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United States Department of Agriculture
Farm Service Agency
GovDelivery Electronic News Service NEWSLETTER

Indiana Farm Service Agency Program Updates

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New Actively Engaged Provisions for Non-Family Joint Operations or Entities

Many Farm Service Agency programs require all program participants, either individuals or legal entities, to be “actively engaged in farming”. This means participants provide a significant contribution to the farming operation, whether it is capital, land, equipment, active personal labor and/or management. For entities, each partner, stockholder or member with an ownership interest, must contribute active personal labor and/or management to the operation on a regular basis.

The 2014 Farm Bill established additional payment eligibility provisions relating to the farm management component of meeting “actively engaged in farming”. These new provisions apply to joint operations comprised of non-family members or partners, stockholders or persons with an ownership in the farming operation. Effective for 2016 and subsequent crop years, non-family joint operations are afforded to one member that may use a significant contribution of active personal management exclusively to meet the requirements to be determined “actively engaged in farming”. The person or member will be defined as the Farm Manager for the purposes of administering these new management provisions.

In some instances, additional persons or members of a non-family member joint operation who meet the definition of Farm Manager may also be allowed to use such a contribution of active personal management to meet the eligibility requirements. However, under no circumstances may the number of Farm Managers in a non-family joint operation exceed a total of three in any given crop and program year.

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Organic Producers and Handlers May Apply for Certification Cost Share Reimbursements; Expanded Eligibility for Transition and State Certification Cost

The U.S. Department of Agriculture (USDA) announced that starting March 20, 2017, organic producers and handlers will be able to visit over 2,100 USDA Farm Service Agency (FSA) offices to apply for federal reimbursement to assist with the cost of receiving and maintaining organic or transitional certification.

USDA reimburses organic producers up to 75 percent of the cost of organic certification, but only about half of the nation's organic operations currently participate in the program. Starting March 20, USDA will provide a uniform, streamlined process for organic producers and handlers to apply for organic cost share assistance either by mail or in person.

USDA is making changes to increase participation in the National Organic Certification Cost Share Program (NOCCSP) and the Agricultural Management Assistance Organic Certification Cost Share Program, and at the same time provide more opportunities for organic producers to access other USDA programs, such as disaster protection and loans for farms, facilities and marketing. Producers can also access information on nonfederal agricultural resources, and get referrals to local experts, including organic agriculture, through USDA's Bridges to Opportunity service at the local FSA office.

Historically, many state departments of agriculture have obtained grants to disburse reimbursements to those producers and handlers qualifying for cost share assistance. FSA will continue to partner with states to administer the programs. For states wanting to continue to directly administer the programs, applications were due Feb. 17, 2017.

Eligible producers include any certified producers or handlers who have paid organic or transitional certification fees to a USDA-accredited certifying agent. Application fees, inspection costs, fees related to equivalency agreement/arrangement requirements, travel/per diem for inspectors, user fees, sales assessments and postage are all eligible for a cost share reimbursement from USDA.

Once certified, producers and handlers are eligible to receive reimbursement for up to 75 percent of certification costs each year up to a maximum of $750 per certification scope - crops, livestock, wild crops and handling. This announcement also adds transitional certification and state organic program fees as additional scopes.

To learn more about organic certification cost share, please visit www.fsa.usda.gov/organic or contact a local FSA office by visiting http://offices.usda.gov.

Farm Storage Facility Loans

FSA's Farm Storage Facility Loan (FSFL) program provides low-interest financing to producers to build or upgrade storage facilities.

The low-interest funds can be used to build or upgrade permanent facilities to store commodities. Eligible commodities include corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley, minor oilseeds harvested as whole grain, pulse crops (lentils, chickpeas and dry peas), hay, honey, renewable biomass, fruits, nuts and vegetables for cold storage facilities, floriculture, hops, maple sap, rye, milk, cheese, butter, yogurt, meat and poultry (unprocessed), eggs, and aquaculture (excluding systems that maintain live animals through uptake and discharge of water). Qualified facilities include grain bins, hay barns and cold storage facilities for eligible commodities.

Loans up to $50,000 can be secured by a promissory note/security agreement and some loans between $50,000 and $100,000 will no longer require additional security.

Producers do not need to demonstrate the lack of commercial credit availability to apply. The loans are designed to assist a diverse range of farming operations, including small and mid-sized businesses, new farmers, operations supplying local food and farmers markets, non-traditional farm products, and underserved producers.

To learn more about the FSA Farm Storage Facility Loan, visit www.fsa.usda.gov/pricesupport or contact your local FSA county office.

USDA Announces Streamlined Guaranteed Loans and Additional Lender Category for Small-Scale Operators

Options Help More Beginning, Small and Urban Producers Gain Access to Credit

The U.S. Department of Agriculture (USDA) announced the availability of a streamlined version of USDA guaranteed loans, which are tailored for smaller scale farms and urban producers. The program, called EZ Guarantee Loans, uses a simplified application process to help beginning, small, underserved and family farmers apply for loans of up to $100,000 from USDA-approved lenders to purchase farmland or finance agricultural operations.

USDA also unveiled a new category of lenders that will join traditional lenders, such as banks and credit unions, in offering USDA EZ Guarantee Loans. Microlenders, which include Community Development Financial Institutions and Rural Rehabilitation Corporations, will be able to offer their customers up to $50,000 of EZ Guaranteed Loans, helping to reach urban areas and underserved producers. Banks, credit unions and other traditional USDA-approved lenders, can offer customers up to $100,000 to help with agricultural operation costs.

EZ Guarantee Loans offer low interest rates and terms up to seven years for financing operating expenses and 40 years for financing the purchase of farm real estate. USDA-approved lenders can issue these loans with the Farm Service Agency (FSA) guaranteeing the loan up to 95 percent.

More than half of all FSA loans go to new farmers and more than a quarter to underserved borrowers. FSA also offers loans of up to $5,000 to young farmers though the Youth Loan Program. Loans are made to eligible youth to finance agricultural projects, with almost 9,000 young people now participating. More information about the available types of FSA farm loans can be found at www.fsa.usda.gov/farmloans or by contacting your local FSA office.

Youth Loans for 4-H Livestock Projects

This is the busiest time of the year in finding that "perfect" calf, sheep or hog for the spring and summer livestock shows, but it is the perfect time of year to check into the credit opportunities at your local Farm Service Agency (FSA) office.

FSA 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 county office soon for help preparing and processing the application forms. We are excited about helping tomorrow's agriculturalists – today!

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 $125 per acre for a 15-year contract over the duration of the contract.

USDA NASS to Gauge Financial Well-Being of Indiana Farmers

The U.S. Department of Agriculture's National Agricultural Statistics Service (NASS) will spend several months gathering information about farm economics and production practices from farmers across Indiana, as the agency conducts the third and final phase of the 2016 Agricultural Resource Management Survey (ARMS).

ARMS is the only survey program that allows anyone to clearly see the current financial well-being of Indiana producers and their households as a whole. The results of this survey will serve as a primary source of information for numerous local and federal policies and programs that affect Indiana farms and farm families.

NASS conducts ARMS jointly with USDA's Economic Research Service (ERS). ARMS targets select commodities on a rotational basis. This year, the survey places additional focus on corn, and conventional and organic dairy sectors. In an effort to obtain the most accurate data, the federal agencies will reach out to nearly 37,000 producers nationwide, including 1,800 in Indiana, between January and April. The survey asks producers to provide in-depth data on their operating expenditures, production costs and household characteristics.

NASS realizes that this survey is lengthy and some producers may have questions or need clarification. In February, interviewers will begin reaching out to those farmers who have not yet responded to answer any questions they may have and help them fill out their questionnaires.

In addition to accurate data, NASS is strongly committed to confidentiality. The agency will only publish data in an aggregate form. This helps safeguard the confidentiality of all responses, ensuring no individual respondent or operation can be identified.

The economic data gathered in ARMS will be published in the annual *Farm Production Expenditures* report on August 3, 2017. All NASS reports are available online at www.nass.usda.gov. ERS also plans to release a series of reports based on ARMS data. All of these reports will be available on the agency's site at www.ers.usda.gov.

If you have questions about this survey, contact the USDA, NASS, Great Lakes Regional Office at 800-453-7501.

Dates to Remember

Continuing through August 1, 2017: Enrollment for 2017 Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs
March 15: NAP application closing date for annual spring/summer planted crops not limited to: beans, beets, broccoli, brussel sprouts, cabbage, canola, cantaloupes, carrots, cauliflower, corn, cucumbers, eggplant, garlic, greens, herbs, honeydew, lettuce, oats, okra, onions, peas, peppers, potatoes, pumpkins, radishes, sorghum, squash, tomatillos, tomatoes, and watermelon
March 20: Organic producers and handlers can begin to apply for organic cost share assistance
March 31: Final date to obtain loans or Loan Deficiency Payments (LDPs) on 2016 harvested small grains
May 1: NAP application closing date for nursery (ornamental nursery and nonornamental propagation nursery) for the crop year June 1 - May 31
May 29: Offices closed in observance of Memorial Day
June 1: Final date to obtain loans or LDPs on 2016 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: Final date to file AD-1026 for 2018 reinsurance year for crop insurance eligibility
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