

February 2016



Having trouble viewing this email? [View it as a Web page.](#)

- [Microloan Program Offers Property Financing Alternative](#)
- [General CRP Signup Ends Soon](#)
- [MPP-Dairy Adds Payment Option](#)
- [Power Up Your Communications! Power Up Your Farm!](#)
- [Preparing Your Balance Sheet](#)
- [USDA Offers Value-Added Producer Grant Workshops](#)
- [Important Dates and Deadlines](#)

Washington FSA Newsletter

Washington Farm Service Agency

316 W. Boone, Ste. 568
Spokane, WA 99201-2350

www.fsa.usda.gov/wa

State Committee:

Don Olmstead, Jr., Chair
Larry DeHaan, Member
Steve Hair, Member
Jesus Limon, Member
Sheryl Hagen-Zakarison,
Member

State Executive Director:

Judy Olson

Division Chiefs:

Mike Mandere, Administration
Rod Hamilton, Programs
Mike Mykines, Loan

Please contact your [local FSA](#)

Microloan Program Offers Property Financing Alternative

The Farm Service Agency has expanded farm ownership loans to include microloans. This creates a new financing avenue for farmers to buy and improve property. These microloans will be especially helpful to beginning or underserved farmers, U.S. veterans looking for a career in farming, and those who have small and mid-sized farming operations.

The microloan program has been hugely successful, providing more than 16,800 low-interest loans totaling over \$373 million to producers across the country. Microloans have helped farmers and ranchers with operating costs such as feed, fertilizer, tools, fencing, equipment, and living expenses since 2013. Seventy percent of loans have gone to new farmers.

Now, microloans will be available to also help with farm land and building purchases, and soil and water conservation improvements. FSA designed the expanded program to simplify the application process, expand eligibility requirements and expedite smaller real estate loans to help farmers strengthen their operations. Microloans provide up to \$50,000 to qualified producers, and can be issued to

[office](#) for questions specific to your operation or county. the applicant directly from the USDA Farm Service Agency (FSA).

To learn more about the FSA microloan program visit www.fsa.usda.gov/microloans, or contact your [county FSA office](#).

General CRP Signup Ends Soon

The General Conservation Reserve Program Signup will end February 26, 2016 in all FSA county offices. If you are interested in participating but have not submitted an application, you are encouraged to make an appointment at your [county FSA office](#).

In exchange for a yearly rental payment, applicants enrolled in the program agree to remove environmentally sensitive land from agricultural production and plant species that will improve environmental health and quality. Contracts for land enrolled in CRP are 10-15 years in length. The long-term goal of the program is to re-establish valuable land cover to help improve water quality, prevent soil erosion, and reduce loss of wildlife habitat.

In addition to the General CRP Signup, FSA will accept offers for specific conservation practices under the Continuous CRP or Conservation Reserve Enhancement Program (CREP). This will be the first General CRP Signup since passage of the 2014 Farm Bill. The program's acreage cap is gradually being lowered to 24 million acres for fiscal years 2017 and 2018. This could result in a competitive signup this year. If you would like to make an appointment or learn more about CRP, contact your [county FSA office](#).

MPP-Dairy Adds Payment Option

The Farm Service Agency has expanded options available to producers enrolled in the Margin Protection Program for Dairy Producers (MPP-Dairy) with buy-up coverage, which would enable your milk handler to make premium payments on your behalf. Interested milk handlers can submit form AD-2047 "Customer Data Worksheet for Business Partner Record Change" to FSA for participation in this voluntary service. If your milk handler agrees to provide this service, you can authorize your milk handler to make payments towards your premium using deductions from your milk check.

To authorize this service, you can complete form CCC-782 "Margin Protection Program for Dairy Producers Milk Handler Premium Deduction Authorization" and file it with your local FSA county office by March 30, 2016. While this agreement enables your milk handler to make payments towards your premium, you continue to be liable for any outstanding premium balance not paid in full by September 1, 2016.

Contact your [county FSA office](#) if you have questions about this premium payment option or the MPP-Dairy program.

Power Up Your Communications! Power Up Your Farm!

Communication is the most powerful tool for building personal and business relationships. The 2016 Women in Ag Conference will take place simultaneously on March 19 in multiple locations throughout five states. This interactive and engaging conference will define how you communicate for success. Different personality styles impact the way you interact with customers, business contacts and family. Discover your communication style and how to communicate in a way that adds to the success of your farming operation!

For more information, registration and a list of locations, visit: www.WomenInAg.wsu.edu. Persons with disabilities who require accommodations to attend or participate in this workshops should contact Donna Rolan at donna.rolan@wsu.edu or call 509.745.8531.

Preparing Your Balance Sheet

Now is the time of year for farmers and ranchers to begin planning for the next crop cycle. Preparing a budget and a balance sheet help you organize your finances for the crop year. These two documents create the “financial picture” or soundness of your farm operation and are useful for communicating with lenders. The Farm Service Agency uses forms FSA-2037 and FSA-2038 to assist borrowers with this financial planning.

When making financing decisions, lenders need to know your current, intermediate and long term assets. This is cash in checking and savings, accounts payable, crop and livestock inventory to sell, equipment, breeding livestock and real estate. They consist of assets and values you own which could be liquidated and easily turned into quick cash.

Lenders will also want to know your financial liabilities. Current, intermediate and long term liabilities are accounts payable, short, intermediate and long term loans to creditors. You should include your interest rate, repayment terms and annual payments on loans. Providing a statement from your creditors helps verify these numbers to the lender.

In order to get an accurate picture of your farm operation, your balance sheet should be in line with your income tax return start date as of January 1 of each year. Entities may have a different beginning balance sheet start date and would need to complete a balance sheet for the entity and one for each person or couple in the entity. It is important that you are as accurate and honest as possible when completing your balance sheet. Lenders require this as a tool to see if you are making progress within your operation. Give your balance sheet and budget careful consideration this year. Failure to plan is planning to fail. Plan for success in 2016.

Farm Service Agency borrowers who would like more information about the completion of your balance sheet, may contact your local FSA Farm Loan staff.

USDA Offers Value-Added Producer Grant Workshops

The USDA's Rural Development agency in Washington state is hosting free workshops around the state to explain what Value Added Producer Grants (VAPG) can do, and what's needed to apply, application scoring, and in-depth application assistance for those intending to apply. This is one of

the few grant programs that can go to producers. A match is usually required. The RFP for 2016 has not yet been released.

Value added products are created when a producer increases the consumer value of an agricultural commodity in the production or processing stage. In 2015, this included selling locally and organic production/marketing.

Workshops will be February 19 in Wenatchee and February 24 in Yakima. For times and locations, contact Greg York, Business & Cooperative Programs Specialist with Rural Development. He may be reached at (360) 704-7729 or Gregory.york@wa.usda.gov. Persons with disabilities who require accommodations to attend or participate in these workshops should contact, contact Greg York at least three days prior to the event.

For more information about the Value Added Producer Grant Program, please go to <http://www.rd.usda.gov/programs-services/value-added-producer-grants>

Important Dates and Deadlines

Feb. 1, 2016 - Deadline to submit completed application and documentation for the Livestock Indemnity Program

Feb. 1, 2016 - Deadline to submit completed application and documentation for the Livestock Forage Program

Feb. 26, 2016 - General CRP signup ends

March 15, 2016 - Deadline to purchase 2016 crop year Non-insured Crop Disaster Assistance Program (NAP) coverage for artichokes, beet seed or fresh, buckwheat, camelina, carrots fresh or processing, mustard, radish for seed or fresh, small grain forages (wheat, barley, oats, peas), and other spring planted crops.

March 31, 2016 - Deadline to request a commodity marketing assistance loan (MAL) or loan deficiency payment (LDP) for 2015 harvested crops of barley, canola, crambe, flaxseed, honey, oats, rapeseed, wheat, or sesame seed.

For previous issues of the FSA Washington newsletter and a list of annual program reminders, check the [newsletter page](#) on the FSA Washington website.

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).
