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Farm Service Agency **Electronic News Service**

NEWSLETTER

GovDelivery

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

Acting State Executive Director:

Nancy J. Best
nancy.best@in.usda.gov

State Committee Members:

Travis Nolcox, Chairperson
Harry Pearson, Member
Wayne Vance, Member
Kristin Whittington, Member

Administrative Officer:

Nancy Best
nancy.best@in.usda.gov

Production Adjustment Chief:

Carl Schweikhardt
carl.schweikhardt@in.usda.gov

Price Support/Disaster Chief:

Susan Houston
susan.houston@in.usda.gov

Conservation/Compliance Chief:

Susan Hovermale
susan.hovermale@in.usda.gov

Dairy Producers Can Enroll for 2018 Coverage

Secretary Allows Producers to Opt Out

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) announced that starting Sept. 1, 2017, dairy producers can enroll for 2018 coverage in the Margin Protection Program (MPP-Dairy). Secretary Sonny Perdue has utilized additional flexibility this year by providing dairy producers the option of opting out of the program for 2018.

To opt out, a producer should not sign up during the annual registration period. By opting out, a producer would not receive any MPP-Dairy benefits if payments are triggered for 2018. Full details will be included in a subsequent Federal Register Notice. The decision would be for 2018 only and is not retroactive.

The voluntary 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.

MPP-Dairy gives participating dairy producers the flexibility to select coverage levels best suited for their operation. Enrollment ends on Dec. 15, 2017, for coverage in calendar year 2018. Participating farmers will remain in the program through Dec. 31, 2018, and pay a minimum \$100 administrative fee for 2018 coverage. Producers have the option of selecting a different coverage level from the previous coverage year during open enrollment.

Dairy operations enrolling in the program must meet conservation compliance provisions and cannot participate in the Livestock Gross Margin Dairy Insurance Program. Producers can mail the appropriate form to the producer's administrative county FSA

Farm Loan Chief:
Greg Foulke
greg.foulke@in.usda.gov

**Public Affairs/Outreach
Coordinator:**
Donna Ferguson
donna.ferguson@in.usda.gov

office, along with applicable fees, without necessitating a trip to the local FSA office. If electing higher coverage for 2018, dairy producers can either pay the premium in full at the time of enrollment or pay 100 percent of the premium by Sept. 1, 2018. Premium fees may be paid directly to FSA or producers can work with their milk handlers to remit premiums on their behalf.

USDA has a web tool to help producers determine the level of coverage under the MPP-Dairy that will provide them with the strongest safety net under a variety of conditions. The online resource, available at www.fsa.usda.gov/mpptool, allows dairy farmers to quickly and easily combine unique operation data and other key variables to calculate their coverage needs based on price projections. Producers can also review historical data or estimate future coverage based on data projections. The secure site can be accessed via computer, Smartphone, tablet or any other platform, 24 hours a day, seven days a week.

For more information, visit FSA online at www.fsa.usda.gov/dairy or stop by a local FSA office to learn more about the MPP-Dairy.

2016 PLC Payment Rates and ARC Actual Prices for Wheat, Barley and Oats

The Agricultural Act of 2014 provides for payments for covered commodities through the Price Loss Coverage (PLC) program when the market year average price is below the reference price. Agricultural Risk Coverage (ARC) program payments are triggered when the actual revenue is below the guarantee established for the program.

The Marketing Year Average (MYA) price for wheat, barley and oats was announced June 29, resulting in a PLC payment rate of \$1.61 per bushel for 2016 wheat and \$0.34 per bushel for 2016 oats. There is no PLC payment on 2016 barley.

For Agriculture Loss Coverage – County (ARC-CO), actual crop revenue is calculated by multiplying the actual average yield for your county times the higher of the MYA price or the national loan rate. For 2016, the following prices have been set – wheat at \$3.89 per bushel; barley at \$4.96 per bushel; and oats at \$2.06 per bushel. 2016 county yields will not be available until this fall.

Agriculture Loss Coverage–Individual Option (ARC-IC) will utilize the same prices as ARC-CO, however the actual crop revenue cannot be calculated until participating producers report all production for all covered commodities planted on the farm and all MYA prices for all covered commodities planted on the farm are known. Both of these items are necessary to calculate the ARC-IC actual revenue for the farm.

All 2016 ARC and PLC payments cannot be made until after Oct. 1, 2017, or the announcement of the final 2016 MYA price for the applicable covered commodity.

For information on release dates for MYA prices, ARC-CO yields and projected and final PLC payment rates, visit www.fsa.usda.gov/arc-plc and click on the “ARC/PLC Program Data” link.

Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP)

The Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP) provides emergency assistance to eligible livestock, honeybee, and farm-raised fish producers who have losses due to disease, adverse weather or other conditions, such as blizzards and wildfires, not covered by other agricultural disaster assistance programs.

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 Oct. 1, 2016 to Sept. 30, 2017 must file:

- A notice of loss the earlier of 30 calendar days of when the loss is apparent or by Nov. 1, 2017
- An application for payment by Nov. 1, 2017

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.

Organic Certification Cost Share Program

The Organic Certification Cost Share Program (OCCSP) provides cost share assistance to producers and handlers of agricultural products who are obtaining or renewing their certification under the National Organic Program (NOP). Certified operations may receive up to 75 percent of their certification costs paid from Oct. 1, 2016, through Sept. 30, 2017, not to exceed \$750 per certification scope.

Eligible costs include application fees, inspection costs, fees related to equivalency agreement/arrangement requirements, travel/per diem for inspectors, user fees, sales assessments and postage.

Ineligible costs include equipment, materials, supplies, transitional certification fees, late fees and inspections necessary to address National Organic Program regulatory violations.

Producers and handlers may submit OCCSP applications to FSA county offices or they may apply through participating State Agencies, which will be listed at <https://www.fsa.usda.gov/programs-and-services/occsp/index> as their agreements to administer the program are finalized

The FSA OCCSP application form is available at USDA's eForms site, by selecting "Browse forms" and entering "OCCSP" in the "title or keywords" field on the search page.

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

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 \$125 per acre for a 15-year contract over the duration of the contract.

2017 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)

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.

Marketing Assistance Loans (MAL) and Loan Deficiency Payments (LDPs)

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 2016 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.

Maintaining the Quality of Farm-Stored Loan Grain

Bins are ideally designed to hold a level volume of grain. When bins are overfilled and grain is heaped up, airflow is hindered and the chance of spoilage increases.

Producers who take out marketing assistance loans and use the farm-stored grain as collateral should remember that they are responsible for maintaining the quality of the grain through the term of the loan.

FSA Offers Joint Financing Option on Direct Farm Ownership Loans

The USDA Farm Service Agency's (FSA) [Direct Farm Ownership loans](#) are a resource to help farmers become owner-operators of family farms, improve and expand current operations, increase agricultural productivity, and assist with land tenure to save farmland for future generations.

Depending on the applicant's needs, there are three types of Direct Farm Ownership Loans: regular, down payment and joint financing. FSA also offers a [Direct Farm Ownership Microloan](#) option for smaller financial needs up to \$50,000.

Joint financing allows FSA to provide more farmers with access to capital. FSA lends up to 50 percent of the total amount financed. A commercial lender, a State program or the seller of the property being purchased, provides the balance of loan funds, with or without an FSA guarantee. The maximum loan amount for a Joint Financing loan is \$300,000 and the repayment period for the loan is up to 40 years.

To be eligible, the operation must be an eligible farm enterprise. Farm Ownership loan funds cannot be used to finance nonfarm enterprises and all applicants must be able to meet general eligibility requirements. Loan applicants are also required to have participated in the business operations of a farm for at least three years out of the 10 years prior to the date the application is submitted. The applicant must show documentation that their participation in the business operation of the farm was not solely as a laborer.

For more information about FSA Loan programs, contact your local FSA office or visit www.fsa.usda.gov. To find your local FSA office, visit <http://offices.usda.gov>.

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.

FSA Offers Improved Program to Limit Losses on Forages

Reduced forage quality is now considered a production loss for weather disaster assistance coverage under the new buy-up provisions of the Farm Service Agency (FSA) Noninsured Crop Disaster Assistance Program (NAP).

This safety net is important for cattlemen who produce non-insurable forages for feeding livestock. Previously, FSA only considered a decrease in overall forage tonnage produced when determining if the producer suffered a compensable loss after a qualifying weather event. Under FSA's new NAP buy-up provisions, a decrease in forage quality – such as protein content – is also considered.

To receive coverage for the 2018 crop year, producers must apply for coverage in NAP by November 15, 2017. Beginning, limited resource and targeted underserved farmers are eligible for a waiver of the NAP service fee and a 50 percent premium reduction in buy-up provisions.

For more information on NAP, visit www.fsa.usda.gov/nap.

Dates to Remember

Continuing through December 15, 2017: Margin Protection Program for Dairy Producers (MPP-Dairy) 2018 registration and election

September 30: Reporting date for value loss and controlled environment crop (for the coming program year)

September 30: Deadline to report changes in interest on ARC or PLC contracts

September 30: NAP application closing date for garlic, wheat, barley, rye and mint for the following year's crop

October 9: Offices closed in observance of Columbus Day

November 1: Enrollment begins for 2018 Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) Programs

November 1: Final application for payment for 2017 ELAP for losses occurring 10/1/2016 to 9/30/2017

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

November 10: 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 23: Offices closed in observance of Thanksgiving Day

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

December 15: Reporting date for 2017 fall mint, fall-seeded small grains

December 15: MPP-Dairy 2018 registration and election ends

December 25: 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).