September 2015

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State FSA Newsletter

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Find Your Local Office
http://offices.sc.egov.usda.gov/locator/app

Please contact your local FSA Office for questions specific to your operation or county.

From the State Executive Director

Right now there is a lull between the small grain harvest and the row crop harvest. Small grains and cool season broadleaf yield reports from across the state have been, for the most part, a little above average. During this time I remind everyone to make sure that you have stopped into the FSA office and get the paperwork signed for the 2014 and 2015 ARC/PLC enrollment. Producers have commented many times to me that they have been into the FSA office more in the past year than the last five years. For some, that may be accurate because CC yields were updated which hadn't been done for many years and base acres were reallocated to match more recent years' production. Decisions were made to either sign up for

PLC or ARC for each base crop on each farm. Now producers need to sign that annual contract with USDA. Yes, it may seem like a lot of visits but with these low commodity prices, FSA may be making some safety net payments.

So do not miss the September 30 deadline to enroll.

Have a safe harvest!

Aaron Krauter, State Executive Director

ARCPLC Enrollment Period – 2014 and 2015 Crop Years

Operators and owners of farms in 2014 and 2015 must complete enrollment into the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs by not later than September 30, 2015.
Previously, owners and operators completed yield, base and election decisions, now you must complete the “enrollment” or “contracting” step of the program. The program elections made by producers on the farm were an irrevocable program election that runs through the 2018 crop year. The contract enrollment process is an “annual requirement”, for each of the years 2014 – 2018. The annual enrollment phase must be completed by September 30, 2015, for both the 2014 and 2015 contract years.

ARC and PLC payments are earned on farms that are enrolled into the annual contract if; the crop base has been elected in into the PLC program and the marketing year average price falls below the reference price for the crop; or for ARC-CO, the crop base has been elected into ARC-CO and the actual revenue for the year falls below the guarantee for the applicable crop base; or for ARC-IC, the farm is elected into ARC-IC and the farm’s actual revenue falls below the farms guarantee for the year. The 2014 crop year payments, if triggered, will begin to be issued in October of 2015. The crops that trigger 2014 payments will be announced by FSA later this fall.

For ARC-CO and PLC, the contract enrollment must be completed by those producers with an interest in historical base acres of the farm. For ARC-IC farms, the contract must be completed by producers who have an interest in the planted acres of the covered commodities on the farm. Please make certain that you check with your County FSA Office to ensure that the FSA farms you want enrolled into the annual 2014 and 2015 ARC and PLC programs, have been completed. Producers are encouraged to contact their local FSA office to schedule an appointment to complete the ARCPLC enrollment process and sign the program contract for each of their FSA farms by the deadline of September 30, 2015.

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2014 ARC and PLC Payments

The final payments for the 2014 ARC and PLC program, if payments are triggered, are scheduled to be made by the end of October for wheat, barley, oats, corn, grain sorghum, soybeans, dry peas and lentils. The minor oilseed and garbanzo bean 2014 ARC and PLC payments, if triggered, are scheduled to be paid in December.

The final payment rates for crops triggering PLC payments are dependent on the 2014 marketing year average price. The final payments rates for crops triggering ARC-CO payments are dependent upon each crops county average yield and the 2014 marketing year average price. The final ARC-CO crop yields will be made available by FSA prior to payments being issued.

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2014 ARC-IC – Farm Benchmark and Actual Yield Certification

Producers, who have a 2014 ARC-IC program contract on one or more FSA farms, must complete the certification of ARC-IC yields for each ARC-IC farm and each covered commodity planted in 2014 by not later than September 30, 2015.

Production evidence that can be used to support the certified yields can be from the following sources:

- Crop Insurance loss records
- Sales records (buyer specific)
- Crop Insurance APH data base records
- Farm stored production records, appraisals

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2015 Crop – NAP Notice of Loss

Producers with a NAP policy should file a notice of loss if they believe their crops have suffered a yield loss. In addition, if a producer is going to abandon a crop with NAP coverage, the crop must be appraised prior to destruction of the acreage to ensure coverage. Producers with NAP coverage on grazing land should also file a notice of loss if they have suffered a loss in grazing capacity on pastures.

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

Greater protection is now available from the Noninsured Crop Disaster Assistance Program (NAP) for crops that traditionally have been ineligible for federal crop insurance. The new options, created by the 2014 Farm Bill, provide greater coverage for losses when natural disasters affect specialty crops such as vegetables, fruits, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, and energy crops.

Upcoming NAP Application Closing Dates:

September 30, 2015 - Rye, Asparagus, and Rhubarb
December 1, 2015 - Honey

USDA has partnered with Michigan State University and the University of Illinois to create an online tool at 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.

To learn more about NAP visit www.fsa.usda.gov/nap or contact your local FSA office.

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Enrollment for 2016 Dairy Margin Protection Program Ends September 30

Dairy farmers are reminded that the enrollment deadline for the Margin Protection Program for coverage in 2016 is Sep. 30. The voluntary program, established by the 2014 Farm Bill, provides financial assistance to participating dairy operations when the margin – the difference between the price of milk and feed costs – falls below the coverage level selected by the farmer.

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, 2015, for coverage in 2016. Participating farmers will remain in the program through 2018 and pay a $100 administrative fee each year. Producers also have the option of selecting a different coverage level during open enrollment each year. Margin Protection Program payments are based on an operation's historical production. An operation's historical production will increase by 2.61 percent in 2016 if the operation participated in 2015, providing a stronger safety net.

USDA also has an online resource available to help dairy producers decide which level of coverage will provide them with the strongest safety net under a variety of conditions. The enhanced Web tool, available at www.fsa.usda.gov/mpptool, allows dairy farmers to quickly and easily combine their 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 based on data projections. The secure site can be accessed via computer, mobile phone, or tablet, 24 hours a day, seven days a week.

Dairy operations enrolling in the program must meet conservation compliance provisions. Producers participating in the Livestock Gross Margin insurance program may register for the Margin Protection Program, but this new margin program will only begin once their livestock dairy insurance coverage has ended. Producers must also submit form CCC-782 for 2016, confirming their Margin Protection Program coverage level selection, to the local Farm Service Agency (FSA) office. If electing higher coverage for 2016, dairy producers can either pay the premium in full at the time of enrollment or pay a minimum of 25 percent of the premium by Feb. 1, 2016.

For more information, visit FSA online at www.fsa.usda.gov/dairy for more information, or stop by a local FSA office to learn more about the Margin Protection Program. To find a local FSA office in your area, visit http://offices.usda.gov.

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Late-Filed Acreage Reports

The deadline for timely filing an acreage report in North Dakota for the 2015 program year was July 15. Acreage reports must be filed for all cropland on the farm before any 2015 ARCPLC payments can be made or before eligibility can be established for marketing assistance loans and LDP's. Additionally, participants of the Conservation Reserve Program (CRP) and the Non-insured Assistance Program (NAP) must report the specific acreage for which benefits are being requested.

Although the reporting deadline has passed, county offices will accept late-filed acreage reports providing certain criteria are met. Contact your local county office for additional information relative to late-filed acreage reports.

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Average AGI Limitation

With the passage of the 2014 Farm Bill, a new AGI limitation has been established for program eligibility purposes. If the participant's average AGI exceeds $900,000 (farm and nonfarm), the person or legal entity will be ineligible for payments and benefits as follows for the respective programs/years:

- October 2, 2011, and subsequent years – LIP, LFP, ELAP, and TAP
- 2014 and subsequent years – NAP
- 2014 through 2018 – ARC, PLC, LDP, and MLG
- 2015 and subsequent years – Conservation-related programs.

The average AGI is based on the average of adjusted gross income for the 3 taxable years preceding the most immediately preceding complete taxable year. For the 2015 program year, for example, the 3 taxable years for AGI purposes would include 2011, 2012, and 2013.

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2015 Payment Limitations

The method in which FSA limits payments for program years 2014 through 2018 will continue to be via direct attribution. Direct attribution means that payments to legal entities, such as corporations, limited partnerships, limited liability companies, and other similar entities, are limited by attributing the payment to an individual based on his/her direct and indirect interest in the entity.

The following are program limitations for the 2014 through 2018 program years: Price Loss Coverage (PLC), Agricultural Risk Coverage (ARC), LDP's, and MLG's, $125,000; CRP, $50,000; LIP, LFP, & ELAP, $125,000; NAP,$125,000.

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Marketing Assistance Loans

USDA's Commodity Credit Corporation makes available nonrecourse marketing assistance loans on certain crop year 2015 commodities. These loans can be requested by mail, via fax, or in person by properly completing the loan application (CCC-666). Loan applications are available at all county FSA offices and online at: http://forms.sc.egov.usda.gov/eForms/

A commodity loan application must be filed at the county office that maintains the farm records for the farm that produced the commodity for the loan. The 2015 crop commodity loan rates are available at any county FSA office, or online at: http://www.fsa.usda.gov and clicking on the "Price Support" link.
Lien searches are required for all applicants and spouses to identify prior lien holders. County Offices will be updating CCC-10's by verifying an individual's name according to their driver's license. Lien waivers are required from all lien holders before the loan can be disbursed.

To be eligible for loan the commodity must meet the applicable commodity definition in the Official United States Standards and specific commodity eligibility requirements for a nonrecourse loan.

Farm-stored loans are available in approved storage structures that provide safe storage for the commodity through the maturity date of the loan. Loans mature on demand, but no later than the last day of the ninth calendar month after the month in which the loan was disbursed.

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Commodity Loan Repayments

Outstanding commodity loans can be repaid at any time at principal plus interest. Market rate loan repayments can be made on nonrecourse loans prior to loan maturity, when the market repayment rate is less than principal plus interest. Currently, there are no grain, oilseed or pulse crop commodities with a market repayment rate less than principal plus interest. Matured loans cannot be repaid at the market repayment rate.

If the sales proceeds are needed to repay the loan, a marketing authorization (CCC-681-1) can be requested. The request can either be made in person or by telephone. The terms of the marketing authorization can be either 15 or 30 calendar days. All parties who signed the note are responsible for repaying the loan. If the buyer does not repay the loan as required by the marketing authorization, CCC will make demand for repayment on the producers who signed the note. If a market repayment option is available, the option cannot be used after loan maturity or when the buyer does not remit repayment within 15 days of the expiration date of the marketing authorization.

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Bank Account Changes

Current FSA policy mandates that payments be electronically transferred into your bank account. In order for timely payments to be made, producers need to notify the FSA county office if your account has been changed or if another financial institution purchases your bank. Payments can be delayed if the FSA office is not aware of updates to your account and routing numbers.

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USDA Announces Conservation Incentives for Working Grass, Range and Pasture Lands

Beginning Sept. 1, farmers and ranchers can apply for financial assistance to help conserve working grasslands, rangeland and pastureland while maintaining the areas as livestock grazing lands.

The initiative is part of the voluntary Conservation Reserve Program (CRP), a federally funded program that for 30 years has assisted agricultural producers with the cost of restoring, enhancing and protecting certain grasses, shrubs and trees to improve water quality, prevent soil erosion and reduce loss of wildlife habitat. In return, the U.S. Department of Agriculture (USDA) provides participants with rental payments and cost-share assistance. CRP has helped farmers and ranchers prevent more than 8 billion tons of soil from eroding, reduce nitrogen and phosphorous runoff relative to cropland by 95 and 85 percent respectively, and even sequester 43 million tons of greenhouse gases annually, equal to taking 8 million cars off the road.

The CRP-Grasslands initiative will provide participants who establish long-term, resource-conserving covers with annual rental payments up to 75 percent of the grazing value of the land. Cost-share assistance also is available for up to 50 percent of the covers and other practices, such as cross fencing to support rotational grazing or improving pasture cover to benefit pollinators or other wildlife. Participants may still conduct common grazing practices, produce hay, mow, or harvest for seed production, conduct fire rehabilitation, and construct firebreaks and fences.

With the publication of the CRP regulation today, the Farm Service Agency will accept applications on an ongoing basis beginning Sept. 1, 2015, with those applications scored against published ranking criteria, and approved based on the competiveness of the offer. The ranking period will occur at least once per year and be announced at least 30 days prior to its start. The end of the first ranking period will be Nov. 20, 2015.

To learn more about participating in CRP-Grasslands or SAFE, visit www.fsa.usda.gov/crp or consult with the local Farm Service Agency county office. To locate a nearby Farm Service Agency office, visit http://offices.usda.gov. To learn more about the 30th anniversary of CRP, visit www.fsa.usda.gov/CRPis30 or follow on Twitter using #CRPis30.

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Emergency Loans

Producers with operations in counties that have been declared Presidential Disaster Areas or designated as a disaster area by the Secretary of Agriculture or in a contiguous county are eligible to apply for low interest emergency loans.

Emergency loans help producers recover from production and physical losses due to drought, flooding and other natural disasters or quarantine.

Producers have eight months from the date of the declaration to apply for emergency loan assistance. FSA will consider each loan application on its own merits, taking into account the extent of losses, security available and repayment ability. Producers can borrow up to 100 percent of actual production or physical losses, to a maximum amount of $500,000. The current emergency loan interest rate is 2.25 percent.

Producers with operations in counties that did not receive a disaster designation could be eligible for emergency loan assistance if they suffered at least a 30 percent loss in crop production or a physical loss to livestock, livestock products, real estate or chattel property.
For more information about emergency loans, please contact your local FSA office or visit www.fsa.usda.gov.

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Important Dates and Deadlines

September 30 - 2014 and 2015 ARCPLC Sign up deadline
September 30 - 2014 ARC-IC Yield Certification
September 30 - 2016 Rye, Asparagus, and Rhubarb NAP Coverage
September 30 - Dairy MPP Enrollment Deadline
November 9 - County Committee Ballots mailed to eligible voters
December 1 - 2016 Honey NAP Coverage
December 7 - Deadline to return county committee ballots to county offices

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September Loan and Interest Rates

Commodity Loans -1.375%
Operating Loans - 2.625%
Farm Ownership Loans - 4.000%
Farm Ownership - Down Payment Loans - 1.50%
Emergency - Amount of Actual Loss - 3.625%
Farm Storage Facility Loan, 7-Year - 2.000%
Farm Storage Facility Loan, 10-Year - 2.250%
Farm Storage Facility Loan, 12-Year - 2.250%

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