

September 2014



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## Indiana Farm Service Agency Program Updates

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### From the FSA Farm Fields

Autumn in Indiana brings with it the aroma of harvest and the roar of combines lumbering across Hoosier farm fields. This is "game time" for each of you – the Indiana farmer who is hard at work bringing in the bounty of what many forecast to be an unprecedented crop for the United States of America. And while the farm landscape plans to yield a healthy harvest, the farm policy terrain also offers a great deal of opportunity for producers after the passage of the 2014 Farm Bill.

President Barack Obama signed the 2014 Farm Bill on February 7, 2014, and since that time the men and women of the USDA Farm Service Agency (FSA) have been engaged in developing the policy that farmers will utilize for the length of the legislation. Congress worked cooperatively and collectively to ensure that this Farm Bill will provide business certainty for this and coming years, and allows for the management of risk while allowing you to carry out the most important task of producing an abundant and affordable food and fiber supply to our country as national defense. In fact, the 2014 Farm Bill's new crop safety net is one of the largest farm policy reforms in decades.

This farm legislation will enhance rural economies with additional jobs, invest in research and education and include reform that works for farm families. Importantly, the bill also provides permanent disaster provisions for livestock producers and fruit and vegetable growers.

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For local FSA Service Center  
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here](#)

Later this fall, the Indiana Farm Service Agency will be partnering with Purdue Extension and other agricultural organizations to deliver the latest information about the new Agricultural Risk Coverage (ARC) and Price Loss Coverage (PLC) programs. The ARC/PLC programs are the cornerstones of the commodity farm safety net for 2014 to 2018 crops. Watch for more information for a regional meeting location near you.

Have a safe harvest and we look forward to seeing you later this year!

In Indiana Agriculture,

Julia A. Wickard  
State Executive Director

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## Livestock Producers Urged to Enroll in Disaster Assistance Program Before Oct. 1

Producers who have suffered eligible disaster-related losses are encouraged to act to secure assistance by Sept. 30, 2014, as congressionally mandated payment reductions will take place for producers who have not acted before that date. Livestock producers that have experienced grazing losses since October 2011 and may be eligible for benefits but have not yet contacted their local Farm Service Agency (FSA) office should do so as soon as possible.

The Budget Control Act passed by Congress in 2011 requires USDA to implement reductions of 7.3 percent to the Livestock Forage Disaster Program (LFP) in the new fiscal year, which begins Oct. 1, 2014. However, producers seeking LFP support who have scheduled appointments with their local FSA office before Oct. 1, even if the appointment occurs after Oct. 1, will not see reductions in the amount of disaster relief they receive.

USDA is encouraging producers to register, request an appointment or begin a Livestock Forage Disaster Program application with their county FSA office before Oct. 1, 2014, to lock in the current zero percent sequestration rate. As an additional aid to qualified producers applying for LFP, the Farm Service Agency has developed an online registration that enables farmers to put their names on an electronic list before the deadline to avoid reductions in their disaster assistance. This is an alternative to visiting or contacting the county office. To place a name on the Livestock Forage Disaster Program list online, visit <http://www.fsa.usda.gov/disaster-register>.

Producers who already contacted the county office and have an appointment scheduled need do nothing more.

The Livestock Indemnity Program and the Tree Assistance Program payments will also be cut by 7.3 percent on Oct. 1, 2014. Unlike the Livestock Forage Disaster Program, applications for these programs must be fully completed by Sept. 30. FSA offices will prioritize these applications, but as the full application process can take several days or more to complete, producers are encouraged to begin the application process as soon as possible.

The Livestock Forage Disaster Program compensates eligible livestock producers who suffered grazing losses due to drought or fire between Oct. 1, 2011 and Dec. 31, 2014. Eligible livestock includes alpacas, beef cattle, buffalo, beefalo, dairy cattle, deer, elk, emus, equine, goats, llamas, poultry, reindeer, sheep or swine that have been or would have been grazing the eligible grazing land or pastureland. Producers forced to liquidate their livestock may also be eligible for program benefits.

Additionally, the 2014 Farm Bill eliminated the risk management purchase requirement. Livestock producers are no longer required to purchase coverage under the federal crop insurance program or Noninsured Crop Disaster Assistance Program to be eligible for Livestock Forage Disaster Program assistance.

To learn more about USDA disaster relief program, producers can review the 2014 Farm Bill fact sheet at [www.fsa.usda.gov/farmbill](http://www.fsa.usda.gov/farmbill), the LFP program fact sheet, <http://go.usa.gov/5JTk>, or contact their local FSA office.

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## USDA Unveils Key New Programs to Help Farmers Manage Risk

*USDA Launches Education Efforts to Help Producers Choose New Program Right for Them*

The U.S. Department of Agriculture (USDA) has unveiled highly anticipated new programs to help farmers better manage risk. New tools are now available to help provide farmers the information they need to choose the new safety net program that is right for their business. These new initiatives are based on market forces and include county – and individual – coverage options.

The new programs, Agricultural Risk Coverage (ARC) and Price Loss Coverage (PLC), are cornerstones of the commodity farm safety net programs in the 2014 Farm Bill, legislation that ended direct payments. Both programs offer farmers protection when market forces cause substantial drops in crop prices and/or revenues. Producers will have through early spring of 2015 to select which program works best for their businesses.

To help farmers choose between ARC and PLC, USDA helped create online tools that allow farmers to enter information about their operation and see projections about what each program will mean for them under possible future scenarios. The new tools are now available at [www.fsa.usda.gov/arc-plc](http://www.fsa.usda.gov/arc-plc). USDA provided \$3 million to the Food and Agricultural Policy Research Institute (FAPRI) at the University of Missouri and the Agricultural and Food Policy Center (AFPC) at Texas A&M (co-leads for the National Association of Agricultural and Food Policy), along with the University of Illinois (lead for the National Coalition for Producer Education) to develop the new programs.

Starting Monday, Sept. 29, 2014, farm owners may begin visiting their local Farm Service Agency (FSA) office to update their yield history and/or reallocate base acres, the first step before choosing which new program best serves their risk management needs. Letters sent this summer enabled farm owners and producers to analyze their crop planting history in order to decide whether to keep their base acres or reallocate them according to recent plantings.

The next step in USDA's safety net implementation is scheduled for this winter when all producers on a farm begin making their election, which will remain in effect for 2014-2018 crop years, between the options offered by ARC and PLC.

Please contact your local FSA office to learn more about the Agricultural Risk Coverage (ARC) and Price Loss Coverage (PLC) programs. [Click here](#) to locate your local USDA Service Center.

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## USDA's Farm Service Agency (FSA) Offers Farm Bill Website and Online Overview of Farm Bill Programs

The Agricultural Act of 2014 (the Act), also known as the 2014 Farm Bill, was signed by President Obama on Feb. 7, 2014. The Act repeals certain programs, continues some programs with modifications, and authorizes several new programs administered by the Farm Service Agency (FSA). Most of these programs are authorized and funded through 2018.

For the latest on 2014 Farm Bill programs administered by FSA, please visit our Farm Bill website at [www.fsa.usda.gov/farmbill](http://www.fsa.usda.gov/farmbill) and for an FSA program overview please read, download and/or print our recently posted FSA Farm Bill Fact Sheet titled, What's in the 2014 Farm Bill for Farm Service Agency Customers?

For more information on FSA, please contact your local USDA Service Center or visit us online at [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## **USDA Farm Service Agency Reminds Producers: Farm Bill Allows Early Termination for Certain CRP Contracts**

The Farm Service Agency (FSA) reminds producers that as of Aug. 6, producers with acres under contract through the Conservation Reserve Program (CRP) can apply for early contract termination, as required by the 2014 Farm Bill. The deadline to request early CRP contract termination is Jan. 30, 2015.

The effective date for early termination is no earlier than October 1, 2014. The CRP contract must have been in effect for at least five years and other conditions must be met. The 2014 Farm Bill identifies 10 exceptions whereby land will not be eligible for the early-out provisions. For a complete list of these exceptions, please view the program fact sheet online at [http://www.fsa.usda.gov/Internet/FSA\\_File/crp\\_opt\\_out\\_fact\\_sht.pdf](http://www.fsa.usda.gov/Internet/FSA_File/crp_opt_out_fact_sht.pdf).

Once a CRP contract termination request is approved by the FSA County Committee, the decision cannot be reversed and the contract cannot be reinstated. Producers must meet conservation compliance provisions for all land that will be returned to production.

For more information on or to determine eligibility for early termination of existing CRP contracts, please contact your local FSA office. For local FSA Service Center contact information, please visit: <http://offices.sc.egov.usda.gov/locator/app>.

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## **NAP Coverage Available for 2015 Crops for Livestock Feed Intended for Grazing**

It is important that producers note that NAP coverage WILL be available for annually planted crops for livestock feed intended for grazing because RMA is not offering CAT level coverage under the Rainfall Index-Annual Forage Insurance Plan. The Indiana NAP sales closing date for all forage crops is September 30th.

Please contact your local FSA office for questions concerning NAP or your crop insurance agent for questions concerning RMA crop insurance. A list of agents can be found at [www.rma.usda.gov/](http://www.rma.usda.gov/).

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## **Margin Protection Program for Dairy Producers**

Farmers can now enroll in the new dairy Margin Protection Program. The voluntary program, established by the 2014 Farm Bill, provides financial assistance to participating farmers when the margin – the difference between the price of milk and feed costs – falls below the coverage level selected by the farmer.

The U.S. Department of Agriculture (USDA) also launched a new Web tool to help producers determine the level of coverage under the Margin Protection Program that will provide them with the strongest safety net under a variety of conditions. The online resource, available at [www.fsa.usda.gov/mpptool](http://www.fsa.usda.gov/mpptool), allows dairy farmers to quickly and easily combine unique operation data and other key variables to calculate their coverage needs based on price projections.

The Margin Protection Program, which replaces the Milk Income Loss Contract program, gives participating dairy producers the flexibility to select coverage levels best suited for their operation. Enrollment began Sept. 2 and ends on Nov. 28, 2014, for 2014 and 2015. Participating farmers must remain in the program through 2018 and pay a minimum \$100 administrative fee each year. Producers have the option of selecting a different coverage level during open enrollment each year.

Dairy operations enrolling in the new program must comply with conservation compliance provisions and cannot participate in the Livestock Gross Margin dairy insurance program. Farmers already participating in the Livestock Gross Margin program may register for the Margin Protection Program, but the new margin program will only begin once their Livestock Gross Margin coverage has ended.

Indiana FSA is working closely with The Indiana Dairy Producers to schedule Margin Protection Program informational meetings in October.

Visit FSA online at [www.fsa.usda.gov/factsheets](http://www.fsa.usda.gov/factsheets), or stop by a local FSA office to learn more about the Margin Protection Program.

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## 2014 MAL and LDP Requests

The USDA Farm Service Agency (FSA) is accepting requests for marketing assistance loans (MALs) and loan deficiency payments (LDPs) for eligible 2014 commodities.

MALs and LDPs for the 2014 crop year become available to eligible producers beginning with harvest/shearing season and extending through a specific commodity's final loan availability date.

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, wool, mohair 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.

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, agricultural 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.

National and county loans rates for 2014 crops are posted on the FSA website at: [www.fsa.usda.gov/pricesupport](http://www.fsa.usda.gov/pricesupport).

For more information, please visit a nearby USDA Service Center or FSA's website [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## USDA Enhances Farm Storage Facility Loan Program

The U.S. Department of Agriculture (USDA) announced the expansion of the Farm Storage and Facility Loan program, which provides low-interest financing to producers. The enhanced program includes 22 new categories of eligible equipment for fruit and vegetable producers.

Producers with small and mid-sized operations, and specialty crop fruit and vegetable growers, now have access to needed capital for a variety of supplies including sorting bins, wash stations and other food safety-related equipment. A new more flexible alternative is also provided for determining storage needs for fruit and vegetable producers, and waivers are available on a case-by-case basis for disaster assistance or insurance coverage if available products are not relevant or feasible for a particular producer.

Additionally, Farm Storage Facility Loan security requirements have been eased for loans up to \$100,000. Previously, all loans in excess of \$50,000 and any loan with little resale value required a promissory note/security agreement and additional security, such as a lien on real estate. Now loans up to \$50,000 can be secured by only a promissory note/security agreement and some loans between \$50,000 and \$100,000 will no longer require additional security.

The low-interest funds can be used to build or upgrade permanent facilities to store commodities. Eligible commodities include grains, oilseeds, hay, honey, renewable biomass commodities, fruits and vegetables. Qualified facilities include grain bins, hay barns and cold storage facilities for fruits and vegetables.

Contact your local FSA office or visit [www.fsa.usda.gov](http://www.fsa.usda.gov) for more about FSA programs and loans, including the Farm Storage Facility Loan Program.

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## Compliance Spot Checks

Compliance spot checks will be conducted on 2014 crops. Instead of locally selecting farms, contracts, deficiency loans, etc. for review, a nationwide selection of producers is employed. Spot check selections are to be conducted based on a producer's participation in Conservation Reserve Program, Loan Deficiency Program, etc.

For more information about the spot check selection procedure, feel free to contact your local Farm Service Agency office for additional clarification.

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## USDA Announces New Support for Beginning Farmers

*Department Implementing New Farm Bill Programs, Unveiling New Centralized Online Resource to Support Next Generation of Farmers*

USDA has announced the implementation of new Farm Bill measures and other policy changes to improve the financial security of new and beginning farmers. USDA also unveiled [www.usda.gov/newfarmers](http://www.usda.gov/newfarmers), a new website that will provide a centralized, one-stop resource where beginning farmers can explore the variety of USDA initiatives designed to help them succeed.

USDA's [www.usda.gov/newfarmers](http://www.usda.gov/newfarmers) has in depth information for new farmers, including: how to increase access to land and capital; build new market opportunities; participate in conservation opportunities; select and use the right risk management tools; and access USDA education, and technical support programs. These issues have been identified as top priorities by new farmers. The website will also feature instructive case studies about beginning farmers who have successfully utilized USDA resources to start or expand their business operations.

Today's policy announcements in support of beginning farmers include:

- Waiving service fees for new and beginning farmers to enroll in the Non-Insured Crop Disaster Assistance Program (NAP) for the 2014 crop year. NAP provides risk management tools to farmers who grow crops for which there is no crop insurance product. Under this waiver, announced via an official notice to Farm Service Agency offices, farmers whom already enrolled in NAP for the 2014 crop year and certified to being a beginning farmer or social disadvantaged farmer are eligible for a service fee refund.
- Eliminating payment reductions under the Conservation Reserve Program (CRP) for new and beginning farmers which will allow routine, prescribed, and emergency grazing outside the primary nesting season on enrolled land consistent with approved conservation plans. Previously, farmers grazing on CRP land were subject to a reduction in CRP payments of up to 25 percent. Waiving these reductions for new and beginning farmers will provide extra financial support during times of emergency like drought and other natural disasters.
- Increasing payment rates to beginning farmers under the Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP). Under this provision, beginning farmers can claim up to 90 percent of losses for lost livestock, such as bees, under ELAP. This is a fifty percent increase over previously available payment amounts to new and beginning farmers.

In the near future, USDA will also announce additional crop insurance program changes for beginning farmers – including discounted premiums, waiver of administrative fees, and other benefits.

Additional information about USDA actions in support of beginning farmers is available [here](#).

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## New Farm Bill Offers Increased Opportunities for Producers

The 2014 Farm Bill offers increased opportunities for producers including farm loan program modifications that create flexibility for new and existing farmers. A fact sheet outlining modifications to the U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) Farm Loan Programs is available [here](#).

The Farm Bill expands lending opportunities for thousands of farmers to begin and continue operations, including greater flexibility in determining eligibility, raising loan limits, and emphasizing beginning and socially disadvantaged producers.

Changes that will take effect immediately include:

- Elimination of the 15 year term limit for guaranteed operating loans.
- Modification of the definition of beginning farmer, using the average farm size for the county as a qualifier instead of the median farm size.
- Modification of the Joint Financing Direct Farm Ownership Interest Rate to 2 percent less than regular Direct Farm Ownership rate, with a floor of 2.5 percent. Previously, the rate was established at 5 percent.
- Increase of the maximum loan amount for Direct Farm Ownership Down Payment Loan Program from \$225,000 to \$300,000.
- Elimination of rural residency requirement for Youth Loans, allowing urban youth to benefit.
- Debt forgiveness on Youth Loans, which will not prevent borrowers from obtaining additional loans from the federal government.
- Increase of the guaranteed percentage on Conservation Loans from 75 to 80 percent and 90 percent for socially disadvantaged borrowers and beginning farmers.
- Microloans will not count toward direct operating loan term limits for veterans and beginning farmers.

Additional modifications must be implemented through the rulemaking processes. Visit the [FSA Farm Bill website](#) for detailed information and updates to farm loan programs.

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## **FSA Wants YOU to be Better Prepared for Disasters!**

Based on the 2012 Federal Emergency Management Agency (FEMA) National Survey, 54 percent of the U.S. population do not believe their community will experience a natural disaster. Only 39 percent have a plan they have discussed with their family members, and almost 50 percent do not have supplies set aside in their home for use in a disaster. Unfortunately, a disaster will likely impact you at some point in your life, and when it does, you may only have seconds to respond. Your family, friends, and community are depending on you if a disaster happens. Are you ready to act?

As a proud supporter of America's PrepareAthon, the Farm Service Agency (FSA) wants to share important information that will help you and your family be better prepared in case of a disaster.

America's PrepareAthon is a nationwide, community-based campaign for action to increase emergency preparedness and resilience. Every spring and fall, organizations around the country will focus on preparedness during a national day of action. These national days of action drive participation in hazard-specific drills, group discussions, and exercises.

Visit [www.ready.gov/prepare](http://www.ready.gov/prepare) to learn more about America's PrepareAthon and how you can improve your preparedness plan for your family and your community.

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