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Indiana Farm Service Agency Program Updates

Indiana State Farm Service Agency

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From the FSA Farm Fields

What a great month to be a conservationist! What a great month to be an American! What a great month to celebrate 30 Years of Conservation and the country's largest conservation program – the Conservation Reserve Program (CRP). Celebrating CRP was done this month in Ripley County, Indiana, and I, along with my counterpart – Brad Pfaff, the Deputy Administrator for Farm Programs – was in attendance. Applauding the nation's largest conservation program has been done in countless offices across this state and country over the last year, and many others are still planned.

Earth Day was celebrated a few months ago at the national level, but the way I look at it is that EVERY DAY IS EARTH DAY! It is important that we stop and acknowledge the contributions of Indiana farmers who provide food, fiber and fuel security of the United States. Agriculture has come a long way over the past 150 years when President Abraham Lincoln first created the U.S. Department of Agriculture (USDA). In those days, 90% of Americans lived in the countryside. Now just 16% of us live in rural areas, with less than 1% as farmers, and one-tenth of that growing 80% of the food, fiber and feed that we consume and export. Yet we still grow plenty for our country, with enough left over to sell overseas.

President Lincoln said that the best thing about the future is that it comes one day at a time. Similarly, each day, the work of an individual farmer combines into the achievements of generations and the strength of this nation. That spirit of cooperation finds its roots in the ethics of our immigrant ancestors, the earliest pioneers whose teamwork was the very essence of survival in the vast stretches of the American landscape.

In fact, since 2009, USDA has invested more than \$29 billion nationwide to help agricultural producers make conservation improvements. This has reduced net greenhouse gas emissions by about 60 million metric tons per year, the equivalent of taking 12.6 million cars off the road, or 6.7 million gallons of gasoline. In Indiana alone, USDA has invested more than \$777 million in efforts to conserve and protect land, water and air resources. Aren't those incredible numbers!?

So this is USDA's promise to you – you can count on us to work each day to engineer the strongest agriculture and conservation policies possible for your generation, policies rooted in common sense principles commonplace in rural America, so that when your grandchildren celebrate the 60th anniversary of CRP three decades from now, they'll look back and remember that their strong rural economy began with you.

Here's to safe planting, mowing hay and county fairs!

Sincerely In Agriculture,
Julia

USDA Extends Deadline for Recording Farm Structure

Gives Non-Family Farming Operations More Time to Restructure in Response to 'Actively Engaged' Farm Management Rule

USDA announced a one-time, 30-day extension to the June 1 deadline for recording farm organization structures related to Actively Engaged in Farming determinations. This date is used to determine the level of interest an individual holds in a legal entity for the applicable program year. Farming operations will now have until July 1 to complete their restructuring or finalize any operational change. USDA issued the extension in response to farmers who requested more time to comply, and to assure that everyone has enough time to provide their information under the new rules.

The 2014 Farm Bill provided the Secretary with the direction and authority to amend the Actively Engaged in Farming rules related to management. The final rule established limits on the number of individuals who can qualify as actively engaged using only management. Only one payment limit for management is allowed under the rule, with the ability to request up to two additional qualifying managers operations for large and complex operations.

The rule does not apply to farming operations comprised entirely of family members. The rule also does not change the existing regulations related to contributions of land, capital, equipment or labor, or the existing regulations related to landowners with a risk in the crop or to spouses. Producers that planted fall crops have until the 2017 crop year to comply with the new rules. The payment limit associated with Farm Service Agency farm payments is generally limited annually to \$125,000 per individual or entity.

USDA Unveils New Improvement to Streamline Crop Reporting

Update Lets Farmers Report Common Acreage Information Once

Farmers filing crop acreage reports with the Farm Service Agency (FSA) and participating insurance providers approved by the Risk Management Agency (RMA) now can provide the common information from their acreage reports at one office and the information will be electronically shared with the other location.

This new process is part of the USDA Acreage Crop Reporting Streamlining Initiative (ACRSI). This interagency collaboration also includes participating private crop insurance agents and insurance companies, all working to streamline the information collected from farmers who participate in USDA programs.

Once filed at one location, data that's important to both FSA and RMA will be securely and electronically shared with the other location avoiding redundant and duplicative reporting, as well as saving farmers time.

Since 2009, USDA has been working to streamline the crop reporting process for agricultural producers, who have expressed concerns with providing the same basic common information for multiple locations. In 2013, USDA consolidated the deadlines to 15 dates for submitting these reports, down from the previous 54 dates at RMA and 17 dates for FSA. USDA representatives believe farmers will experience a notable improvement in the coming weeks as they approach the peak season for crop reporting later this summer.

More than 93 percent of all annual reported acres to FSA and RMA now are eligible for the common data reporting, and USDA is exploring adding more crops. Producers must still visit both locations to validate and sign acreage reports, complete maps or provide program-specific information. The common data from the first-filed acreage report will now be available to pre-populate and accelerate completion of the second report. Plans are underway at USDA to continue building upon the framework with additional efficiencies at a future date.

Farmers are also reminded that they can now access their FSA farm information from the convenience of their home computer. Producers can see field boundaries, images of the farm, conservation status, operator and owner information and much more.

The new customer self-service portal, known as **FSAFarm+**, gives farmers online access to securely view, print or export their personal farm data. To enroll in the online service, producers are encouraged to contact their local FSA office for details. To find a local FSA office in your area, visit <http://offices.usda.gov>.

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.

USDA Resumes Incentives to Grow and Harvest Biomass for Energy and Biobased Products

FSA announced that incentives resume in May for farmers and foresters who grow and harvest biomass for renewable energy and biobased products. The funds come through the Biomass Crop Assistance Program (BCAP), which was reauthorized by the 2014 Farm Bill.

Enrollment began on May 23 for facilities seeking to be qualified by USDA to accept biomass and ends on June 6, 2016. BCAP provides financial assistance to farmers who establish and maintain new crops of energy biomass, or who harvest and deliver forest or agricultural residues to a USDA-approved facility that creates energy or biobased products.

In fiscal year 2016, there is \$3 million available for BCAP. A portion of the funds will be provided to two existing BCAP projects in New York and Ohio/Pennsylvania to expand acres planted to shrub willow and giant miscanthus. Farmers and forest landowners may enroll for biomass establishment and maintenance payments for these two projects between June 15 and Sept. 13, 2016.

Also, between June 15 to Aug. 4, 2016, USDA will accept applications from foresters and farmers seeking incentives to remove biomass residues from fields or national forests for delivery to energy generation facilities. The retrieval payments are provided at match of \$1 for \$1, up to \$20 per dry ton. Eligible crops include corn residue, diseased or insect-infested wood materials, or orchard waste.

To learn more about BCAP or to enroll in updates, visit www.fsa.usda.gov/bcap or contact your local FSA county office.

USDA Offers New Loans for Portable Farm Storage and Handling Equipment

Portable Equipment Can Help Producers, including Small-Scale and Local Farmers, Get Products to Market Quickly

USDA's Farm Service Agency (FSA) will provide a new financing option to help farmers purchase portable storage and handling equipment. The loans, which now include a smaller microloan option with lower down payments, are designed to help producers, including new, small and mid-sized producers, grow their businesses and markets.

The program also offers a new “microloan” option, which allows applicants seeking less than \$50,000 to qualify for a reduced down payment of five percent and no requirement to provide three years of production history. Farms of all sizes are eligible. The microloan option is expected to be of particular benefit to smaller farms, and specialty crop producers who may not have access to commercial storage or on-farm storage after harvest. These producers can invest in equipment like conveyers, scales or refrigeration units and trucks that can store commodities before delivering them to markets. Producers do not need to demonstrate the lack of commercial credit availability to apply.

Earlier this year, FSA significantly expanded the list of commodities eligible for Farm Storage Facility Loan. Eligible commodities now include aquaculture; floriculture; fruits (including nuts) and vegetables; corn, grain sorghum, rice, oilseeds, oats, wheat, triticale, spelt, buckwheat, lentils, chickpeas, dry peas sugar, peanuts, barley, rye, hay, honey, hops, maple sap, unprocessed meat and poultry, eggs, milk, cheese, butter, yogurt and renewable biomass. FSFL microloans can also be used to finance wash and pack equipment used post-harvest, before a commodity is placed in cold storage.

To learn more about Farm Storage Facility Loans, visit www.fsa.usda.gov/pricesupport or contact a local FSA county office.

USDA Announces Conservation Reserve Program Results

More Than 800,000 Acres Selected Through Highly Competitive Application Rounds

USDA announced the enrollment of more than 800,000 acres in the Conservation Reserve Program (CRP). Through CRP, the USDA helps farmers offset the costs of restoring, enhancing and protecting certain grasses, shrubs and trees that improve water quality, prevent soil erosion and strengthen wildlife habitat. Farmers’ participation in CRP continues to provide numerous benefits to our nation, including helping reduce emissions of harmful greenhouse gases and providing resiliency to future weather changes.

A nationwide acreage limit was established for this program in the 2014 Farm Bill, capping the total number of acres that may be enrolled at 24 million for fiscal years 2017 and 2018. At the same time, USDA has experienced a record demand from farmers interested in participating in the voluntary program. As of March 2016, 23.8 million acres were enrolled in CRP, with 1.7 million acres set to expire this fall.

Over three million acres have been offered for enrollment this year across the three main categories within CRP, with FSA receiving over 26,000 offers to enroll more than 1.8 million acres during the general enrollment period, and over 4,600 offers to enroll more than one million acres in the new CRP Grasslands program. Coming off a record-setting 2015 continuous enrollment of over 860,000 acres, more than 364,000 acres already have been accepted for 2016 in the CRP continuous enrollment, triple the pace of last year.

FSA will accept 411,000 acres in general enrollment, the most competitive selection in the history of the program, with the acreage providing record high conservation benefits. USDA selected offers by weighing environmental factors plus cost, including wildlife enhancement, water quality, soil erosion, enduring benefits, and air quality.

The results of the first-ever enrollment period for CRP Grasslands, FSA will also accept 101,000 acres in the program, providing participants with financial assistance for establishing approved grasses, trees and shrubs on pasture and rangeland that can continue to be grazed. More than 70 percent of these acres are diverse native grasslands under threat of conversion, and more than 97 percent of the acres have a new, veteran or underserved farmer as a primary producer. FSA continues to accept CRP Grasslands offers and will conduct another ranking period later this year.

Participants in CRP 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 on marginally productive agricultural lands. In return, FSA provides participants with rental payments and cost-share assistance. Contract duration is between 10 and 15 years.

To learn more about FSA’s conservation programs, visit www.fsa.usda.gov/conservation or contact a local FSA county office.

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 15th. A contract that was approved for enrollment on or after February 8, 2007 has a primary nesting season of April 1 through August 1st.

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 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. MCM will 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. MCM will help improve tree growth and maintain diversity.

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.

Farm Loan Graduation Reminder

FSA Direct Loans are considered a temporary source of credit that is available to producers who do not meet normal underwriting criteria for commercial banks.

FSA periodically conducts Direct Loan graduation reviews to determine a borrower's ability to graduate to commercial credit. If the borrower's financial condition has improved to a point where they can refinance their debt with commercial credit, they will be asked to obtain other financing and partially or fully pay off their FSA debt.

By the end of a producer's operating cycle, the Agency will send a letter requesting a current balance sheet, actual financial performance and a projected farm budget. The borrower has 30 days to return the required financial documents. This information will be used to evaluate the borrower's potential for refinancing to commercial credit.

If a borrower meets local underwriting criteria, FSA will send the borrower's name, loan type, balance sheet and projected cash flow to commercial lenders. The borrower will be notified when loan information is sent to local lenders.

If any lenders are interested in refinancing the borrower's loan, FSA will send the borrower a letter with a list of lenders that are interested in refinancing the loan. The borrower must contact the lenders and complete an application for commercial credit within 30 calendar days.

If a borrower is unable to refinance his FSA loans with a commercial lender and provides evidence to that effect, FSA will retain the loan(s). If a borrower fails to provide the requested financial information to FSA or graduate when requested, the borrower will be in noncompliance and further action may be taken to enforce the graduation provision.

Beginning Farmer Loans

FSA assists beginning farmers 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 for 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 financial management program sponsored by FSA
- Does not own a farm in excess of 30 percent of the county's average size farm.

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

Dates to Remember

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

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

June 15, 2016: Reporting date for cucumbers (planted 5/1 to 5/31) in Knox County

June 20, 2016: Final date to submit a prevented planting claim for corn

July 1, 2016: DEADLINE EXTENDED - Date used to establish ownership interest for person or legal entity for program purposes

July 1, 2016: MPP-Dairy 2017 registration and election begins

July 4, 2016: Offices closed in observance of Independence Day

July 5, 2016: Final date to submit a prevented planting claim for soybeans

July 15, 2016: Reporting date for all other crops (including cucumbers planted 5/10-6/15) in all other counties in Indiana

July 15, 2016: Deadline for certification of current year and benchmark yields for 2015 ARC-IC elected and enrolled farms

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

August 1, 2016: Deadline to request farm reconstitutions and transfers for 2016

August 15, 2016: Reporting date for cucumbers (planted 6/16-8/5 in Fulton, LaPorte, Porter and St. Joseph Counties)

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