

May 2018



Farm Service Agency **Electronic News Service**

# NEWSLETTER

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## Maryland FSA Newsletter

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### Maryland Farm Service Agency

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

**State Executive Director:**  
Jim Eichhorst

**State Committee:**  
Jenny Rhodes, Chairperson  
Steve Ernst

### Double-Cropping

Each year, state committees will review and approve or disapprove county committee recommended changes or additions to specific combinations of crops.

Double-cropping is approved when the two specific crops have the capability to be planted and carried to maturity for the intended use, as reported by the producer, on the same acreage within a crop year under normal growing conditions. The specific combination of crops recommended by the county committee must be approved by the state committee.

Double-cropping is approved in MD on a county-by-county basis. Contact your local FSA Office for a list of approved double-cropping combinations for your county.

Steve Isaacson  
Pat Langenfelder

A crop following a cover crop terminated according to termination guidelines is approved double cropping and these combinations do not have to be approved by the state committee.

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

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## Payment Limitations by Program

The 2014 Farm Bill established a maximum dollar amount for each program that can be received annually, directly or indirectly, by each person or legal entity. Payment limitations vary by program for 2014 through 2018.

Below is an overview of payment limitations by program.

### **Commodity and Price Support Programs**

The annual limitation for the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs, Loan Deficiency Payments (LDPs) and Market Loan Gains is \$125,000 total.

### **Conservation Programs**

The Conservation Reserve Program (CRP) annual rental payment and incentive payment is limited to \$50,000. CRP contracts approved before Oct. 1, 2008, may exceed the limitation, subject to payment limitation rules in effect on the date of contract approval.

The Emergency Conservation Program (ECP) has an annual limit of \$200,000 per disaster event. The Emergency Forest Restoration Program (EFRP) has an annual limit of \$500,000 per disaster event.

### **Disaster Assistance Programs – 2017 & Subsequent Years**

The Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP) and Livestock Forage Disaster Program (LFP) have a \$125,000 per person and legal entity single payment limitation that applies to the total amount of program year payments received.

Program payments under the Livestock Indemnity Program (LIP) and Tree Assistance Program (TAP) no longer have payment limits.

Payment limitations also apply to Natural Resources Conservation Service (NRCS) programs. Contact your local NRCS office more information.

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## Reporting Solar Panels Constructed on Cropland

Producers who have solar panels constructed on their farms should notify the local Farm Service Agency office. Any area that is no longer considered suitable as cropland (producing annual or perennial crops) should be designated in FSA's records and aerial photography maps. When base acres on a farm are converted to a non-agricultural commercial or industrial use, the total base acres on the farm must be reduced accordingly. Non-cropland areas used for solar panels might impact payments calculated using base acres, such as Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) and Conservation Reserve Program (CRP) annual rental payments.

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## Direct Loans

FSA offers direct farm ownership and direct farm operating Loans to producers who want to establish, maintain or strengthen their farm or ranch. FSA loan officers process, approve and service direct loans.

Direct farm operating loans can be used to purchase livestock and feed, farm equipment, fuel, farm chemicals, insurance and other costs including family living expenses. Operating loans can also be used to finance minor improvements or repairs to buildings and to refinance some farm-related debts, excluding real estate.

Direct farm ownership loans can be used to purchase farmland, enlarge an existing farm, construct and repair buildings, and to make farm improvements.

The maximum loan amount for both direct farm ownership and operating loans is \$300,000 and a down payment is not required. 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 local FSA office for more information or to apply for a direct farm ownership or operating loan.

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## 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.

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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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## 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 shall sign her given name: Mrs. Mary Doe, not Mrs. John Doe
- For a minor, FSA requires the minor's signature and one from an eligible parent

Note, by signing the applicable document, 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.

Examples of documents not approved for FAXED signatures include:

- Promissory note
- Assignment of payment
- Joint payment authorization
- Acknowledgement of commodity certificate purchase

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 shall not sign on behalf of each other as an authorized signatory for partnerships, joint ventures, corporations or other similar entities.

Any member of the 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 shall 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.

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## **Nonrecourse Marketing Assistance Loans and Loan Deficiency Payments**

Nonrecourse Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs) are available to eligible producers for the 2018 crop year for wheat, corn, grain sorghum, barley, oats, upland cotton, extra-long staple cotton, long grain rice, medium grain rice, soybeans, other oilseeds (including sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe and sesame seed), dry peas, lentils, small chickpeas, large chickpeas, graded and non-graded wool, mohair, unshorn pelts, honey and peanuts.

To be eligible for a MAL or LDP, producers must comply with conservation and wetland protection requirements and submit an acreage report to account for all cropland on all farms. Additionally, they must have and retain beneficial interest in the commodity until the MAL is repaid or the Commodity Credit Corporation (CCC) takes title to the commodity while also meeting Adjusted Gross Income (AGI) limitations.

In addition to producer eligibility, the commodity must have been produced, mechanically harvested, or shorn from live animals by an eligible producer and be in storable condition. It also must be merchantable for food, feed or other uses, as determined by CCC. Nonrecourse MALs must meet specific CCC minimum grade and quality standards.

If beneficial interest in the commodity is lost, the commodity loses eligibility for a MAL or LDP and remains ineligible even if the producer later regains beneficial interest. To retain beneficial interest, the producer must have control and title to the commodity. The producer must be able to make all decisions affecting the commodity including movement, sale and the request for a MAL or LDP. The producer must not have sold or delivered the commodity or warehouse receipt to the buyer. Producers are responsible for any loss in quantity or quality of commodities pledged as collateral for a farm-stored or warehouse stored loan. CCC will not assume any loss in quantity or quality of the loan collateral regardless of storage location.

The 2014 Farm Bill sets national loan rates. County and regional loan rates are based on each commodity's national loan rate, and they vary by county or region and are based on the average prices and production of the county or region where the commodity is stored.

National loan rates for 2014-2018 crops (per production unit) are as follows:

Commodity	Production Unit	2014-2018
Wheat	bushel	\$2.94
Corn	bushel	\$1.95
Grain Sorghum	bushel	\$1.95
Barley	bushel	\$1.95
Oats	bushel	\$1.39
Upland Cotton	pound	\$0.52
ELS Cotton	pound	\$0.7977
Long Grain Rice	cwt	\$6.50
Medium Grain Rice	cwt	\$6.50
Soybeans	bushel	\$5.00
Other Oilseeds	cwt	\$10.09
Dry Peas	cwt	\$5.40
Lentils	cwt	\$11.28
Small Chickpeas	cwt	\$7.43
Large Chickpeas	cwt	\$11.28
Wool, graded	pound	\$1.15
Wool, nongraded	pound	\$0.40
Mohair	pound	\$4.20
Honey	pound	\$0.69
Peanuts	ton	\$355.00

NOTE: The upland cotton loan rate is subject to change for 2017 and 2018.

For all loan-eligible commodities except extra-long staple (ELS) cotton, a producer may repay a MAL any time during the loan period at the lesser of the loan rate plus accrued interest and other charges or an alternative loan repayment rate as determined by CCC.

Producers may obtain MALs or receive LDPs on all or part of their eligible production anytime during the loan availability period. The loan availability period runs from when the commodity is normally harvested (or sheared for wool) until specified dates in the following calendar year.

The final loan/LDP availability dates for the respective commodities are:

- Jan. 31 - Peanuts, Wool, Mohair and LDP only for Unshorn Pelts
- March 31 - Barley, Canola, Crambe, Flaxseed, Honey, Oats, Rapeseed, Sesame seed and Wheat
- May 31 - Corn, Dry peas, Grain sorghum, Lentils, Mustard seed, Long grain rice, Medium grain rice, Safflower, Small chickpeas, Large chickpeas, Cotton, Soybeans and Sunflower seed

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## Selected Interest Rates and Dates to Remember

Selected Interest Rates for May 2018		Dates to Remember	
90-Day Treasury Bill	2.125%	May 15	Crop reporting deadline for spring forage seeding, peas (green only), and potatoes.
Farm Operating Loans — Direct	3.625%	May 28	MD FSA offices closed for Memorial Day.
Farm Ownership Loans — Direct	4.125%	May 31	Final availability date for MALs and LDPs for prior year harvested corn, cotton, soybeans and other oilseeds, rice, grain, sorghum, and pulse crops.
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.500%	May 31	NAP crop reporting deadline for ornamental nursery.
Emergency Loans	3.750%	June 15	Crop reporting deadline for tomatoes.
Farm Storage Facility Loans (7 years)	2.750%	July 4	MD FSA offices closed for Independence Day.
Sugar Storage Facility Loans	2.875%	July 15	Crop reporting deadline for beans (limas only), cucumbers (planted 4/20-6/25 in Caroline, Dorchester, Kent, and Talbot counties), <b>ALL OTHER CROPS.</b>
Commodity Loans 1996-Present	3.125%		

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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).