May 2015

Indiana Farm Service Agency Program Updates

Indiana State Farm Service Agency

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From the FSA Farm Fields

Every day, we see more and more green as the corn and soybeans sprout up in what will certainly be a bountiful harvest this fall.

Thank you for the long hours of spring planting that you have endured thus far. As farmers, we are at the mercy of Mother Nature and the weather she decides to bring us each day. We know you've missed some friend and family events when you've been planting or spraying this spring. Your endurance and commitment to producing the food supply does not go unnoticed. As you prepare for the summer months and county fair season, I want to wish you a productive growing season. Our young agriculturalists will display their finest 4-H projects at the County Fairs across the State. It is great to see their commitment to rural America and agriculture in their way of 'telling the story'.

Our county offices are busy accepting your acreage reports. Remember that deadline is July 15th so don't miss it.

In Indiana Agriculture,

Julia A. Wickard

USDA Reminds Farmers to Certify Conservation Compliance by June 1 Deadline

Producers May Need to Take Action to Remain Eligible for Crop Insurance Premium Support

The U.S. Department of Agriculture (USDA) reminds farmers to file a Highly Erodible Land Conservation and Wetland Conservation Certification form (AD-1026) with their local USDA Service Center by June 1, 2015. The 2014 Farm Bill requires producers to have the form on file in order to remain eligible, or to become eligible for crop insurance premium support.

Many farmers already have a certification form on file since it's required for participation in most USDA programs including marketing assistance loans, farm storage facility loans and disaster assistance. However, farmers who only participate in the federal crop insurance program must now file a certification form to receive crop insurance premium support. These producers might include specialty crop farmers who may not participate in other USDA programs.

USDA has conducted extensive outreach over the past year, especially to producers who only participate in the federal crop insurance program and may be subject to conservation compliance for the first time. Along with the outreach done by crop insurance agents and companies, USDA efforts have included letters, postcards, phone calls, producer meetings and interaction with stakeholder groups to help them reach their members. While there are procedures in place to correct good faith errors and omissions on certification forms, the deadline cannot be waived or extended and a form must be filed by June 1.

The Highly Erodible Land Conservation and Wetland Conservation Certification form AD-1026 is available at local USDA Service Centers or online at www.fsa.usda.gov/AD1026form. When a farmer completes this form, USDA's Farm Service Agency and Natural Resources Conservation Service staff will identify any additional actions that may be required for compliance with highly erodible land and wetland provisions. USDA's Risk Management Agency, through the Federal Crop Insurance Corporation, manages the federal crop insurance program.

Secretary Vilsack Announces Additional 800,000 Acres Dedicated to Conservation Reserve Program for Wildlife Habitat and Wetlands

Secretary Hails Program's 30th Anniversary, Announces General Signup Period

Agriculture Secretary Tom Vilsack announced today that an additional 800,000 acres of highly environmentally sensitive land may be enrolled in Conservation Reserve Program (CRP) under certain wetland and wildlife initiatives that provide multiple benefits on the same land.

The U.S. Department of Agriculture (USDA) will accept new offers to participate in CRP under a general signup to be held Dec. 1, 2015, through Feb. 26, 2016. Eligible existing program participants with contracts expiring Sept. 30, 2015, will be granted an option for one-year extensions. Farmers interested in removing sensitive land from agricultural production and planting grasses or trees to reduce soil erosion, improve water quality and restore wildlife habitat are encouraged to enroll.

For 30 years, the Conservation Reserve Program has helped farmers prevent more than 8 billion tons of soil from eroding, reduce nitrogen and phosphorous runoff relative to cropland by 95 and 85 percent respectively, and even sequester 43 million tons of greenhouse gases annually, equal to taking 8 million cars off the road.

The voluntary Conservation Reserve Program allows USDA to contract with agricultural producers so that environmentally sensitive land is conserved. Participants establish long-term, resource-conserving plant species to control soil erosion, improve water quality and develop wildlife habitat. In return, USDA's Farm Service Agency (FSA) provides participants with rental payments and cost-share assistance. Contract duration is between 10 and 15 years.

CRP protects water quality and restores significant habitat for ducks, pheasants, turkey, quail, deer and other important wildlife which spurs economic development like hunting and fishing, outdoor recreation and tourism across rural America. Today's announcement allows an additional 800,000 acres for duck nesting habitat and other wetland and wildlife habitat initiatives to be enrolled in the program.

Farmers should consider the various CRP continuous sign-up initiatives that may help target specific resource concerns. Financial assistance is offered for many practices including conservation buffers and pollinator habitat plantings, and initiatives such as the highly erodible lands, bottomland hardwood tree and longleaf pine.

Farmers may visit their FSA county office for additional information. The 2014 Farm Bill authorized the enrollment of grasslands in CRP and information on grasslands enrollment will be available after the regulation is published later this summer.

For more information on CRP and other FSA programs, please visit www.fsa.usda.gov.

USDA Packages Disaster Protection with Loans to Benefit Specialty Crop and Diversified Producers

Free basic coverage and discounted premiums available for new and underserved loan applicants

U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) announced that producers who apply for FSA farm loans also will be offered the opportunity to enroll in new disaster loss protections created by the 2014 Farm Bill. The new coverage, available from the Noninsured Crop Disaster Assistance Program (NAP), is available to FSA loan applicants who grow non-insurable crops, so this is especially important to fruit and vegetable producers and other specialty crop growers.

New, underserved and limited income specialty growers who apply for farm loans could qualify for basic loss coverage at no cost, or higher coverage for a discounted premium.

The basic disaster coverage protects at 55 percent of the market price for crop losses that exceed 50 percent of production. Covered crops include “specialty” crops, for instance, vegetables, fruits, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, hay, forage, grazing and energy crops. FSA allows beginning, underserved or limited income producers to obtain NAP coverage up to 90 days after the normal application closing date when they also apply for FSA credit.

In addition to free basic coverage, beginning, underserved or limited income producers are eligible for a 50 percent discount on premiums for the higher levels of coverage that protect up to 65 percent of expected production at 100 percent of the average market price. Producers also may work with FSA to protect value-added production, such as organic or direct market crops, at their fair market value in those markets. Targeted underserved groups eligible for free or discounted coverage are American Indians or Alaskan Natives, Asians, Blacks or African Americans, Native Hawaiians or other Pacific Islanders, Hispanics, and women.

FSA offers a variety of loan products, including farm ownership loans, operating loans and microloans that have a streamlined application process.

Growers need not apply for an FSA loan, nor be a beginning, limited resource, or underserved farmer, to be eligible for NAP assistance. To learn more, visit www.fsa.usda.gov/nap or www.fsa.usda.gov/farmloans, or contact your local FSA office at https://offices.usda.gov.

USDA Implements 2014 Farm Bill Provision to Limit Payments to Non-Farmers

Department Proposes Changes to "Actively Engaged" Rule

USDA proposed a rule to limit farm payments to non-farmers, consistent with requirements Congress mandated in the 2014 Farm Bill. The proposed rule limits farm payments to individuals who may be designated as farm managers but are not actively engaged in farm management. In the Farm Bill, Congress gave USDA the authority to address this loophole for joint ventures and general partnerships, while exempting family farm operations from being impacted by the new rule USDA ultimately implements.

The current definition of "actively engaged" for managers, established in 1987, is broad, allowing individuals with little to no contributions to critical farm management decisions to receive safety-net payments if they are classified as farm managers, and for some operations there were an unlimited number of managers that could receive payments.

The proposed rule seeks to close this loophole to the extent possible within the guidelines required by the 2014 Farm Bill. Under the proposed rule, non-family joint ventures and general partnerships must document that their managers are making significant contributions to the farming operation, defined as 500 hours of substantial management work per year, or 25 percent of the critical management time necessary for the success of the farming operation. Many operations will be limited to only one manager who can receive a safety-net payment. Operators that can demonstrate they are large and complex could be allowed payments for up to three managers only if they can show all three are actively and substantially engaged in farm operations. The changes specified in the rule would apply to payment eligibility for 2016 and subsequent crop years for Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Programs, loan deficiency payments and marketing loan gains realized via the Marketing Assistance Loan Program.

As mandated by Congress, family farms will not be impacted. There will also be no change to existing rules for contributions to land, capital, equipment, or labor. Only non-family farm general partnerships or joint ventures comprised of more than one member will be impacted by this proposed rule.

The proposed rule is available at http://go.usa.gov/3C6Kk.

ARC and PLC Acreage Maintenance

Producers enrolled in the Agriculture Risk Coverage (ARC) Program, or the Price Loss Coverage (PLC) Program must protect all cropland and noncropland acres on the farm from wind and water erosion and noxious weeds. Producers who sign ARC county or individual contracts and PLC contracts agree to effectively control noxious weeds on the farm according to sound agricultural practices. If a producer fails to take necessary actions to correct a maintenance problem on a farm that is enrolled in ARC or PLC, the County Committee may elect to terminate the contract for the program year.

A list of noxious weeds can be found on the following website: http://plants.usda.gov/java/noxiousDriver.

USDA Enhances Farm Storage Facility Loan Program

The U.S. Department of Agriculture (USDA) expanded the Farm Storage and Facility Loan 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, Farm Storage Facility Loan 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, including the Farm Storage Facility Loan Program.

Unauthorized Disposition of Grain

If loan grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties for unauthorized dispositions are severe and a producer's name will be placed on a loan violation list for a two-year period. Always call before you haul any grain under loan.

2011, 2012, 2013 and 2014 Average Adjusted Gross Income Compliance Reviews

The AGI verification and compliance reviews for 2011, 2012, 2013 and 2014 are conducted on producers who the IRS indicated may have exceeded the adjusted gross income limitations described in [7 CFR 1400.500]. Based on this review, producers will receive determinations of eligibility or ineligibility.

If the producer is determined to have exceeded the average AGI limitation of $900,000, receivables will be established for payments earned directly or indirectly by the producer subject to the $900,000 limitation. The Indiana FSA Office has begun notifying producers selected for review. If you have any questions about the review process or determinations, please contact the Indiana FSA Office at 317-290-3315. Producers who receive initial debt notification letters may only appeal the amount of the debt to their local FSA office. Payment eligibility adverse determinations become administratively final 30 days from the date of the payment eligibility adverse determination letter and can only be reopened if exceptional circumstances exist that prevented the producer from timely filing the appeal.

Microloans

Farm Service Agency (FSA) reminds farmers that the FSA borrowing limit for microloans increased from $35,000 to $50,000, on Nov. 7, 2014. Microloans offer borrowers simplified lending with less paperwork.

The microloan change allows beginning, small and mid-sized farmers to access an additional $15,000 in loans using a simplified application process with up to seven years to repay. Microloans are part of USDA's continued commitment to small and midsized farming operations.

To complement the microloan program, additional changes to FSA eligibility requirements will enhance beginning farmers access to land, a key barrier to entry level producers. FSA policies related to farm experience have changed so that other types of skills may be considered to meet the direct farming experience required for farm ownership loan eligibility. Operation or management of non-farm businesses, leadership positions while serving in the military or advanced education in an agricultural field will now count towards the experience applicants need to show when applying for farm ownership loans. **Important Note**: Microloans cannot be used to purchase real estate.

Since 2010, more than 50 percent of USDA's farm loans now go to beginning farmers and FSA has increased its lending to targeted underserved producers by nearly 50 percent.

Please review the FSA Microloan Program Fact Sheet for program application, eligibility and related information.

Beginning Farmer Loans

FSA assists beginning farmers to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more than 10 years
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
- Does not own a farm in excess of 30 percent of the county's average size farm.

Additional program information, loan applications, and other materials are available at your local USDA Service Center. You may also visit www.fsa.usda.gov

USDA Surveys to Provide Insight on 2015 Agriculture - Your Participation is Important

A sample of Indiana farm operators will have an opportunity to provide farm information during the upcoming June Agricultural Survey period. These surveys are among the largest and most important conducted by the USDA, NASS, Great Lakes Regional Field Office and they serve as a primary source of agricultural information. These surveys will provide accurate and reliable data about 2015 planted acreages of major crops, grain stocks, and livestock in Indiana and the U.S.

Producers rely on the survey results to make valid production, marketing, and investment decisions. Congress uses the information to design better regulations and farm programs. Industry analysts, extension agents, farm organizations, and agricultural lenders use the data in a variety of ways to directly benefit the grower.

Growers across Indiana will be contacted during the coming weeks to obtain data regarding their operations. This data will be collected by mail, phone, and personal interviews. Growers will also be given the opportunity to report on the Internet. All survey responses are protected by law and remain strictly confidential. Information from individual operations will not be disclosed but will be combined with others to make reliable state, regional, and national estimates.

Results will be released soon after the survey is complete. The Quarterly Hogs and Pigs Report will be released on Friday, June 26, 2015 at 3:00 p.m. and the Acreage and Grain Stocks Reports will be released on Tuesday, June 30, 2015 at 12:00 p.m. Survey results can be obtained at www.nass.usda.gov or by calling the Great Lakes Regional Field Office at 1-800-453-7501.
