change occurred to permit the revision.

Acreage Reports:

In order to maintain program eligibility and benefits, you must timely file acreage reports. Failure to file an acreage report by the crop acreage reporting deadline may result in ineligibility for future program benefits. FSA will not accept acreage reports provided more than a year after the acreage reporting deadline.

Reporting Grazing Allotments:

FSA offices can now accept acreage reports for grazing allotments. You will use form “FSA-578” to report grazing allotments as animal unit months (AUMs) using the “Reporting Unit” field. Your local FSA office will need the grazing period start and end date and the percent of public land.

Definitions of Terms

FSA defines “idle” as cropland or a balance of cropland within a Common Land Unit (CLU) (field/subfield) which is not planted or considered not planted and does not meet the definition of fallow or skip row.

Fallow is considered unplanted cropland acres which are part of a crop/fallow rotation where cultivated land that is normally planted is purposely kept out of production during a regular growing season.

For more information, contact your local County USDA Service Center or visit fsa.usda.gov.

Payment Limitation

Program payments may be limited by direct attribution to individuals or entities. A legal entity is defined as an entity created under Federal or State law that owns land or an agricultural commodity, product or livestock. Through direct attribution, payment limitation is based on the total payments received by a person or legal entity, both and indirectly. Qualifying spouses are eligible for a separate payment limitation.



Payments and benefits under certain FSA programs are subject to some or all of the following:

- payment limitation by direct attribution (including common attribution)
- payment limitation amounts for the applicable programs
- substantive change requirements when a farming operation adds persons, resulting in an increase in persons to which payment limitation applies
- actively engaged in farming requirements
- cash-rent tenant rule
- foreign person rule
- average AGI limitations
- programs subject to AGI limitation

No program benefits subject to payment eligibility and limitation will be provided until all required forms for the specific situation are provided and necessary payment eligibility and payment limitation determinations are made. Payment eligibility and payment limitation determinations may be initiated by the County Committee or requested by the producer.

Statutory and Regulatory rules require persons and legal entities, provide the names and Tax Identification Numbers (TINs) for all persons and legal entities with an ownership interest in the farming operation to be eligible for payment.

Payment eligibility and payment limitation forms submitted by persons and legal entities are subject to spot check through FSA's end-of-year review process.

Persons or legal entities selected for end-of-year review must provide the County Committee with operating loan documents, income and expense ledgers, canceled checks for all expenditures, lease and purchase agreements, sales contracts, property tax statements, equipment listings, lease agreements, purchase contracts, documentation of who provided actual labor and management, employee time sheets or books, crop sales documents, warehouse ledgers, gin ledgers, corporate or entity papers, etc.

A finding that a person or legal entity is not actively engaged in farming results in the person or legal entity being ineligible for any payment or benefit subject to the actively engaged in farming rules.

Noncompliance with AGI provisions, either by exceeding the applicable limitation or failure to submit a certification and consent for disclosure statement, will result in payment ineligibility for all program benefits subject to AGI provisions. Program payments are reduced in an amount that is commensurate with the direct and indirect interest held by an ineligible person or legal entity in any

legal entity, general partnership, or joint operation that receives benefits subject to the average AGI limitations.

If any changes occur that could affect an actively engaged in farming, cash-rent tenant, foreign person, or average Adjusted Gross Income (AGI) determination, producers must timely notify the County FSA Office by filing revised farm operating plans and/or supporting documentation, as applicable. Failure to timely notify the County Office may adversely affect payment eligibility.

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, the request will be denied. Although there are exceptions regarding the Stafford Act and emergencies, it's important to wait until you receive written approval of your project proposal before starting any actions.

Applications cannot be approved until FSA has copies of all permits and plans. 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.

Subscribe to Receive Updates on Careers with USDA

If you're interested in starting a career with USDA, subscribe to receive free email alerts on select positions within the USDA Farm Service Agency, Natural Resources Conservation Service, Risk Management Agency and Farm Production and Conservation Business Center.

All federal job vacancies within USDA are posted on usajobs.gov. In order to further promote employment opportunities, we are going to start sending emails that highlight select positions.

If you want to keep up with vacancy announcements via email, you can subscribe to "Careers" by visiting farmers.gov/subscribe and completing the following steps.

- Select "email" as your subscription type
- Enter your email address
- Click "submit"
- Select the "Careers" topic under "Connect with us"
- Click "submit" to verify your subscription topic choice at the bottom of the page

Not all job vacancy announcements will be shared via email, but you can view a current list of all job openings at any time by visiting usajobs.gov.

For additional information or assistance with your subscription, contact your local USDA Service Center by visiting farmers.gov/service-center-locator.

USDA is an equal opportunity provider, employer, and lender.

Every Day is Earth Day for Farmers, Ranchers and Foresters

On Earth Day, and every day, the USDA [Farm Service Agency](#) (FSA) celebrates the strides American farmers, ranchers and foresters are making in conservation and climate-smart agriculture through FSA programs.



Since 2021, there has been a significant increase in enrollment in the [Conservation Reserve Program](#) (CRP), a critical part of USDA's efforts to support climate-smart agriculture and forestry on working lands. By enrolling in CRP, producers improve water quality, reduce soil erosion, and create or restore habitat for wildlife. There are currently 23 million acres enrolled in CRP, and in 2023, [USDA issued over \\$1.77 billion](#) to more than 667,000 participants for their voluntary conservation efforts. This included the 2023 enrollment of 927,000 acres in General CRP, 2.3 million acres in Grassland CRP, and 694,000 acres in Continuous CRP.

FSA introduced improvements to CRP in 2021, such as higher rental payments and more incentivized environmental practices. As part of these improvements, a new climate-smart practice incentive was introduced for general and continuous CRP designed to reward participants who implement conservation practices that increase carbon sequestration and reduce greenhouse gas emissions.

In direct response to feedback from state agencies, Tribes, non-profits and other groups, FSA also implemented improvements to the [Conservation Reserve Enhancement Program](#) (CREP) that build capacity with CREP and reduce barriers to access and opportunity for the program. Currently CREP has 36 projects in 27 states. In total, more than 860,000 acres are enrolled in CREP.

As farmers and ranchers confront the challenges of natural disasters and changing weather patterns, climate-smart agriculture is becoming an increasingly important way to build resilience on operations through production practices that benefit both producers and the environment. FSA can help producers adapt to these changes and develop solutions for mitigation.

FSA's suite of [farm loan programs](#) can provide capital needed [to invest in climate-smart practices](#) and equipment, including the establishment of rotational grazing systems, precision agriculture equipment, or machinery for conversion to no-till residue management. Farm loan funding complements other tools to help producers adopt climate-smart practices through conservation programs, like CRP, or those offered by USDA's [Natural Resources Conservation Service](#), and [crop insurance options](#) that support conservation. Learn more about how climate-smart agriculture can benefit producers and the environment in the [Climate-Smart Agriculture and Farm Loan Programs fact sheet](#).

Get started today! For more information on FSA programs, contact your [local FSA office](#) or visit fsa.usda.gov.

Actively Engaged Provisions for Non-Family Joint Operations or Entities

Many Farm Service Agency (FSA) 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 that is identifiable and documentable as well as separate and distinct from contributions of any other member. Members of joint operations must have a share of the profits or losses from the farming operation commensurate with the member’s contributions to the operation and must make contributions to the farming operation that are at risk for a loss, with the level of risk being commensurate with the member’s claimed share on the farming operation.

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.

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, the request will be denied. Although there are exceptions regarding the Stafford Act and emergencies, it’s important to wait until you receive written approval of your project proposal before starting any actions.

Applications cannot be approved until FSA has copies of all permits and plans. 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.

Signature Policy

Using the correct signature when doing business with FSA can save time and prevent a delay in program benefits.

The following are FSA signature guidelines:

- A married woman must sign her given name: Mrs. Mary Doe, not Mrs. John Doe
- For a minor, FSA requires the minor's signature and one from the minor's parent

Note, by signing a document with a minor, the parent is liable for actions of the minor and may be liable for refunds, liquidated damages, etc.

When signing on one's behalf the signature must agree with the name typed or printed on the form or be a variation that does not cause the name and signature to be in disagreement. Example - John W. Smith is on the form. The signature may be John W. Smith or J.W. Smith or J. Smith. Or Mary J. Smith may be signed as Mrs. Mary Joe Smith, M.J. Smith, Mary Smith, etc.

FAXED signatures will be accepted for certain forms and other documents provided the acceptable program forms are approved for FAXED signatures. Producers are responsible for the successful transmission and receipt of FAXED information.

Spouses may sign documents on behalf of each other for FSA and CCC programs in which either has an interest, unless written notification denying a spouse this authority has been provided to the county office.

Spouses cannot sign on behalf of each other as an authorized signatory for partnerships, joint ventures, corporations or other similar entities. Likewise, a spouse cannot sign a document on behalf of the other in order to affirm the eligibility of oneself.

Any member of a general partnership can sign on behalf of the general partnership and bind all members unless the Articles of Partnership are more restrictive. Spouses may sign on behalf of each other's individual interest in a partnership, unless notification denying a spouse that authority is provided to the county office. Acceptable signatures for general partnerships, joint ventures, corporations, estates, and trusts must consist of an indicator "by" or "for" the individual's name, individual's name and capacity, or individual's name, capacity, and name of entity.

For additional clarification on proper signatures contact your local FSA office.

Current Interest Rates for April

Interest rates for Operating and Ownership loans for April 2024 are as follows:

- [Farm Operating Loans](#) (Direct): 5.125%
- [Farm Ownership Loans](#) (Direct): 5.375%
- [Farm Ownership Loans](#) (Direct, Joint Financing): 3.375%
- [Farm Ownership Loans](#) (Down Payment): 1.500%
- [Emergency Loan](#) (Amount of Actual Loss): 3.750%
- [Commodity Loans](#) (less than one year disbursed): 6.000%
- [Farm Storage Facility Loans](#):
 - Three-year loan terms: 4.375%
 - Five-year loan terms: 4.250%

- Seven-year loan terms: 4.250%
- Ten-year loan terms: 4.250
- Twelve-year loan terms: 4.250%
- [Sugar Storage Facility Loans](#) (15 years): 4.375%

Important Dates

Apr. 29 - Annual registration and coverage election period for 2024 Dairy Margin Coverage (DMC) Program ends

May 29 - Deadline for application for payment for Noninsured Crop Disaster Assistance Program (NAP) Grazing

Jul. 15 - Acreage reporting deadline for most spring seeded crops and Conservation Reserve Program (CRP)

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LOUISIANA STATE FSA COMMITTEE

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Brian Guidry-Member
Monica Hernandez-Member
Kristy Jones-Member
Willis Nelson-Member

The STC is scheduled to meet the second Tuesday of each month at the LA State Office, 3737 Government Street, Alexandria, LA 71302 unless the meeting is conducted virtually. Anyone wishing to attend should verify the meeting will take place as scheduled, by calling 318/473-7721.