



Farm Service Agency (FSA) Overview



Before We Begin

- Audio is streaming through your computer.
- Questions should be submitted via text in the Chat box Feature.
- This session is being recorded and will be posted to www.fsa.usda.gov/outreach after it's been captioned.



Welcome and Agenda

- Cynthia Cuellar, National Outreach Specialist (Moderator)
- Lacy Roberts, Farm Loan Manager, Glacier County, Montana
- Marcy Feilmeier, County Executive Director, McKenzie County, North Dakota

- Welcome
- Overview of FSA
- FSA Farm Loans
- Service Centers
- County Committees
- FSA Farm Programs
- What's Next



Who is FSA?

The Farm Service Agency (FSA), is an agency within the United States Department of Agriculture (USDA) that equitably serves all farmers, ranchers and agricultural partners through the delivery of effective, efficient agricultural programs for all Americans.

Agency Vision: A customer-driven agency with a diverse and multi-talented work force, dedicated to achieving an economically and environmentally sound future for American Agriculture.



United States Department of Agriculture

FSA Farm Loan Programs

Lacy Roberts, Glacier County, Montana, FSA Farm Loan Manager



Farm Loan Assistance Available

- Operating Loans
 - Youth
 - Operating & Term
 - Microloans
- Farm Ownership
 - Down Payment
 - Regular
- Emergency Loan
- Guarantee Loans
 - Operating
 - Farm Ownership



General Eligibility

- Denied commercial credit
- Acceptable credit history
- No prior debt forgiveness
- No delinquent federal debt or judgments
- Have sufficient experience
- Family farm sized operation
- Must be owner-operator after loan closing



Youth Loans

- \$5,000
- Up to seven years
- Ag Related Project
- 3.625% Interest Rate
- 10-20 years old
- Member of 4-H or FFA
- Need Project Advisor



Operating Loans

- Annual Operating Expenses
- Repay in less than 18 months
- 3.625% Interest Rate



Term Operating Loans

- Purchase:
 - Livestock
 - Machinery, equipment
- Refinance farm debt
- Term – 1 to 7 years
- Interest Rate – 3.625%
- Limit - \$300,000



Microloans

- Less Paperwork!
- Purchase:
 - Livestock
 - Machinery, Equipment
 - Real Estate
- Operating needs
- Term – 1 to 7 yrs. Operating
- Term - Up to 25 years – Real Estate
- Interest Rate – 3.625% - Operating
- Interest Rate – 1.5, 2.5 or 4.125% - Real Estate
- Limit - \$50,000



Down Payment Farm Ownership Program

- Purchase real estate and improvements
 - (Including trust land)
- Beginning Farmer or Traditionally Underserved
- Applicant – 5% Down Payment
- FSA – 45% or up to \$300,000
 - Term – 20 years
 - Interest – 1.5% Fixed
- Other lender – 50% or balance
 - Term – 30 years



Beginning Farmer Eligibility

- Operated less than 10 years but more than three years
- Does not own a farm larger than 30% of the average sized farm in county
- Substantially participates in the operation



Joint Financing

- FSA
 - Up to 50% of purchase price
 - 2.5% interest
 - Up to 40 year term
- Commercial financing
 - At least 50% of purchase price
 - Can be Seller Financing
- No down payment requirements
- Purchase – land, improvements



Farm Ownership

- Purchase Real Estate and Improvements
- Term – Up to 40 years
- Interest Rate – 4%
- Limit - \$300,000



Fractionated Land

- New **Highly Fractionated Indian Land Loan Program** in 2016
- Loans thru intermediary lenders
 - Native American Community Development Corporation (NACDC) in Browning was approved as the first lender
- Revolving loan fund
- Need to be able to own at least 51% of the land to be purchased
- Land must be used for agriculture purposes



Emergency Loans

- Loan Uses
 - Restore or replace destroyed property
 - Pay all or part of production costs associated with disaster year
 - Pay family living
 - Reorganize operation
 - Refinance debts



Emergency Loans Continued...

- EM specific Loan Eligibility
 - Need Secretarial or Presidential Designation
 - Suffered at least a 30% loss OR
 - Substantial loss to livestock, livestock products, real estate or chattel property
 - Need three commercial denial letters
- Loan Limit
 - 100% of actual production or physical loss OR
 - \$500,000 maximum



Emergency Loans Continued...

- Terms
 - Up to seven years for non-real estate losses
 - Up to 40 years for real estate losses
- Interest Rate – 3.75% Fixed – Chattel
- 4.125% - Real Estate



Transfer & Assumptions

- Can assume loans from a current borrower
 - At new rates and terms OR
 - Existing rates and terms
- Works good if funding is short



Guarantee Loans

- Apply to your lender and they apply to FSA for up to a 95% guarantee
- Can provide guaranteed:
 - Line of Credits
 - Term Operating
 - Farm Ownership





More Information: Visit Your Service Center

Lacy Roberts

Glacier County, MT

www.fsa.usda.gov/mt

www.usda.gov

Find Your Local FSA Service Center at:

<http://offices.usda.gov>

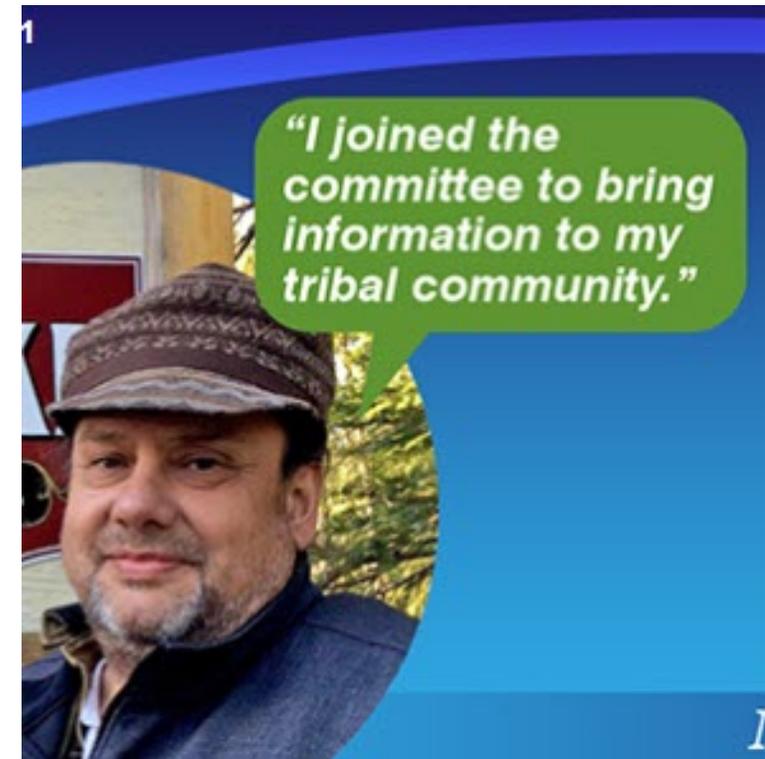
FSA County Committees

- Authorized by Congress in 1930s
- Critical component of the day-to-day operations of FSA
- More than 7,700 committee members serve on more than 2,200 committees nationwide



Why are County Committees important?

- Approve programs at the local level
- Select who will serve in the County Executive Director position
- Establish yields that are reasonable for the local area





What are the demographics of a COC?

Voting Members by Percentage	American Indian or Native Alaskan
2017	2.49%
2016	2.3%
2015	2.2%

Who serves on a County Committee?

- Agricultural producers who participate or cooperate in an FSA program may be nominated for candidacy for the county committee.
 - Be a producer with an interest in farming or ranching operations
 - Participate or cooperate in any FSA program provided for by law
 - Be a U.S. Citizen
 - Be of legal voting age
 - Meet the basic eligibility requirements
 - Reside in the county or multi-county jurisdiction in which they will be serving.



FSA Farm Programs

Marcy Feilmeier

McKenzie County (ND) FSA County Executive Director

Agriculture Risk Coverage (ARC) and Price loss coverage (PLC)

- Authorized by the 2014 Farm Bill
- ARC and PLC provide revenue and price loss payments to eligible producers for the 2014 through 2018 crop years.
- For more information, visit www.fsa.usda.gov/arc-plc



Non-Insured Assistance Program (NAP)

- Financial Assistance to non-insurable crops losses due to:
 - drought, flood, hurricane or other natural disasters.
- Eligible crops are those where crop insurance is unavailable. Also eligible:
 - Controlled-environment crops (mushroom and floriculture)
 - specialty crops (honey and maple sap)
 - value loss crops (aquaculture, Christmas trees, ginseng, ornamental nursery and turf-grass sod).
- For more information, visit www.fsa.usda.gov/nap

Note: New, limited resource and targeted underserved farmers are eligible for free catastrophic coverage and higher levels of coverage for a significantly discounted premium.

Organic Certification Cost Share Program (OCCSP)

- Offsets the cost of certification, allowing organic producers and handlers across the country to take advantage of economic opportunities in the growing organic markets.
- Reimburses organic producers and handlers for as much as 75% of the cost of organic certification.
- Up to a maximum of \$750 annually per certification category – crops, livestock, wild crops and handling/processing.
- For more information, visit www.fsa.usda.gov/programs-and-services/occsp/index

Conservation Reserve Program

- Voluntary program available to agricultural producers to plant long-term, resource-conserving grasses or trees on environmentally sensitive farmland to improve the quality of water, control soil erosion and enhance wildlife habitat.
- In return, FSA provides participants with rental payments and cost-share assistance. Contract duration is between 10 and 15 years.
- For more information, visit www.fsa.usda.gov/crp

Note: There are approximately 1.5 million acres enrolled in CRP in North Dakota.

Livestock Indemnity program (LIP)

- The Livestock Indemnity Program (LIP) provides benefits to livestock producers for livestock deaths in excess of normal mortality caused by adverse weather.
- In addition, LIP covers attacks by animals reintroduced into the wild by the federal government or protected by federal law, including wolves and avian predators.





Livestock Forage Disaster Program (LFP)

- LFP provides compensation to eligible livestock producers who have suffered grazing losses for covered livestock on land that is native or improved pastureland with permanent vegetative cover or is planted specifically for grazing.
- The grazing losses must be due to a qualifying drought condition during the normal grazing period for the county.
- LFP also provides compensation to eligible livestock producers who have suffered grazing losses on rangeland managed by a federal agency if the eligible livestock producer is prohibited by the federal agency from grazing the normal permitted livestock on the managed rangeland due to a qualifying fire.

EMERGENCY ASSISTANCE FOR LIVESTOCK, HONEYBEES AND FARM-RAISED FISH PROGRAM (ELAP)

- ELAP provides payments to eligible producers of livestock, honeybees and farm-raised fish to help compensate for losses due to:
 - disease (including cattle tick fever)
 - adverse weather or other conditions, such as blizzards and wildfires, as determined by the Secretary.
- ELAP assistance is provided for losses not covered by the Livestock Forage Disaster Program (LFP) and the Livestock Indemnity Program (LIP).



Farm Storage Facility Loan (FSFL)

- The FSFL program provides low-interest financing for producers to store, handle and/or transport eligible commodities they produce. This includes:
 - Constructing or upgrading new or used, portable or permanently affixed storage and handling equipment
 - Acquiring new or used storage and handling trucks





Farm Storage Facility Loan (FSFL) Amount & Terms

- Loan interest is determined at the time of loan approval:
 - May interest is: 2.500% - 3 year term, 2.625% - 5 year term, 2.750% - 7 year term, 2.875% - 10 and 12 year term
- \$100 nonrefundable application fee
- FSFL loans with an aggregate amount exceeding \$100,000 requires additional security in the form of a real estate lien or an Irrevocable letter of credit

Note: To be eligible, applicant must demonstrate a need for increased storage, unless the application is for handling equipment or handling/storage truck.

Note: New or used equipment and handling components shall not have been purchased prior to the application being approved by the County Committee.



Farm Storage Facility Loan (FSFL) Loan Amount and Terms

Loan Type	Facility Type	Condition	Down Payment	Max Loan Amount	Production History Requirement	Terms (years)				
						3	5	7	10	12
Regular	Structure and Equipment	New	15%	\$500k	Based on Commodity	√	√	√	√	√
		Used	15%	\$500k		√	√			
	Truck	New	15%	\$100k		√	√	√		
		Used	15%	\$100k		√	√			
Microloan	Structure, Equipment and Truck	New	5%	\$50k	Self-certification	√	√	√		
		Used	5%	\$50k	Self-certification	√	√			

- \$100,000 or less, 3, 5, 7-year FSFL term **only**
- \$100,000.01 to \$250,000, 3, 5, 7, or 10-year FSFL term
- \$250,000.01 to \$500,000, 3, 5, 7, 10, or 12-year FSFL term.

FSA Communications

(To Stay Connected on the latest Information)

- www.fsa.usda.gov/subscribe

GovDelivery

Emails and Text Messages

No office? No problem! Receive text message alerts from FSA while on-the-go, in the field, on the tractor or even on horseback.

Subscribe to text message alerts to receive timely updates on:

Deadline Reminders

Program Notifications

Reporting Requirements

Local Outreach Events

Text **ndsteele** to FSANOW (372-669) to subscribe to text message alerts from **Steele** County.

Standard text messaging rates apply. Contact your wireless carrier for details. Expect to receive no more than two text messages from FSA each month, on average. Participants may unsubscribe at any time.

For more in-depth FSA program information, we offer our standard electronic news bulletin by email. Visit www.fsa.usda.gov/subscribe, or contact your **Steele** County FSA office.

USDA is an equal opportunity provider, employer and lender.



More Information on FSA Farm Programs

- FSA County Office Locator:
<https://offices.sc.egov.usda.gov/locator/app?state=nd&agency=fsa>
- Visit **FSA online** at: www.fsa.usda.gov
- Farm Service Agency Programs factsheets:
<https://www.fsa.usda.gov/news-room/fact-sheets/index>
- For more information on Disaster Programs, visit
<http://disaster.fsa.usda.gov>



More Information: Visit Your Service Center

Marcy Feilmeier

McKenzie County, ND

www.fsa.usda.gov/nd

www.usda.gov

Find Your Local FSA Service Center at:

<http://offices.usda.gov>

What next?

- Stop into your local office (Service Center)
 - <http://offices.usda.gov>
- Documentation to prepare you...

Farm <u>Loans</u>	Farm <u>Programs</u>
<input type="checkbox"/> Proof of Identity	<input type="checkbox"/> Proof of Identity
<input type="checkbox"/> Up to 3 yrs tax return	<input type="checkbox"/> Contributions of capital, land, equipment, labor management (this is for a Farm Operating Plan)
<input type="checkbox"/> Family Living Expenses	<input type="checkbox"/> FSA Form AD-1026
<input type="checkbox"/> Past Financial Statements	<input type="checkbox"/> Adjusted Gross Income Certification
	<input type="checkbox"/> Acreage Report



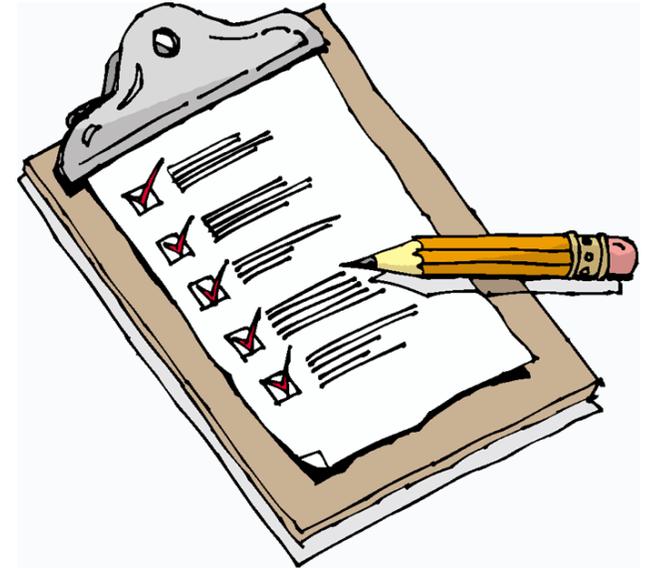
Things to consider

- Review Eligibility
- Assistance to help develop plans
- Discuss Your Goals!
- October 1 – Beginning of Fiscal Year
- Applications are funded according to date of application
- Visit with your lender to consider all options – Establish long term relation
- Think long term
 - Management History
 - Credit History
 - Record Keeping



After closing

- Remember FSA is here to help
 - Communication throughout the process is key
 - Call if things aren't going well
 - Field visits
 - Assist with financial review
 - Ask questions
- Repayment
 - Servicing options available
 - Communicate struggles early on while more options are available
 - Delinquent government debt can affect eligibility for other government assistance



Questions on Farm Programs?

Or any other Questions?

Type questions into the
Chat Box feature.





Thank you for joining!

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