

March 2016



Indiana Farm Service Agency Program Updates

Indiana State Farm Service Agency

5981 Lakeside Blvd.
Indianapolis, IN 46278

Phone: 317-290-3315
Fax: 855-374-4066
www.fsa.usda.gov/in

State Executive Director:
Julia A. Wickard

State Committee Members:
Travis Nolcox, Chairperson
Harry Pearson, Member
Wayne Vance, Member
Kristin Whittington, Member

Administrative Officer:
Nancy Best

Production Adjustment Chief:
Carl Schweikhardt

Price Support/Disaster Chief: Jacob Maxwell

Conservation/Compliance Chief:
Susan Hovermale

Farm Loan Chief:
Greg Foulke

Communications Coordinator:
Donna Ferguson

From the FSA Farm Fields

Every Day Is Ag Day!

National Ag Day is celebrated annually. This year, Ag Day was on March 15th. This is a day where, as a country, we recognize the American farmers and growers who do so much for our country. The perfect world exists at the Farm Service Agency because our dedicated public servants who support American agriculture and improve people's lives every single day have the opportunity to serve you – the American farmer.

We have accomplished amazing things over the past several years, helping to build a 21st century agricultural economy that is stronger and more diverse than ever before. FSA's work supports diverse producers who are driving the rural economy forward; strong new markets for homegrown agricultural products; research and innovation that boosts farms of all sizes and production methods; equipping the next generation of farmers with the tools they need to succeed; protecting our forests, land, and natural resources. Our employees work in tandem with you to make meaningful contributions to our country.

As I serve as FSA's State Executive Director, I am sometimes asked what lessons I've learned while at FSA. I have a couple of thoughts: First, I understand the importance of speaking with a single voice about the greatness of American agriculture. There are various ways of growing and raising the food we eat, and USDA supports and celebrates them all. It is exciting to work for the United States government that supports diversified agriculture. I also have learned that many in all parts of this great country don't always realize all that rural America does for us. Rural America represents the heart and soul of this country, and it is important for rural America to get the respect it deserves. Every day, your work – as farmers – lifts up rural America.

If you look at 85 percent of what's grown in this country, it is raised by 200,000-300,000 people – You! That's less than one tenth of one percent of America. But that other 99 percent of Americans can be lawyers, doctors, Peace Corp volunteers, economists, people that work in government and all of the other occupations, because we never need to think about having to grow food for our families. That gives us the great privilege of doing whatever else we want to do with our lives.

Thank you for what you do in the greatest country on earth – feeding and fueling our growing population.

Again, in my opinion, "every day is ag day."

Thank you.

Sincerely In Agriculture,

Julia

USDA Expands Microloans to Help Farmers Purchase Farmland and Improve Property

Producers, Including Beginning and Underserved Farmers, Have a New Option to Gain Access to Land

The U.S. Department of Agriculture (USDA) has begun offering farm ownership microloans, creating a new financing avenue for farmers to buy and improve property. These microloans will be especially helpful to beginning or underserved farmers, U.S. veterans looking for a career in farming, and those who have small and mid-sized farming operations.

The microloan program, which celebrates its third anniversary this week, has been hugely successful, providing more than 16,800 low-interest loans, totaling over \$373 million to producers across the country. Microloans have helped farmers and ranchers with operating costs, such as feed, fertilizer, tools, fencing, equipment, and living expenses since 2013. Seventy percent of loans have gone to new farmers.

Now, microloans will be available to also help with farm land and building purchases, and soil and water conservation improvements. FSA designed the expanded program to simplify the application process, expand eligibility requirements and expedite smaller real estate loans to help farmers strengthen their operations. Microloans provide up to \$50,000 to qualified producers, and can be issued to the applicant directly from the USDA Farm Service Agency (FSA).

This microloan announcement is another USDA resource for America's farmers and ranchers to utilize, especially as [new and beginning farmers and ranchers](#) look for the assistance they need to get started. To learn more about the FSA microloan program visit www.fsa.usda.gov/microloans, or contact your local FSA office. To find your nearest office location, please visit <http://offices.usda.gov>.

Final Planting Dates

All producers are encouraged to contact their local FSA office for more information on the final planting date for specific crops. The final planting dates vary by crop, planting period and county so please contact your local FSA office for a list of county-specific planting deadlines. The timely planting of a crop, by the final planting date, may prevent loss of program benefits.

2016 Acreage Reporting Dates

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

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 below or 15 calendar days before grazing or harvesting of the crop begins.

The following acreage reporting dates are applicable for Indiana:

January 2

Honey

January 15

Apples

June 15

Cucumbers (Planted 5/1-5/31 in Knox County)

July 15

Cucumbers (Planted 5/10-6/15 in all counties), all other crops

August 15

Cucumbers (Planted 6/16-8/5 in Fulton, LaPorte, Porter, and St. Joseph Counties)

September 15

Cucumbers (Planted 6/1-8/15 in Knox County)

September 30

Value Loss and Controlled Environment Crop (for the coming program year)

December 15

Fall Mint, Fall-Seeded Small Grains

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.
- Cucumbers and crops for NAP coverage may have dates not included on the chart above. Visit your local county office for details.

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

Enrollment Period for 2016 USDA Safety Net Coverage Ends Aug. 1

Producers who chose coverage from the safety net programs established by the 2014 Farm Bill, known as the Agriculture Risk Coverage (ARC) or the Price Loss Coverage (PLC) programs, can visit FSA county offices through Aug. 1, 2016, to sign contracts to enroll in coverage for 2016.

Although the choice between ARC and PLC is completed and remains in effect through 2018, producers must still enroll their farm by signing a contract each year to receive coverage.

Producers are encouraged to contact their local FSA office to schedule an appointment to enroll. If a farm is not enrolled during the 2016 enrollment period, producers on that farm will not be eligible for financial assistance from the ARC or PLC programs should crop prices or farm revenues fall below the historical price or revenue benchmarks established by the program.

The two programs were authorized by the 2014 Farm Bill and offer a safety net to agricultural producers when there is a substantial drop in prices or revenues for covered commodities. 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 and sweet rice), safflower seed, sesame, soybeans, sunflower seed and wheat. Upland cotton is no longer a covered commodity. For more details regarding these programs, go to www.fsa.usda.gov/arc-plc.

For more information, producers are encouraged to visit their local FSA office. To find a local FSA office, visit <http://offices.usda.gov>.

Double-Cropping

Each year, state committees will review and approve or disapprove county committee recommended changes or additions to specific combinations of crops.

Double-cropping is approved when the two specific crops have the capability to be planted and carried to maturity for the intended use, as reported by the producer, on the same acreage within a crop year under normal growing conditions. The specific combination of crops recommended by the county committee must be approved by the state committee.

Contact your local FSA county office for approved double crop combinations.

A crop following a cover crop terminated according to termination guidelines is approved double cropping and these combinations do not have to be approved by the state committee.

USDA Financial Assistance Available to Help Organic Farmers Create Conservation Buffers

USDA is assisting organic farmers with the cost of establishing up to 20,000 acres of new conservation buffers and other practices on and near farms that produce organic crops.

The financial assistance is available from the USDA Conservation Reserve Program (CRP), a federally funded voluntary program that contracts with agricultural producers so that environmentally sensitive land is not farmed or ranched, but instead used for conservation benefits. CRP participants establish long-term, resource-conserving plant species, such as approved grasses or trees (known as “covers”) to control soil erosion, improve water quality and develop wildlife habitat. In return, FSA provides participants with rental payments and cost-share assistance. Contract duration is between 10 and 15 years.

For conservation buffers, funds are available for establishing shrubs and trees, or supporting pollinating species, and can be planted in blocks or strips. Interested organic producers can offer eligible land for enrollment in this initiative at any time.

Other USDA FSA programs that assist organic farmers include:

- The Noninsured Crop Disaster Assistance Program (NAP) that provides financial assistance for 55 to 100 percent of the average market price for organic crop losses between 50 to 65 percent of expected production due to a natural disaster.
- Marketing assistance loans that provide interim financing to help producers meet cash flow needs without having to sell crops during harvest when market prices are low, and deficiency payments to producers who forgo the loan in return for a payment on the eligible commodity.
- A variety of loans for operating expenses, ownership or guarantees with outside lenders, including streamlined microloans that have a lower amount of paperwork.
- Farm Storage Facility Loans that provide low-interest financing to build or upgrade storage facilities for organic commodities, including cold storage, grain bins, bulk tanks and drying and handling equipment.
- Services such as mapping farm and field boundaries and reporting organic acreage that can be provided to a farm’s organic certifier or crop insurance agent.

Visit www.fsa.usda.gov/organic to learn more about how FSA can help organic farmers. For an interactive tour of CRP success stories, visit www.fsa.usda.gov/CRPis30 or follow #CRPis30 on Twitter. To learn more about FSA programs visit a local FSA office or www.fsa.usda.gov.

Required Management on CRP Acres

Participants in the Conservation Reserve Program (CRP) are responsible for completing required management on their CRP acreage. These management activities are separate from routine maintenance requirements and are outlined in the Conservation Plan of Operations (CPO).

Landowners must complete the necessary management activities outside of the Primary Nesting Season. In Indiana, the Primary Nesting Season for a contract that was approved for enrollment prior to February 8, 2007 has a primary nesting season of March 1 through July 15. A contract that was approved for enrollment on or after February 8, 2007 has a primary nesting season of April 1 through August 1.

Required management activities for grass practices include: prescribed burning, strip disking, strip spraying, inter-seeding forbs/legumes/pollinator habitat. Management practices for tree practices include: inner seedling planting, inter-seeding forbs/legumes/pollinator habitat, Invasive plant control, follow-up weed control, pruning/thinning.

When prescribed burning is identified as a management option, producers must be proactive in preventing the spread of wildfire. Fire management includes installing firebreaks, which should be included in the contract support document and installed according to NRCS firebreak standards.

The purpose of these required or Mid-Contract Management (MCM) activities is to enhance the wildlife habitat value of the enrolled acres for species such as Northern Bobwhite, pollinators, and others. In grass fields, the perennial grasses tend to crowd out desirable broadleaf plants and litter accumulates. So, a purpose of MCM is to set the perennial grasses back to enable these broadleaf plants to germinate and thrive. In tree plantings, undesirable vegetation may compete with young trees, or in older plantings, the trees may start to compete with each other and limit growth and wildlife habitat value. So a purpose of MCM is to help improve tree growth and maintain diversity.

Reporting Organic Crops

Producers who want to use the Noninsured Crop Disaster Assistance Program (NAP) organic price and selected the "organic" option on their NAP application must report their crops as organic. This may also include producers who are not NAP participants but wish to have a record of growing organic crops on file at FSA.

When certifying organic acres, the buffer zone acreage must be included in the organic acreage.

Producers must also provide a current organic plan, organic certificate or documentation from a certifying agent indicating an organic plan is in effect. Documentation must include:

- name of certified individuals
- address
- telephone number
- effective date of certification
- certificate number
- list of commodities certified
- name and address of certifying agent
- a map showing the specific location of each field of certified organic, including the buffer zone acreage

Certification exemptions are available for producers whose annual gross agricultural income from organic sales totals \$5,000 or less. Although exempt growers are not required to provide a written certificate, they are still required to provide a map showing the specific location of each field of certified organic, transitional and buffer zone acreage.

For questions about reporting organic crops, contact your local FSA office.

USDA Removes Farm Program Payments to Managers Not Actively Engaged in Farming

USDA finalized a rule to ensure that farm safety-net payments are issued only to active managers of farms that operate as joint ventures or general partnerships, consistent with the direction and authority provided by Congress in the 2014 Farm Bill. The action, which exempts family farm operations, closes a loophole where individuals who were not actively part of farm management still received payments.

Since 1987, the broad definition of "actively engaged" resulted in some general partnerships and joint ventures adding managers to the farming operation, qualifying for more payments, that did not substantially contribute to management. The rule applies to operations seeking more than one farm manager, and requires measureable, documented hours and key management activities each year. Some operations of certain sizes and complexity may be allowed up to three qualifying managers under limited conditions. The changes apply to payments for 2016 and subsequent crop years for Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Programs, Loan Deficiency Payments (LDP) and Marketing Loan Gains (MLG) realized via the Marketing Assistance Loan program.

As required by Congress, the new rule does not apply to family farms, or change regulations related to contributions of land, capital, equipment, or labor. The changes go into effect for the 2016 crop year for most farms. Farms that have already planted fall crops for 2016 have until the 2017 crop year to comply. For more details, producers are encouraged to consult their local FSA office.

Loan Servicing

There are options for Farm Service Agency loan customers during financial stress. If you are a borrower who is unable to make payments on a loan, contact your local FSA Farm Loan Manager to learn about the options available to you.

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.

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.

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

Before MAL market gain 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 2015 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 \$210 Million to be Invested in Renewable Energy Infrastructure through the Biofuel Infrastructure Partnership

21 States and Private Partners Match Federal Funds to Expand Infrastructure and Increase Fuel Options for Consumers

USDA is partnering with 21 states through the Biofuel Infrastructure Partnership (BIP) to nearly double the number of fueling pumps nationwide that supply renewable fuels to American motorists. In May 2015, USDA announced the availability of [\\$100 million in grants through the BIP](#), and that to apply states and private partners match the federal funding by a 1:1 ratio. USDA received applications requesting over \$130 million, outpacing the \$100 million that is available. With the matching commitments by state and private entities, the BIP is investing a total of \$210 million to strengthen the rural economy.

Indiana is one of these states and the Office of Energy Policy is coordinating these grants from FSA's National Office.

A typical gas pump delivers fuel with 10 percent ethanol, which limits the amount of renewable energy that consumers can purchase. The new partnership will increase the number of pumps, storage and related infrastructure that offer higher blends of ethanol, such as E15, E85, and even intermediate combination blends.

USDA's Office of the Chief Economist just released a comprehensive report on ethanol. The report, titled U.S. Ethanol: An Examination of Policy, Production, Use, Distribution, and Market Interactions, brings clarity to the complex interaction of ethanol production with agricultural markets and government policies. The corn ethanol industry is the largest biofuel producer in the country, with production increasing from about 1.6 billion gallons in 2000 to just over 14 billion gallons in 2014, stimulating economic activity in rural communities. Visit www.usda.gov/oce/reports/energy/EthanolExamination102015.pdf to read the complete report.

BIP is administered by the USDA Farm Service Agency. For more information, visit www.fsa.usda.gov/programs-and-services/energy-programs/index.

Regional Conservation Partnership Program (RCPP) Meeting

The Natural Resources Conservation Service (NRCS) is now accepting proposals for Fiscal Year 2017 Regional Conservation Partnership Program (RCPP) funding. Pre-proposals are due May 10. An informational meeting on the RCPP sign up will be held at the Indiana NRCS State Office (6013 Lakeside Boulevard, Indianapolis, IN 46278) on Thursday April 7 from 9:30 AM to 11:30 AM. Topics of discussion will include a program overview, application for funding, data entry sheet and a question and answer session. Anyone interested in submitting or partnering on a 2017 RCPP project proposal is encouraged to attend. A call in number is available for those not able to attend in person. Please contact Jill Reinhart, Indiana NRCS Assistant State Conservationist for Partnerships, for the call-in number and presentation information at jill.reinhart@in.usda.gov.

Dates to Remember

March 31, 2016: Final date to obtain loans or Loan Deficiency Payments (LDP's) on 2015 harvested small grains

May 1, 2016: Noninsured Crop Disaster Assistance Program (NAP) application closing date for Nursery (ornamental nursery and nonornamental propagation nursery) for crop year June 1 - May 31

May 30, 2016: Offices closed in observance of Memorial Day

June 1, 2016: Final date to obtain loans or LDP's on 2015 harvested feed grains and soybeans

June 1, 2016: Date used to establish ownership interest for person or legal entity for program purposes

June 1, 2016: Date used for the determination of minor child for program purposes

August 1, 2016: Deadline to enroll in 2016 Agricultural Risk Coverage (ARC) or Price Loss Coverage (PLC) Programs

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