



INDIANA FSA NEWSLETTER



Winter 2015

Indiana Farm Service Agency

5981 Lakeside Blvd.
Indianapolis, IN 46278

Phone: (317) 290-3315
Fax: (855) 374-4066
www.fsa.usda.gov/in

State Executive Director Julia A. Wickard

State Committee:
Travis Nolcox, Chairperson
Harry Pearson, Member
Wayne Vance, Member
Kristin Whittington, Member

State Office Staff:

Administrative Officer:
Nancy Best

Production Adjustment Chief:

Carl Schweikhardt

Price Support/Disaster Chief:

Steve Brown

Conservation/Compliance Chief:

Susan Hovermale

Farm Loan Chief:
Greg Foulke

Communications Coordinator:
Donna Ferguson

From the FSA Farm Fields



The Agricultural Act of 2014 (the Act), also known as the 2014 Farm Bill, was signed by President Obama on Feb. 7, 2014. The Act repeals certain programs, and continues some

programs with modifications, and authorizes several new programs administered by the Farm Service Agency (FSA). Most of these programs are authorized and funded through 2018. It is with much enthusiasm that our employees serving in 75 Indiana County Offices stand ready to assist you with your questions about which programs you may wish to enroll your operations.

As you survey your land each year and check for changes in your operations, please know that's what we, at the Indiana FSA, do annually too. And, especially this year as we embark on implementing and administering a new Farm Bill. We look forward to working alongside each of you in explaining how the new farm policy programs may work on your farms.

The first step of the new commodity program began with the base and yield update deadline in late February. Many of you took advantage of the opportunity to update your yields, which hasn't been afforded to American agriculture farm owners in over ten years. Next is for producers to elect which program works best for your farming operation. If you have not already elected a program, call your office today and make your appointment to meet the March 31st deadline.

Sincerely In Agriculture,

Price Loss Coverage (PLC) and Agricultural Risk Coverage (ARC) Program

The largest reform in farm safety net programs came with the repeal of the Direct and Counter-Cyclical Program (DCP) and the Average Crop Revenue Election (ACRE) program. However, the new programs, Price Loss Coverage (PLC) and Agricultural Risk Coverage (ARC), are designed to help producers better manage risk. Producers have until March 31, 2015 to choose between which of these programs best fits their farming operation.

Dates associated with ARC and PLC that farm owners and producers need to know:

- Now through March 31, 2015: Producers make a one-time election between ARC and PLC for the 2014 through 2018 crop years.
- Mid-April 2015-through Summer 2015: Producers sign contracts for 2014 and 2015 crop years.
- October 2015: Payments issued for 2014 crop year, if needed.

USDA helped create online tools to assist in the decision making process, allowing farm owners and producers to enter information about their operation and see projections that show what ARC and PLC will mean for them under possible future scenarios. The online tools can be accessed at www.fsa.usda.gov/arc-plc.



Noninsured Crop Disaster Assistance Program (NAP)

The Noninsured Crop Disaster Assistance Program (NAP) has been expanded to include protection at higher coverage levels, similar to buy-up provisions offered under the federal crop insurance program.

Producers may elect coverage for each individual crop between 50 and 65 percent, in 5 percent increments, at 100 percent of the average market price. Producers also pay a fixed premium equal to 5.25 percent of the liability. The waiver of service fees has been expanded from just limited resource farmers to also include beginning farmers and socially disadvantaged farmers. The premiums for buy-up coverage are reduced by 50 percent for those same farmers. Grazing land is not eligible for buy-up coverage.

For more information about NAP and how it can benefit your operations, contact your local FSA County Office.

Farm Loan Programs

The Credit Title of the Farm Bill continues and improves the direct and guaranteed loan programs that provide thousands of America's farmers the opportunity to obtain the credit they need to begin and continue their operations. The changes provide FSA greater flexibility in determining eligibility including expanded definitions of eligible entities, years of experience for farm ownership loans, and allowing youth loan applicants from urban areas to access loans. FSA's popular microloan and down payment loan programs, important to assisting beginning farmers, have been improved by raising loan limits and emphasizing beginning and socially disadvantaged producers. The Farm Bill also eliminates term limits for the guaranteed operating program, allowing farmers the opportunity for continued credit in cases where financial setbacks may have prevented them from obtaining commercial credit.

FSA's loan programs are designed to help family farmers to start, purchase or expand their farming operation. In many cases, these are beginning farmers who need additional financial and business understanding to qualify for commercial credit. In other cases, they are existing farmers who have suffered financial setbacks from natural disasters, or who need additional resources with which to establish and maintain profitable farming operations. The goal of FSA's farm loan programs is to graduate (transition), its borrowers from FSA loans to commercial credit. Once a farmer is able to obtain credit from the commercial lending sector, FSA's mission of providing temporary, supervised credit is complete.

Guaranteed Loans - Some farmers obtain their credit needs through the use of loan guarantees.

Under a guaranteed loan, a commercial lender makes and services the loan, and FSA guarantees it against loss up to a maximum of 90 percent in most cases. In certain limited circumstances, a 95-percent guarantee is available.

FSA has the responsibility of approving all eligible loan guarantees and providing oversight of lenders' activities.

Direct Loans - For those not yet meeting the qualifications for a loan guarantee from a commercial lender, FSA also makes direct loans, which are serviced by an FSA employee.

FSA has the responsibility of providing credit counseling and supervision to its direct borrowers by making a thorough assessment of the farming operation. FSA helps applicants evaluate the adequacy of the real estate and facilities, machinery and equipment, financial and production management, and the applicant's goals.

FSA assists applicants in identifying and prioritizing areas needing improvement in all phases of the operation. An FSA employee then works one-on-one with the applicant to develop and to help strengthen the identified areas that ultimately result in the applicant's graduation to commercial credit.

Youth Loans - These are available as direct loans only and have a maximum loan amount of \$5,000.

Youth loans may be made to individuals who are sponsored by a project advisor, such as a 4-H Club, FFA or local vocational instructor. Individuals must be at least 10 but not more than 20 years old to be eligible.

Conservation Compliance

Compliance with Highly Erodible Land Conservation (HELIC) and Wetland Conservation (WC) provisions continues to be required for participation in most FSA and NRCS programs. These provisions place restrictions on the planting of an agricultural commodity on highly erodible land or wetlands. Further, they prohibit the conversion of a wetland to make possible the production of an agricultural commodity. The Farm Bill adds premium subsidy assistance for crop insurance as a benefit, subject to compliance with HELIC and WC provisions. New provisions are created for administration, and penalties relating to HELIC and WC provisions that are unique to crop insurance.

FSA will make HELC/WC eligibility determinations for crop insurance participants based on NRCS technical determinations of HELC/WC compliance. Prior FSA/NRCS Participants should already have an AD-1026 form on file for their associated lands. However, if this form has not been filed or is incomplete, producers are reminded of the deadline of June 1, 2015.

For more information about the conservation compliance requirements and how it may impact your operation, contact your local FSA County Office.

Dairy Margin Protection Program (MPP)

The Dairy Margin Protection Program (MPP) is effective through Dec. 31, 2018. MPP offers dairy producers: (1) catastrophic coverage, at no cost to the producer, other than an annual \$100 administrative fee; and (2) various levels of buy-up coverage. Catastrophic coverage provides payments to participating producers when the national dairy production margin is less than \$4 per hundredweight (cwt). The national dairy production margin is the difference between the all-milk price and average feed costs. Producers may purchase buy-up coverage that provides payments when margins are between \$4 and \$8 per cwt. To participate in buy-up coverage, a producer must pay a premium that varies with the level of protection the producer elects.

For more information about MPP and how it could compliment your dairy operation, contact your local FSA County Office.

Disaster Programs

The following disaster programs authorized by the 2008 Farm Bill have been extended indefinitely (beyond the horizon of the 2014 Farm Bill).

Livestock Indemnity Program (LIP): LIP provides benefits to livestock producers for livestock deaths in excess of normal mortality caused by adverse weather or by attacks by animals reintroduced into the wild by the federal government. LIP payments are equal to 75 percent of the average fair market value of the livestock.

Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish (ELAP): ELAP provides emergency assistance to eligible producers of livestock, honeybees and farm-raised fish for losses due to adverse weather or other conditions, such as blizzards, not covered by LIP. Total payments are capped at \$20 million in a fiscal year.

Tree Assistance Program (TAP): TAP provides financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible

trees, bushes, and vines damaged by natural disasters.

For more information about these permanent disaster programs, contact your local FSA County Office.

Adjusted Gross Income Limits

Adjusted gross income (AGI) provisions have been simplified and modified in the 2014 Farm Bill. Producers whose average AGI exceeds \$900,000 are not eligible to receive payments or benefits from most programs administered by FSA and the Natural Resources Conservation Service (NRCS). Average AGI for a person or legal entity means the average AGI of the individual or entity over the 3 taxable years preceding the most immediate completed taxable year for which benefits are requested. Previous AGI provisions distinguished between farm and non-farm AGI. This certification must be filed by all participants and members of participating entities.

Payment Limitations

The total amount of payments received, directly and indirectly, by a person or legal entity (except joint ventures or general partnerships) for Price Loss Coverage, Agricultural Risk Coverage, marketing loan gains, and loan deficiency payments, may not exceed \$125,000 per crop year. Check with your local FSA County Office for payment limit information for other FSA programs.

Introducing the 2014 Farm Bill to you in a printed and mailed newsletter is important. So, that is what you are holding in your hands right now.

However, due to budget limitations, mailed newsletters will not be a common practice for FSA in the future. Rather, farmers in Indiana now have a more efficient and timely option for receiving important Farm Service Agency (FSA) program eligibility requirements, deadlines and related information. Gov-Delivery is your one-stop shop for the most up-to-date USDA program information.

FSA is offering free online communications through our GovDelivery electronic news service. News is sent via e-mail right to your home or farm office or to your Smartphone – affording you immediate notification of farm program news pertinent to your agricultural operation.

Producers can subscribe to receive free e-mail updates by visiting their local FSA Office or subscribe online at: www.fsa.usda.gov/subscribe.

2015 Important Dates

March 15	Deadline to apply for 2015 coverage of certain non-insurable crops under the Noninsured Crop Disaster Assistance Program (NAP)
March 31	Final date to obtain loans or Loan Deficiency Payments (LDP's) on 2014 harvested small grains
March 31	Deadline for one-time election for ARC or PLC
May 25	Offices closed in observance of Memorial Day
June 1	Final date to obtain loans or LDP's on 2014 harvested feed grains and soybeans
June 1	Date used to establish ownership interest for person or legal entity for program purposes
June 1	Date used for the determination of minor child for program purposes
June 1	Last day to file AD-1026 for crop insurance subsidy
June 15	Reporting date for cucumbers (Planted 5/1 to 5/31 in Knox County)
June 20	Final date to submit a prevented planting claim for corn
July 1	MPP-Dairy 2016 registration and election begins
July 3	Offices closed in observance of Independence Day
July 5	Final date to submit a prevented planting claim for soybeans
July 15	Reporting date for all other crops (including cucumbers planted 5/10 to 6/15) in all other counties in Indiana
August 1	Deadline to request farm reconstitution for 2015
August 15	Reporting date for cucumbers (planted 6/1-8/5 if Fulton, LaPorte, Porter and St. Joseph Counties)
September 7	Offices closed in observance of Labor Day
September 15	NAP application for payment date (application and supporting documentation) for 2015 NAP

United States Department of Agriculture

Indiana Farm Service Agency
5981 Lakeside Blvd.
Indianapolis, IN 46278

Official Business



PRSRT STD U.S. Postage PAID Bryan, Texas Permit No. 272
--

2015 Important Dates - continued

September 15	Reporting date for cucumbers (planted 6/1-8/15 in Knox County)
September 30	MPP-Dairy 2016 registration and election ends
October 12	Offices closed in observance of Columbus Day
November 1	Final application for payment for ELAP for program year loss occurred
November 4	Final date to submit a prevented planting claim for 2015 fall wheat with 10/20 final plant date
November 11	Offices closed in observance of Veteran's Day
November 15	Final date to submit a prevented planting claim for 2015 fall wheat with 10/31 final plant date
November 26	Offices closed in observance of Thanksgiving Day
December 15	Reporting date for 2015 Fall mint, Fall-seeded small grains
December 25	Offices closed in observance of Christmas Day
Continuous	For calendar year 2015 and subsequent years, deadline to file Tree Assistance Program (TAP) application for losses is the later of 90 calendar days of the disaster event, or the date when the loss is apparent.

Application Deadlines for Coverage for NAP Final Dates

March 15	All yield based spring planted crops (melons, tomatoes, peppers, etc.)
May 1	Nursery crops for the following year's crop
September 1	Value Loss Crops for the following year (onion sets, Christmas trees, aquaculture, etc.)
September 30	Grazing/forage crops, fall-seeded annuals crops and mint crops for the following year's crop
November 20	Perennial crops (non-forage) for the following year's crop (apples, peaches, etc.)
December 1	Honey for the following year