



United States Department of Agriculture



Farm Service Agency Programs Overview



Farm Service Agency (FSA) Overview

- Part of U.S. Department of Agriculture (USDA), under Farm and Foreign Agriculture Services (FFAS)
- Farm programs, loans to help agricultural producers, partner organizations provide food, fuel, and fiber
- Administers 50 federal programs authorized in Farm Bill
- FSA Texas
 - 173 Service Centers serving all 254 counties
 - State Office in College Station





United States Department of Agriculture

The Agricultural Act of 2014

(aka The 2014 Farm Bill)

- Enacted into law February 2014; Legislation for five years (FY2014-FY2018)
- Restructure Commodity Support Programs (no Direct Payments)
- Expands Crop Insurance Coverage
- Made Disaster Assistance Programs Permanent (not ad-hoc)
- FSA Administers Several of 12 Farm Bill Titles
 - Title I Commodity Programs
 - Title II Conservation Programs
 - Title V Credit
 - Title VII Research/Misc. Programs (NAP, Biomass, Farm Storage)





FSA Impacts in Texas

- FSA invested more than \$5.7 billion in federal farm programs and farm credit throughout Texas between FY 2014 - FY 2016
- \$1.9 billion delivered to Texas producers in FY 2016
 - Disaster Assistance
 - Commodity Loans and Price Support Program Payments
 - Conservation Initiatives
 - Low-Interest Loans
- The 2014 Farm Bill placed significant emphasis on:
 - Veterans transitioning into agriculture
 - Beginning farmers and ranchers
 - Underserved groups
 - Niche and small market producers (organics, community supported agriculture, etc.)



FSA Program Divisions

- Disaster Assistance
- Commodity - Price Support
- Conservation Incentives
- Farm Loans

- Program eligibility criteria varies
 - Land
 - Crops grown
 - Producer





United States Department of Agriculture

Farm Service Agency Programs

- Disaster Assistance





Disaster Assistance

- **Noninsured Crop Disaster Assistance Program (NAP)**
 - Financial assistance to producers of non-insurable crops to protect against natural disasters that result in lower yields or crop losses, or prevents crop planting
 - Service fee = lesser of \$250/crop or \$750/producer per administrative county
- **Tree Assistance Program (TAP)**
 - Provides financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes, vines damaged by natural disasters occurring on or after Oct. 1, 2011



Disaster Assistance

- Livestock Forage Disaster Program (LFP)
 - Compensation to eligible livestock producers that suffered grazing losses for covered livestock on native or improved pastureland with permanent vegetative cover or planted specifically for grazing
- Livestock Indemnity Program (LIP)
 - Benefits to producers for livestock deaths caused by adverse weather or attack by animals reintroduced into the wild by Federal Government
 - Eligibility determined by Secretary of Agriculture
- Emergency Livestock Assistance Program (ELAP)
 - Covers losses due to eligible adverse weather or eligible loss condition, including blizzards, disease (including cattle tick fever), water shortages, wildfires
 - Eligibility determined by Secretary of Agriculture



United States Department of Agriculture

Farm Service Agency Programs

- Disaster Assistance
- Commodity – Price Support





Commodity - Price Support

- Margin Protection Program (MPP) – Dairy
 - Offers catastrophic coverage at no cost to the producer, other than annual \$100 administrative fee
 - Various levels of buy-up coverage
- Marketing Assistance Loans (MALs)
 - Provides interim financing at harvest time to help agricultural producers to meet cash flow needs without having to sell their commodities
- Loan Deficiency Payments (LDPs)
 - Producer eligible to obtain a MAL, but agrees to forgo the MAL, may obtain an LDP under certain market conditions



Commodity - Price Support

Agriculture Risk Coverage, Price Loss Coverage

- Early 2015 producers made:
 - One-time election completed; ARC or PLC; crop years 2014-2018
 - Reallocated crop bases, updated program payment yields
- Producer enrolls annually during enrollment period
- ARC = payment when county crop revenue of covered commodity is less than ARC guarantee
- PLC = payment when effective price of covered commodity less than reference price for commodity



Commodity - Price Support

- Farm Storage Facility Loan Program (FSFL)
 - Low-interest financing for producers to build, upgrade farm storage, handling facilities
 - Loan terms vary; 3 - 12 years
 - Maximum amount, storage facilities = \$500,000
 - Maximum amount, storage, handling trucks = \$100,000
 - Production storage needs based on 3 year history
- FSFL Microloans
 - Maximum amount, FSFL Microloan = \$50,000
 - Production storage needs can be self-certified



Commodity - Compliance

- Compliance to FSA Program requirements ensures eligibility
- Completes acreage reports
 - Different deadlines for each crop
 - Livestock producers; report grass, cover crops, legumes



USDA Organic

- Fast-growing sector of U.S. agriculture
 - USDA Agricultural Marketing Service (AMS) administers organic certification
- FSA Organic Certification Cost Share Program
 - May reimburse some organic certification costs
 - Reimbursement up to 75 percent of certification costs each year
 - Maximum of \$750 per certification scope
 - Eligible costs include
 - application fees
 - inspection costs
 - fees related to equivalency agreement/arrangement requirements
 - travel/per diem for inspectors
 - user fees
 - sales assessments
 - postage



United States Department of Agriculture

Farm Service Agency Programs

- Disaster Assistance
- Commodity – Price Support
- Conservation Incentives





Conservation

- Conservation Reserve Program (CRP)
 - General Sign-Up
 - Annual payments to farmer based on agriculture rental value of land
- Conservation Reserve Program – Grasslands
 - Helps protect grassland including rangeland, pastureland, and certain other lands, while maintaining grazing lands
- Emergency Conservation Program (ECP)
 - Emergency funding, technical assistance to farmers and ranchers; rehabilitate farmland damaged by natural disasters, implement water conservation during drought
 - Available funding for ECP determined annually by Congress
- Emergency Forest Restoration Program (EFRP)
 - Helps restore private forests damaged by natural disasters
 - Payments to owners of private, non-industrial forests



Conservation - Compliance

- **Highly-Erodible Land (HELC/WC)**
 - FSA program participants must abide by conditions regarding highly-erodible land or considered wetland conservation
 - Producers must certify they will not:
 - Produce agricultural commodity on highly erodible land without conservation system
 - Plant agricultural commodity on converted wetland
 - Convert wetland to production of agricultural commodity
- **Federal Crop Insurance Corporation**
 - Producers obtaining federally-reinsured crop insurance not eligible for any premium support if producer:
 - Has not filed accurately completed AD-1026 with FSA certifying compliance with HELC and WC provisions
 - Is not in compliance with HELC and WC provisions



United States Department of Agriculture

Farm Service Agency Programs

- Disaster Assistance
- Commodity – Price Support
- Conservation
- Farm Loan Programs





FSA Farm Loan Programs

Designed to help eligible family farmers, ranchers start, expand, change operation

- Farmer, Rancher unable to obtain credit from conventional lender
- All loan programs require repayment ability
- All loan programs considered temporary source of credit
- Borrower expected to return to conventional credit sources





FSA Farm Loan Types

- Direct Loan Program
 - Direct Operating Loans
 - Direct Farm Ownership Loans
 - Microloans
 - Emergency Loans
 - Youth Loans
- Guaranteed Loan Program
 - Farm Operating Loans
 - Line of Credit
 - Farm Ownership
 - Conservation Loans
 - Land Contract Guarantee





FSA Farm Loans – General Eligibility

- U.S. Citizenship, non-citizen national, qualified alien under applicable Federal Immigration laws
- Unable to obtain sufficient credit elsewhere
- Legal capacity to incur loan obligation
- Not delinquent on federal debt
- No Prior FSA debt forgiveness *
- Acceptable credit history
- Not disqualified for Crop Insurance violations
- No conviction for controlled substance
- Demonstrate management ability *
- Owner/Operator of family-sized farm



Direct Loan Programs

- Direct Operating Loans
 - Maximum Loan Amount = \$300,000
 - For farm operating expenses, equipment, livestock
- Direct Farm Ownership Loans
 - Maximum Loan Amount = \$300,000
 - Purchase, enlarge farm, make improvements
- Microloans
 - Maximum Loan Amount = \$50,000
 - Designed for beginning farmers, small operations
 - Simplified application process, paperwork





Guaranteed Loan Program

- **Guaranteed Loans:**
 - Funded, serviced by local agricultural lenders
 - Used by lenders to assist producers not meeting normal underwriting standards
 - FSA reimburses lender in event of loss according to terms and conditions specified in guarantee
 - Limit = \$1,399,000





EZ Guarantee Program

- Available for smaller loans
- Up to \$100,000; farm operating, farm ownership
- Up to \$50,000 from micro lenders
- Lenders need only submit one application form per request containing all information for application
- No other supporting documents typically required
- All existing eligibility, loan purpose, security



United States Department of Agriculture

Farm Service Agency Programs

- Getting Started with FSA
- Producer General Eligibility





Getting Started with FSA

- Determine Your Needs
 - Disaster Assistance
 - Livestock losses; Property, equipment damage
 - Commodity, Price Support
 - Protect against market losses
 - Conservation Efforts
 - Protect endangered wildlife; Reduce erosion
 - Farm Loans
 - Start new operation
 - Expand production, equipment
 - Begin specialty/niche operation
- FSA Texas Webpage - www.fsa.usda.gov/tx
- USDA Service Centers - offices.usda.gov



Getting Started with FSA

- Record County Office information in mobile phone Contacts, address book
- Contact County Office to schedule appointment for first visit





Visit Your County Service Center

- Documents You May Need at First Visit:
 - Proof of identity
 - Driver's License
 - Social Security Card
 - Internal Revenue Service Employer Identification (EID) Number)
 - Proof of farm/ranch ownership (if recording ownership)
 - copy of recorded deed
 - Lease agreement (if identifying lease)
 - Entity Identification Status (if recording entity)
 - articles of incorporation
 - trust & estate documents
 - partnership agreement



Visit Your County Service Center

- When you arrive we will:
 - Discuss your needs and answer questions
 - Review required documents for program eligibility
 - Share available program information to meet your needs
 - Additional information may be needed



Getting Started with FSA

- Establishing records with FSA:
 - FSA programs to fit your goals, needs
 - Access to additional resources
 - Eligible to participate in FSA County Committee elections
 - Receive monthly news; Important program reminders



Producer General Eligibility

- Complete Eligibility Application (CCC-902)
- Verify Adjusted Gross Income (AGI):
 - Three (3) taxable years preceding most recent taxable year
 - Excluding years applicant had no taxable income
 - limit is \$900,000





United States Department of Agriculture

A photograph of several sheep of various breeds grazing in a lush green field. The sheep are in the foreground, with their heads down eating grass. The background is a soft-focus green field.

Farm Service Agency
For More Information Contact:
www.fsa.usda.gov