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## Utah FSA Newsletter

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### USDA Announces Enrollment Period for Safety Net Coverage in 2017

Producers on farms with base acres under the safety net programs established by the 2014 Farm Bill, known as the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs, can begin visiting FSA county offices starting Nov. 1, 2016, to sign contracts and enroll for the 2017 crop year. The enrollment period will continue until Aug. 1, 2017.

Since shares and ownership of a farm can change year-to-year, producers on the farm must enroll by signing a contract each program year.

If a farm is not enrolled during the 2017 enrollment period, the producers on that farm will not be eligible for financial assistance from the ARC or PLC programs for the 2017 crop should crop prices or farm revenues fall below the historical price or revenue benchmarks established by the program. Producers who made their elections in 2015 must still enroll during the 2017 enrollment period.

The ARC and PLC 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,

Ruth Ann George  
Brent Money

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](http://www.fsa.usda.gov/arc-plc) or visit your local FSA office.

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To find contact information for your local office go to [www.fsa.usda.gov/ut](http://www.fsa.usda.gov/ut)

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## USDA Climate Hub Building Block: Nitrogen Stewardship

USDA Climate Hubs are working with farmers, livestock producers, pasture and forest landowners to effectively partner in ways to help mitigate and adapt to a changing climate. Next in our series on the 10 Building Blocks for Climate Smart Agriculture and Forestry is Nitrogen Stewardship.

Within the United States, agriculture is a significant source of nitrous oxide (N<sub>2</sub>O) emissions—a greenhouse gas (GHG) that has a global warming potential 250 times more than carbon dioxide (CO<sub>2</sub>). In 2013, cropland agriculture released approximately 136 MMTCO<sub>2</sub>e (Million Metric Tons of Carbon Dioxide-Equivalent) in direct N<sub>2</sub>O emissions. More than half of these N<sub>2</sub>O emissions are from synthetic fertilizers and organic amendments. Improved nitrogen management practices can reduce emissions from these sources.

The primary practice used in the Nitrogen Stewardship Building Block to reduce GHG emissions involves the 4Rs: right source, right rate, right time, and right place. The 4Rs come from the NRCS Conservation Practice Standard (CPS) Nutrient Management (590). To read more about Nitrogen Stewardship click the following link or copy and paste the link into your web browser: [http://www.usda.gov/oce/climate\\_change/building\\_blocks/2\\_NitrogenStewardship.pdf](http://www.usda.gov/oce/climate_change/building_blocks/2_NitrogenStewardship.pdf)

For more information about the USDA Climate Hubs click here: <http://www.climatehubs.oce.usda.gov/>.

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## Farm Profitability Workshops

Utah State University Extension will sponsor workshops on beginning and small farm profitability strategies the following dates and locations:

- December 12, 2016, from 9 a.m. to 4 p.m. at the Blanding Arts and Events Center on the USU Blanding campus. This workshop is free, with materials and lunch provided. Online registration can be found at <https://smallfarmblanding.eventbrite.com>.
- December 14, 2016, from 9 a.m. to 4 p.m. at the Marriott Courtyard Hotel in St. George. This workshop is \$25 and includes materials, breaks, and lunch. Online registration can be found at <https://smallfarmstgeorge.eventbrite.com>.
- February 10, 2017, in Logan, Utah. Workshop information will be forthcoming.

According to Kynda Curtis, USU Extension agriculture marketing specialist, the workshop is designed to assist both beginning and experienced farmers and ranchers refine and enhance their business and financial management skills to be successful in small-scale operations.

“While small farms can be very profitable, proper financial, market and production planning is essential to achieving profitability,” Curtis said.

Workshop topics include Business Planning 101, Loan and Grant Programs for Small-Scale Farming/Ranching, Farm Service Agency Programing for Small-Scale Operations, Record-Keeping and Financial Statements and more.

New or beginning farmers and ranchers, as well as small-scale farmers and ranchers looking to diversify their operation, should attend.

Funding for the workshops is provided by USU Extension and the USDA Farm Service Agency.

For further information, contact Curtis at [kynda.curtis@usu.edu](mailto:kynda.curtis@usu.edu) or 435-797-0444.

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## USDA Expands Working-Lands Conservation Opportunities through CRP

USDA will offer a new Conservation Reserve Program (CRP) Grasslands practice specifically tailored for small-scale livestock grazing operations. Small livestock operations with 100 or fewer head of grazing dairy cows (or the equivalent) can submit applications to enroll up to 200 acres of grasslands per farm. USDA's goal is to enroll up to 200,000 acres.

The current CRP Grassland ranking period will end on Nov. 10, 2016. To date, the USDA's Farm Service Agency (FSA) has received nearly 5,000 offers covering over 1 million acres for this CRP working-lands conservation program. These offers are predominantly larger acreage rangeland in Western states.

The new practice for small-scale livestock grazers aims, in part, to encourage greater diversity geographically and in types of livestock operation. This opportunity will close on Dec. 16, 2016. Offers selected this fiscal year will be enrolled into CRP Grasslands beginning Oct. 1, 2017.

Participants in CRP Grasslands establish or maintain long-term, resource-conserving grasses and other plant species to control soil erosion, improve water quality and develop wildlife habitat on marginally productive agricultural lands. CRP Grasslands participants can use the land for livestock production (e.g. grazing or producing hay), while following their conservation and grazing plans in order to maintain the cover. A goal of CRP Grasslands is to minimize conversion of grasslands either to row crops or to non-agricultural uses. Participants can receive annual payments of up to 75 percent of the grazing value of the land and up to 50 percent to fund cover or practices like cross-fencing to support rotational grazing or improving pasture cover to benefit pollinator or other wildlife.

USDA will select offers for enrollment based on six ranking factors: (1) current and future use, (2) new farmer/rancher or underserved producer involvement, (3) maximum grassland preservation, (4) vegetative cover, (5) environmental factors and (6) pollinator habitat. Offers for the second ranking period also will be considered from producers who submitted offers for the first ranking period but were not accepted, as well as from new offers submitted through Dec. 16.

Small livestock operations or other farming and ranching operations interested in participating in CRP Grasslands should contact their local FSA office. To learn more about FSA's conservation programs, visit [www.fsa.usda.gov/conservation](http://www.fsa.usda.gov/conservation).

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## USDA Resumes Incentives to Grow the Bioeconomy and Improve Forest Health

USDA announced that \$1.5 million will be available in fiscal year 2017 for farmers and foresters who harvest and deliver biomass for renewable energy. The funds are from the Biomass Crop Assistance Program (BCAP), which was reauthorized by the 2014 Farm Bill.

In fiscal year 2017, there is \$3 million total available for BCAP, half of which is for harvesting and delivering forest or agricultural residues to a USDA-approved energy facility. BCAP also provides financial assistance to farmers and ranchers who establish and maintain new crops of biomass for energy or biobased products; additional information on the resumption of those funds will be announced at a later date.

Facilities seeking to be qualified by USDA to accept BCAP-funded biomass can begin enrollment Nov. 14 through Dec. 5, 2016. Also, between Jan. 9, 2017, through March 15, 2017, USDA will accept applications from foresters and farmers seeking incentives to remove biomass residues from fields or national forests for delivery to energy generation facilities. The retrieval payments are provided at match of \$1 for \$1, up to \$20 per dry ton. Eligible crops include corn residue, orchard waste or diseased or insect-infested wood materials.

To learn more about BCAP or to enroll in updates, visit [www.fsa.usda.gov/bcap](http://www.fsa.usda.gov/bcap) or contact your local FSA county office.

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## Document the Drought: USDA U.S. Drought Monitor Offers Producers a Voice to Report Drought Impacts

The U.S. Drought Monitor's reporting feature offers producers an opportunity to submit drought impact and condition reports.

The USDA, in partnership with the National Oceanic and Atmospheric Administration and the University of Nebraska in Lincoln, produced the U.S. Drought Monitor to include a reporting feature that allows producers to report local drought impacts and conditions.

The report allows producers to:

- Provide a written description of drought impacts on livelihood, activities, etc.;
- Select categories to show losses and gains as a result of the drought;
- Report on the duration of drought event;
- Select Affected Places – geographic areas ranging from an entire state to a small area within a state;
- Submit images that document the drought and its impact;
- Provide contact information (includes an option to keep information confidential).

The reporting tool for producers to record the effects of the drought can be accessed at the following link:

<http://droughtreporter.unl.edu/submitreport/>

More information including state specific drought impact maps can be found on the U. S. Drought Monitor homepage:

<http://droughtmonitor.unl.edu/Home.aspx>

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## USDA Expands Microloans to Help Farmers Purchase Farmland and Improve Property

Producers, Including Beginning and Underserved Farmers, Have a New Option to Gain Access to Land!

The U.S. Department of Agriculture (USDA) is offering farm ownership microloans, creating a new financing avenue for farmers to buy and improve property. These microloans are especially helpful to beginning or underserved farmers, U.S. veterans looking for a career in farming, and those who have small and mid-sized farming operations.

The microloan program, which celebrates its third anniversary this week, has been hugely successful, providing more than 16,800 low-interest loans, totaling over \$373 million to producers across the country. Microloans have helped farmers and ranchers with operating costs, such as feed, fertilizer, tools, fencing, equipment, and living expenses since 2013. Seventy percent of loans have gone to new farmers.

Now, microloans will be available to also help with farm land and building purchases, and soil and water conservation improvements. FSA designed the expanded program to simplify the application process, expand eligibility requirements and expedite smaller real estate loans to help farmers strengthen their operations. Microloans provide up to \$50,000 to qualified producers, and can be issued to the applicant directly from the USDA Farm Service Agency (FSA).

This microloan announcement is another USDA resource for America's farmers and ranchers to utilize, especially as [new and beginning farmers and ranchers](#) look for the assistance they need to get started. To learn more about the FSA microloan program visit [www.fsa.usda.gov/microloans](http://www.fsa.usda.gov/microloans), or contact your local FSA office.

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## Preauthorized Debit Available for Farm Loan Borrowers

USDA Farm Service Agency (FSA) has implemented pre-authorized debit (PAD) for Farm Loan Program (FLP) borrowers. PAD is a voluntary and alternative method for making weekly, bi-weekly, monthly, quarterly, semi-annual or annual payments on loans.

PAD payments are pre authorized transactions that allow the National Financial and Accounting Operations Center (NFAOC) to electronically collect loan payments from a customer's account at a financial institution.

PAD may be useful for borrowers who use nonfarm income from regular wages or salary to make payments on loans or adjustment offers or for payments from seasonal produce stands. PAD can only be established for future payments.

To request PAD, customers, along with their financial institution, must fill out form RD 3550-28. This form has no expiration date, but a separate form RD 3550-28 must be completed for each loan to which payments are to be applied. A fillable form can be accessed on the USDA Rural Development (RD) website at <http://www.rd.usda.gov/publications/regulations-guidelines>. Click forms and search for "Form 3550-28."

If you have a "filter" on the account at your financial institution, you will need to provide the financial institution with the following information: Origination ID: 1220040804, Agency Name: USDA RD DCFO.

PAD is offered by FSA at no cost. Check with your financial institution to discuss any potential cost. Preauthorized debit has no expiration date, but you can cancel at any time by submitting a written request to your local FSA office. If a preauthorized debit agreement receives three payment rejections within a three month period, the preauthorized debt agreement will be cancelled by FSA. The payment amount and due date of your loan is not affected by a cancellation of preauthorized debit. You are responsible to ensure your full payment is made by the due date.

For more information about PAD, contact your local FSA office.

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## **USDA Issues Safety-Net Payments to Farmers in Response to 2015 Market Downturn**

The U.S. Department of Agriculture (USDA) announced that beginning today, many of the 1.7 million farms that enrolled in either the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs will receive safety-net payments due to market downturns during the 2015 crop year.

This fall, USDA will be making more than \$7 billion in payments under the ARC-County and PLC programs to assist participating producers, which will account for over 10 percent of USDA's projected 2016 net farm income. These payments will help provide reassurance to America's farm families, who are standing strong against low commodity prices compounded by unfavorable growing conditions in many parts of the country.

Unlike the old direct payment program, which issued payments during both weak and strong market conditions, the 2014 Farm Bill authorized the ARC-PLC safety net to trigger and provide financial assistance only when decreases in revenues or crop prices, respectively, occur. The ARC and PLC programs primarily allow producers to continue to produce for the market by making payments on a percentage of historical base production, limiting the impact on production decisions.

Nationwide, producers enrolled 96 percent of soybean base acres, 91 percent of corn base acres and 66 percent of wheat base acres in the ARC-County coverage option. Producers enrolled 99 percent of long grain rice and peanut base acres and 94 percent of medium grain rice base acres in the PLC option. Overall, 76 percent of participating farm base acres are enrolled in ARC-County, 23 percent in PLC and one percent in ARC-Individual. For other program information including frequently asked questions, visit [www.fsa.usda.gov/arc-plc](http://www.fsa.usda.gov/arc-plc).

Payments are made to producers who enrolled base acres of barley, corn, grain sorghum, lentils, oats, peanuts, dry peas, soybeans, wheat and canola. In the upcoming months, payments will be announced after marketing year average prices are published by USDA's National Agricultural Statistics Service for the remaining covered commodities. These include long and medium grain rice (except for temperate Japonica rice), which will be announced in November, remaining oilseeds and chickpeas, which will be announced in December, and temperate Japonica rice, which will be announced in early February 2017. Upland cotton is no longer a covered commodity.

The Budget Control Act of 2011, passed by Congress, requires USDA to reduce 2015 ARC and PLC payments by 6.8 percent. For more information, producers are encouraged to visit their local Farm Service Agency (FSA) office.

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## Measurement Service

Farmers who would like a guarantee on their crop plantings and land use acreages can make it official by using the FSA measurement service. Producers must file a request with the county office staff and pay the cost of a field visit to have stake and referencing done on the farm. Measurement service is available using digital imagery. If an on-site visit is not required producers are charged a reduced rate.

Incorrect acreage self-certification can result in reduced program payments, penalty or loss of eligibility.

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

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 and ranchers apply for loans of up to \$100,000 from USDA-approved lenders to purchase farmland or finance agricultural operations.

USDA today 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.

USDA is providing a 90-day period for the public to review and comment on program improvements. To review program details, visit [www.regulations.gov](http://www.regulations.gov), reference RIN 0560-AI34 and follow the instructions to submit comments.

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 and ranchers through 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](http://www.fsa.usda.gov/farmloans) or by contacting your local FSA office.

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## Margin Protection Program for Dairy Enrollment Deadline is Dec. 16

The deadline for dairy producers to enroll in the Margin Protection Program (MPP) for Dairy is Dec. 16, 2016. This voluntary dairy safety net 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. A USDA web tool, available at [www.fsa.usda.gov/mpptool](http://www.fsa.usda.gov/mpptool), allows dairy producers to calculate levels of coverage available from MPP based on price projections.

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## USDA Encourages Producers to Consider Risk Protection Coverage before Crop Sales Deadlines

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

Producers are reminded that crops not covered by insurance may be eligible for NAP. The 2014 Farm Bill expanded NAP to include higher levels of protection. Beginning, underserved and limited resource farmers are now eligible for free catastrophic level coverage, as well as discounted premiums for additional levels of protection."

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.

USDA has partnered with Michigan State University and the University of Illinois to create an online tool at [www.fsa.usda.gov/nap](http://www.fsa.usda.gov/nap) 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, including coverage for organics and crops marketed directly to consumers.

Deadlines for coverage vary by state and crop. To learn more about NAP visit [www.fsa.usda.gov/nap](http://www.fsa.usda.gov/nap) or contact your local USDA Service Center.

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: <http://prodwebnlb.rma.usda.gov/apps/AgentLocator/#>. Producers can use the USDA Cost Estimator, <https://ewebapp.rma.usda.gov/apps/costestimator/Default.aspx>, to predict insurance premium costs.

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## Marketing Assistance Available for 2016 Wheat and Other Crops

The 2014 Farm Bill authorized 2014-2018 crop year Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs).

In Utah, wheat prices are nearing a range where LDPs may be applicable, so producers should become familiar with the process to access this assistance.

MALs and LDPs provide financing and marketing assistance for wheat, as well as other commodities such as feed grains, soybeans and other oilseeds, pulse crops, wool and honey. MALs provide producers interim financing after harvest to help them meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows.

A producer who is eligible to obtain an MAL, but agrees to forgo the loan, may obtain an LDP if such a payment is available.

To be eligible for an MAL or an LDP, producers must have a beneficial interest in the commodity, in addition to other requirements. A producer retains beneficial interest when control of and title to the commodity is maintained. For an LDP, the producer must retain beneficial interest in the commodity from the time of planting through the date the producer filed [Form CCC-633EZ \(page 1\)](#) in the FSA County Office. For more information, producers should contact their local FSA county office or view the [LDP Fact Sheet](#).

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## Livestock Forage Losses

Producers in Box Elder, Carbon, Davis, Duchesne, Juab, Millard, Salt Lake, Sanpete, Tooele, Utah, Wasatch and Weber Counties are eligible to apply for 2016 Livestock Forage Disaster Program (LFP) benefits on small grain, native pasture, improved pasture, annual ryegrass, forage sorghum.

LFP provides compensation to eligible livestock producers who suffer grazing losses for covered livestock due to drought on privately owned or cash leased land or fire on federally managed land.

County committees can only accept LFP applications after notification is received by the National Office of qualifying drought or if a federal agency prohibits producers from grazing normal permitted livestock on federally managed lands due to qualifying fire.

Eligible livestock producers must complete a CCC-853 and the required supporting documentation no later than January 30, 2017 for 2016 losses.

Additional Information about LFP, including eligible livestock and fire criteria, is available at your local FSA office or online at: [www.fsa.usda.gov](http://www.fsa.usda.gov).

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USDA is an equal opportunity provider, employer and lender. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).