

January 2020



Farm Service Agency **Electronic News Service**

NEWSLETTER

GovDelivery

Rhode Island FSA Newsletter

Rhode Island Farm Service Agency

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State Executive Director: W. Michael Sullivan, PhD.

State Committee: Doreen Pezza, Kevin Breene, Ellen Puccetti, David Frerich, Judith Carvalho

The State Committee meets the second Wednesday of every month subject to change.

County Office: 401-828-3120 Option 2.

County Executive Director: Sheryl Michener

Message from the State Executive Director

Welcome to the New Year! We are experiencing some changes in the people and programs within USDA this year. The 2018 Farm Bill creates a mechanism for RI producers to grow hemp and have the various attributes of this crop treated 'almost' like any other crop. A producer might want to report acreages for all crops so their eligibility for programs is adjusted accordingly. The new bill allows hemp to be registered and the income and expenses associated with it to be used in considering your loan eligibility and we can even insure the risk through both the NAP and Whole Farm Revenue programs. There are some subtle needs for program linkages between RI licensing requirements and USDA accepting a State management plan. We expect to have a 2-3 hour workshop in February to explain details and processes. We are also planning a similar workshop for those interested in oyster restoration projects being discussed in upper Narragansett Bay and the rivers leading to Providence. USDA anticipates as much as a \$1M for urban restoration activities from this program.

Our temporary program technician, has left the County Office and we have a new permanent PT who has started. If coming into the office please stop by, to meet and welcome.

Two USDA Pathways Interns will be starting with the County and State Offices early next year. One is, a URI graduate in animal sciences and currently a MS degree candidate at Tufts University Veterinary Sciences program. She will be working with us on program delivery. The other intern is a Clark University Graduate Student who will be working with our farm loan programs starting this spring.

County Committee: Kim Coulter, John Sousa, George Goulart Jr., Joseph Polseno, Gilbert Rathbun Jr.

Don't forget the **RI Women and Agriculture Conference** scheduled for **March 10th** at the Crown Plaza Hotel. For more details about this event visit [Eventbrite](#).

The County Committee meets the first Wednesday of every month subject to change.

Dates to Remember:

February 28th, deadline for agriculture producers to sign up for general CRP.

March 10th, Rhode Island Women in Ag Conference

March 15th, NAP sign-up deadline for Annual Crops.

Rhode Island Farm Service Agency Announces County Committee Election Results

Rhode Island U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) announced that County Committee elections are over and the ballots have been counted for the three eligible Local Administrative Area (LAA) counties for the 2019 COC Elections. The results are as follows;

LAA 5, Bristol County John Sousa

Alternate: Liyong Peng

LAA 2, Kent County Gilbert Rathbun Jr

Alternate: Vincent, J Confreda

LAA 4, Newport County George Goulart Jr.

No Alternate

In upcoming 2020 election, the following local administrative areas (LAA's) are up for County Committee Elections for Rhode Island;

LAA-3: Washington County

Producers may nominate themselves or others as candidates. Organizations representing minority and women farmers may also nominate candidates. To become a nominee, eligible individuals must sign form FSA-669A.

County committee members are a critical component of the day-to-day operations of FSA. They help deliver programs at the county level and work to serve the needs of local producers. All recently elected county committee members will take office in January 2020 and will be joining the existing committee. Every FSA office is required to have a county committee, and they are made up of local farmers, ranchers and foresters who are elected by local producers.

Nearly 7,800 FSA county committee members serve FSA offices nationwide. Each committee has three to 11 elected members who serve three-year terms of office. One-third of county committee seats are up for election each year. County committee members impact the administration of FSA within a community by applying their knowledge and judgment to help FSA make important

decisions on its commodity support programs, conservation programs, indemnity and disaster programs, emergency programs and eligibility.

County committee members impact producers through their decision making and help shape the culture of a local FSA office. They also ensure the fair and equitable administration of FSA farm programs in their counties and are accountable to the Secretary of Agriculture. Members conduct hearings and reviews as requested by the state committee, ensure underserved farmers, ranchers and foresters are fairly represented, make recommendations to the state committee on existing programs, monitor changes in farm programs and inform farmers of the purpose and provisions of FSA programs. They also assist with outreach and inform underserved producers such as beginning farmers, ranchers and foresters, about FSA opportunities.

For more information, visit the FSA website at fsa.usda.gov/elections or contact the Name County FSA office at 401-828-3120 Option 2.

USDA Encourages Producers to Consider NAP Risk Protection Coverage Before Crop Sales Deadlines

The Farm Service Agency encourages producers to examine available USDA crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the applicable crop sales deadline.

Producers are reminded that crops not covered by insurance may be eligible for NAP. Beginning, underserved and limited resource farmers are now eligible for free catastrophic level coverage.

Federal crop insurance covers crop losses from natural adversities such as drought, hail and excessive moisture. NAP covers losses from natural disasters on crops for which no permanent federal crop insurance program is available, including perennial grass forage and grazing crops, fruits, vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

Producers can determine if crops are eligible for federal crop insurance or NAP by visiting <https://webapp.rma.usda.gov/apps/ActuarialInformationBrowser2018/CropCriteria.aspx>.

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.

For all coverage levels, the 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.

Deadlines for coverage vary by state and crop. To learn more about NAP visit www.fsa.usda.gov/nap or contact your local USDA Service Center. To find your local USDA Service Centers go to <http://offices.usda.gov>.

Federal crop insurance coverage is sold and delivered solely through private insurance agents. Agent lists are available at all USDA Service Centers or at USDA's online Agent Locator: <http://prodwebnlb.rma.usda.gov/apps/AgentLocator/#>. Producers can use the USDA Cost Estimator, <https://ewebapp.rma.usda.gov/apps/costestimator/Default.aspx>, to predict insurance premium costs.

Higher Limits Now Available on USDA 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 or contact your [local USDA service center](#)

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.

Changing Bank Accounts

FSA program payments are issued electronically into your bank account. In order to make timely payments, you need to notify your FSA servicing office if you close your account or if your bank information is changed for whatever reason (such as your financial institution merging or being purchased). Payments can be delayed if FSA is not notified of changes to account and bank routing numbers.

For some programs, payments are not made until the following year. For example, payments for crop year 2018 through the Agriculture Risk Coverage and Price Loss Coverage program aren't paid until 2019. If the bank account was closed due to the death of an individual or dissolution of an entity or partnership before the payment was issued, please notify your local FSA office as soon as possible to claim your payment.

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).