



NEWSLETTER



STATE OF THE FARM UPDATE

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Fall 2011



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From the FSA Farm Fields

Fall is upon us, and we are all working diligently to finish harvest. I thank you for all that you do as an Indiana agricultural owner or operator to feed and fuel this growing Nation and world. Thanksgiving is right around the corner, but it is important to thank you, the American Farmer, every day for all you do for our global economy.

The USDA Farm Service Agency is doing its part to reduce the federal deficit and is making changes that will affect our communications with you. This newsletter is one example. In an effort to reduce operating costs, we are reducing postage expenses as much as possible. We no longer will be mailing newsletters to your home, nor will we be mailing acreage maps. You will need to pick them up at the county office, or receive them electronically. We are looking at every aspect as to how we conduct business and we are reducing expenses wherever possible without negatively affecting our ability to provide services to producers.

Consequently, we are also making an effort to collect email addresses of owners and operators. Like other agricultural businesses today, FSA is trying to use email notification to provide pertinent information such as deadlines, reminders, and newsletters. Rest assured, email addresses are treated as personally identifiable information (PII) and are confidential at FSA. Many people have personal electronic devices and carry their lives in the palms of their hands. So I ask for your support and assistance as we make this transition to digital communication. Your County Office staff stands ready to assist you and your operation and to answer any questions that you might have. Have a great holiday season.

Sincerely Yours In Agriculture,

*"Burn down your cities
and leave our farms, and
your cities will spring up
again as if by magic; but
destroy our farms, and the
grass will grow in the
streets of every city in the
country."*

-Wm. Jennings Bryan

2012 DCP and ACRE Enrollment Begins January 23, 2012

As required in the 2008 Farm Bill, there are no 2012 advance direct payments for the Direct and Counter-Cyclical Program (DCP) and the Average Crop Revenue Election (ACRE). Enrollment for 2012 DCP and ACRE will begin on January 23, 2012. The beginning enrollment date has been moved back to January 23, 2012 for 2012 DCP and ACRE in order to allow County Office employees time to begin sign-up of 2010 Supplemental Revenue Assistance Payments Program (SURE) and allow County Office employees time to finalize supplemental revenue assistance programs. The enrollment deadline for 2012 DCP and ACRE elections is June 1, 2012.

SURE Sign-Up to Begin November 14, 2011 for 2010 Crop Losses

Enrollment for 2010 crop losses under the SURE program will begin November 14, 2011 and end June 1, 2012.

The SURE Program provides benefits for crop losses due to natural disasters that occurred in the 2010 crop year. This program is revenue based which accounts for losses in production quantity and quality, as well as price.

A producer's SURE operation includes all acres of all crops in all counties (and states). To be eligible, a producer must have at least part of his or her "farm" located within a Secretarial declared county, a contiguous county, or must have suffered at least a 50% loss of actual production on the farm. To be eligible for payment, a producer must have suffered at least a 10% loss of production on at least one crop of economic significance in a declared or contiguous county.

SURE provides assistance in an amount equal to 60 percent of the difference between the SURE guarantee and a producer's total revenue. The producer's guarantee fluctuates depending on the amount and level of crop insurance and NAP coverage a producer carries. For additional information about the SURE guarantee and revenue calculations, see the web link: www.fsa.usda.gov and click on "Disaster Assistance Programs."

This program does have a risk management purchase requirement. To receive benefits, all crops of economic significance must have been covered by a multiple peril crop insurance policy or Non-Insured Crop Disaster Assistance Program (NAP).

Producers should visit their local county office to see if they qualify for SURE payments

NAP Coverage

The Non-Insured Crop Disaster Assistance Program (NAP) provides financial assistance to producers of noninsurable crops when low yields, loss of inventory, or prevented planting occurs due to natural disasters. This program is very similar to crop insurance, but is for most commercially produced crops for which multi-peril crop insurance is not available.

Eligible producers must apply for coverage of noninsurable crops using Form CCC-471, "Application for Coverage," and pay the applicable service fees at their local FSA office. The application and service fees must be filed by the application closing date. Closing dates are included on the calendar in this newsletter. Many perennial crops such as apples, peaches, and maple sap have a closing date of November 20th. Honey producers must make application for coverage by December 1st.

The service fee is the lesser of \$250 per crop or \$750 per producer per administrative county, not to exceed a total of \$1,875 for a producer with farming interests in multiple counties.

To obtain more information on NAP, contact your local FSA office or visit FSA's Web site at: www.fsa.usda.gov and click on Disaster Assistance Programs.

Future Farm Program Disaster Assistance

While provisions of the new Farm Bill have not been announced, historically the law has required producers to obtain a policy or plan of insurance equal to at least the Catastrophic CAT level of coverage or NAP coverage for each crop planted or intended to be planted for harvest on the whole farm to be eligible for FSA disaster assistance.

NAP Loss Filing

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 NAP and crop insurance, you must file a 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.

Emergency Farm Loans

FSA provides emergency loans to help producers recover from production and physical losses due to drought, flooding, other natural disasters, or quarantine. If you live in a county that has recently been designated a disaster area due to drought, flooding, tornado damage, etc., you may be eligible for an Emergency Loan.

Emergency Loan funds may be used to:

- Restore or replace essential property;
- Pay all or part of production costs associated with the disaster year;
- Pay essential family living expenses;
- Reorganize the farming operation and;
- Refinance certain debts.

Further information and applications for the loan programs described are available at local FSA county offices.

Foreign Buyers and Sellers Must Report U.S. Agricultural Land Holdings

Any foreign person who acquires, transfers, or holds any interest, other than a security interest, in agricultural land in the United States is required by law to report the transaction no later than 90 days after the date of the transaction. They must file Agricultural Foreign Investment Disclosure Act (AFIDA) reports with the FSA County Office that maintains records for the county where the land is located.

For AFIDA purposes, agricultural land is defined as any land of ten acres or more used for farming, or timber production. For more information contact the FSA office near you or visit the USDA website at www.usda.gov.

Black, Hispanic, Women, & Native American Farmers

A process has been established to resolve the claims of Black, Hispanic, Women, & Native American farmers who believe they were discriminated against when seeking USDA farm loans.

If you believe that the USDA improperly denied farm loan benefits to you between 1981 and 2000 because you are Black, Hispanic, Female, or Native American, you may be eligible for compensation under one of the following:

- **Hispanic and Women Farmer Claims Process:** www.farmerclaims.gov or call 1-888-508-4429.
- **Pigford – The Black Farmers Discrimination Litigation:** www.blackfarmercase.com or call 1-866-950-5547.

- **Keepseagle - The Native American Farmers Class Action Settlement:** www.IndianFarmClass.com or call 1-888-233-5506.

Conservation Compliance

Attention Producers and Landowners!

- ✓ Do you intend to clear timber areas to create or expand existing cropland?
- ✓ Are you converting a pasture field into a crop field?
- ✓ Are there areas on your farm(s) that you are considering cropping that have not been cropped in recent years?
- ✓ Are you planning any drainage projects such as installing new tile lines or grading wet spots in a field?
- ✓ Are you planning on clearing a fence row?

These are highly erodible and wetland provision questions that need to be considered each year by producers to assure that they may remain eligible for USDA benefits. If you have any questions or concerns that something you plan to do on your farm could jeopardize your eligibility for benefits, please contact your FSA or Natural Resources Conservation Service (NRCS) representative at your local USDA Service Center before you begin any work.

Continuous Conservation Reserve Program (CRP)

The Continuous CRP Program is a voluntary private-lands environmental improvement program that allows participants the opportunity to enroll acreages in conservation practices that will reduce soil erosion, improve water and soil quality, and provide wildlife habitat and food sources.

Eligible landowners enter into contracts that range from 10 to 15 years in length. In return, landowners may receive annual rental payments, incentive payments for certain activities, and cost-share for establishment.

To be eligible for enrollment in the Continuous CRP program, participants and acreage must meet certain eligibility requirements. Provided the eligibility requirements are met, FSA will automatically accept enrollment into Continuous CRP. Landowners may enroll in the program at any time during the year. Practices could include filter strips, grassed waterways, riparian buffers, field windbreaks, habitat field borders and wetland restorations. Currently, Indiana has 98,371 acres enrolled in these types of conservation practices.

For more information on Continuous CRP enrollment, please contact your local FSA office or visit <http://www.fsa.usda.gov>.

CRP Contracts

If land that is enrolled in the Conservation Reserve Program (CRP) is sold to a new owner, the new owner has the option to either assume the CRP contract for the remainder of the contract term, or to refuse the CRP contract. If the new owner

of the property decides not to assume the previous owner's CRP contract, FSA will terminate the contract.

According to CRP policy, early termination of the CRP contract requires that signatories with shares must refund all payments made for the contract plus interest and liquidated damages. This would include all cost-share received, annual rental payments, maintenance payments and incentives. The refund amount could be quite large depending on the type of practice enrolled and the length of time the contract has been in effect. Sellers of land with CRP should consult with their real estate professional and County FSA Office prior to negotiating the selling of CRP acreage.

2011 ELAP and LIP Sign-Up

FSA's Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program (ELAP) and the Livestock Indemnity Program (LIP) has sign-up deadlines approaching. The Fact Sheet for these programs can be found at www.fsa.usda.gov; click on Newsroom, then Fact Sheets.

We encourage all producers who have suffered a disaster due to the recent severe weather conditions to review the fact sheets and visit the local FSA office to get a quick start in the recovery process. Both ELAP and LIP sign-ups require a Notice of Loss filed the earlier of:

- 30 calendar days of when the loss is apparent to the participant.
- Dec. 29, 2011.
- or no later than January 30, 2012.

Marketing Assistance Loans

A Marketing Assistance Loan (MAL) is available for producers who share in the risk of producing the crop. To be eligible, a producer must maintain continual beneficial interest in the crop from harvest through the earlier of the date the loan is repaid or Commodity Credit Corporation (CCC) takes title to the commodity. Beneficial interest means retaining the ability to make decisions about the commodity; responsibility for loss or damage to the commodity; and title to the commodity. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan - even if the producer regains beneficial interest.

Commodity loan eligibility also requires compliance with conservation and wetland protection requirements, beneficial interest requirements, acreage reporting, and ensuring that the commodity meets CCC minimum grade and quality standards. For commodities to be eligible they must have been produced by an eligible producer, be in existence and in a storable condition, and be merchantable for food, feed or other uses as determined by CCC. The quality of the commodity in farm storage must be maintained throughout the term of the loan.

Producers do not have to participate in the DCP and/or ACRE programs to be eligible for commodity loans. Violating

provisions of a marketing assistance loan may trigger administrative actions, such as assessing liquidated damages, calling the loan, and denial of future farm-stored loans.

The most common violations are removing or disposing of a commodity under loan without prior authorization, or providing an incorrect quantity certification.

Farm Storage Facility Loans Available

The Farm Storage Facility Loan Program (FSFL) is a low interest loan program that is available to producers of eligible commodities to help build or upgrade their on-farm commodity storage and handling facilities. Eligible commodities include: corn, grain sorghum, soybeans, oats, wheat, barley, or minor oilseeds (whether harvested as grain or as other than grain), hay, and renewable biomass. Additionally, facility loans are available for honey, fruits (including nuts) and vegetables for cold storage.

Some of the program details include:

- The maximum loan amount is 85% of the net cost of the facility, not to exceed \$500,000 per loan.
- The loan term will be for 7, 10, or 12 years depending on the loan amount.
- The interest rate will be fixed for the term of the loan. The interest rates for loans approved for November 2011 are 1.500% for a 7 year term; 2.000% for a 10 year term; and 2.250% for a 12 year term.
- Loans over \$50,000 require security, such as real estate or an irrevocable letter of credit.
- Construction of the storage facility *cannot begin* until after the FSFL application has been submitted to FSA and the loan has been approved. Depending on the loan amount, some loans require FSA State Committee approval.

Farm Loan Programs

FSA is committed to providing farmers with loans to meet their farm credit needs. If you are a beginning farmer with limited resources, are having trouble obtaining the credit you need for your farm, or regularly borrow from FSA, direct and guaranteed loans are currently available.

Ask your lender about an FSA loan guarantee and the creative methods available to purchase real estate using a combination of direct and guaranteed loan assistance. Guaranteed loans may also be available if you have had a setback and your lender is reluctant to extend or renew your loan.

Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of \$300,000. Guaranteed loans can reach a maximum indebtedness of \$1,214,000. Producers are encouraged to apply early so that a loan can be processed and funded in a timely manner. To find out more about FSA loan programs, contact the county office staff.

Rural Youth Loans

FSA makes loans to rural youths to establish and operate 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. Loans may not exceed \$5,000.

Youth Loan Eligibility Requirements:

- Be a citizen of the United States, or a legal resident alien;
- Be 10 years to 20 years of age;
- Comply with FSA's general eligibility requirements;
- Reside in a rural area, city or town with a population of 50,000 or fewer people;
- Be unable to get a loan from other sources; and
- Conduct a modest income-producing project in a supervised program of work as outlined above.

Stop by the FSA County Office for help preparing and processing the application forms.

Beginning and Limited Resource Farmers

FSA assists beginning farmers and/or members of socially disadvantaged groups 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 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 a financial management program sponsored by FSA.
- Does not own a farm in excess of 30 percent of the county's median size.

Additional program information, loan applications, and other materials are available at your local USDA Service Center. You may also visit www.fsa.usda.gov.

Succession-in-Interest

If you have made any changes that affect your interest in base acres since you signed your last DCP contract, you must report these successions-in-interest to the County Committee by September 30, 2012 so a determination can be made on who is eligible for the program.

Changes that qualify as a succession-in-interest include:

- A sale of land.

- A change of operator or producer, including an increase or decrease in the number of partners.
- A foreclosure, bankruptcy or involuntary loss of the farm.
- A change in producer shares to reflect changes in the producer's share of the crop(s) that were originally approved on the contract.

If a succession-in-interest has taken place, you, as the “predecessor,” are required to refund any advance DCP payments you received for the affected base acres before a payment can be made to the “successor.” Not reporting a succession-in-interest can result in contract termination and a loss of program benefits for all producers involved.

Farm Safety

Flowing grain in a storage bin or gravity-flow wagon is like quicksand; it can kill quickly. It takes less than five seconds for a person caught in flowing grain to be trapped. The mechanical aspects of grain handling equipment also present a real danger. Augers, power take offs, and other moving parts can grab people or clothing.

These hazards, along with pinch points and missing shields, are dangerous enough for adults, not to mention children. It is always advisable to keep children a safe distance from operating farm equipment.

Always use extra caution when backing or maneuvering farm machinery. Ensure everyone is visibly clear and accounted for before machinery is engaged. FSA wants all farmers to have a productive crop year, and that begins with putting safety first.

County Committee Elections

Voters in Local Administrative Areas (LAA's) holding elections should watch their mailbox for the official FSA County Office committee election ballot in November. Ballots will be mailed to all eligible voters beginning in early November 2011. If for some reason you don't receive a ballot, notify the FSA County Office.

Completed and signed ballots are due back in the County Office by the close of business on Dec. 5, 2011.



Actively Engaged

USDA has amended the rules that govern the requirements to be "actively engaged" in farming. These rules apply to eligibility for payments under the DCP or ACRE Programs administered by FSA.

Normally the stockholder or a member of a legal entity must make contributions of active personal labor and/or active personal management for the farming operation. The contributions are to be performed on a regular basis, must be identifiable, and separate from the contributions of others.

The exception to this rule for a stockholder or member of a legal entity only occurs when both of the following apply:

- At least half of the interest in the legal entity is held by stockholders or members who are providing active personal labor or active personal management; and
- The total direct payments received by the legal entity and each of the members cannot exceed \$40,000.

Farm Records Changes

If you have sold or bought land, changed tenants, or rented additional land, please notify your local FSA County Office so your records can be updated.

Conservation Cropping Systems Initiative (CCSI)

CCSI is a collaboration between Indiana Conservation Partnership (ICP) organizations, the agriculture industry, and Hoosier farmers. Funding is provided by the USDA NRCS, the ISDA State Soil Conservation Board, and the administrative guidance of the Indiana Association of Soil and Water Conservation Districts. CCSI promotes a systematic approach to production agriculture. CCSI specialists encourage the adoption of long-term continuous no-till practices utilizing cover crops, nutrient and pest management, precision-farming technology, and the use of conservation buffers. The desired result for Indiana cropland is improved soil and water quality, and profitability for Hoosier farmers. Through field days, seminars and one-on-one consulting, CCSI experts can show you how to make adjustments in your management practices that can bring environmental and economic success to your operation. Indiana's CCSI and its partners can provide a wealth of information and assistance to help you. Visit the website at www.ccsin.org or contact the CCSI team:

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Changing Banks

Almost all Farm Service Agency payments are made electronically using Direct Deposit.

To keep the system running smoothly, it's critical to keep the county office staff up to date on changes you might make in your financial institutions.

If you have changed accounts or institutions that might affect the direct deposit of your FSA payments, contact the FSA County Office so we can update our files to insure continued uninterrupted service.



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2011 IMPORTANT DATES

November 14	2010 Supplemental Revenue Assistance Payments Program (SURE) Signup Begins
November 15	Reporting date for 2011 production and 2012 acreage for all forage crops and fall seeded annual crops for Noninsured Crop Disaster Assistance Program (NAP)

2012 IMPORTANT DATES

January 3	Reporting date for 2011 production and 2012 acreage for honey for Noninsured Crop Disaster Assistance Program (NAP)
January 15	Reporting date for 2011 production and 2012 acreage for non-forage perennial crops for Noninsured Crop Disaster Assistance Program (NAP)
January 23	Direct and Counter-Cyclical Program (DCP), Average Crop Revenue Election Program (ACRE) and Planting Transferability Pilot Program (PTPP) Signup Begins for 2012
March 1	Enrollment Deadline for PTPP for 2012
March 31	Final date to obtain loans or Loan Deficiency Payments (LDPs) on 2011 harvested small grains
May 31	Crop certification date for Fall and Spring seeded small grains in Southern Indiana
May 31	Final date to obtain loans or LDPs on 2011 harvested feed grains and soybeans
June 1	Deadline for 2012 DCP Enrollment/ACRE Election
June 1	Date used to determine ownership interest in a legal entity for program year 2012
June 1	Deadline to sign up for 2010 Supplemental Revenue Assistance Payments Program (SURE)
June 20	Final date to submit a prevented planting claim for corn
July 5	Final date to submit a prevented planting claim for soybeans
July 15	Final crop certification date for all crops, CRP and grazing lands
July 15	Deadline for reporting 2011 production for ACRE farms
July 15	Deadline for reporting 2011 production for certain NAP crops having a July 15 acreage reporting deadline
July 15	Deadline to establish 2011 Farm Benchmark Yields for ACRE farms
July 15	Deadline to report production and disposition of the crop for farms enrolled in 2011 PTPP
Monthly	In addition to acreage reports, producers of value loss crops must maintain a monthly inventory

2012 AND 2013 APPLICATION DEADLINES FOR COVERAGE FOR NAP FINAL DATES

November 20	Perennial crops (non-forage) for the following year's crop (apples, maple sap, peaches, etc.)
December 1	Honey for the following year
March 15	All yield-based, spring planted crops (melons, tomatoes, peppers, etc.)
May 1	Nursery crops for the following year's crop
September 1	Value Loss Crops for the following year (Onion Sets, Christmas Trees, aquaculture, etc.)
September 30	Grazing/forage crops, fall-seeded annuals crops, and mint crops for the following year's crop

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