

October 2016



Indiana Farm Service Agency Program Updates

Indiana Farm Service Agency

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From the FSA Farm Fields

Congratulations on the agricultural bounty you are harvesting across this great state.

Rain showers interrupted harvest for many producers across the state last week. We know that winter wheat seeding is off to a good start with the wet weather creating good conditions for germination. Producers across this state also are planting cover crops, doing fall tillage, and drying and hauling grain to elevators. As of late October, corn and soybean harvest is about 75 percent complete. Certainly, navigating Indiana's country roads while maneuvering large tractors, grain wagons and combines, along with school traffic can be tricky. Thank you for all that you do to reap a productive and safe harvest every year.

Even though farmers are busy in the fields with harvest, October and November still holds a great deal of work for the Indiana Farm Service Agency (FSA) county offices. It's when "the rubber meets the road" so to speak, as we have been working to certify farm safety-net program payments to Indiana's enrolled farms. This "certification" function is the final step necessary to move payments into producers' hands. In total, we are sending over \$514 million into the state's agriculture economy through the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs.

For those enrolled crop producers, payments have been made so check your bank accounts or mail if you still receive payment by traditional check. FSA state and county office staff have been reviewing the price and yield information that goes into the safety-net program formulas, so farmers should not be shy about calling with questions regarding final payments. Keep in mind that payments from county to county can vary because average county yields will differ.

As we move 2015 payments out the door, we already are thinking about how we can help producers for next season. For example, enrollment in the ARC and PLC safety-net programs for 2017 begins Nov. 1. This enrollment period stretches until Aug. 1, 2017, but there is no reason why farmers can't get a head-start on sign-up.

That's all for this month. From Indiana FSA, have a safe and bountiful harvest.

Sincerely In Agriculture,

Julia

USDA Invests \$1.7 Billion to Protect Sensitive Agricultural Lands through Conservation Reserve Program

More than Half a Million Americans Involved with Protecting 24 Million Acres

USDA is issuing nearly \$1.7 billion in payments to more than half of a million Americans who have contracts with the government to protect sensitive agricultural lands. The investment, part of the voluntary USDA Conservation Reserve Program (CRP), will allow producers to protect almost 24 million acres of wetlands, grasslands and wildlife habitat in 2016.

CRP provides financial assistance to farmers who remove environmentally sensitive land from production to be planted with certain grasses, shrubs and trees that improve water quality, prevent soil erosion, and increase wildlife habitat. In return for enrolling in CRP, USDA, through the Farm Service Agency (FSA), provides participants with rental payments and cost-share assistance. Landowners enter into contracts that last between 10 and 15 years.

More than 1.3 million acres were newly enrolled in CRP in fiscal year 2016 using the continuous enrollment authority, double the pace of the previous year. In fiscal year 2016, FSA also accepted 411,000 acres through its general enrollment authority, plus 101,000 acres in the new CRP-Grasslands program, which balances conservation with working lands. More than 70 percent of the acres enrolled in CRP-Grasslands are diverse native grasslands under threat of conversion, with more than 97 percent of the acres having a new, veteran or underserved farmer as a primary producer.

CRP has sequestered an annual average of 49 million tons of greenhouse gases, equal to taking nine million cars off the road, and prevented nine billion tons of soil from erosion, enough to fill 600 million dump trucks.

For more information about CRP, contact your local FSA office or online at www.fsa.usda.gov/crp. Visit www.fsa.usda.gov/crpis30 or follow Twitter at #CRPis30 for program anniversary background and success stories. To locate your local FSA office, visit <http://offices.usda.gov>.

USDA Reminds Producers of Nov. 1 ELAP Application Deadline

Eligible livestock, honeybee, and farm-raised fish producers who experienced losses due to disease, adverse weather or other conditions, such as blizzards and wildfires, not covered by other agricultural disaster assistance programs, have until Nov. 1, 2016, to submit an application and notice of loss under the Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP).

Eligible livestock losses include grazing losses not covered under the Livestock Forage Disaster Program (LFP), loss of purchased feed and/or mechanically harvested feed due to an eligible adverse weather event, additional cost of transporting water because of an eligible drought and additional cost associated with gathering livestock to treat for cattle tick fever.

Eligible honeybee losses include loss of purchased feed due to an eligible adverse weather event, cost of additional feed purchased above normal quantities due to an eligible adverse weather condition, colony losses in excess of normal mortality due to an eligible weather event or loss condition, including CCD, and hive losses due to eligible adverse weather.

Eligible farm-raised fish losses include death losses in excess of normal mortality and/or loss of purchased feed due to an eligible adverse weather event.

Producers who suffer eligible livestock, honeybee, or farm-raised fish losses from October 1, 2015 to September 30, 2016 must file:

- A notice of loss the earlier of 30 calendar days of when the loss is apparent or by November 1, 2016
- An application for payment by November 1, 2016

The Farm Bill caps ELAP disaster funding at \$20 million per federal fiscal year.

The following ELAP Fact Sheets (by topic) are available online:

- ELAP for Farm-Raised Fish Fact Sheet
- ELAP for Livestock Fact Sheet
- ELAP for Honeybees Fact Sheet

To view these and other FSA program fact sheets, visit the FSA fact sheet web page at www.fsa.usda.gov/factsheets.

USDA Issues Safety-Net Payments to Indiana Farmers in Response to 2015 Market Downturn

In Indiana, 103,632 farms enrolled in either the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs will receive over \$514 million in safety-net payments due to market downturns during the 2015 crop year.

These payments will help provide reassurance to America's farm families, who are standing strong against low commodity prices compounded by unfavorable growing conditions in many parts of the country.

Unlike the old direct payment program, which issued payments during both weak and strong market conditions, the 2014 Farm Bill authorized the ARC-PLC safety net to trigger and provide financial assistance only when decreases in revenues or crop prices, respectively, occur. The ARC and PLC programs primarily allow producers to continue to produce for the market by making payments on a percentage of historical base production, limiting the impact on production decisions.

The Budget Control Act of 2011, passed by Congress, requires USDA to reduce 2015 ARC and PLC payments by 6.8 percent.

More details on the price and yield information used to calculate the financing assistance from the safety-net programs is available on the FSA website at www.fsa.usda.gov/arc-plc and www.fsa.usda.gov/in, or contact your local FSA office.

New NAP Application for Coverage Closing Date Announced for Forage Crops for 2017 Coverage

The deadline in all Indiana counties to apply for 2017 crop year coverage under the Noninsured Crop Disaster Assistance Program (NAP) for many forage crops has changed to November 15, 2016. Crops impacted include alfalfa, grass, mixed forage, and clover intended for forage or grazing.

In order to obtain crop year 2017 NAP coverage on these crops, producers must apply for coverage using form CCC-471, "Application for Coverage," and pay the applicable service fee at the FSA office where their farm records are maintained no later than November 15, 2016. Beginning, limited resource and targeted underserved farmers or ranchers are eligible for a waiver of the service fee and a 50 percent premium reduction on buy-up levels of coverage when they file form CCC-860, "Socially Disadvantaged, Limited Resource and Beginning Farmer or Rancher Certification."

The change to Indiana's NAP application closing date to November 15 for these crops was made to align with a nationally available crop insurance pilot product offered through the Federal crop insurance program called Pasture, Rangeland, and Forage – Rainfall Index. Previously, the NAP closing date was September 30 for these crops.

Additional information about the NAP program is available at www.fsa.usda.gov/nap.

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 upcoming acreage reporting dates are applicable for Indiana:

November 15

Perennial Grazing and Forage Crops (alfalfa, grass, mixed forages, clover, etc.)

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.

USDA Announces Streamlined Guaranteed Loans and Additional Lender Category for Small-Scale Operators

Options Help More Beginning, Small and Urban Producers Gain Access to Credit

The U.S. Department of Agriculture (USDA) announced the availability of a streamlined version of USDA guaranteed loans, which are tailored for smaller scale farms and urban producers. The program, called EZ Guarantee Loans, uses a simplified application process to help beginning, small, underserved and family farmers apply for loans of up to \$100,000 from USDA-approved lenders to purchase farmland or finance agricultural operations.

USDA also unveiled a new category of lenders that will join traditional lenders, such as banks and credit unions, in offering USDA EZ Guarantee Loans. Microlenders, which include Community Development Financial Institutions and Rural Rehabilitation Corporations, will be able to offer their customers up to \$50,000 of EZ Guaranteed Loans, helping to reach urban areas and underserved producers. Banks, credit unions and other traditional USDA-approved lenders, can offer customers up to \$100,000 to help with agricultural operation costs.

EZ Guarantee Loans offer low interest rates and terms up to seven years for financing operating expenses and 40 years for financing the purchase of farm real estate. USDA-approved lenders can issue these loans with the Farm Service Agency (FSA) guaranteeing the loan up to 95 percent.

USDA is providing a 90-day period for the public to review and comment on program improvements. To review program details, visit www.regulations.gov, reference RIN 0560-AI34 and follow the instructions to submit comments.

More than half of all FSA loans go to new farmers and more than a quarter to underserved borrowers. FSA also offers loans of up to \$5,000 to young farmers through the Youth Loan Program. Loans are made

to eligible youth to finance agricultural projects, with almost 9,000 young people now participating. More information about the available types of FSA farm loans can be found at www.fsa.usda.gov/farmloans or by contacting your local FSA office. To find your nearest office location, visit <http://offices.usda.gov>.

USDA Extends Margin Protection Program for Dairy Enrollment Deadline

USDA extended the deadline for dairy producers to enroll in the Margin Protection Program (MPP) for Dairy to Dec. 16, 2016, from the previous deadline of Sept. 30. This voluntary dairy safety net program, established by the 2014 Farm Bill, provides financial assistance to participating dairy producers when the margin – the difference between the price of milk and feed costs – falls below the coverage level selected by the producer. A USDA web tool, available at www.fsa.usda.gov/mpptool, allows dairy producers to calculate levels of coverage available from MPP based on price projections.

Clearing Wooded Areas, Draining, or Bringing New Land Into Production

Agricultural producers are reminded to consult with FSA and NRCS before breaking out new ground for production as doing so without prior authorization may put a producer's federal farm program benefits in jeopardy. This is especially true for land that must meet Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions.

Producers with HEL determined soils must apply tillage, crop residue and rotation requirements as specified in their conservation plan. Land determined to be a wetland has significant use restrictions. Participants should ensure they are aware of any existing technical determinations for acreage they own or operate.

Producers should notify FSA prior to conducting land clearing or drainage projects to ensure compliance. If you intend to clear any trees, woody vegetation, or improve drainage to create new cropland, these areas will need to be reviewed to ensure any work will not risk your eligibility for benefits.

It is also imperative that anyone purchasing or operating land for the first time make an effort to obtain the history of HEL/WC activities on the farm.

Landowners and operators can complete form AD-1026 Highly Erodible Land Conservation (HEL) and Wetland Conservation (WC) Certification to determine whether a referral to Natural Resources Conservation Service (NRCS) is necessary.

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.

Required Management on CRP Acres

Participants in the Conservation Reserve Program (CRP) are responsible for maintaining the acreage under contract to the minimum specifications and acreages as required by their conservation plan and supporting documents. This includes not only controlling excessive weeds, invasive species, and trees in grass practices, but completing required management on CRP practices as scheduled in conservation plans as well.

The purpose of required management activities, commonly referred to as mid contract management (MCM), is to enhance the wildlife habitat value of the enrolled acres for species such as Northern Bobwhite, pollinators, and others. In grass practices, the perennial grasses tend to crowd out the desired broadleaf plants, litter accumulates and plant diversity declines. In tree practices, thinning or pruning may be needed to improve tree growth or enhancements needed in open areas to encourage plant diversity for wildlife. MCM is now required on all new practices and if not already required, is optional on all older contracts.

These activities (as well as any treatment for weed control or maintenance) must be completed 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 is from March 1 through July 15th. For newer contracts, the primary nesting season is April 1 through August 1st. Any activities completed during this time period may result in a contract violation and payment reduction.

Required management activities include: prescribed burning, strip disking, strip spraying, inter-seeding forbs/legumes/pollinators, pruning/thinning, inner seedling or shrub planting for diversity. Cost Share is available for eligible practices up to a maximum of \$100 per acre for a 10-year contract or up to \$150 per acre for a 15-year contract over the duration of the contract.

USDA Offers Targeted Farm Loan Funding for Underserved Groups and Beginning Farmers

The USDA Farm Service Agency (FSA) reminds producers that FSA offers targeted farm ownership and farm operating loans to assist underserved applicants as well as beginning farmers.

USDA defines underserved applicants as a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of the group without regard to their individual qualities. For farm loan program purposes, targeted underserved groups are women, African Americans, American Indians and Alaskan Natives, Hispanics and Asians and Pacific Islanders.

Underserved or beginning farmers who cannot obtain commercial credit from a bank can apply for either FSA direct loans or guaranteed loans. Direct loans are made to applicants by FSA. Guaranteed loans are made by lending institutions who arrange for FSA to guarantee the loan. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan. The FSA guarantee allows lenders to make agricultural credit available to producers who do not meet the lender's normal underwriting criteria.

The direct and guaranteed loan program provides for two types of loans: farm ownership loans and farm operating loans. In addition to customary farm operating and ownership loans, FSA now offers Microloans through the direct loan program. The focus of Microloans is on the financing needs of small, beginning farmer, niche and non-traditional farm operations. Microloans are available for both ownership and operating finance needs. To learn more about microloans, visit www.fsa.usda.gov/microloans.

To qualify as a beginning producer, the individual or entity must meet the eligibility requirements outlined for direct or guaranteed loans. Additionally, individuals and all entity members must have operated a farm for less than 10 years. Applicants must materially or substantially participate in the operation.

For more information on FSA's farm loan programs and targeted underserved and beginning farmer guidelines, visit www.fsa.usda.gov/farmloans.

USDA to Provide Agricultural Credit Training, Expand Opportunities for Farmer Veterans and Beginning Farmers

USDA is partnering with the Farmer Veteran Coalition (FVC) to conduct agricultural credit training sessions in the Midwest for military veterans and beginning farmers and ranchers. States under consideration to host the workshops include Iowa, Illinois, Indiana, Michigan, Minnesota, Missouri, and Nebraska.

These workshops will provide individuals interested in farming as a career, including military veterans, with methods to improve business planning and financial skills, and improve understanding of the risk management tools that can help small farm operations.

Other partners include Niman Ranch a community network of more than 700 independent family farmers and ranchers, and the Farm Credit Council and the Farm Credit System, which provides loans, leases and financial services to farmers, ranchers and rural businesses across the United States. The workshops will also include assistance with credit applications and introductions to local or regional food markets.

To learn more about veterans in agriculture, visit www.usda.gov/veterans. Visit www.fsa.usda.gov/farmloans or your local Farm Service Agency (FSA) office to learn more about FSA's farm loan programs. To find your local FSA office, visit <http://offices.usda.gov>. More information also is available from the Farmer Veteran Coalition at www.farmvetco.org.

Dates to Remember

November 1: Final application for payment for 2016 ELAP for losses occurring 10/1/2015 to 9/30/2016

November 1: Enrollment begins for 2017 Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) Programs

November 4: Final date to submit a prevented planting claim for 2016 fall wheat with 10/20 final plant date

November 11: Offices closed in observance of Veteran's Day

November 15: Reporting date for perennial grazing and forage crops (alfalfa, grass, mixed forages, clover, etc.)

November 15: Final date to submit a prevented planting claim for 2016 fall wheat with 10/31 final plant date

November 15: NAP application closing date for perennial grazing and forage crops (alfalfa, grass, mixed forages, clover, etc.)

November 20: NAP application closing date for apples, apricots, aronia (chokeberry), asparagus, blueberries, caneberries, cherries, grapes, hops, nectarines, peaches, pears, plums, strawberries

November 24: Offices closed in observance of Thanksgiving Day

December 1: NAP application closing date for honey for the following year

December 15: Reporting date for 2016 fall mint, fall-seeded small grains

December 16: Deadline Extended: MPP-Dairy 2017 registration and election ends

December 26: Offices closed in observance of Christmas Day

USDA is an equal opportunity provider, employer and lender. 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).