July 2016

Indiana Farm Service Agency Program Updates

Indiana Farm Service Agency

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From the FSA Farm Fields

Summer is upon us and so is the growing season in the State of Indiana. While some producers have received the necessary rainfall to grow their crops, others are hoping for the right amount of rains due to inadequate levels of moisture in the Hoosier State.

This newsletter contains some more in-depth coverage of programs, but I want to highlight a couple of important, approaching deadlines of which producers should be aware. Those who chose coverage from the safety net programs established by the 2014 Farm Bill, known as the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs, must stop by their local FSA office by Aug. 1 to sign contracts to enroll for 2016 coverage. While the selection between ARC and PLC already has been made, producers must still enroll by the deadline to receive coverage. If you have not spoken to your county office about ARC or PLC for 2016, call them today. The deadline is Monday, August 1st!

The deadline for producers who are interested in serving on an FSA County Committee also is Aug. 1. FSA County Committees play an important role by helping make decisions on FSA disaster, conservation and commodity and price support programs. Those elected to the role serve a three-year term and provide a valuable service to agriculture in their immediate area. Producers interested in learning more about this opportunity should contact their local FSA office.

Thank you for the work you each do all year long to bring food to our kitchen counters and dining room tables. I hope to see many of you at Indiana's agricultural showcase - the Great Indiana State Fair! This year's theme is celebrating the bicentennial of the State of Indiana. The Indiana State Fair runs, August 5-21, and information about the fair can be found at www.indianastatefair.com.

Have a great August!

Sincerely In Agriculture,

Julia

Enrollment Period for 2016 USDA Safety Net Coverage Ends Aug. 1

Producers who chose coverage from the safety net programs established by the 2014 Farm Bill, known as the Agriculture Risk Coverage (ARC) or the Price Loss Coverage (PLC) programs, can visit FSA county offices through Aug. 1, 2016, to sign contracts to enroll in coverage for 2016.

Although the choice between ARC and PLC is completed and remains in effect through 2018, producers must still enroll their farm by signing a contract each year to receive coverage.

Producers are encouraged to contact their local FSA office to schedule an appointment to enroll. If a farm is not enrolled during the 2016 enrollment period, producers on that farm will not be eligible for financial assistance from the ARC or PLC programs should crop prices or farm revenues fall below the historical price or revenue benchmarks established by the program.

The two programs were authorized by the 2014 Farm Bill and offer a safety net to agricultural producers when there is a substantial drop in prices or revenues for covered commodities. Covered commodities include barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium grain rice (which includes short grain and sweet rice), safflower seed, sesame, soybeans, sunflower seed and wheat. Upland cotton is no longer a covered commodity. For more details regarding these programs, go to www.fsa.usda.gov/arc-plc.

For more information, producers are encouraged to visit their local FSA office. To find a local FSA office, visit http://offices.usda.gov.

Indiana Producers Reminded of Aug. 1 Deadline to Submit Nominations for Farm Service Agency County Committees

The Indiana Farm Service Agency (FSA) reminds farmers and other agricultural producers that they have through Aug. 1, 2016, to nominate eligible candidates to serve on local FSA county committees.

FSA county committees help local farmers through their decisions on commodity price support loans, conservation programs and disaster programs, and by working closely with county executive directors.

To be eligible to hold office as a county committee member, individuals must participate or cooperate in a program administered by FSA, be eligible to vote in a county committee election and live in the local administrative area where they are running. A complete list of eligibility requirements, more information and nomination forms are available at http://www.fsa.usda.gov/elections.

All nominees must sign the nomination form FSA-669A. All nomination forms for the 2016 election must be postmarked or received in the local USDA Service Center by close of business on Aug. 1, 2016. Ballots will be mailed to eligible voters by Nov. 7 and are due back to the local USDA Service Centers on Dec. 5. The newly elected county committee members will take office Jan. 1, 2017.

Dairy Producers Can Now Enroll to Protect Milk Production Margins

Dairy producers can now enroll for 2017 coverage in the Margin Protection Program for Dairy (MPP-Dairy). The voluntary program, established by the 2014 Farm Bill, provides financial assistance to participating dairy producers when the margin – the difference between the price of milk and feed costs – falls below the coverage level selected by the producer.

The Margin Protection Program gives participating dairy producers the flexibility to select coverage levels best suited for their operation. Enrollment began July 1 and ends on Sept. 30, 2016, for coverage in calendar year 2017. Participating farmers will remain in the program through 2018 and pay a minimum $100 administrative fee each year. Producers have the option of selecting a different coverage level during open enrollment each year.

USDA has a web tool to help producers determine the level of coverage under the Margin Protection Program that will provide them with the strongest safety net under a variety of conditions. The online resource, available at www.fsa.usda.gov/mpptool, allows dairy farmers to quickly and easily combine unique operation data and other key variables to calculate their coverage needs based on price projections. Producers can also review historical data or estimate future coverage needs, based on data projections. The secure site can be accessed via computer, Smartphone or tablet 24 hours a day, seven days a week.

To complete enrollment, producers must make coverage elections during the enrollment period and pay the annual $100 administrative fee that provides basic catastrophic protection that covers 90 percent of milk production at a $4 margin coverage level. For additional premiums, operations can protect 25 to 90 percent of production history with margin coverage levels from $4.50 to $8, in 50 cent increments. Once enrolled, dairy operations are required to participate through 2018 by making coverage elections each year. Producers can mail the appropriate form to the producer's administrative county FSA office, along with applicable fees without necessitating a trip to the local FSA office. If electing higher coverage for 2017, dairy producers can either pay the premium in full at the time of enrollment or pay 100 percent of the premium by Sept. 1, 2017. Premium fees may be paid directly to FSA or producers can work with their milk handlers to remit premiums on their behalf.

Also, FSA began accepting applications on July 1, 2016, for intergenerational transfers, allowing program participants who added an adult child, grandchild or spouse to the operation during calendar year 2014 or 2015, or between Jan. 1 and June 30, 2016, to increase production history by the new cows bought into the operation by the new family members. For intergenerational transfers occurring on or after July 1, 2016, notification to FSA must be made within 60 days of purchasing the additional cows.

Dairy operations enrolling in the new program must meet conservation compliance provisions and cannot participate in the Livestock Gross Margin Dairy Insurance Program.

For more information, visit FSA online at www.fsa.usda.gov/dairy or stop by a local FSA office to learn more about the Margin Protection Program.

New NAP Application for Coverage Closing Date Announced for Forage Crops for 2017 Coverage

The deadline in all Indiana counties to apply for 2017 crop year coverage under the Noninsured Crop Disaster Assistance Program (NAP) for many forage crops has changed to November 15, 2016. Crops impacted include alfalfa, grass, mixed forage, and clover intended for forage or grazing.

In order to obtain crop year 2017 NAP coverage on these crops, producers must 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 no later than November 15, 2016. Beginning, limited resource and targeted underserved farmers are eligible for a waiver of the service fee and a 50 percent premium reduction on buy-up levels of coverage when they file form CCC-860, "Socially Disadvantaged, Limited Resource and Beginning Farmer or Rancher Certification."

The change to Indiana's NAP application closing date to November 15 for these crops was made to align with a nationally available crop insurance pilot product offered through the Federal Crop Insurance Program called Pasture, Rangeland, and Forage – Rainfall Index. Previously, the NAP closing date was September 30 for these crops.

Additional information about the NAP program is available at www.fsa.usda.gov/nap.

FSA Unveils Monthly Webinar Series

The FSA Outreach and Education Division will host a series of webinars each month to inform producers about FSA programs and initiatives. To register for any of the webinars, visit www.fsa.usda.gov/outreach and click on "Outreach Webinars."

Aug. 9 @ 2 p.m. EDT
Need Commodity Storage? The Farm Storage Facility Loan (FSFL) Can Help

The Farm Storage Facility Loan Program provides low-interest financing so producers can build or upgrade permanent or portable facilities to store commodities. Learn how this program may be able to help your operation.

Persons with disabilities who require accommodations to attend or participate in these webinars should contact Tanya Brown at 202-690-1700 or Federal Relay Service at 1-800-877-8339 at least three business days prior to the webinar.

The webinars will be recorded for future viewing and can be accessed on www.fsa.usda.gov/outreach.

Farmers to Receive Documentation of USDA Services

Farm Service Agency (FSA) reminds agricultural producers that FSA provides a receipt to customers who request or receive assistance or information on FSA programs.

The 2014 Farm Bill requires a customer receipt to be issued for any agricultural program assistance requested from FSA, the Natural Resources Conservation Service (NRCS) and Rural Development (RD). Receipts include the date, summary of the visit and any agricultural information, program and/or loan assistance provided to an individual or entity. Electronic receipts for acreage reports will begin on August 1, 2016.

A service is any information, program or loan assistance provided whether through a visit, email, fax or letter.

Final Planting Dates

All producers are encouraged to contact their local FSA office for more information on the final planting date for specific crops. The final planting dates vary by crop, planting period and county so please contact your local FSA office for a list of county-specific planting deadlines. The timely planting of a crop, by the final planting date, may prevent loss of program benefits.

Required Management on CRP Acres

Participants in the Conservation Reserve Program (CRP) are responsible for maintaining the acreage under contract to the minimum specifications and acreages as required by their conservation plan and supporting documents. This includes not only controlling excessive weeds, invasive species, and trees in grass practices, but completing required management on CRP practices as scheduled in conservation plans as well.

The purpose of required management activities, commonly referred to as mid contract management (MCM), is to enhance the wildlife habitat value of the enrolled acres for species such as Northern Bobwhite, pollinators, and others. In grass practices, the perennial grasses tend to crowd out the desired broadleaf plants, litter accumulates and plant diversity declines. In tree practices, thinning or pruning may be needed to improve tree growth or enhancements needed in open areas to encourage plant diversity for wildlife. MCM is now required on all new practices and if not already required, is optional on all older contracts.

These activities (as well as any treatment for weed control or maintenance) must be completed outside of the primary nesting season. In Indiana, the primary nesting season for a contract that was approved for enrollment prior to February 8, 2007 is from March 1 through July 15th. For newer contracts, the primary nesting season is April 1 through August 1st. Any activities completed during this time period may result in a contract violation and payment reduction.

Required management activities include: prescribed burning, strip disking, strip spraying, inter-seeding forbs/legumes/pollinators, pruning/thinning, inner seedling or shrub planting for diversity. Cost Share is available for eligible practices up to a maximum of $100 per acre for a 10-year contract or up to $150 per acre for a 15-year contract over the duration of the contract.

USDA Offers Targeted Farm Loan Funding for Underserved Groups and Beginning Farmers

The USDA Farm Service Agency (FSA) reminds producers that FSA offers targeted farm ownership and farm operating loans to assist underserved applicants as well as beginning farmers and ranchers.

USDA defines underserved applicants as a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of the group without regard to their individual qualities. For farm loan program purposes, targeted underserved groups are women, African Americans, American Indians and Alaskan Natives, Hispanics and Asians and Pacific Islanders.

Underserved or beginning farmers and ranchers who cannot obtain commercial credit from a bank can apply for either FSA direct loans or guaranteed loans. Direct loans are made to applicants by FSA. Guaranteed loans are made by lending institutions who arrange for FSA to guarantee the loan. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan. The FSA guarantee allows lenders to make agricultural credit available to producers who do not meet the lender's normal underwriting criteria.

The direct and guaranteed loan program provides for two types of loans: farm ownership loans and farm operating loans. In addition to customary farm operating and ownership loans, FSA now offers Microloans through the direct loan program. The focus of Microloans is on the financing needs of small, beginning farmer, niche and non-traditional farm operations. Microloans are available for both ownership and operating finance needs. To learn more about microloans, visit www.fsa.usda.gov/microloans.

To qualify as a beginning producer, the individual or entity must meet the eligibility requirements outlined for direct or guaranteed loans. Additionally, individuals and all entity members must have operated a farm for less than 10 years. Applicants must materially or substantially participate in the operation.

For more information on FSA's farm loan programs and targeted underserved and beginning farmer guidelines, visit www.fsa.usda.gov/farmloans.

Farm Loan Graduation Reminder

FSA Direct Loans are considered a temporary source of credit that is available to producers who do not meet normal underwriting criteria for commercial banks.

FSA periodically conducts Direct Loan graduation reviews to determine a borrower's ability to graduate to commercial credit. If the borrower's financial condition has improved to a point where they can refinance their debt with commercial credit, they will be asked to obtain other financing and partially or fully pay off their FSA debt.

By the end of a producer's operating cycle, the Agency will send a letter requesting a current balance sheet, actual financial performance and a projected farm budget. The borrower has 30 days to return the required financial documents. This information will be used to evaluate the borrower's potential for refinancing to commercial credit.

If a borrower meets local underwriting criteria, FSA will send the borrower's name, loan type, balance sheet and projected cash flow to commercial lenders. The borrower will be notified when loan information is sent to local lenders.

If any lenders are interested in refinancing the borrower's loan, FSA will send the borrower a letter with a list of lenders that are interested in refinancing the loan. The borrower must contact the lenders and complete an application for commercial credit within 30 calendar days.

If a borrower is unable to refinance his FSA loans with a commercial lender and provides evidence to that effect, FSA will retain the loan(s). If a borrower fails to provide the requested financial information to FSA or graduate when requested, the borrower will be in noncompliance and further action may be taken to enforce the graduation provision.

Direct Loans

FSA offers direct farm ownership and direct farm operating Loans to producers who want to establish, maintain or strengthen their farm or ranch. FSA loan officers process, approve and service direct loans.

Direct farm operating loans can be used to purchase livestock and feed, farm equipment, fuel, farm chemicals, insurance and other costs including family living expenses. Operating loans can also be used to finance minor improvements or repairs to buildings and to refinance some farm-related debts, excluding real estate.

Direct farm ownership loans can be used to purchase farmland, enlarge an existing farm, construct and repair buildings, and to make farm improvements.

The maximum loan amount for both direct farm ownership and operating loans is $300,000 and a down payment is not required. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

Please contact your local FSA office for more information or to apply for a direct farm ownership or operating loan.

Guaranteed Loan Program

FSA guaranteed loans allow lenders to provide agricultural credit to farmers who do not meet the lender's normal underwriting criteria. Farmers and ranchers apply for a guaranteed loan through a lender, and the lender arranges for the guarantee. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan. Guaranteed loans can be used for both farm ownership and operating purposes.

Guaranteed farm ownership loans can be used to purchase farmland, construct or repair buildings, develop farmland to promote soil and water conservation or to refinance debt.

Guaranteed operating loans can be used to purchase livestock, farm equipment, feed, seed, fuel, farm chemicals, insurance and other operating expenses.

FSA can guarantee farm ownership and operating loans up to $1,399,000. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

Please contact your lender or local FSA farm loan office for more information on guaranteed loans.

Dates to Remember

August 1: Deadline to enroll in 2016 Agricultural Risk Coverage (ARC) or Price Loss Coverage (PLC) Programs
August 1: Deadline to request farm reconstitutions and transfers for 2016
August 1: Deadline to submit nominations for FSA County Committees
August 15: Reporting date for cucumbers (planted 6/16-8/5 in Fulton, LaPorte, Porter and St. Joseph Counties)
September 1: Noninsured Crop Disaster Assistance Program (NAP) application closing date for value loss crops for the following year (flowers for fresh cut, onion sets, turfgrass sod, Christmas trees, aquaculture, ginseng, mushrooms, etc.)
September 5: Offices closed in observance of Labor Day
September 15: Reporting date for cucumbers (planted 6/1-8/15 in Knox County)
September 30: MPP-Dairy 2017 registration and election ends
September 30: Reporting date for value loss and controlled environment crop (for the coming program year)
September 30: NAP application closing date for garlic, wheat, barley, rye and mint for the following year's crop
November 15: NAP application closing date for perennial grazing and forage crops (alfalfa, grass, mixed forages, clover, etc.)
