

NEW FARMERS

From farm loans to crop insurance, and conservation programs to disaster assistance, the U.S. Department of Agriculture (USDA) is here to support you and your operation.

GET STARTED

Contact Your Beginning Farmer and Rancher Coordinator

Each State has a coordinator that can help you with questions on working with USDA.

Find yours at farmers.gov/manage/newfarmers/coordinators.

Contact Your Local USDA Service Center

Service Centers are USDA offices where Farm Service Agency (FSA) and Natural Resources Conservation Service (NRCS) staff can meet with you one-on-one to discuss your vision, goals, and ways USDA can help. Steps to the process are on the next page.

USDA SERVICE CENTER AGENCIES

Farm Service Agency (FSA)

FSA provides disaster assistance, safety net, farm loan, and conservation programs and is the go-to agency for many USDA records. If you're new to working with USDA, your FSA team member will help you register your farm with a farm number. Depending on what you raise or grow, filing an acreage report each season can ensure you're eligible for many programs and allows you to vote in county FSA elections.

Natural Resources Conservation Service (NRCS)

NRCS provides financial and technical assistance and easement programs for conservation on working lands. Your NRCS team member will ask about your goals for your land and can help you develop a conservation plan and file an application for the wide range of NRCS programs.



ADDITIONAL USDA RESOURCES

Risk Management Agency (RMA)

RMA administers federal crop insurance through Approved Insurance Providers to help farmers prepare for the future. Special provisions are available to beginning farmers.

Rural Development (RD)

RD provides loans, grants, loan guarantees, and technical assistance, along with support for affordable housing, infrastructure modernization, businesses, cooperatives, and other essential community services.

Cooperative Extension

USDA and agricultural colleges around the country work together to support an extensive network of State, regional, and county Cooperative Extension offices, which can help answer questions you may have about your operation and address common issues faced by agricultural producers.

GET STARTED WITH YOUR LOCAL USDA SERVICE CENTER

Find your local USDA Service Center at farmers.gov/service-locator, which has staff who can meet with you one-on-one to discuss your vision for your land and how we can help. Free, real-time translation service is also available at the Service Center for non-English speakers. Learn more at farmers.gov/interpret.

BEFORE YOUR MEETING

1. **Make an appointment.** This will ensure quick service. Our offices can get busy, especially at times around program sign-up and reporting deadlines.
2. **Prepare.** Ask what documents are needed to help to make the most of your appointment. Examples could include lease agreements, bank account information, inventory or production records, legal paperwork, or personal identification numbers.
3. **Think about your vision.** What is your vision for your land and farm? What are your challenges?



MORE INFORMATION

Learn more at farmers.gov/newfarmers.

DURING YOUR MEETING

1. **Register for a farm number.** This is required to participate in USDA programs. Have available an official tax identification (Social Security number or employer ID) and a property deed. If you do not own the land, be sure to have your lease agreement. If your operation is incorporated or an entity, we may need proof of your signature authority and legal ability to sign contracts with USDA.
2. **Discuss your business and conservation goals.** Your local FSA or NRCS team members need to understand your vision to recommend programs for your operation. For example, are you looking for access to capital, to rebuild after a natural disaster, or to improve your farm's soil health, improve irrigation, or attract more wildlife?
3. **Make a plan to meet conservation compliance provisions.** You'll need to file form AD-1026 to ensure wetland areas and highly erodible lands are not farmed, unless following an NRCS conservation plan. This is required for all USDA program eligibility, including disaster assistance.
4. **Verify eligibility.** For most USDA programs, producers must file a CCC-941 to verify they do not exceed an adjusted gross income of \$900,000.
5. **File your program application.** We can help you complete the forms.
6. **Sign up for email or text updates.** This will help you stay informed about program signups or deadlines.

AFTER YOUR MEETING

1. **File your acreage reports throughout the year.**
2. **Keep in touch with your local office.** Let us know if your business changes or you experience a disaster or hardship.
3. **Learn about self-service options.** Create a farmers.gov account to manage some of your USDA business online.



DISASTER ASSISTANCE

Noninsured Crop Disaster Assistance Program

Overview

The Noninsured Crop Disaster Assistance Program (NAP) administered by the U.S. Department of Agriculture (USDA) Farm Service Agency (FSA), provides 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.

Who Is Eligible?

Eligible Producers

An eligible producer is a landowner, tenant or sharecropper who shares in the risk of producing an eligible crop and is entitled to an ownership share of that crop. An individual's or entity's average adjusted gross income (AGI) cannot exceed \$900,000 to be eligible for NAP payments. Also, NAP payments received, directly or indirectly, will be attributed to the applicable individual or entity and limited to \$125,000 per crop year, per individual or entity for crops with basic (catastrophic) coverage. Any NAP payments received directly or indirectly for crops with additional (buy-up) coverage, will be attributed to the applicable individual or entity and limited to \$300,000 per crop year, per individual or entity. (To learn more, visit fsa.usda.gov/limits.)

Eligible Crops

Eligible crops must be commercially produced agricultural commodities for which crop insurance is not available and be any of the following:

- Crops grown for food;
- Crops planted and grown for livestock consumption, such as grain and forage crops, including native forage; Crops grown for fiber, such as cotton and flax (except trees);
- Crops grown in a controlled environment, such as mushrooms and floriculture;
- Specialty crops, such as honey and maple sap;
- Sea oats and sea grass;
- Sweet sorghum and biomass sorghum;
- Industrial crops, including crops used in manufacturing or grown as a feedstock for renewable biofuel, renewable electricity or biobased products;
- Value loss crops, such as aquaculture, Christmas trees, ginseng, ornamental nursery and turf-grass sod; and
- Seed crops where the propagation stock is produced for sale as seed stock for other eligible NAP crop production.



Producers should contact a crop insurance agent for questions regarding insurability of a crop in their county. For further information on whether a crop is eligible for NAP coverage, producers should contact the FSA county office where their farm records are maintained.

What Is Eligible?

Eligible Causes of Loss

Eligible causes of loss include the following natural disasters:

- Damaging weather, such as drought, freeze, hail, excessive moisture, excessive wind or hurricanes;
- Adverse natural occurrences, such as earthquake or flood; and
- Conditions related to damaging weather or adverse natural occurrences, such as excessive heat, plant disease, volcanic smog (VOG) or insect infestation.

The damaging weather or adverse natural occurrence must occur during the coverage period, before or during harvest, and must directly affect the eligible crop.

How It Works

Coverage Levels

NAP provides basic coverage equivalent to the catastrophic level risk protection plan of insurance coverage, which is based on the amount of loss that exceeds 50 percent of expected production at 55 percent of the average market price for the crop. The 2018 Farm Bill re-authorizes higher levels of coverage ranging from 50 to 65 percent of production, in 5 percent increments, at 100 percent of the average market price. Additional (buy-up) coverage must be elected by a producer by the application closing date. Producers who elect additional coverage must pay a premium in addition to the service fee. Crops intended for grazing are not eligible for additional coverage.

Applying for Coverage

Eligible producers can apply for coverage using form CCC-471, "Application for Coverage," and pay the applicable service fee at the FSA office where their farm records are maintained. Underserved producers will be eligible for basic NAP coverage anytime a valid CCC-860 certification is completed. The CCC-860 form will serve as the NAP application for coverage. If a producer chooses not to participate in NAP, they must opt out on the CCC-860 form.

The application and any applicable service fee must be filed by the application closing date. Application closing dates vary by crop and are established by the FSA State Committee. Contact your local FSA office to verify application closing dates.

Producers who apply for NAP coverage acknowledge that they have received the NAP Basic Provisions, available at FSA county offices and at fsa.usda.gov/nap.

Service Fees and Premiums

For all coverage levels, the NAP service fee is the lesser of \$325 per crop or \$825 per producer per administrative county, not to exceed a total of \$1,950 for a producer with farming interests in multiple counties.

Producers who elect higher levels of coverage must also pay a premium equal to:

- The producer's share of the crop; times
- The number of eligible acres devoted to the crop; times
- The approved yield per acre; times
- The coverage level; times
- The average market price; times
- A 5.25 percent premium fee.



For value loss crops, premiums will be calculated using the maximum dollar value selected by the producer on form CCC-471, "Application for Coverage."

The maximum premium for a person or legal entity that is a NAP covered producer is \$15,750 (the maximum payment limitation times a 5.25 percent premium fee) for an application for basic coverage only. If the NAP covered producer is a joint operation, the maximum premium is based on the number of multiple persons or legal entities comprising the joint operation. Beginning, limited resource, socially disadvantaged and qualifying veterans farmers or ranchers are eligible for a waiver of the service fee and a 50 percent premium reduction when they file form CCC-860, "Socially Disadvantaged, Limited Resource, Veteran, or Beginning Farmer or Rancher Certification." To be eligible for a service fee waiver or premium reduction, the NAP covered producer must qualify as one of the following:

Beginning farmer or rancher – a person or legal entity who:

- Has not operated a farm or ranch for more than 10 years; and
- Materially and substantially participates in the operation.

For legal entities to be considered a beginning farmer, all members must be related by blood or marriage and must be beginning farmers.

Limited resource farmer or rancher – a person or legal entity that:

- Earns no more than \$177,300 in each of the two calendar years that precede the complete taxable year before the program year, to be adjusted upwards in later years for inflation; and
- Has a total household income at or below the national poverty level for a family of four, or less than 50 percent of county median household income for both of the previous two years.

Limited resource producer status may be determined using the USDA Limited Resource Farmer and **Rancher Online Self Determination Tool**. The automated system calculates and displays adjusted gross farm sales per year and the higher of the national poverty level or county median household income.

For legal entities requesting to be considered Limited Resource Farmer or Rancher, the sum of gross sales and household income must be considered for all members.

Socially disadvantaged farmer or rancher – a farmer or a rancher who is a member of a group whose members have been subject to racial, ethnic or gender prejudice because of their identity as members of a group without regard to their individual qualities. Groups include:

- American Indians or Alaskan Natives;
- Asians or Asian Americans;
- Blacks or African Americans;
- Native Hawaiians or other Pacific Islanders;
- Hispanics; and
- Women.

For legal entities to be considered socially disadvantaged, the majority interest must be held by socially disadvantaged individuals.

Veteran farmer or rancher – a farmer or rancher who has served in the Armed Forces (as defined in 38 U.S.C. 101) and who:

- has operated a farm or ranch for less than 10 years, or
- first obtained status as a veteran during the most recent 10-year period.

Coverage Period

The coverage period for NAP varies depending on the crop. The coverage period for an annual crop begins the later of:

- The date after the application for coverage is filed and the applicable service fees have been paid; or
- The date the crop is planted (cannot exceed the final planting date).

The coverage period for an annual crop ends the earlier of the:

- Date the crop harvest is completed;
- Normal harvest date for the crop;
- Date the crop is abandoned; or
- Date the entire crop acreage is destroyed.

The coverage period for a perennial crop, other than a crop intended for forage, begins no later than 30 calendar days after the application closing date and ends the earlier of:

- 10 months from the application closing date;
- The date the crop harvest is completed;
- The normal harvest date for the crop;
- The date the crop is abandoned; or
- The date the entire crop acreage is destroyed.

Contact a local FSA office for information on the coverage periods for perennial forage crops, controlled-environment crops, specialty crops and value loss crops.

Information Required to Remain Eligible for NAP

To be eligible for NAP assistance, the following crop acreage information must be reported:

- Name of the crop (lettuce, clover, etc.);
- Type and variety (head lettuce, red clover, etc.);
- Location and acreage of the crop (field, sub-field, etc.);
- Share of the crop and the names of other producers with an interest in the crop;
Type of practice used to grow the crop (irrigated or non-irrigated);
- Date the crop was planted in each field; and
- Intended use of the commodity (fresh, processed, etc.).

Producers must report crop acreage shortly after planting (early in the risk period) to ensure reporting deadlines are not missed and coverage is not lost.

In addition, producers with NAP coverage must provide the following production information:

- The quantity of all harvested production of the crop in which the producer held an interest during the crop year;
- The disposition of the harvested crop, such as whether it is marketable, unmarketable, salvaged or used differently than intended; and
- Verifiable or reliable crop production records (when required by FSA).

When those records are required, producers must provide them in a manner that can be easily understood by the FSA county committee. Producers should contact the FSA office where their farm records are maintained for questions regarding acceptable production records.

Failure to report acreage and production information for NAP-covered crops may result in reduced or zero NAP assistance. Be aware that acreage reporting and final planting dates vary by crop and by region.

Producers should contact the FSA office where their farm records are maintained for questions regarding local acreage reporting and final planting dates. For aquaculture, floriculture and ornamental nursery operations, producers must maintain records according to industry standards, including daily crop inventories. Unique reporting requirements apply to beekeepers and producers of Christmas trees, turf-grass sod, maple sap, mushrooms, ginseng and commercial seed or forage crops. Producers should contact the FSA office where their farm records are maintained regarding these requirements.

Reported Acreage and Production

FSA uses acreage reports to record the location and number of acres covered by the application. Acreage and the production reports are used to calculate the approved yield (expected production for a crop year). The approved yield is an average of a producer's actual production history (APH) for a minimum of 4 to a maximum of 10 crop years (5 years for apples and peaches). To calculate APH, FSA divides a producer's total production by the producer's crop acreage. A producer's approved yield may be calculated using substantially reduced yield data if the producer does not report production for a crop with NAP coverage, or reports fewer than 4 years of crop production.

Providing Notice of Loss and Applying for Payment

When a crop or planting is affected by a natural disaster, producers with NAP coverage must notify the FSA office where their farm records are maintained and complete Part B (the Notice of Loss portion) of form CCC-576, "Notice of Loss and Application for Payment." This must be completed within 15 calendar days of the earlier of:

- A natural disaster occurrence;
- The final planting date if planting is prevented by a natural disaster;
- The date that damage to the crop or loss of production becomes apparent; or
- The normal harvest date.

Producers of hand-harvested crops and certain perishable crops must notify FSA within 72 hours of when a loss becomes apparent. The crops subject to this requirement will be listed in the NAP Basic Provisions.

To receive NAP benefits, producers must complete form CCC-576, "Notice of Loss and Application for Payment," Parts D, E, F and G, as applicable, within 60 days of the last day of coverage for the crop year for any NAP covered crop in the unit. The CCC-576 requires acceptable appraisal information.

Producers must provide evidence of production and note whether the crop was marketable, unmarketable, salvaged or used differently than intended.

Defining a NAP Unit

The NAP unit includes all the eligible crop acreage in the county where the producer has a unique crop interest. A unique crop interest is either:

- 100 percent interest; or
- A shared interest with another producer.

Information FSA Uses to Calculate Payment

The NAP payment is calculated by unit using:

- Crop acreage;
- Approved yield;
- Net production;
- Coverage level elected by the producer;
- An average market price for the commodity established by the FSA state committee; and
- A payment factor reflecting the decreased cost incurred in the production cycle for a crop that is not harvested or prevented from being planted.

For value loss crops with additional coverage, payments will be calculated using the lesser of the field market value of the crop before the disaster or the maximum dollar value for which the producer requested coverage at the time of application.

For More Information

This fact sheet is for informational purposes only; other eligibility requirements or restrictions may apply. To find more information about FSA disaster assistance programs, visit [farmers.gov](https://www.farmers.gov) or contact your local FSA office. To find your local FSA office, visit [farmers.gov/service-center-locator](https://www.farmers.gov/service-center-locator).

Farm Service Agency

Loans for Beginning Farmers and Ranchers



Overview

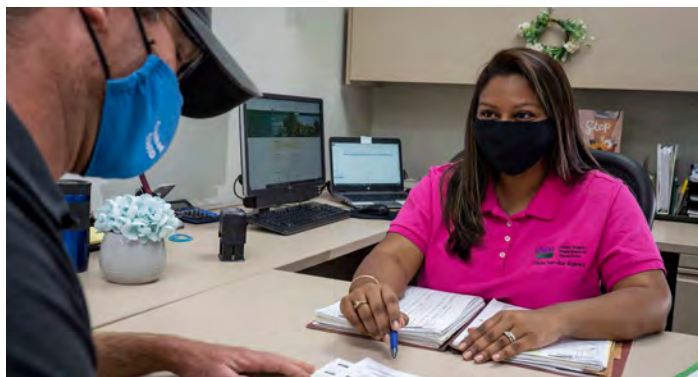
Building a successful farm is a significant financial investment and can be especially challenging for beginning farmers who are not financially ready to access credit from commercial lenders. The U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) makes and guarantees loans to beginning farmers. While FSA is fully committed to all farmers and ranchers, there is a special focus on the credit needs of farmers and ranchers who are in their first 10 years of operation.

Each year Congress targets a percentage of farm ownership and farm operating loan funds to beginning farmers. Providing loan programs is important as beginning farmers have historically experienced more difficulties obtaining financial assistance.

A beginning farmer is an individual or entity who:

- Has not operated a farm for more than 10 years;
- Substantially participates in the operation;
- For farm ownership loans, the applicant cannot own a farm greater than 30 percent of the average size farm in the county, at time of application.
- If the applicant is an entity, all members must be related by blood or marriage, and all entity members must be eligible beginning farmers.

In addition, beginning farmers must meet the loan eligibility requirements for the program.



Maximum Loan Amounts

- Direct farm ownership: \$600,000
- Direct operating loan: \$400,000
- Microloan: \$50,000 each for operating and farm ownership
- Guaranteed farm ownership or operating loan: \$2,037,000
- EZ Guarantee: \$100,000 (\$50,000 if the lender is a micro lender)

Down Payment Program

FSA has a special loan program to assist beginning farmers in purchasing a farm. Retiring farmers may use this program to transfer their land to future generations.

Requirements:

- Cash down payment of at least 5 percent of the purchase price.
- Loan amount limited to 45 percent of the least of:
 - The purchase price of the farm;
 - The appraised value of the farm; or
 - \$667,000 (\$300,150 maximum).
- 20 years loan term.
- Interest rate is 4 percent below the direct farm ownership rate, but not lower than 1.5 percent.

The remaining balance may be obtained from a commercial lender or private party. FSA can guarantee up to 95 percent of the loan if financing is obtained from a commercial lender. Participating lenders do not have to pay a guarantee fee.

Financing from participating lenders must have an amortization period of at least 30 years and cannot have a balloon payment due within the first 20 years of the loan.



More Options for Accessing Capital

Beginning farmers may choose to participate in a joint financing arrangement. FSA will lend up to 50 percent of the amount financed and another lender provides 50 percent or more. The applicant will use funds from the joint financing arrangement along with FSA funds for any authorized farm ownership purpose. The interest rate is 2 percent less than the direct farm ownership rate but not lower than 2.5 percent. The term of the loan will not exceed 40 years or the useful life of the security.

Land Contract Guarantees

FSA provides financial guarantees for land sale contracts to a beginning farmer. The seller may request either of the following:

- Prompt Payment Guarantee: A guarantee up to the amount of three amortized annual installments plus the cost of any related real estate taxes and insurance.
- Standard Guarantee: A guarantee of 90 percent of the outstanding principal balance under the land contract.

The purchase price of the farm cannot exceed the lesser of \$500,000 or the market value of the property. The buyer must provide a minimum down payment of 5 percent of the purchase price of the farm. The interest rate is fixed at a rate not to exceed the direct farm ownership loan interest rate in effect at the time the guarantee is issued, plus 3 percentage points. The guarantee period is 10 years for either plan regardless of the term of the land contract. The contract payments must be amortized for a minimum of 20 years. Balloon payments are prohibited during the 10-year term of the guarantee.

How to Apply

Farmers may apply for direct loans at their local FSA offices. Your local FSA offices are listed in the telephone directory under U.S. Government, Department of Agriculture or Farm Service Agency or find your local FSA office at farmers.gov.

For guaranteed loans, applicants must apply to a commercial lender who participates in the Guaranteed Loan Program. Contact your local FSA office for a list of participating lenders.

More Information

For more information visit, fsa.usda.gov/farmloans or farmers.gov. Find your local USDA Service Center at farmers.gov/service-locator.



Farm Service Agency

Farm Loan Information Chart



Program	Maximum Loan Amount	Rates and Terms	Use of Proceeds
Direct Farm Ownership (FO)	\$600,000	<ul style="list-style-type: none"> Rate based on agency borrowing costs Term up to 40 years 	<ul style="list-style-type: none"> Purchase farm Construct buildings or other capital improvements Soil and water conservation Pay closing costs
Direct Farm Ownership (FO) Participation	\$600,000	<ul style="list-style-type: none"> Rate is direct FO rate less 2% with a floor of 2.5% if at least 50% of loan amount provided by other lender Term up to 40 years 	Same as direct FO
Direct Farm Ownership Microloan (FO ML)	\$50,000	<ul style="list-style-type: none"> Rate based on agency borrowing costs Term up to 25 years 	<ul style="list-style-type: none"> Purchase farm Construct buildings or other capital improvements Soil and water conservation Pay closing costs
Direct Down Payment Farm Ownership Program	The lesser of 45% of: <ul style="list-style-type: none"> the purchase price; the appraised value; or \$667,000 (\$300,150 maximum) 	<ul style="list-style-type: none"> Rate is direct FO rate less 4% with a floor of 1.5% Term of 20 years Down payment of at least 5% 	Purchase of farm by a beginning or underserved farmer
Direct Operating (OL)	\$400,000	<ul style="list-style-type: none"> Rate based on agency borrowing cost Term from 1 to 7 years 	<ul style="list-style-type: none"> Purchase livestock, poultry, equipment, feed, seed, farm chemicals, and supplies Soil and water conservation Refinance debts with certain limitations
Direct Operating Microloan (ML)	\$50,000	Same as direct OL	Same as direct OL

Program	Maximum Loan Amount	Rates and Terms	Use of Proceeds
Direct Emergency	100% actual or physical losses \$500,000 maximum program indebtedness	<ul style="list-style-type: none"> Rate is based on the OL rate plus 1%; with a cap of 3.75% Term from 1 to 7 years for non- real estate purposes Term up to 40 years for physical losses on real estate 	<ul style="list-style-type: none"> Restore or replace essential property Pay all or part of production costs associated with the disaster year Pay essential family living expenses Reorganize the farming operation Refinance debts with certain limitations
EZ Guarantee	\$100,000	Same as Guaranteed Operating or Guaranteed Farm Ownership	Same as Guaranteed Operating or Guaranteed Farm Ownership
Guaranteed Operating	\$2,037,000 (Amount adjusted annually for inflation)	<ul style="list-style-type: none"> Rate determined by the lender Term from 1 to 7 years Loan guarantee fee is 1.5% 	Same as direct OL
Guaranteed Farm Ownership	\$2,037,000 (Amount adjusted annually for inflation)	<ul style="list-style-type: none"> Rate determined by the lender Term up to 40 years Loan guarantee fee is 1.5% 	Same as direct FO except loan may be used to refinance debts
Guaranteed Conservation Loan (CL)	\$2,037,000 (Amount adjusted annually for inflation)	<ul style="list-style-type: none"> Rate determined by the lender Term not to exceed 30 years, or shorter period, based on the life of the security Loan guarantee fee is 1.5% Eligibility requirements expanded to include large and financially strong operations 	<ul style="list-style-type: none"> Implement any conservation practice in an NRCS-approved conservation plan May be used to refinance debts related to implementing an NRCS-approved conservation plan
Land Contract (LC) Guarantee	The purchase price of the farm cannot exceed the lesser of: <ul style="list-style-type: none"> \$500,000; or The current market value of property 	<ul style="list-style-type: none"> Rate cannot exceed the direct FO interest rate plus 3% Amortized over a minimum of 20 years with no balloon payments during the first 10 years of loan Down payment of at least 5% 	<ul style="list-style-type: none"> Sell real estate through a land contract to a beginning or underserved farmer Guarantee is with the seller of the real estate

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