

December 2016



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## Indiana Farm Service Agency Program Updates

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### From the FSA Farm Fields

"The weather outside is frightful ..."

During the holidays, our staff may be taking that well-deserved time off to spend it with their family and friends, but know we are only a phone call away. The winter months are the perfect time for you to call and make an appointment to review your farm records and folders, and to make certain you're ready for the next crop year. We are proud every day to have the opportunity to serve you and to help you navigate the various farm commodity and farm loan programs available to you and your operations. Just give us a call and we'll get your appointment set up!

In the meantime, check out the list of deadlines on the last page of this newsletter. We encourage you to put the deadlines that affect your farm on your calendar, with the appropriate reminders!

Have a very merry, happy and great holiday season!

Sincerely In Indiana Agriculture,

Julia

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## Organic Producers and Handlers May Apply for Certification Cost Share Reimbursements; Expanded Eligibility for Transition and State Certification Cost

The U.S. Department of Agriculture (USDA) announces that starting March 20, 2017, organic producers and handlers will be able to visit over 2,100 USDA Farm Service Agency (FSA) offices to apply for federal reimbursement to assist with the cost of receiving and maintaining organic or transitional certification.

USDA reimburses organic producers up to 75 percent of the cost of organic certification, but only about half of the nation's organic operations currently participate in the program. Starting March 20, USDA will provide a uniform, streamlined process for organic producers and handlers to apply for organic cost share assistance either by mail or in person.

USDA is making changes to increase participation in the National Organic Certification Cost Share Program (NOCCSP) and the Agricultural Management Assistance Organic Certification Cost Share Program, and at the same time provide more opportunities for organic producers to access other USDA programs, such as disaster protection and loans for farms, facilities and marketing. Producers can also access information on nonfederal agricultural resources, and get referrals to local experts, including organic agriculture, through USDA's Bridges to Opportunity service at the local FSA office.

Historically, many state departments of agriculture have obtained grants to disburse reimbursements to those producers and handlers qualifying for cost share assistance. FSA will continue to partner with states to administer the programs. For states that want to continue to directly administer the programs, applications will be due Feb. 17, 2017.

Eligible producers include any certified producers or handlers who have paid organic or transitional certification fees to a [USDA-accredited certifying](#) agent. Application fees, inspection costs, fees related to equivalency agreement/ arrangement requirements, travel/per diem for inspectors, user fees, sales assessments and postage are all eligible for a cost share reimbursement from USDA.

Once certified, producers and handlers are eligible to receive reimbursement for up to 75 percent of certification costs each year up to a maximum of \$750 per certification scope - crops, livestock, wild crops and handling. This announcement also adds transitional certification and state organic program fees as additional scopes.

To learn more about organic certification cost share, please visit [www.fsa.usda.gov/organic](http://www.fsa.usda.gov/organic) or contact a local FSA office by visiting <http://offices.usda.gov>.

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## **USDA Announces New Conservation Opportunities to Improve Water Quality and Restore Wildlife Habitat**

USDA will offer farmers more opportunities to participate in the Conservation Reserve Program (CRP). The announcement includes new CRP practices to protect water quality and adds an additional 1.1 million acres targeted to benefit wildlife, pollinators and wetlands.

The new conservation initiative known as Clean Lakes, Estuaries and Rivers (CLEAR) will add new tools to CRP that can help to improve water quality. CLEAR will assist landowners with the cost of building bioreactors and saturated buffers that filter nitrates and other nutrients from tile-drained cropland. Early estimates indicate that CLEAR could help to reduce nitrate runoff by as much as 40 percent over traditional conservation methods. CLEAR may cover up to 90 percent of the cost to install these new practices through incentives and cost-share. These new methods are especially important in areas where traditional buffers have not been enough to prevent nutrients from reaching bodies of water.

USDA will also add an additional 1.1 million acres to a number of key CRP practices that are critically important to wildlife and conservation. These include 700,000 acres for State Acres for Wildlife Enhancement (SAFE) efforts, which restore high-priority wildlife habitat tailored to a specific state's needs. In addition to SAFE, 300,000 acres will be added to target wetlands restoration that are nature's water filters and 100,000 acres for pollinator habitat that support 30 percent of agricultural production.

The continued strong demand for CRP combined with the limited acreage available for enrollment and lower land rental rates, allows USDA to modify certain program components without affecting the integrity of the program. Signing incentives are being reduced by \$25 per acre on certain practices for fiscal year 2018 enrollments (incentives are currently between \$100 and \$150 per acre) and a cap on the maximum soil rental rate is being instituted for Continuous CRP at \$300 per acre. The savings from these changes are being reinvested back in CRP, including the additional acres for SAFE, pollinator habitat and wetlands restoration.

To learn more about FSA's conservation programs, visit [www.fsa.usda.gov/conservation](http://www.fsa.usda.gov/conservation) or contact your local FSA office.

## Enrollment Period for Safety Net Coverage in 2017 Continues

Producers on farms with base acres under the safety net programs established by the 2014 Farm Bill, known as the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs, can now visit FSA county offices to sign contracts and enroll for the 2017 crop year. The enrollment period will continue until Aug. 1, 2017.

Since shares and ownership of a farm can change year-to-year, producers on the farm must enroll by signing a contract each program year.

If a farm is not enrolled during the 2017 enrollment period, the producers on that farm will not be eligible for financial assistance from the ARC or PLC programs for the 2017 crop should crop prices or farm revenues fall below the historical price or revenue benchmarks established by the program. Producers who made their elections in 2015 must still enroll during the 2017 enrollment period.

The ARC and PLC 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](http://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>.

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## Measurement Service

Farmers who would like a guarantee on acreage of crop plantings, land use acreages, or bin measurements can make it official by using the FSA measurement service. Producers must file a request with the county office staff and pay the cost of a field visit to have stake and referencing done on the farm. Measurement service is available using digital imagery. If an on-site visit is not required producers are charged a reduced rate.

Incorrect acreage self-certification can result in reduced program payments, penalty or loss of eligibility.

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## USDA Announces Additional Financial Incentives for Conservation Reserve Program Participants to Improve Forest Health and Enhance Wildlife Habitat

In an effort to improve wildlife habitat and the health of private forest lands, the U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) has announced additional incentives available for Conservation Reserve Program (CRP) participants to actively manage forest lands enrolled in the program.

Under the provisions of the 2014 Farm Bill, \$10 million is available nationwide to eligible CRP participants. Those selected will be encouraged to thin, prescribe burn or otherwise manage their forests in order to allow sunlight to reach the forest floor. This will encourage the development of grasses, forbs and legumes, benefitting numerous species including pollinators and grassland-dependent birds such as the northern bobwhite.

Eligibility is limited to landowners and agricultural producers already enrolled in CRP with conservation covers primarily containing trees. Incentive payments, not to exceed 150 percent of the cost to implement a particular customary forestry activity as described, have been established. CRP participants meeting eligibility requirements and interested in making offers to participate should visit their local FSA county office.

For more information about FSA conservation programs, visit the FSA office at the local USDA service center or go to [www.fsa.usda.gov/conservation](http://www.fsa.usda.gov/conservation).

# 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 and ranchers 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](http://www.regulations.gov), reference RIN 0560-A134 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](http://www.fsa.usda.gov/farmloans) or by contacting your local FSA office. To find your nearest office location, visit <http://offices.usda.gov>

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## 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.

## Youth Loans

The Farm Service Agency makes loans to youth to establish and operate agricultural income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5000.

### Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Comply with FSA's general eligibility requirements
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the youth loan applicant, along with providing adequate supervision.

Stop by the county office for help preparing and processing the application forms.

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## Dates to Remember

**Continuing through August 1, 2017:** Enrollment for 2017 Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs

**December 26:** Offices closed in observance of Christmas Day

**January 2:** Reporting date for 2017 honeybee colonies/honey for all FSA programs

**January 2:** Offices closed in observance of New Year's Day

**January 15:** Reporting date for 2017 acreage for apples

**January 16:** Offices closed in observance of Martin Luther King, Jr's Birthday

**January 30:** Deadline to apply for 2016 Livestock Forage Disaster Program (LFP) and 2016 Livestock Indemnity Program (LIP)

**January 31:** Deadline to file Tree Assistance Program (TAP) application

**February 2:** Deadline to apply for Loan Deficiency Payments (LDP) for unshorn pelts produced during the 2016 crop year

**February 20:** Offices closed in observance of George Washington's Birthday

**March 15:** NAP application closing date for beans, beets, broccoli, brussel sprouts, cabbage, cantaloupes, cucumbers, corn, eggplant, greens, herbs, honeydew, lettuce, oats, okra, onions, peas, peppers, potatoes, sweet potatoes, pumpkins, sorghum, soybeans, squash, tomatillos, tomatoes, watermelon

**March 20:** Organic producers and handlers can begin to apply for organic cost share assistance

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

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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).