March 2015

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Colorado State FSA Newsletter

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Online Directory of FSA Offices

The next STC meeting:
April 21-22, 2015

March 15 (Sales Closing Date for Noninsurable Crops)

Farm Service Agency (FSA) urges Colorado producers who want to purchase coverage through the Noninsured Crop Disaster Assistance Program (NAP) to do so before the sales closing date of March 15, 2015.

Due to March 15 being a Sunday, coverage can be purchased on Monday, March 16, 2015.

NAP provides financial assistance to producers of noninsurable crops when low yields/grazing loss, loss of inventory or prevented planting occur due to natural disasters including drought, freeze, hail, excessive moisture, excessive wind or hurricanes.

In order to meet eligibility requirements for NAP, crops must be noninsurable, commercially-produced agricultural commodity crops for which the catastrophic risk protection level of crop insurance is not available.

The Agricultural Act of 2014 (the 2014 Farm Bill) allows producers to choose higher levels of NAP coverage. Previously, the program offered coverage at 55 percent of the average market price for crop losses that exceed 50 percent of expected production. Producers can now choose higher levels of coverage, up to 65 percent of their expected production at 100 percent of the average market price. It is important to note that the higher coverage is not available on grazing crops.

The following spring seeded crops in Colorado have a NAP application closing date of March 15, 2015: Amaranth, Artichokes, Beans, Beets, Broccoli, Brussel Sprouts, Buckwheat, Cabbage, Cantaloupe, Carrots, Cauliflower, Celery, Corn, Cucumbers, Eggplant, Flowers, Gourds, Grain Sorghum, Grapes, Greens, Herbs, Honeydew, Kochia, Kohlrabi, Leeks, Lentils, Lettuce, Mellon, Millet, Oats, Okra, Parsnip, Peas, Peppers, Potatoes, Pumpkins, Quinoa, Radishes, Rapeseed, Rutabaga, Safflower, Sorghum, Soybeans, Strawberries, Sugar Beets, Sunflowers, Sweet Potatoes, Tomatillos, Tomatoes, Turnips, and Watermelons

Eligible producers have until March 16, 2015 to file the application and pay a service fee. Producers also pay a fixed premium for higher coverage. Beginning, Limited Resource and Underserved producers may request a waiver of the service fee and a 50 percent premium reduction when the application for coverage is filed.

March 31 Deadline for Update Base Acres of Yield History and Election for ARC/PLC Programs

The final day to update yield history or reallocate base acres is March 31, 2015. The final day for farm owners and producers to choose ARC or PLC coverage is also March 31, 2015.

If no changes are made to yield history or base acres by March 31, 2015, the farm's current yield and base will be used. A program choice of ARC or PLC coverage also must be made by March 31, 2015, or there will be no 2014 payments for the farm and the farm will default to PLC coverage through the 2018 crop year.

Nationwide, more than 2.9 million educational postcards, in English and Spanish, have been sent to producers, and over 4,100 training sessions have been conducted on the new safety-net programs. The online tools, available at www.fsa.usda.gov/arc-plc, allow producers to explore projections on how ARC or PLC coverage will affect their operation under possible future scenarios.

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 rice), safflower seed, sesame, soybeans, sunflower seed and wheat. Upland cotton is no longer a covered commodity.

To learn more, farmers can contact their local Farm Service Agency county office. To find your local office visit http://offices.usda.gov.

USDA Creates More Bird Habitat Opportunities on Irrigated Farmland

USDA's Farm Service Agency (FSA) announces more bird habitats to be established in irrigated farmland regions through the Conservation Reserve Program (CRP).

Declines in upland bird populations, such as the northern bobwhite, pheasant, and prairie chicken, led to the creation of new Conservation Reserve Program features to help restore habitats for these species in these agricultural areas. Since the program's creation in 2004, more than 240,000 acres of marginal cropland have been converted to native grasslands, spurring an increase in upland bird populations.

In recent years, however, applications for this type of habitat creation have slowed. To encourage more participation, USDA's new policy focuses on farmland with center-pivot irrigation systems where there are circular areas of cropland with patches of land beyond the reach of irrigation. Until now, these patches – known as pivot corners – were only eligible for habitat creation when connected by a linear strip of grassland also enrolled in the program. The new policy allows producers interested in habitat creation to use disconnected pivot corners to help increase the population of upland birds.

Other species that can benefit from today's change include the mourning dove, wild turkey, several sparrows, meadowlark and bobolinks.

The Conservation Reserve Program is a voluntary program. FSA contracts with agricultural landowners so that environmentally sensitive land is not farmed but instead used for conservation. Participants establish long-term plant species that control soil erosion, sequester carbon, improve water quality, and strengthen declining wildlife populations. In return, participants receive annual rental payments between 10 and 15 years.

Interested landowners can enroll pivot corners in the Conservation Reserve Program at any time. Participants and land must meet certain eligibility requirements. Other restrictions may apply. For additional details, contact your local Farm Service Agency office at offices.usda.gov or visit the website at www.fsa.usda.gov/conservation.

Livestock Indemnity Program (LIP)

The Livestock Indemnity Program (LIP) provides assistance to eligible producers for livestock death losses in excess of normal mortality due to adverse weather and attacks by animals reintroduced into the wild by the federal government or protected by federal law. LIP compensates livestock owners and contract growers for livestock death losses in excess of normal mortality due to adverse weather, including losses due to hurricanes, floods, blizzards, wildfires, extreme heat or extreme cold.

For 2015, eligible losses must occur on or after Jan. 1, 2015, and before December 31, 2015. A notice of loss must be filed with FSA within 30 days of when the loss of livestock is apparent. Participants must provide the following supporting documentation to their local FSA office no later than 30 calendar days after the end of the calendar year for which benefits are requested:

- Proof of death documentation
- Copy of growers contracts
- Proof of normal mortality documentation

USDA has established normal mortality rates for each type and weight range of eligible livestock, i.e. Adult Beef Cow = 1.5% and Non-Adult Beef Cattle (less than 400 pounds) = 3%. These established percentages reflect losses that are considered expected or typical under “normal” conditions. Producers who suffer livestock losses in 2015 must file both of the following:

- A notice of loss the earlier of 30 calendar days of when the loss was apparent or by January 30, 2016
- An application for payment by January 30, 2016.

Additional Information about LIP is available at your local FSA office or online at: www.fsa.usda.gov.

Emergency Assistance for Livestock, Honeybee, 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 October 1, 2014 to September 30, 2015 must file:

- A notice of loss the earlier of 30 calendar days of when the loss is apparent or by November 1, 2015
- An application for payment by November 1, 2015

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 www.fsa.usda.gov/factsheets.

Filing for NAP Losses

The CCC-576, Notice of Loss, is used to report failed acreage and prevented planting and may be completed by any producer with an interest in the crop. Timely filing a Notice of Loss is required for all crops including grasses. For losses on crops covered by the Non-Insured Crop Disaster Assistance Program (NAP) and crop insurance, you must file a CCC-576, Notice of Loss, in the FSA County Office within 15 days of the occurrence of the disaster or when losses become apparent.

If filing for prevented planting, an acreage report and CCC-576 must be filed within 15 calendar days of the final planting date for the crop.

MAL and LDP Policy Changes for Crop Years 2015-2018

The Agricultural Act of 2014 authorized 2014-2018 crop year Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs), with a few minor policy changes.

Among the changes, farm-stored MAL collateral transferred to warehouse storage will retain the original loan rate, be allowed to transfer only the outstanding farm-stored quantity with no additional quantity allowed and will no longer require producers to have a paid for measurement service when moving or commingling loan collateral.

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, pulse crops, rice, peanuts, cotton, 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 a loan, but agrees to forgo the loan, may obtain an LDP if such a payment is available. Marketing loan provisions and LDPs are not available for sugar and extra-long staple cotton.

FSA is now accepting requests for 2015 MALs and LDPs for wool as well as LDPs for unshorn pelts. MAL and LDP requests for all other eligible commodities will be accepted after harvest. FSA continues to accept MAL and LDP requests for 2014 crops with upcoming deadlines.

Before MAL repayments and LDP disbursements can be made, producers must meet the requirements of actively engaged in farming, cash rent tenant and member contribution.

Additionally, form CCC-902 and CCC-901 must be submitted for the 2014 crop year, if applicable, with a county committee determination and updated subsidiary files.

To be considered eligible for an LDP, producers must have form CCC-633EZ, Page 1 on file at their local FSA Office before losing beneficial interest in the crop. Pages 2, 3 or 4 of the form must be submitted when payment is requested.

The 2014 Farm Bill also establishes payment limitations per individual or entity not to exceed $125,000 annually on certain commodities for the following program benefits: price loss coverage payments, agriculture risk coverage payments, marketing loan gains (MLGs) and LDPs. These payment limitations do not apply to MAL loan disbursements.

Adjusted Gross Income (AGI) provisions were modified by the 2014 Farm Bill, which states that a producer whose total applicable three-year average AGI exceeds $900,000 is not eligible to receive an MLG or LDP.

For more information and additional eligibility requirements, please visit a nearby USDA Service Center or FSA's website www.fsa.usda.gov.

Final Availability Dates for Marketing Assistance Loans & Loan Deficiency Payments

- March 31, 2015 - Barley, Canola, Crambe, Flaxseed, Honey, Oats, Rapeseed, Wheat, Sesame Seed
- May 31, 2015 - Corn, Dry Peas, Grain Sorghum, Lentils, Mustard Seed, Rice, Safflower Seed, Chickpeas, Soybeans, Sunflower Seed

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Grain Loans

Maintaining the Quality of Loaned Grain

Bins are ideally designed to hold a level volume of grain. When bins are overfilled and grain is heaped up, airflow is hindered and the chance of spoilage increases.

Producers who take out marketing assistance loans and use the farm-stored grain as collateral should remember that they are responsible for maintaining the quality of the grain through the term of the loan.

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.

FSA Signature Policy

Using the correct signature when doing business with FSA can save time and prevent a delay in program benefits. The following are FSA signature guidelines:

- Spouses may sign documents on behalf of each other for FSA and CCC programs in which either has an interest, unless written notification denying a spouse this authority has been provided to the county office
- Spouses shall not sign on behalf of each other as an authorized signatory for partnerships, joint ventures, corporations, or other similar entities

For additional clarification on proper signatures contact your local FSA office.

Microloan Cap Grows to $50,000

Farm Service Agency (FSA) reminds farmers and ranchers that the FSA borrowing limit for microloans increased from $35,000 to $50,000. Microloans offer borrowers simplified lending with less paperwork.

The microloan change allows beginning, small and mid-sized farmers to access an additional $15,000 in loans using a simplified application process with up to seven years to repay. Microloans are part of USDA's continued commitment to small and midsized farming operations.

To complement the microloan program additional changes to FSA eligibility requirements will enhance beginning farmers and ranchers access to land, a key barrier to entry level producers. FSA policies related to farm experience have changed so that other types of skills may be considered to meet the direct farming experience required for farm ownership loan eligibility. Operation or management of non-farm businesses, leadership positions while serving in the military or advanced education in an agricultural field will now count towards the experience applicants need to show when applying for farm ownership loans. **Important Note**: Microloans cannot be used to purchase real estate.

Since 2010, FSA has made a record amount of farm loans — more than 165,000 loans totaling nearly $23 billion. More than 50 percent of USDA's farm loans now go to beginning farmers. In addition, FSA has increased its lending to underserved producers by nearly 50 percent since 2010.

Please review the FSA Microloan Program Fact Sheet for program application, eligibility and related information.

Youth Loans

The Farm Service Agency 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 advisorsupervisor must recommend the youth loan applicant, along with providing adequate supervision.

Stop by the county office for help preparing and processing the application forms.

Colorado Rural Development - Grant and Loan Funding Available

Trudy Kareus, Colorado State Director for USDA Rural Development, announced that rural agricultural producers and small business owners can now apply for resources to purchase and install renewable energy systems or make energy efficiency improvements. These efforts help farmers, ranchers and other small business owners save money on their energy bills, reduce America's dependence on foreign oil, support America's clean energy economy and cut carbon pollution. These resources are made possible by the 2014 Farm Bill. Colorado has a significant increase in Rural Energy for America Program grant funding for 2015, to include $152,000 available for grants $20,000 and less, and $1,006,000 available for grants over $20,000. USDA grant funds can be used for up to 25 percent of total project costs and loan guarantees can be utilized for up to 75 percent of total project costs. Eligible renewable energy projects must incorporate commercially available technology. This includes renewable energy from wind, solar, ocean, small hydropower, hydrogen, geothermal and renewable biomass (including anaerobic digesters). The maximum grant amount is $500,000, and the maximum loan amount is $25 million per applicant. For more information, or to receive application materials or a list of upcoming trainings contact Don Nunn, donald.nunn@co.usda.gov.

Date to Remember and Interest Rates for March 2015

Important Dates to Remember

- **March 16**: Noninsured Crop Disaster Assistance Program (NAP) Sales Closing Date for 2015 Spring Seeded Crops
- **March 31:** Deadline for producers to make a one-time election of either ARC or PLC for the 2014 through 2018 crop years.
- **March 31**: Deadline for land owners to update yield history and/or reallocate base acres
- **March 31**: Final Loan/LDP Availability Dates for Barley, Canola, Crambe, Flaxseed, Honey, Oats, Rapeseed, Sesame Seed and Wheat
- **June 1** - Deadline for MAL's and LDP's for Corn, Dry Peas, Grain Sorghum, Lentils, Mustard Seed, Safflower Seed, Chickpeas, Soybeans, and Sunflower Seed
- **July 15** - Final acreage reporting deadline

Interest Rates for February 2015

- 0.125% - 90-day Treasurey Bill
- 2.50% - Farm Operating Loans - Direct
- 3.50% - Farm ownership Loans - Direct
- 1.50% - Farm ownership Loans - Direct Down Payment, Beginning Farmers or Rancher
- 3.50% - Emergency Loans
- 1.875% - Farm Storage Facility Loans (7 years)
