

June 2015



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Pennsylvania FSA Newsletter

Pennsylvania Farm Service Agency

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

For local FSA service center contact information, please visit: offices.usda.gov

Farm Service Agency County Committee Nomination Period Begins June 15

The U.S. Department of Agriculture today announced that the nomination period for local Farm Service Agency (FSA) county committees begins on Monday, June 15, 2015.

It is important for county committees to reflect America's diversity, all eligible farmers and ranchers, including beginning farmers are encouraged to get involved in this year's elections. FSA has seen an increase in the number of nominations for qualified candidates, especially among women and minorities – a trend the Agency would like to see continue.

To be eligible to serve on a FSA county committee, a person must participate or cooperate in an agency administered program, be eligible to vote in a county committee election and reside in the local administrative area where they are nominated.

Farmers and ranchers may nominate themselves or others. Organizations representing minorities and women also may nominate candidates. To become a candidate, an eligible individual must sign an FSA-669A nomination form. The form and other information about FSA county committee elections are available at www.fsa.usda.gov/elections. Nomination forms for the 2015 election must be postmarked or received in the local USDA Service

Dates to Remember

Center by close of business on Aug. 3, 2015.

June 15:

- Final Acreage Reporting date for Spring Barley, Spring Forage Seeding, Spring Oats, Rye, Triticale, Spring Wheat.
- County Committee Nomination Period Begins.

FSA will mail election ballots to eligible voters beginning Nov. 9, 2015. Ballots will be due back to the local county office either via mail or in person by Dec. 7, 2015. Newly elected committee members and alternates will take office on Jan. 1, 2016.

While FSA county committees do not approve or deny farm ownership or operating loans, they make decisions on disaster and conservation programs, emergency programs, commodity price support loan programs and other agricultural issues. Members serve three-year terms. Nationwide, there are about 7,800 farmers and ranchers serving on FSA county committees. Committees consist of three to 11 members that are elected by eligible producers.

July 15: Final Acreage Reporting date for CRP/CREP and all other crops.

August 15: Final Acreage Reporting date for Beans and Cabbage.

Continuing: Continuous Conservation Reserve Program Signup

2015 Acreage Reporting Dates

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

The following acreage reporting dates are applicable for Pennsylvania:

June 15, 2015: Spring Barley, Spring Forage Seeding, Spring Oats, Rye, Triticale, Spring Wheat

July 15, 2015: Conservation Reserve Program (CRP) and all other crops

August 15, 2015: Beans, Cabbage

The following exceptions apply to the above acreage reporting dates:

- If the crop has not been planted by the above 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 above 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. All other perennial forage crops must be reported by November 15th of the previous year to be considered timely filed. (Example: 2015 mixed forage with an intended use of forage must have been reported by November 15, 2014.)

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

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

Filing a Notice of Loss

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.

Producers of hand-harvested crops must notify FSA of damage or loss through the administrative County Office within 72 hours of the date of damage or loss first becomes apparent. This notification can be provided by filing a CCC-576, email, fax or phone. Producers who notify the County Office by any method other than by filing the CCC-576 are still required to file a CCC-576, Notice of Loss, within the required 15 calendar days.

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.

USDA Packages Disaster Protection with Loans to Benefit Specialty Crop and Diversified Producers

Free basic coverage and discounted premiums available for new and underserved loan applicants

U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) today announced that producers who apply for FSA farm loans also will be offered the opportunity to enroll in new disaster loss protections created by the 2014 Farm Bill. The new coverage, available from the Noninsured Crop Disaster Assistance Program (NAP), is available to FSA loan applicants who grow non-insurable crops, so this is especially important to fruit and vegetable producers and other specialty crop growers.

New, underserved and limited income specialty growers who apply for farm loans could qualify for basic loss coverage at no cost, or higher coverage for a discounted premium.

The basic disaster coverage protects at 55 percent of the market price for crop losses that exceed 50 percent of production. Covered crops include “specialty” crops, for instance, vegetables, fruits, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, hay, forage, grazing and energy crops. FSA allows beginning, underserved or limited income producers to obtain NAP coverage up to 90 days after the normal application closing date when they also apply for FSA credit.

In addition to free basic coverage, beginning, underserved or limited income producers are eligible for a 50 percent discount on premiums for the higher levels of coverage that protect up to 65 percent of expected production at 100 percent of the average market price. Producers also may work with FSA to protect value-added production, such as organic or direct market crops, at their fair market value in those markets. Targeted underserved groups eligible for free or discounted coverage are American Indians or Alaskan Natives, Asians, Blacks or African Americans, Native Hawaiians or other Pacific Islanders, Hispanics, and women.

FSA offers a variety of loan products, including farm ownership loans, operating loans and microloans that have a streamlined application process.

Growers need not apply for an FSA loan, nor be a beginning, limited resource, or underserved farmer, to be eligible for Noninsured Crop Disaster Assistance Program assistance. To learn more, visit www.fsa.usda.gov/nap or www.fsa.usda.gov/farmloans, or contact your local FSA office at <https://offices.usda.gov>.

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.

USDA Announces Restart of Biomass Crop Assistance Program for Renewable Energy

The U.S. Department of Agriculture (USDA) today announced that incentives will resume this summer for farmers, ranchers and forest landowners interested in growing and harvesting biomass for renewable energy. The support comes through the Biomass Crop Assistance Program (BCAP), which was reauthorized by the 2014 Farm Bill. BCAP provides financial assistance to establish and maintain new crops of energy biomass, or who harvest and deliver forest or agricultural residues to a qualifying energy facility.

Financial assistance is available through BCAP for costs associated with harvesting and transporting agriculture or forest residues to facilities that convert biomass crops into energy. Eligible crops may include corn residue, diseased or insect infested wood materials, or orchard waste. The energy facility must first be approved by USDA to accept the biomass crop. Facilities can apply for, or renew, their BCAP qualification status beginning today. \$11.5 million of federal funds will be allocated to support the delivery of biomass materials through December 2015. Last year, more than 200,000 tons of dead or diseased trees from National Forests and Bureau of Land Management lands were removed and used to produce renewable energy, while reducing the risk of forest fire. Nineteen energy facilities in 10 states participated in the program.

Farmers, ranchers and forest landowners can also receive financial assistance to grow biomass crops that will be converted into energy in selected BCAP project areas. New BCAP project area proposals will be solicited beginning this summer and accepted through fall 2015, with new project area announcements and enrollments taking place in early spring 2016. The extended proposal

submission period allows project sponsors time to complete any needed environmental assessments and allows producers enough lead time to make informed decisions on whether or not to pursue the BCAP project area enrollment opportunity. This fiscal year USDA's Farm Service Agency (FSA) will allocate up to \$8 million for producer enrollment to expand and enhance existing BCAP project areas. Additionally, in accordance with the 2014 Farm Bill, underserved farmers are eligible for a higher establishment cost share. BCAP projects have supported over 50,000 acres across 74 counties in 11 different project areas.

For more information, visit www.usda.gov.

Secretary Vilsack Announces Additional 800,000 Acres Dedicated to Conservation Reserve Program for Wildlife Habitat and Wetlands

Secretary Hails Program's 30th Anniversary, Announces General Signup Period

Agriculture Secretary Tom Vilsack announced today that an additional 800,000 acres of highly environmentally sensitive land may be enrolled in Conservation Reserve Program (CRP) under certain wetland and wildlife initiatives that provide multiple benefits on the same land.

The U.S. Department of Agriculture (USDA) will accept new offers to participate in CRP under a general signup to be held Dec. 1, 2015, through Feb. 26, 2016. Eligible existing program participants with contracts expiring Sept. 30, 2015, will be granted an option for one-year extensions. Farmers and ranchers interested in removing sensitive land from agricultural production and planting grasses or trees to reduce soil erosion, improve water quality and restore wildlife habitat are encouraged to enroll.

For 30 years, the Conservation Reserve Program 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 voluntary Conservation Reserve Program allows USDA to contract with agricultural producers so that environmentally sensitive land is conserved. Participants establish long-term, resource-conserving plant species to control soil erosion, improve water quality and develop wildlife habitat. In return, USDA's Farm Service Agency (FSA) provides participants with rental payments and cost-share assistance. Contract duration is between 10 and 15 years.

CRP protects water quality and restores significant habitat for ducks, pheasants, turkey, quail, deer and other important wildlife which spurs economic development like hunting and fishing, outdoor recreation and tourism across rural America. Today's announcement allows an additional 800,000 acres for duck nesting habitat and other wetland and wildlife habitat initiatives to be enrolled in the program.

Farmers and ranchers should consider the various CRP continuous sign-up initiatives that may help target specific resource concerns. Financial assistance is offered for many practices including conservation buffers and pollinator habitat plantings, and initiatives such as the highly erodible lands, bottomland hardwood tree and longleaf pine.

Farmers and ranchers may visit their FSA county office for additional information. The 2014 Farm Bill authorized the enrollment of grasslands in CRP and information on grasslands enrollment will be available after the regulation is published later this summer.

For more information on CRP and other FSA programs, please visit www.fsa.usda.gov.

Direct Loans

FSA offers direct farm ownership and direct farm operating Loans to producers who want to establish, maintain or strengthen their farm or ranch. FSA loan officers process, approve and

service direct loans.

Direct farm operating loans can be used to purchase livestock and feed, farm equipment, fuel, farm chemicals, insurance and other costs including family living expenses. Operating loans can also be used to finance minor improvements or repairs to buildings and to refinance some farm-related debts, excluding real estate.

Direct farm ownership loans can be used to purchase farmland, enlarge an existing farm, construct and repair buildings, and to make farm improvements.

The maximum loan amount for both direct farm ownership and operating loans is \$300,000 and a down payment is not required. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

Please contact your local FSA office for more information or to apply for a direct farm ownership or operating loan.

Guaranteed Loan Program

FSA guaranteed loans allow lenders to provide agricultural credit to farmers who do not meet the lender's normal underwriting criteria. Farmers and ranchers apply for a guaranteed loan through a lender, and the lender arranges for the guarantee. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan. Guaranteed loans can be used for both farm ownership and operating purposes.

Guaranteed farm ownership loans can be used to purchase farmland, construct or repair buildings, develop farmland to promote soil and water conservation or to refinance debt.

Guaranteed operating loans can be used to purchase livestock, farm equipment, feed, seed, fuel, farm chemicals, insurance and other operating expenses.

FSA can guarantee farm ownership and operating loans up to \$1,392,000. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

Please contact your lender or local FSA farm loan office for more information on guaranteed loans.

USDA Rural Development's grant opportunity for agricultural producers; the Value Added Producer Grant (VAPG)

The VAPG program helps agricultural producers enter into value-added activities related to the processing and/or marketing of bio-based, value-added products. Generating new products, creating and expanding marketing opportunities, and increasing producer income are the goals of this program. Independent producers, agricultural producer groups, farmer- or rancher-cooperatives, and majority-controlled producer-based business ventures are eligible to apply for this program. Applicants must use one of the following Value-Added methods to be eligible:

- 1) Change in physical state
- 2) Physical segregation
- 3) Produced in a manner that enhances the value of the end-product
- 4) Locally produced and marketed food products
- 5) Farm-or ranch based renewable energy

Grant and matching funds can be used for planning activities (**maximum grant amount \$75,000**) or for working capital expenses (**maximum grant amount \$250,000**) related to producing and

marketing a value-added agricultural product.

Please contact Amanda Hope at Amanda.Hope@pa.usda.gov or 717-237-2289 for further information and an application template.

More information on the VAPG grant program can be found at <http://www.rd.usda.gov/programs-services/value-added-producer-grants>

Selected Interest Rates for June 2015

Farm Operating Loans - Direct: 2.375%

Farm Ownership Loans:

- **Direct:** 3.5%
- **Joint Financing:** 2.5%
- **Direct Down Payment, Beginning Farmer or Rancher:** 1.50%

Farm Storage Facility Loans (7 years): 1.850%

Farm Storage Facility Loans (10 years): 2.125%

Farm Storage Facility Loans (12 years): 2.250%

Commodity Loans 1996-Present: 1.250%

USDA is an equal opportunity provider and employer. 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).