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NEWSLETTER

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Indiana Farm Service Agency Program Updates

Indiana State Farm Service Agency

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2016 PLC Payment Rates and ARC Actual Prices for Wheat, Barley and Oats

The Agricultural Act of 2014 provides for payments for covered commodities through the Price Loss Coverage (PLC) program when the market year average price is below the reference price. Agricultural Risk Coverage (ARC) program payments are triggered when the actual revenue is below the guarantee established for the program.

The Marketing Year Average (MYA) price for wheat, barley and oats was announced June 29, resulting in a PLC payment rate of \$1.61 per bushel for 2016 wheat and \$0.34 per bushel for 2016 oats. There is no PLC payment on 2016 barley.

For Agriculture Loss Coverage–County (ARC-CO), actual crop revenue is calculated by multiplying the actual average yield for your county times the higher of the MYA price or the national loan rate. For 2016, the following prices have been set – wheat at \$3.89 per bushel; barley at \$4.96 per bushel; and oats at \$2.06 per bushel. 2016 county yields will not be available until this fall.

Agriculture Loss Coverage–Individual Option (ARC-IC) will utilize the same prices as ARC-CO, however the actual crop revenue cannot be calculated until participating producers report all production for all covered commodities planted on the farm and all MYA prices for all covered commodities planted on the farm are known. Both of these items are necessary to calculate the ARC-IC actual revenue for the farm.

All 2016 ARC and PLC payments cannot be made until after Oct. 1, 2017, or the announcement of the final 2016 MYA price for the applicable covered commodity.

For information on release dates for MYA prices, ARC-CO yields and projected and final PLC payment rates, visit <u>www.fsa.usda.gov/arc-plc</u> and click on the "ARC/PLC Program Data" link.

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Payments to Deceased Producers

In order to claim a Farm Service Agency (FSA) payment on behalf of a deceased producer, all program conditions for the payment must have been met before the applicable producer's date of death.

If a producer earned a FSA payment prior to becoming deceased, the following is the order of precedence of the representatives of the producer:

- administrator or executor of the estate
- the surviving spouse
- surviving sons and daughters, including adopted children
- surviving father and mother
- surviving brothers and sisters
- heirs of the deceased person who would be entitled to payment according to the State law

In order for FSA to release the payment, the legal representative of the deceased producer must file a form FSA-325, to claim the payment for themselves or an estate. The county office will verify and determine that the application, contract, loan agreement, or other similar form requesting payment issuance, was signed by the applicable deadline for such form, by the deceased or a person legally authorized to act on their behalf at that time of application.

If the application, contract or loan agreement form was signed by someone other than the participant who is deceased, FSA will determine whether the person submitting the form has the legal authority to submit the form to compel FSA to pay the deceased participant.

Payments will be issued to the respective representative's name using the deceased program participant's tax identification number. Payments made to representatives are subject to offset regulations for debts owed by the deceased.

FSA is not responsible for advising persons in obtaining legal advice on how to obtain program benefits that may be due to a participant who has died, disappeared or who has been declared incompetent.

Indiana Producers Urged to Consider Risk Protection Coverage before Crop Sales Deadlines

The USDA Farm Service Agency (FSA) reminds producers to review available USDA crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the applicable crop sales deadline.

Federal crop insurance covers crop losses from natural adversities such as drought, hail and excessive moisture. NAP covers losses from natural disasters on crops for which no permanent federal crop insurance program is available, including perennial grass forage and grazing crops, fruits, vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

The NAP application closing date for value loss crops is September 1. This list includes, but not limited to, the following: flowers for fresh cut, onion sets, turfgrass sod, Christmas trees, aquaculture, ginseng, mushrooms, etc. The NAP application closing date for garlic, wheat, barley, rye and mint is September 30.

USDA has partnered with Michigan State University and the University of Illinois to create an online tool at <u>www.fsa.usda.gov/nap</u> that allows producers to determine whether their crops are eligible for federal crop insurance or NAP and to explore the best level of protection for their operation. NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production, with higher levels of coverage, up to 65 percent of their expected production at 100 percent of the average market price available, including coverage for organics and crops marketed directly to consumers. Crops intended for grazing are not eligible for additional NAP coverage.

Federal crop insurance coverage is sold and delivered solely through private insurance agents. Agent lists are available at all USDA Service Centers or at USDA's online Agent Locator: <u>http://prodwebnlb.rma.usda.gov/apps/AgentLocator/#</u>. Producers can use the USDA Cost Estimator, <u>https://ewebapp.rma.usda.gov/apps/costestimator/Default.aspx</u>, to predict insurance premium costs.

For more information on NAP, service fees, premiums and sales deadlines, contact your local FSA office or visit the web at <u>www.fsa.usda.gov/nap</u>.

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.

Annual mowing of CRP for generic weed control, or for cosmetic purposes, is prohibited at all times.

USDA and SCORE Launch Innovative Mentorship Effort in Indiana to Support New Farmers

The Indiana Farm Service Agency (FSA) will participate in a recently announced effort to mentor new and beginning farmers, veterans, women, socially disadvantaged Americans, and others to enable them to better succeed in agri-business. This announcement is part of a partnership announced in August by Agriculture Secretary Sonny Perdue, which established a partnership between the U.S. Department of Agriculture (USDA) and SCORE, the nation's largest network of volunteer, expert business mentors.

Beginning farmers who want help in developing business plans and need to obtain financing can work with long-term farmers who can help them succeed. This partnership with SCORE will help give them the tools they need. The SCORE mentorship is free and confidential.

SCORE mentors will partner not only with USDA and the Farm Service Agency (FSA), but the wide array of groups already hard at work serving new and beginning farmers and ranchers. These groups include, but are not limited to, cooperative extension and land grant universities, nonprofits, legal aid groups, banks, technical and farm advisors and so many more. This key partnership will allow FSA and all of these partners to expand and integrate outreach and technical assistance, and to connect current and retired farmers and agri-business experts with new farmers to provide mentoring, technical and financial assistance.

The SCORE mentorship effort is aimed at helping young Americans and those seeking second careers following military service who would like to pursue careers in agriculture, but feel the cost to enter the field is high. FSA and its partners plan to work with interested individuals, families and groups to develop business plans, attract operating capital and achieve their goals.

For more information about the SCORE-USDA partnership, see https://newfarmers.usda.gov/mentorship.

FSAfarm+, FSA's Customer Self-Service Portal

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) has launched a new tool to provide farmers with remote access to their personal farm information using their home computers. Farmers can now view, print or export their personal farm data all without visiting an FSA county office.

The program, known as **FSA***farm+*, provides you with secure access to view your personal FSA data, such as base and yields, Conservation Reserve Program data, other conservation program acreage, Highly Erodible Land Conservation and Wetland Conservation status information, field boundaries, farm imagery, name and address details, contact information and membership interest and shares in the operation. This data will be available in real time, at no cost to the producer and allow operators and owners to export and print farm records, including maps. Producers also can electronically share their data with a crop insurance agent from their own personal computer.

Farm operators and owners first will need "Level 2 eAuthentication" to access the webportal. This level of security ensures that personal information is protected for each user. Level 2 access can be obtained by going to <u>www.eauth.usda.gov</u>, completing the required information and then visiting your local FSA office to finalize access.

For more information on **FSA***farm*+, the customer self-service portal, contact your local FSA office. To find your local FSA county office, click <u>http://offices.usda.gov</u>.

Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP)

The Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP) provides emergency assistance to eligible livestock, honeybee, and farm-raised fish producers who have losses due to disease, adverse weather or other conditions, such as blizzards and wildfires, not covered by other agricultural disaster assistance programs.

Eligible livestock losses include grazing losses not covered under the Livestock Forage Disaster Program (LFP), loss of purchased feed and/or mechanically harvested feed due to an eligible adverse weather event, additional cost of transporting water because of an eligible drought and additional cost associated with gathering livestock to treat for cattle tick fever.

Eligible honeybee losses include loss of purchased feed due to an eligible adverse weather event, cost of additional feed purchased above normal quantities due to an eligible adverse weather condition, colony losses in excess of normal mortality due to an eligible weather event or loss condition, including CCD, and hive losses due to eligible adverse weather.

Eligible farm-raised fish losses include death losses in excess of normal mortality and/or loss of purchased feed due to an eligible adverse weather event.

Producers who suffer eligible livestock, honeybee, or farm-raised fish losses from Oct. 1, 2016 to Sept. 30, 2017 must file:

- A notice of loss the earlier of 30 calendar days of when the loss is apparent or by Nov. 1, 2017
- An application for payment by Nov. 1, 2017

The Farm Bill caps ELAP disaster funding at \$20 million per federal fiscal year.

The following ELAP Fact Sheets (by topic) are available online:

- ELAP for Farm-Raised Fish Fact Sheet
- ELAP for Livestock Fact Sheet
- ELAP for Honeybees Fact Sheet

To view these and other FSA program fact sheets, visit the FSA fact sheet web page at <u>www.fsa.usda.gov/factsheets</u>.

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.

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 <u>www.fsa.usda.gov</u>.

Changing Bank Accounts

All FSA payments should be electronically transferred into your bank account. In order to make timely payments, you need to notify the office if you close your account or if your bank is purchased by another financial institution. Payments can be delayed if we are not aware of changes to account and routing numbers.

Dates to Remember

September 1: Margin Protection Program for Dairy Producers (MPP-Dairy) 2018 registration and election begins

September 1: 2017 MPP-Dairy premiums due

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 4: Offices closed in observance of Labor Day

September 15: Reporting date for cucumbers (planted 6/1-8/15 in Knox County)

September 30: Reporting date for value loss and controlled environment crop (for the coming program year)

September 30: Deadline to report changes in interest on ARC or PLC contracts

September 30: NAP application closing date for garlic, wheat, barley, rye and mint for the following year's crop

October 9: Offices closed in observance of Columbus Day

November 1: Enrollment begins for 2018 Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) Programs

November 1: Final application for payment for 2017 ELAP for losses occurring 10/1/2016 to 9/30/2017 **November 4:** Final date to submit a prevented planting claim for 2016 fall wheat with 10/20 final plant date

November 10: Offices closed in observance of Veteran's Day

November 15: Reporting date for perennial grazing and forage crops (alfalfa, grass, mixed forages, clover, etc.)

November 15: Final date to submit a prevented planting claim for 2016 fall wheat with 10/31 final plant date

November 15: NAP application closing date for perennial grazing and forage crops (alfalfa, grass, mixed forages, clover, etc.)

November 20: NAP application closing date for apples, apricots, aronia (chokeberry), asparagus, blueberries, caneberries, cherries, grapes, hops, nectarines, peaches, pears, plums, strawberries **November 23:** Offices closed in observance of Thanksgiving Day

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