

June 2017



Farm Service Agency **Electronic News Service**

NEWSLETTER

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Minnesota FSA Newsletter: June 2017

State Farm Service Agency

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Best Wishes for your Summer from our Acting SED

With the summer upon us, and this beautiful weather - I wanted to take a moment to thank you for all you do and your contributions to agriculture through your various farming and ranching operations. From your community, to our great state, our country, and even beyond our borders - you are helping to contribute to the health, prosperity, and food security for the world and all its people.

As we dive into the warm months of the year and more time spent outdoors, please keep farm safety in mind. Our Bridges to Opportunity program in every county office has some great

Stuart Shelstad
Cassie Buck
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resources that can be shared with you to help with farm safety for you and your operation. Please stop in and ask us to help you obtain more information, or during your visit for acreage certification and upcoming deadlines!

State Committee:

Debra Crusoe, Member
Richard Peterson, Member
Roger Vogt, Member
Scott Winslow, Member

Speaking of deadlines, did you know that you can sign up to receive SMS text alert messages from your county office regarding pertinent information, pressing alerts, and deadline reminders right to your phone? It's as simple as sending one message to sign up! They're a really great tool - especially during this time of year with various deadlines so that you can stay on top of things and get signed up before the deadlines. Please ask your local FSA office to help you sign up the next time you're in the office.

To find contact information for your local office go to www.fsa.usda.gov/mn

Best wishes for a good summer, great weather, and productive agriculture!

- Michelle Page, Acting SED

USDA Approves Modifications to Margin Protection Plan of Insurance

Crop Insurance Program Expands Options for America's Farmers

The U.S. Department of Agriculture's (USDA) Risk Management Agency (RMA) announced greater crop insurance options for farmers against unexpected decreases in their operating margin. Offered through the federal crop insurance program, margin protection insurance for corn, wheat, rice and soybeans will be available in more states and have updates designed to better clarify the real input costs covered beginning in 2018.

The RMA is expanding margin protection for corn and soybeans to Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin. The RMA also reevaluated how the liabilities and deductibles were identified and has increased the maximum coverage level available to 95 percent. In addition, the program was updated to add a harvest price option for all margin protection crops, which will allow farmers to get the greater of the projected price or the harvest price to further result in a more effective safety net for farmers.

Margin protection insurance is a privately-developed product and first became available in 2016 to provide coverage based on an expected margin, which is the expected area revenue minus the expected area operating costs, for each applicable crop, type and practice. Margin protection is area-based coverage and may not necessarily reflect individual experience. The margin protection plan can be purchased by itself, or in conjunction with a Yield Protection or Revenue Protection policy.

A producer may choose coverage from 70 percent to 95 percent of their expected margin. A higher level of coverage will have a higher premium rate. The last day to purchase a margin protection policy for corn, soybeans, and spring wheat is Sept. 30, 2017. The last day to purchase margin protection for rice is the same as the sales closing date for the underlying rice insurance policy,

which varies by county. Maps of eligible counties and other resources can be found on the [margin protection](#) webpage.

Crop insurance is sold and delivered solely through private crop insurance agents. A list of crop insurance agents is available at all USDA Service Centers and online at the [RMA Agent Locator](#).

Learn more about crop insurance and the modern farm safety net at www.rma.usda.gov.

Guaranteed Conservation Loans

Guaranteed Conservation Loans are available for applicants to install a conservation practice. These funds may be used for any conservation activities included in a conservation plan or Forest Stewardship Management plan. A copy of the conservation plan is required to complete the application. These loans are not limited to just family farmers. In some cases, applicants can operate non-eligible enterprises. Loan funds are issued by a participating commercial lender and guaranteed up to 80 percent by FSA or up to 90 percent for beginning and historically underserved producers.

USDA Microloans 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 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).

To learn more about the FSA microloan program visit www.fsa.usda.gov/microloans, or contact your local FSA office.

Reporting Organic Crops

Producers who want to use the Noninsured Crop Disaster Assistance Program (NAP) organic price and selected the "organic" option on their NAP application must report their crops as organic.

When certifying organic acres, the buffer zone acreage must be included in the organic acreage.

Producers must also provide a current organic plan, organic certificate or documentation from a certifying agent indicating an organic plan is in effect. Documentation must include:

- name of certified individuals
- address
- telephone number
- effective date of certification
- certificate number
- list of commodities certified
- name and address of certifying agent
- a map showing the specific location of each field of certified organic, including the buffer zone acreage

Certification exemptions are available for producers whose annual gross agricultural income from organic sales totals \$5,000 or less. Although exempt growers are not required to provide a written certificate, they are still required to provide a map showing the specific location of each field of certified organic, transitional and buffer zone acreage.

For questions about reporting organic crops, contact your local FSA office. To find your local office, visit <http://offices.usda.gov>.

2017 Acreage Reporting Dates

In order to comply with FSA program eligibility requirements, all producers are encouraged to visit their local FSA office to file an accurate crop certification report by the applicable deadline.

Acreage reporting dates vary by crop and by county so please contact your local FSA office for a list of county-specific deadlines.

The following exceptions apply to acreage reporting dates:

- If the crop has not been planted by the applicable acreage reporting date, then the acreage must be reported no later than 15 calendar days after planting is completed.
- If a producer acquires additional acreage after the applicable acreage reporting date, then the acreage must be reported no later than 30 calendar days after purchase or acquiring the lease. Appropriate documentation must be provided to the county office.
- If a perennial forage crop is reported with the intended use of “cover only,” “green manure,” “left standing,” or “seed,” then the acreage must be reported by July 15th.

Noninsured Crop Disaster Assistance Program (NAP) policy holders should note that the acreage reporting date for NAP covered crops is the earlier of the applicable dates or 15 calendar days before grazing or harvesting of the crop begins.

For questions regarding crop certification and crop loss reports, please contact your local FSA office.

Unauthorized Disposition of Grain

If loan grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties for unauthorized dispositions are severe and a producer's name will be placed on a loan violation list for a two-year period. Always call before you haul any grain under loan.

CRP Payment Limitation

Payments and benefits received under the Conservation Reserve Program (CRP) are subject to the following:

- payment limitation by direct attribution
- foreign person rule
- average adjusted gross income (AGI) limitation

The 2014 Farm Bill continued the \$50,000 maximum CRP payment amount that can be received annually, directly or indirectly, by each person or legal entity. This payment limitation includes all annual rental payments and incentive payments (Sign-up Incentive Payments and Practice Incentive Payments). Annual rental payments are attributed (earned) in the fiscal year in which program performance occurs. Sign-up Incentive Payments (SIP) are attributed (earned) based on the fiscal year in which the contract is approved, not the fiscal year the contract is effective. Practice Incentive Payments (PIP) are attributed (earned) based on the fiscal year in which the cost-share documentation is completed and the producer or technical service provider certifies performance of practice completion to the county office.

Such limitation on payments is controlled by direct attribution.

- Program payments made directly or indirectly to a person are combined with the pro rata interest held in any legal entity that received payment, unless the payments to the legal entity have been reduced by the pro rata share of the person.
- Program payments made directly to a legal entity are attributed to those persons that have a direct and indirect interest in the legal entity, unless the payments to the legal entity have been reduced by the pro rata share of the person.
- Payment attribution to a legal entity is tracked through four levels of ownership. If any part of the ownership interest at the fourth level is owned by another legal entity, a reduction in payment will be applied to the payment entity in the amount that represents the indirect interest of the fourth level entity in the payment entity.

Essentially, all payments will be "attributed" to a person's Social Security Number. Given the current CRP annual rental rates in many areas, it is important producers are aware of how CRP offered acreages impact their \$50,000 annual payment limitation. Producers should contact their local FSA office for additional information.

NOTE: The information in the above article only applies to contracts subject to 4-PL and 5-PL regulations. It does not apply to contracts subject to 1-PL regulations.

ARC/PLC Acreage Maintenance

Producers enrolled in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs must protect all cropland and noncropland acres on the farm from wind and water erosion and noxious weeds. Producers who sign ARC county or individual contracts and PLC contracts agree to effectively control noxious weeds on the farm according to sound agricultural practices. If a producer fails to take necessary actions to correct a maintenance problem on a farm that is enrolled in ARC or PLC, the County Committee may elect to terminate the contract for the program year.

USDA Announces Changes to Fruit, Vegetable and Wild Rice Planting Rules

Farm Service Agency (FSA) has announced fruit, vegetable and wild rice provisions that affect producers who intend to participate in certain programs authorized by the Agricultural Act of 2014.

Producers who intend to participate in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs are subject to an acre-for-acre payment reduction when fruits and nuts, vegetables or wild rice are planted on the payment acres of a farm. Payment reductions do not apply to mung beans, dry peas, lentils or chickpeas. Planting fruits, vegetables or wild rice on acres that are not considered payment acres will not result in a payment reduction. Farms that are eligible to participate in ARC/PLC but are not enrolled for a particular year may plant unlimited fruits, vegetables and wild rice for that year but will not receive ARC/PLC payments for that year. Eligibility for succeeding years is not affected.

Planting and harvesting fruits, vegetables and wild rice on ARC/PLC acreage is subject to the acre-for-acre payment reduction when those crops are planted on either more than 15 percent of the base acres of a farm enrolled in ARC using the county coverage or PLC, or more than 35 percent of the base acres of a farm enrolled in ARC using the individual coverage.

Fruits, vegetables and wild rice that are planted in a double-cropping practice will not cause a payment reduction if the farm is in a double-cropping region as designated by the USDA's Commodity Credit Corporation.

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).