



U.S. DEPARTMENT OF AGRICULTURE

Maine USDA State Office Newsletter May 2024

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## Dates to Remember

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| June 19 | Offices Closed for Juneteenth                    |
| July 4  | Offices Closed for Independence Day              |
| July 15 | Crop Acreage Reporting Deadline for many crops   |
| Oct 31  | Organic Certification Cost Share Program (OCCSP) |

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## The Maine Message

We wrap up the month of May celebrating our fruit and vegetable growers! May 24<sup>th</sup> was National Fruit and Vegetable Day so make sure to thank your local farmers for their part in providing access to fresh and healthy produce!

On May 15, 2024, Secretary Vilsack announced new programs, partnerships, grant awards, and an additional \$10 million in funding to expand the markets for organic products and help producers transition to organic production. Please click on the below link for the full story and summary of programs available: [USDA Easing Producers' Transition to Organic Production with New Programs and Partnerships, Announces Investments to Create and Expand Organic Markets](#). FSA will take applications for the [Organic Certification Cost Share Program](#) until October 31, 2024. Please contact your local office if you have questions or would like to file an application.

Through our continued commitment to offering proactive outreach and technical assistance to producers, FSA Administrator Ducheneaux announced our cooperative agreement with FarmRaise, Inc. Under this agreement, FarmRaise, Inc. has created an online [Farm Service Agency 101](#) educational hub that houses useful tools identified by producers as important resources for learning about and accessing major FSA programs. If you have not yet done so, please click on the link above and explore the hub! Additional resources will be added in the future.

As we move into the summer months, FSA staff will be visiting with producers, hearing their stories, listening to concerns, and providing resources and feedback that may be helpful. Please contact me directly, or your local office, if you would like to host a farm visit.

*Sherry Hamel*

Sherry Hamel, SED

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## Using FSA Direct Farm Ownership Loans for Construction



The USDA Farm Service Agency's (FSA) [Direct Farm Ownership loans](#) are a resource to help farmers and ranchers become owner-operators of family farms, improve and expand current operations, increase agricultural productivity, and assist with land tenure to save farmland for future generations.

There are three types of Direct Farm Ownership Loans: regular, down payment and joint financing. FSA also offers a [Direct Farm Ownership Microloan](#) option for smaller financial needs up to \$50,000.

Direct Farm Ownership Loans can be used to construct, purchase or improve farm dwellings, service buildings or other facilities, and to make improvements essential to an operation.

Applicants must provide FSA with an estimate of the total cost of all planned development that completely describe the work, prior to loan approval and must show proof of sufficient funds to pay for the total cost of all planned development at or before loan closing. In some instances, applicants may be asked to provide certified plans, specifications or contract documents. The applicant cannot incur any debts for materials or labor or make any expenditures for development purposes prior to loan closing with the expectation of being reimbursed from FSA funds.

Construction and development work may be performed either by the contract method or the borrower method. Under the contract method, construction and development contractors perform work according to a written contract with the applicant or borrower. If applying for a direct loan to finance a construction project, the applicant must obtain a surety bond that guarantees both payment and performance in the amount of the construction contract from a construction contractor.

A surety bond is required when a contract exceeds \$100,000. An authorized agency official determines that a surety bond appears advisable to protect the borrower against default of the contractor or a contract provides for partial payments in excess of the amount of 60 percent of the value of the work in place.

Under the borrower method, the applicant or borrower will perform the construction and development work. The borrower method may only be used when the authorized agency official determines, based on information from the applicant, that the applicant possesses or arranges to obtain the necessary skill and managerial ability to complete the work satisfactorily and that such work will not interfere with the applicant's farming operation or work schedule.

Potential applicants should visit with FSA early in the initial project planning process to ensure environmental compliance.

For more eligibility requirements and information about FSA Loan programs, contact your local county USDA Service Center or visit [fsa.usda.gov](https://fsa.usda.gov).

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## Communication Is Key in Lending

Farm Service Agency (FSA) is committed to providing our farm loan borrowers the tools necessary to be successful. FSA staff will provide guidance and counsel from the loan application process through the borrower's graduation to commercial credit. While it is FSA's commitment to advise borrowers as they identify goals and evaluate progress, it is crucial for borrowers to communicate with their farm loan staff when changes occur. It is the borrower's responsibility to alert FSA to any of the following:

- Any proposed or significant changes in the farming operation
- Any significant changes to family income or expenses
- The development of problem situations
- Any losses or proposed significant changes in security

If a farm loan borrower can't make payments to suppliers, other creditors, or FSA on time, contact your farm loan staff immediately to discuss loan servicing options.

For more information on FSA farm loan programs, contact your local county USDA Service Center or visit [fsa.usda.gov](https://fsa.usda.gov).

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## FSA Outlines MAL and LDP Policy

Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs) provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, pulse crops, rice, peanuts, cotton, wool and honey. MALs provide you with interim financing after harvest to help you meet cash flow needs without having to sell your commodities when market prices are typically at harvest-time lows. A producer who is eligible to obtain a loan, but agrees to forgo the loan, may obtain an LDP if such a payment is available. Marketing loan provisions and LDPs are not available for sugar and extra-long staple cotton.

FSA is now accepting requests for 2024 MALs and LDPs for all eligible commodities after harvest. Requests for loans and LDPs shall be made on or before the final availability date for the respective commodities.

Commodity certificates are available to loan holders who have outstanding nonrecourse loans for wheat, upland cotton, rice, feed grains, pulse crops (dry peas, lentils, large and small chickpeas), peanuts, wool, soybeans and designated minor oilseeds. These certificates can be purchased at the posted county price (or adjusted world price or national posted price) for the quantity of commodity under loan, and must be immediately exchanged for the collateral, satisfying the loan. MALs redeemed with commodity certificates are not subject to Adjusted Gross Income provisions.

To be considered eligible for an LDP, you must have form [CCC-633EZ, Page 1](#) on file at your local FSA Office before losing beneficial interest in the crop. Pages 2, 3 or 4 of the form must be submitted when payment is requested.

Marketing loan gains (MLGs) and loan deficiency payments (LDPs) are no longer subject to payment limitations, actively engaged in farming and cash-rent tenant rules.

Adjusted Gross Income (AGI) provisions state that if your total applicable three-year average AGI exceeds \$900,000, then you're not eligible to receive an MLG or LDP. You must have a valid CCC-941 on file to earn a market gain of LDP. The AGI does not apply to MALs redeemed with commodity certificate exchange.

For more information and additional eligibility requirements, contact your local county USDA Service Center or visit [fsa.usda.gov](https://fsa.usda.gov).

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## Preauthorized Debit Available for Farm Loan Borrowers

USDA's Farm Service Agency (FSA) has implemented pre-authorized debit (PAD) for Farm Loan Program (FLP) borrowers. PAD is a voluntary and alternative method for making weekly, bi-weekly, monthly, quarterly, semi-annual or annual payments on loans.

PAD payments are pre-authorized transactions that allow the National Financial and Accounting Operations Center (NFAOC) to electronically collect loan payments from a customer's account at a financial institution.

PAD may be useful if you use nonfarm income from regular wages or salary to make payments on loans or adjustment offers or for payments from seasonal produce stands. PAD can only be established for future payments.

To request PAD, customers, along with their financial institution, must fill out form RD 3550-28. This form has no expiration date, but a separate form RD 3550-28 must be completed for each loan to which payments are to be applied. A fillable form can be accessed on the USDA Rural Development (RD) website at [rd.usda.gov/publications/regulations-guidelines](https://rd.usda.gov/publications/regulations-guidelines). Click forms and search for "Form 3550-28."

If you have a "filter" on the account at your financial institution, you will need to provide the financial institution with the following information: Origination ID: 1220040804, Agency Name: USDA RD DCFO.

PAD is offered by FSA at no cost. Check with your financial institution to discuss any potential cost. Preauthorized debit has no expiration date, but you can cancel at any time by submitting a written request to your local FSA office. If a preauthorized debit agreement receives three payment rejections within a three-month period, the preauthorized debit agreement will be cancelled by FSA. The payment amount and due date of your loan is not affected by a cancellation of preauthorized debit. You are responsible to ensure your full payment is made by the due date.

For more information about PAD, contact your County USDA Service Center or visit [fsa.usda.gov](https://fsa.usda.gov).

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## USDA Reminds State Producers to File Crop Acreage Reports

Agricultural producers in State who have not yet completed their [crop acreage reports](#) after planting should make an appointment with their U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) service center before the applicable deadline.

An acreage report documents a crop grown on a farm or ranch and its intended uses. Filing an accurate and timely acreage report for all crops and land uses, including failed acreage and prevented planted acreage, can prevent the loss of benefits.

### How to File a Report

Acreage reporting dates vary by crop and by county. Contact your local FSA office for a list of acreage reporting deadlines by crop. Many are due by July 15, 2024.

To file a crop acreage report, producers need to provide:

- Crop and crop type or variety.
- Intended use of the crop.

- Number of acres of the crop.
- Map with approximate boundaries for the crop.
- Planting date(s).
- Planting pattern, when applicable.
- Producer shares.
- Irrigation practice(s).
- Acreage prevented from planting, when applicable.
- Other information as required.

### **Acreage Reporting Details**

The following exceptions apply to acreage reporting dates:

- If the crop has not been planted by the acreage reporting date, then the acreage must be reported no later than 15 calendar days after planting is completed.
- If a producer acquires additional acreage after the acreage reporting date, then the acreage must be reported no later than 30 calendar days after purchase or acquiring the lease. Appropriate documentation must be provided to the county office.
- If crops are covered by the Noninsured Crop Disaster Assistance Program, acreage reports should be submitted by the applicable state, county, or crop-specific reporting deadline or 15 calendar days before grazing or harvesting of the crop begins.

Producers should also report crop acreage they intended to plant, but due to natural disaster, were unable to because of a natural disaster.

Prevented planting acreage must be reported on form CCC-576, Notice of Loss, no later than 15 calendar days after the final planting date as established by FSA and USDA's Risk Management Agency.

FSA offers continuous certification for perennial forage. This means after perennial forage is reported once and the producer elects continuous certification, the certification remains in effect until a change is made. Check with FSA at the local USDA Service Center for more information on continuous certification.

### **New Option to View, Print and Label Maps on Farmers.gov**

Producers with an eAuth account linked to their USDA customer record can now access their FSA farm records, maps and common land units by logging into farmers.gov. A new feature will allow producers to export field boundaries as shapefiles and import and view other shapefiles, such as precision agriculture boundaries. This will allow producers to view, print and label their own maps for acreage reporting purposes.

Producers who have authority to act on behalf of another customer as a grantee via form FSA-211 Power of Attorney, Business Partner Signature Authority, along with other signature types, or as a member of a business can now access information in the farmers.gov portal.

Producers can learn how to use the farmers.gov Farm Records Mapping functionality with this [fact sheet](#) and these [video tutorials](#).

## More Information

Producers can make an appointment to report acres by contacting their local USDA Service Center.

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## FSA Offers Disaster Assistance for Qualifying Tree, Bush and Vine Losses

If you're an orchardist or nursery tree grower whose experienced losses from natural disasters during calendar year 2024, you must submit a TAP application either 90 calendar days after the disaster event or the date when the loss is apparent.

TAP provides financial assistance to help you replant or rehabilitate eligible trees, bushes and vines damaged by natural disasters.

Eligible tree types include trees, bushes or vines that produce an annual crop for commercial purposes. Nursery trees include ornamental, fruit, nut and Christmas trees that are produced for commercial sale. Trees used for pulp or timber are ineligible.

To qualify for TAP, orchardists must suffer a qualifying tree, bush or vine loss in excess of 15 percent mortality from an eligible natural disaster, plus an adjustment for normal mortality. The eligible trees, bushes or vines must have been owned when the natural disaster occurred; however, eligible growers are not required to own the land on which the eligible trees, bushes and vines were planted.

If the TAP application is approved, the eligible trees, bushes and vines must be replaced within 12 months from the date the application is approved. The cumulative total quantity of acres planted to trees, bushes or vines, for which you can receive TAP payments, cannot exceed 1,000 acres annually.

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Persons with disabilities who require accommodations to attend or participate in any meeting/event/function should contact Mary Anne Coffin at 207-990-9140 or Federal Relay Service at 1-800-877-8339.



### Maine /USDA Service Center

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**Farm Service Agency**

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**Natural Resources Conservation Service**

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