#### November 2016



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### **State FSA Newsletter**

### Washington State Farm Service Agency

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**State Executive Director:** Judy Olson

#### **State Committee:**

Don Olmstead, Jr., Chair Larry DeHaan, Member Steve Hair, Member Jesus Limon, Member

### Time to Vote – Choose Your FSA County Committee Representative

You have the opportunity to choose your representative on your local Farm Service Agency County Committee. FSA encourages farmers and ranchers to make your voices heard by voting in the upcoming Farm Service Agency (FSA) County Committee elections. Ballots are mailed in early November. Return ballots to your local FSA office by the **Dec. 5, 2016** deadline to ensure that your vote is counted.

FSA county committee members are a critical component of the day-to-day operations of FSA. They help deliver FSA farm programs at the local level. Farmers who serve on committees help decide the kind of programs their counties will offer. They work to make FSA agricultural programs serve the needs of local producers and can settle producer appeals of FSA decisions. They also hire the County Executive Director. Many committees will be making these decisions in 2017.

Sheryl Hagen-Zakarison, Member

Please contact your <u>local FSA</u> <u>office</u> for questions specific to your operation or county.

In a lead up to the annual FSA County Committee elections, county committee members in various parts of the state shared their committee experiences during video interviews. The video can be viewed online at https://vimeo.com/179333687.

To be an eligible voter, farmers and ranchers must participate or cooperate in an FSA program. A person who is not of legal voting age, but supervises and conducts the farming operations of an entire farm may also be eligible to vote.

Eligible voters who do not receive ballots in the coming week may pick one up at your local <u>FSA office</u>. Ballots returned by mail must be postmarked no later than **Dec. 5**, **2016**.

A list of candidates for FSA elections in Washington state may found <u>online</u> or obtained from your local <u>FSA office</u>. Newly elected committee members and their alternates will take office Jan. 2, 2017.

You are encouraged to get to know your committee members and what they do. Vote in the November elections. Contact your <u>county FSA office</u> for more information or check the FSA website at <u>www.fsa.usda.gov/elections</u>.

### **FSA Expands Financing Options for Smaller Operations**

In an effort to broaden the financing options for smaller scale farmers, FSA is streamlining guaranteed loans to purchase farmland or finance agricultural operations. The program, called EZ Guarantee Loans, uses a simplified application process to help beginning and small scale farmers and ranchers apply for loans from USDA-approved lenders.

FSA also unveiled a new category of lenders that will join traditional lenders, such as banks and credit unions, in offering USDA EZ Guarantee Loans. Microlenders, which include Community Development Financial Institutions and Rural Rehabilitation Corporations, will be able to offer their customers up to \$50,000 of EZ Guaranteed Loans, helping to reach urban areas and underserved producers. Banks, credit unions and other traditional USDA-approved lenders, can offer customers up to \$100,000 to help with agricultural operation costs.

EZ Guarantee Loans offer low interest rates and terms up to seven years for financing operating expenses and 40 years for financing the purchase of farm real estate. USDA-approved lenders can issue these loans with the Farm Service Agency (FSA) guaranteeing the loan up to 95 percent.

USDA is providing a 90-day period for the public to review and comment on program improvements. To review program details, visit <a href="www.regulations.gov">www.regulations.gov</a>, reference RIN 0560-Al34 and follow the instructions to submit comments. More information about the available types of FSA farm loans can be found at <a href="www.fsa.usda.gov/farmloans">www.fsa.usda.gov/farmloans</a> or by contacting your local FSA county office.

#### Speed Up Your Loan Approval – What You Can Do

If you are seeking agricultural financing, you want to prepare yourself for success. You can minimize the time it takes to receive approval for a loan by having your paperwork in order prior to the meeting. When preparing to meet with your loan official, you should find out what is needed for a complete application. This may include completing the application and any applicable forms. It may also include providing bank statements, creditor statements, three to five years of production records, verification of non-farm income (w-2's and/or wage statements), and three to five years of tax returns.

Before your meeting with your loan official, you should also check your credit and know where you stand. A free and simple way to do this is go to <a href="annualcreditreport.com">annualcreditreport.com</a> and pull a credit report. This website provides you one free credit report from each of the three credit bureaus a year. This means that you could check your credit three times a year for free, but something to realize is that it will not give you the credit score for free. This would then allow you to know what debts you have and to assure they are in a current status with no delinquencies or collections. If something is reported that may hinder your ability to obtain your credit needs, you can try to repair the credit and provide the necessary documentation to your lender.

As an applicant, you should also try to understand the requirements of whatever loan program for which you are applying. Lenders want assurance that you will repay the loan. Different programs will have different eligibility requirements, probability and collateral requirements. This is a business transaction, so shop around and know what interest rates, terms and conditions are available as part of different loan programs and from different lenders in your area.

#### **NASS Surveys Play a Part in Program Payments**

Low survey response can impact federal farm programs. A record-low 66.5 percent of farmers nationally, responded to surveys sent out by the National Agricultural Statistics Service (NASS) in their data gathering for the September Small Grains Summary. In Washington state, the response rate was even lower -58.7 percent.

Recently, FSA started making payments for the ARC (Agriculture Risk Coverage) and PLC (Price Loss Coverage) programs. These programs in particular, take NASS data into account when determining payments. FSA uses the NASS county yield data to calculate ARC-CO benchmark revenues and current year county revenues. For example, the 2015 NASS county yield, along with the crop's marketing year average price (MYA), are used to determine the county's current year revenue to determine if the county will trigger an ARC-CO payment. An ARC-CO payment is triggered for a county when the current year revenue falls below the guarantee revenue for the crop and crop year. In cases where NASS county yield data is not available, the FSA State Committee must determine a county yield using RMA yield data or the best available yield data, including assigning a county yield using neighboring county yields from NASS or RMA.

Any information that producers provide to NASS is kept confidential and protected by federal law. NASS publishes only aggregate-level data, ensuring that no individual operation or producer can be identified. All reports will be available at <a href="https://www.nass.usda.gov">www.nass.usda.gov</a>.

FSA recently posted maps showing the payment rate range by county for the 2015 ARC-CO payments on its website at <a href="http://www.fsa.usda.gov/programs-and-services/arcplc\_program/index">http://www.fsa.usda.gov/programs-and-services/arcplc\_program/index</a>.

If you have questions about the ARC/PLC programs, contact your county FSA office.

## **Program Benefits Retiring CRP Contract Holders and Beginning Farmers**

The Transition Incentives Program (TIP) financially assists with the changeover of expiring Conservation Reserve Program (CRP) land from a retired or retiring owner or operator to a beginning, veteran, or traditionally underserved farmer or rancher to return land to production for sustainable grazing or crop production. Washington FSA is currently accepting applications.

Retired or retiring owners or operators participating in TIP may receive up to two additional annual rental payments after your CRP contract expires provided the beginning or socially disadvantaged farmer or rancher is not a family member. To qualify as retiring or retired, the owner or operator must not be actively involved in crop production, so many landowners who do not farm would qualify under the program's eligibility provisions.

The 2014 Farm Bill authorized \$33 million for fiscal years 2014 through 2018 for the TIP. TIP funding will be awarded on a first-come, first-served basis. Enrollment in TIP is on a continuous basis until the total funds authorized for the program are exhausted. Beginning (including veteran) and socially disadvantaged producers or retired and retiring CRP participants may apply. The Farm Service Agency is accepting applications for land in contracts expiring Sept. 30, 2017.

FSA has a national website section to connect retired or retiring land owners or operators with beginning or socially disadvantaged farmers or ranchers who are interested in the TIP. The section is CRP TIP-Net.

Contact your local FSA <u>county office</u> if you are interested in the program.

#### **Check Crop Coverage before Fall Deadlines**

The USDA FSA reminds producers to review available USDA crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the fall-seeded crop application deadline of **November 21, 2016**.

Federal crop insurance covers crop losses from natural adversities such as drought, hail and excessive moisture. NAP covers losses from natural disasters to crops for which no permanent federal crop insurance program is available. The following crops in Washington have a NAP application deadline of **November 21, 2016**:

- All perennial crops not listed under the 9/30 category (see <a href="www.fsa.usda.gov/wa">www.fsa.usda.gov/wa</a> for complete list)
- asparagus;
- berries:

- grapes;
- honey;
- hops;
- tree fruits and nuts

You may use a free online tool <a href="www.fsa.usda.gov/nap">www.fsa.usda.gov/nap</a> to determine whether your crops are eligible for federal crop insurance or NAP and to explore the best level of protection for your operation. NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production, with higher levels of coverage up to 65 percent of their expected production at 100 percent of the average market price available, including coverage for organics and crops marketed directly to consumers. Crops intended for grazing are not eligible for additional NAP coverage.

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: <a href="http://prodwebnlb.rma.usda.gov/apps/AgentLocator/#">http://prodwebnlb.rma.usda.gov/apps/AgentLocator/#</a>. Producers can use the USDA Cost Estimator, <a href="https://ewebapp.rma.usda.gov/apps/costestimator/Default.aspx">https://ewebapp.rma.usda.gov/apps/costestimator/Default.aspx</a>, to predict insurance premium costs.

For more information on NAP, service fees, premiums and sales deadlines, contact your <u>county</u> FSA office.

### Acreage Reporting of Perennial Forage and Fall-Seeded Crops

In order to comply with FSA program eligibility requirements, all producers are encouraged to visit your <u>county FSA office</u> to file an accurate crop acreage report certification. Programs that require an acreage report include the Noninsured Crop Disaster Assistance Program (NAP), Livestock Forage Disaster Program (LFP) and the Agriculture Risk Coverage (ARC) and Price Loss Coverage Program (PLC).

Perennial forage and fall-seeded crops have an acreage reporting date of **December 15, 2016**. Fall-planted crops include alfalfa seed, canola, lentils, mint, onions, peas, and small grains. Perennial forages include grass, alfalfa, birdsfoot trefoil, clover and mixed forages intended for hay or grazing.

This reporting date aligns with the Risk Management Agency's and our neighboring states' deadlines.

The following exceptions apply to the above acreage reporting date:

- If the crop has not been planted by the above acreage reporting date, then the acreage must be reported no later than 15 calendar days after planting is complete.
- If you acquire additional acreage after November 15, then the acreage must be reported no later than 30 calendars days after purchase or acquiring the lease. Appropriate documentation must be provided to the county office.
- If a perennial forage crop is reported with the intended use of "cover only," "green manure," "left standing," or "seed," then the acreage must be reported by July 15.

NAP policy holders should note that the acreage reporting date for NAP covered crops is the earlier of the dates listed above or 15 calendar days before grazing or harvesting of the crop begins.

For questions regarding crop certification and crop loss reports, contact your county FSA office.

### **FSA Continues to Hire in Washington State**

The Farm Service Agency expects to announce additional vacancies in Washington state this fall and winter as the agency replaces a retiring workforce. FSA particularly looks for candidates who have agricultural backgrounds and are passionate about serving farmers and ranchers. As vacancies arise, they are posted on the <u>USAJobs website</u>. Temporary positions are posted on <u>www.fsa.usda.gov/wa</u>.

Check out FSA's career video to hear employees talk about what it is like to work for FSA in Washington state: https://vimeo.com/182866334.

You may also contact Mitzi Stephens at the FSA State Office at <a href="mitzi.stephens@wa.usda.gov">mitzi.stephens@wa.usda.gov</a> or (509) 323-3007.

# USDA Invests \$1.7 Billion to Protect Sensitive Agricultural Lands through Conservation Reserve Program

More than Half a Million Americans Involved with Protecting 24 Million Acres

USDA will issue nearly \$1.7 billion in payments to more than half of a million Americans who have contracts with the government to protect sensitive agricultural lands. The investment, part of the voluntary USDA Conservation Reserve Program (CRP), will allow producers to protect almost 24 million acres of wetlands, grasslands and wildlife habitat in 2016.

CRP provides financial assistance to farmers and ranchers who remove environmentally sensitive land from production to be planted with certain grasses, shrubs and trees that improve water quality, prevent soil erosion, and increase wildlife habitat. In return for enrolling in CRP, USDA, through the FSA, provides participants with rental payments and cost-share assistance. Landowners enter into contracts that last between 10 and 15 years.

More than 1.3 million acres were newly enrolled in CRP in fiscal year 2016 using the continuous enrollment authority, double the pace of the previous year. In fiscal year 2016, FSA also accepted 411,000 acres through its general enrollment authority, plus 101,000 acres in the new CRP-Grasslands program, which balances conservation with working lands. More than 70 percent of the acres enrolled in CRP-Grasslands are diverse native grasslands under threat of conversion, with more than 97 percent of the acres having a new, veteran or underserved farmer or rancher as a primary producer.

CRP has sequestered an annual average of 49 million tons of greenhouse gases, equal to taking nine million cars off the road, and prevented nine billion tons of soil from erosion, enough to fill 600 million dump trucks.

For more information about CRP, contact your local FSA office or online at <a href="www.fsa.usda.gov/crp">www.fsa.usda.gov/crp</a>. Visitwww.fsa.usda.gov/crpis30 or follower Twitter at #CRPis30 for program anniversary background and success stories. To locate your local FSA office, visit <a href="http://offices.usda.gov">http://offices.usda.gov</a>.

### USDA Announces Enrollment Period for Safety Net Coverage in 2017

The USDA Farm Service Agency (FSA) today announced that producers on farms with base acres under the safety net programs established by the 2014 Farm Bill, known as the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs, can begin visiting FSA county offices starting Nov. 1, 2016, to sign contracts and enroll for the 2017 crop year. The enrollment period will continue until Aug. 1, 2017.

Since shares and ownership of a farm can change year-to-year, producers on the farm must enroll by signing a contract each program year.

If a farm is not enrolled during the 2017 enrollment period, the producers on that farm will not be eligible for financial assistance from the ARC or PLC programs for the 2017 crop should crop prices or farm revenues fall below the historical price or revenue benchmarks established by the program. Producers who made their elections in 2015 must still enroll during the 2017 enrollment period.

The ARC and PLC programs were authorized by the 2014 Farm Bill and offer a safety net to agricultural producers when there is a substantial drop in prices or revenues for covered commodities. Covered commodities include barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium grain rice (which includes short grain and sweet rice), safflower seed, sesame, soybeans, sunflower seed and wheat. Upland cotton is no longer a covered commodity. For more details regarding these programs, go to www.fsa.usda.gov/arc-plc.

For more information, producers are encouraged to visit their local FSA office. To find a local FSA office, visit http://offices.usda.gov.

#### **Important Dates and Deadlines**

**Nov. 1, 2016** – Deadline for 2016 Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP) applications.

Nov. 1, 2016 - signup up for the 2017 ARCPLC programs starts

Nov. 7, 2016 – County Committee election ballots mailed to eligible voters.

**Nov. 21, 2016** – NAP application closing date for the following perennial crops: asparagus, berries, grapes, honey, hops, tree fruits and nuts.

**Dec. 5, 2016** – County Committee election ballots due to FSA county offices.

**Dec. 15, 2016** - Acreage reporting deadline for perennial forages, fall-seeded alfalfa (for seed), canola, lentils, mint, onions, peas, and small grains. (**Note: For perennial forage**, this is a date change from previous years.)

For previous issues of the FSA Washington newsletter and a list of annual program **reminders**, check the newsletter page on the FSA Washington website.

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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).





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