

April 2015



Indiana Farm Service Agency Program Updates

Indiana State Farm Service Agency

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From the FSA Farm Fields

Happy Spring!

We know the year is ¼ over and as you read this newsletter you may have begun your fieldwork, you may have a few seeds in the soil, or you may be 'waiting for it to warm up and dry out' in your part of the state. We know it has been an interesting Spring. Looks like it may be a late planting season, but a lot of planting will be done when the weather "breaks".

Thank you for the diligence earlier this year in visiting your FSA county office to update your yields and/or reallocate your base acres. And, ultimately, electing one of the safety net programs – ARC or PLC – for your farming operation. We are expecting the enrollment for ARC and PLC to occur later this Spring.

We have seen a lot of activity in our Farm Storage Facility Loan (FSFL) programs this year. If you are looking for on-farm commodity storage solutions, our low interest loan program might be a great fit for your farm. Contact your county office today to learn more!

Thank you for the great work you do to feed and fuel our American economy. I wish you all a safe planting season.

In Indiana Agriculture,

Julia A. Wickard

USDA Reminds Farmers to Certify Conservation Compliance by June 1 Deadline

The 2014 Farm Bill implements a change that requires farmers to have a Highly Erodible Land Conservation and Wetland Conservation Certification (AD-1026) on file. The deadline is June 1, 2015.

For farmers to be eligible for premium support on their federal crop insurance, a completed and signed AD-1026 certification form must be on file with the FSA. The Risk Management Agency (RMA), through the Federal Crop Insurance Corporation (FCIC), manages the federal crop insurance program that provides the modern farm safety net for American farmers and ranchers.

Since enactment of the 1985 Farm Bill, eligibility for most commodity, disaster, and conservation programs has been linked to compliance with the highly erodible land conservation and wetland conservation provisions. The 2014 Farm Bill continues the requirement that producers adhere to conservation compliance guidelines to be eligible for most programs administered by FSA and Natural Resources Conservation Service (NRCS). This includes most financial assistance such as the new price and revenue protection programs, the Conservation Reserve Program, the Livestock Disaster Assistance programs and Marketing Assistance Loans and most programs implemented by FSA. It also includes the Environmental Quality Incentives Program, the Conservation Stewardship Program, and other conservation programs implemented by NRCS.

Many FSA and NRCS programs already have implemented this requirement and therefore most producers should already have an AD-1026 form on file for their associated lands. If an AD-1026 form has not been filed or is incomplete, then farmers are reminded of the deadline of June 1, 2015.

When a farmer completes and submits the AD-1026 certification form, FSA and NRCS staff will be available to assist in a review of associated farm records and outline any additional actions that may be required to meet the required compliance with the conservation compliance provisions.

FSA recently released a revised form AD-1026, which is available at USDA Service Centers and online at: www.fsa.usda.gov. USDA will publish a rule later this year that will provide details outlining the connection of conservation compliance with crop insurance premium support. Producers can also contact their local USDA Service Center for information. A listing of service center locations is available at offices.usda.gov.

Deadline Change for Timely Reporting Losses for NAP Assistance

Timely filing a Notice of Loss is required for all crops. For losses on crops covered by the Non-Insured Crop Disaster Assistance Program (NAP), producers must timely report damage or loss to their administrative County Office. For all low yield and value-loss crop claims, a CCC-576 Notice of Loss must be filed within 15 calendar days of earlier of the date disaster occurs (or becomes apparent) or the normal harvest date. However, all producers should be aware that deadlines to provide initial notice to FSA do now vary by method of harvest and crop.

Crops that are either hand-harvested or other crops determined by FSA to deteriorate quickly, and therefore need prompt appraisal, must notify FSA within 72 hours of the date of damage or loss first becomes apparent. This initial notice may be by the filing of the CCC-576, e-mail, FAX, or a phone call. When initial notice is by email, FAX, or phone, County Offices will provide a Receipt for Service (RFS) with additional requirements. A CCC-576 Notice of Loss will still be required within 15 calendar days of earlier of date of occurrence/appearance of damage or harvest date.

Other crops, such as forages and grains, continue to have the 15 day requirement to file a required CCC-576, Notice of Loss, is used to report failed acreage and prevented planting and may be completed by any producer with an interest in the crop. This Notice of Loss must be filed within 15 calendar days of the earlier of date of occurrence/appearance of damage or harvest date.

If filing for prevented planting, an acreage report and CCC-576 must be filed within 15 calendar days of the final planting date for the crop.

USDA Enhances Farm Storage Facility Loan Program

The U.S. Department of Agriculture (USDA) expanded the Farm Storage and Facility Loan (FSFL) program, which provides low-interest financing to producers. The enhanced program includes 22 new categories of eligible equipment for fruit and vegetable producers.

Producers with small and mid-sized operations, and specialty crop fruit and vegetable growers, now have access to needed capital for a variety of supplies including sorting bins, wash stations and other food safety-related equipment. A new more flexible alternative is also provided for determining storage needs for fruit and vegetable producers, and waivers are available on a case-by-case basis for disaster assistance or insurance coverage if available products are not relevant or feasible for a particular producer.

Additionally, FSFL security requirements have been eased for loans up to \$100,000. Previously, all loans in excess of \$50,000 and any loan with little resale value required a promissory note/security agreement and additional security, such as a lien on real estate. Now loans up to \$50,000 can be secured by only a promissory note/security agreement and some loans between \$50,000 and \$100,000 will no longer require additional security.

The low-interest funds can be used to build or upgrade permanent facilities to store commodities. Eligible commodities include grains, oilseeds, peanuts, pulse crops, hay, honey, renewable biomass commodities, fruits and vegetables. Qualified facilities include grain bins, hay barns and cold storage facilities for fruits and vegetables.

Contact your local FSA office or visit www.fsa.usda.gov for more about FSA programs and loans.

MAL and LDP Policy Changes for Crop Years 2015-2018

The Agricultural Act of 2014 authorized 2014-2018 crop year Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs), with a few minor policy changes.

Among the changes, farm-stored MAL collateral transferred to warehouse storage will retain the original loan rate, be allowed to transfer only the outstanding farm-stored quantity with no additional quantity allowed and will no longer require producers to have a paid for measurement service when moving or commingling loan collateral.

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, pulse crops, rice, peanuts, cotton, wool and honey. MALs provide producers interim financing after harvest to help them meet cash flow needs without having to sell their 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 2015 MALs and LDPs for wool as well as LDPs for unshorn pelts. MAL and LDP requests for all other eligible commodities will be accepted after harvest. FSA continues to accept MAL and LDP requests for 2014 crops with upcoming deadlines.

Before MAL repayments and LDP disbursements can be made, producers must meet the requirements of actively engaged in farming, cash rent tenant and member contribution.

Additionally, form CCC-902 and CCC-901 must be submitted for the 2014 crop year, if applicable, with a county committee determination and updated subsidiary files.

To be considered eligible for an LDP, producers must have form [CCC-633EZ](#), Page 1 on file at their 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.

The 2014 Farm Bill also establishes payment limitations per individual or entity not to exceed \$125,000 annually on certain commodities for the following program benefits: price loss coverage payments, agriculture risk coverage payments, marketing loan gains (MLGs) and LDPs. These payment limitations do not apply to MAL loan disbursements.

Adjusted Gross Income (AGI) provisions were modified by the 2014 Farm Bill, which states that a producer whose total applicable three-year average AGI exceeds \$900,000 is not eligible to receive an MLG or LDP.

For more information and additional eligibility requirements, please visit a USDA Service Center or FSA's website www.fsa.usda.gov.

Final Availability Dates for Marketing Assistance Loans & Loan Deficiency Payments

- May 31, 2015 - Corn, Dry Peas, Grain Sorghum, Lentils, Mustard Seed, Rice, Safflower Seed, Chickpeas, Soybeans, Sunflower Seed

Livestock Indemnity Program (LIP)

The Livestock Indemnity Program (LIP) provides assistance to eligible producers for livestock death losses in excess of normal mortality due to adverse weather and attacks by animals reintroduced into the wild by the federal government or protected by federal law. LIP compensates livestock owners and contract growers for livestock death losses in excess of normal mortality due to adverse weather, including losses due to hurricanes, floods, blizzards, wildfires, extreme heat or extreme cold.

For 2015, eligible losses must occur on or after Jan. 1, 2015, and before December 31, 2015. A notice of loss must be filed with FSA within 30 days of when the loss of livestock is apparent. Participants must provide the following supporting documentation to their local FSA office no later than 30 calendar days after the end of the calendar year for which benefits are requested:

- Proof of death documentation
- Copy of growers contracts
- Proof of normal mortality documentation

USDA has established normal mortality rates for each type and weight range of eligible livestock. These established percentages reflect losses that are considered expected or typical under "normal" conditions. Producers who suffer livestock losses in 2015 must file both of the following:

- A notice of loss the earlier of 30 calendar days of when the loss was apparent or by January 30, 2016; and
- An application for payment by January 30, 2016.

Additional Information about LIP is available at your local FSA office or online at: www.fsa.usda.gov.

Youth Loans

The Farm Service Agency makes loans to youth to establish and operate agricultural income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5000.

Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Comply with FSA's general eligibility requirements
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the youth loan applicant, along with providing adequate supervision.

Stop by the local FSA office for help preparing and processing the application forms.

Loans for Targeted Underserved Producers

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or purchase or improve farms or ranches.

While all qualified producers are eligible to apply for these loan programs, the FSA has provided priority funding for members of targeted underserved groups.

A targeted underserved applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities.

For purposes of this program, targeted underserved groups are: women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders.

FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

Rural Energy for America Program (REAP)

Through the Rural Energy for America Program (REAP), United States Department of Agriculture (USDA) Rural Development (RD) helps finance the cost of renewable energy systems and energy efficiency improvements for rural small businesses and agricultural producers.

A variety of energy projects may qualify for REAP financial assistance to help you purchase, install, and construct energy projects.

Reduce your utility bills with energy efficiency improvements

- Install efficient lights and equipment with customizable controls to lower your electrical use. Many newer light systems also generate less heat and reduce cooling costs while improving lighting. Lower your heating and cooling costs with equipment upgrades, insulation, programmable thermostats, and airtight windows, doors, and ducts.
- Depending on where your business or farm is located, solar panels could offset much of your operation's energy costs.
- If you have enough wind and space—and if local zoning regulations permit—a small wind turbine could help you reduce energy costs.
- Small hydropower systems (less than 30 megawatts) transform the energy of flowing water into electricity.
- With a geothermal system, underground reservoirs of hot water can be channeled to the surface to heat buildings or generate electricity.
- An anaerobic digester breaks down animal waste such as cow manure and other organic materials into biogas that can fuel vehicles or be used to generate electricity and heat.
- Renewable biomass such as crops, wood, and plants, as well as biodegradable wastes such as fats, oils, and other materials can be converted into heat or biofuel.

What funding is available?

- Grant: REAP grants may cover up to 25 percent of a project's eligible costs.
- Renewable energy systems: \$2,500 minimum grant request; \$500,000 maximum grant request.
- Energy efficiency projects: \$1,500 minimum grant request; \$250,000 maximum grant request.
- Loan Guarantee: With REAP, USDA RD may guarantee up to 85 percent of a commercial loan to help you access affordable financing for your energy project. Rates and terms are negotiated between you and your lender, subject to USDA approval.
- Combination Guarantee and Grant: You may combine REAP grant and loan guarantee assistance to cover up to 75 percent of eligible project costs.

Grant applications are selected for funding based on a competitive process. In order to be considered for FY 2015 funds, complete applications must be received by USDA RD not later than 4:30 PM CST as of the following dates:

- Renewable Energy Systems and Energy Efficient Improvement Grant and combination Grant and Guaranteed Loans: April 30, 2015
- Second deadline: June 30, 2015

Applicants who are unable to submit their application by the April 30, 2015 deadline can submit the application not later than June 30. Applications submitted for the April 30 deadline, which are not selected for funding, will automatically be included in the June 30 deadline funding competition.

Renewable Energy Systems and Energy Efficient Improvement Guaranteed Loan applications are accepted on a continuous basis.

For more information about this program, contact Jerry Hay at 812-346-3411 ext. 126, or visit www.rd.usda.gov.

USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).