



Building Rural America
National Association of Credit Specialists
of the
USDA – Farm Service Agency
Farm Program Committee

ADOPTED 2015-2016 RESOLUTIONS:

Resolution 1

CONCERN:

Current FSFL regulations (Notice FSFL-135) does not include silo unloaders and feed grinder/mixers as eligible equipment for the FSFL program. Livestock producers depend upon this equipment to move the silage from the silo to the feed bunks, just as a grain farmer relies on an auger to move grain from a grain bin into a truck of which both are eligible equipment.

PROPOSED SOLUTION:

Update 1-FSFL to include silo unloaders and feed grinder/mixers as eligible equipment for the FSFL program.

NATIONAL OFFICE RESPONSE:

New regulatory provisions for the FSFL program were issued in Notice FSFL-135 on May 3, 2016. However, FSFL-135 was obsolete on August 1, 2016, with the issuance of FSFL-138.

Permanently affixed or portable, new or used, unloaders for eligible commodities are considered eligible for FSFL financing. A feed grinder/mixer is not eligible for a FSFL. The FSFL program does not finance harvest, production or feed equipment.

COMMITTEE RESPONSE:

Acceptable and no further discussion deemed necessary

Resolution 2

Concern:

Farms with less than 5 acres of vegetables, insurance is often unattainable since NAP insurance becomes more expensive based on income margin. It causes undue hardship on staff (FLP & FP) and producers, due to many newer fruit and vegetable microloan operators operating on a small scale basis, resulting in an uninsurable commodity, leaving loans barely secured.

Solution:

Create a micro-NAP pilot program to compensate for the growing number of fruit and vegetable farms operating on a small-scale basis. Create a simplified application, crop reporting system and process for these small scale producers. Program would benefit producer, time requirements of Farm Program office and often burdensome process for small scale producers. Program would expand participation and promote NAP program to many small scale fruit and vegetable operations.

NATIONAL OFFICE RESPONSE:

NAP service fees and premiums are established by law, and FSA does not have the authority to waive or modify calculation of service fees and premiums except as authorized by Congress. Reporting crop acreage, acreage yields, and production for each crop is also required by statute. FSA recognizes that NAP requirements may be more burdensome for some small producers or for producers with many different crops. FSA is currently reviewing NAP provisions to determine what opportunities exist for simplifying the program for small-scale producers involved in fruit and vegetable production and urban agriculture.

COMMITTEE RESPONSE:

We accept this response; however, after discussion with the National Office on December 22, 2016, we find that the NAP program fees are mandated and statutory and FSA cannot make any changes. We also understand that there is an evaluation of the crop definition and coverage, but this will be a 2-3 year process. Although this definition of crop may be worked on for the future, we will forward this resolution to the Legislation Committee for further review.