

February 2018



Farm Service Agency **Electronic News Service**

# NEWSLETTER

GovDelivery

---

## Indiana Farm Service Agency Program Updates

---

### Indiana Farm Service Agency

5981 Lakeside Blvd.  
Indianapolis, IN 46278

Phone: 317-290-3315  
Fax: 855-374-4066  
[www.fsa.usda.gov/in](http://www.fsa.usda.gov/in)

**State Executive Director:**  
Steven E. Brown  
[steven.brown2@in.usda.gov](mailto:steven.brown2@in.usda.gov)

**State Committee Members:**  
Ken Rulon, Chairperson  
Bill Gelfius, Member  
Clint Orr, Member  
Kirk Perkins, Member

**Acting Administrative Officer:**  
Susan Hovermale  
[susan.hovermale@in.usda.gov](mailto:susan.hovermale@in.usda.gov)

**Production Adjustment Chief:**  
Carl Schweikhardt  
[carl.schweikhardt@in.usda.gov](mailto:carl.schweikhardt@in.usda.gov)

**Price Support/Disaster Chief:**  
Susan Houston  
[susan.houston@in.usda.gov](mailto:susan.houston@in.usda.gov)

### From the Desk of the State Executive Director

It's hard to believe but spring is around the corner. While recent heavy rains have put a hold on any pre-planting activity, Indiana producers are securing financing, getting seed and chemicals purchased and getting equipment ready. I would like to encourage producers to call their local offices and get an appointment to enroll in the ARC or PLC Programs. Hopefully getting your farms enrolled now will make certification quicker.

I would also like to congratulate our new Indiana State FSA Committee members on their appointments. Ken Rulon from Arcadia will serve as chairman. Other members include Kirk Perkins from Wolcottville, Clint Orr from Forest and Bill Gelfius from Hartsville.

The Bipartisan Budget Act of 2018 was signed on February 9, 2018, and we are working to quickly get all of the programs up and running. We will keep you informed as changes are announced.

Steve

---

### USDA Announces Enrollment Period for Safety Net Coverage in 2018

Farmers with base acres in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) safety net program may now enroll for the 2018 crop year. The enrollment period will end on Aug. 1, 2018.

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

**Conservation/Compliance Chief:**  
Susan Hovermale  
[susan.hovermale@in.usda.gov](mailto:susan.hovermale@in.usda.gov)

**Farm Loan Chief:**  
Greg Foulke  
[greg.foulke@in.usda.gov](mailto:greg.foulke@in.usda.gov)

**Public Affairs/Outreach Coordinator:**  
Donna Ferguson  
[donna.ferguson@in.usda.gov](mailto:donna.ferguson@in.usda.gov)

The producers on a farm that are not enrolled for the 2018 enrollment period will not be eligible for financial assistance from the ARC or PLC programs for the 2018 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 previous years must still enroll during the 2018 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>.

---

## Producers Urged to Consider Risk Protection Coverage before Crop Sales Deadlines

The USDA Farm Service Agency (FSA) reminds producers to review available USDA crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the applicable crop sales deadline.

Federal crop insurance covers crop losses from natural adversities such as drought, hail and excessive moisture. NAP covers losses from natural disasters on crops for which no permanent federal crop insurance program is available, including perennial grass forage and grazing crops, fruits, vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

The NAP application closing date for annual spring/summer planted crops is March 15, 2018. This list includes, but is not limited to, the following: beans, beets, broccoli, Brussel sprouts, cabbage, canola, cantaloupes, carrots, cauliflower, corn, cucumbers, eggplant, garlic, greens, herbs, honeydew, lettuce, oats, okra, onion, peas, peppers, potatoes, pumpkins, radishes, sorghum, squash, tomatillos, tomatoes, and watermelon.

USDA has partnered with Michigan State University and the University of Illinois to create an online tool at [www.fsa.usda.gov/nap](http://www.fsa.usda.gov/nap) that allows producers to determine whether their crops are eligible for federal crop insurance or NAP and to explore the best level of protection for their operation. NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production, with higher levels of coverage, up to 65 percent of their expected production at 100 percent of the average market price available, including coverage for organics and crops marketed directly to consumers. Crops intended for grazing are not eligible for additional NAP coverage.

Federal crop insurance coverage is sold and delivered solely through private insurance agents. Agent lists are available at all USDA Service Centers or at USDA's online Agent Locator: <http://prodwebnlb.rma.usda.gov/apps/AgentLocator/#>. Producers can use the USDA Cost Estimator, <https://ewebapp.rma.usda.gov/apps/costestimator/Default.aspx>, to predict insurance premium costs.

For more information on NAP, service fees, premiums and sales deadlines, contact your local FSA office or visit the web at [www.fsa.usda.gov/nap](http://www.fsa.usda.gov/nap).

## Update Your Records

FSA is cleaning up our producer record database. If you have any unreported changes of address or zip code or an incorrect name or business name on file they need to be reported to our office. Changes in your farm operation, like the addition of a farm by lease or purchase, need to be reported to our office as well. Producers participating in FSA and NRCS programs are required to timely report changes in their farming operation to the County Committee in writing and update their CCC-902 Farm Operating Plan.

If you have any updates or corrections, please call your local FSA office to update your records.

---

## Malted Grains and Maple Syrup Eligible for Farm Storage Facility Loans

Malted small grains and maple syrup are now eligible for Farm Storage Facility Loans (FSFL) through the USDA Farm Service Agency (FSA).

FSFLs provide low-interest financing to producers to build or upgrade storage facilities and to purchase portable (new or used) structures, equipment and storage and handling trucks.

The eligible commodities have been expanded to include malted small grains and maple syrup. Eligible malted small grains include barley, oats, rice, rye and wheat. Maple sap is used to produce maple syrup.

The low-interest funds can be used for:

- bottler or filling systems for maple syrup, excluding containers
- equipment to improve, maintain, or monitor the quality of stored FSFL commodities, such as cleaners, moisture testers, heat detectors, along with a proposed storage facility
- handling and drying equipment determined by the County Committee to be needed and essential to the proper functioning of a storage system
- electrical equipment, such as pumps, lighting, motors, and wiring, integral to the proper operation of the storage and handling equipment, excluding installing electric service to the electrical meter.

FSFLs are not available for the actual processing of the small grain into the malted commodity or maple sap into maple syrup. Additionally, purchased commodities are not eligible for FSFLs.

The following storage and handling equipment is ineligible for FSFLs:

- boiling equipment
- feed handling and processing equipment
- production and feed facilities
- structures of a temporary nature not having a useful life of the term of the loan
- maple sap tubing and pumping systems.

Loans up to \$50,000 can be secured by a promissory note/security agreement and loans between \$50,000 and \$100,000 may require additional security. Loans exceeding \$100,000 require additional security.

Producers do not need to demonstrate the lack of commercial credit availability to apply. The loans are designed to assist a diverse range of farming operations, including small and mid-sized businesses, new farmers, operations supplying local food and farmers markets, non-traditional farm products, and underserved producers.

To learn more about the FSA Farm Storage Facility Loan, visit [www.fsa.usda.gov/pricesupport](http://www.fsa.usda.gov/pricesupport) or contact your local FSA office.

## 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 purposes 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 are required to apply tillage, crop residue and rotational requirements as specified in their conservation plan.

Producers should notify FSA as a first point of contact prior to conducting land clearing or drainage type projects to ensure the proposed actions meet compliance criteria such as clearing any trees to create new cropland, then these areas will need to be reviewed to ensure such work will not risk your eligibility for benefits.

Landowners and operators complete the form AD-1026 - Highly Erodible Land Conservation (HEL) and Wetland Conservation (WC) Certification to identify the proposed action and allow FSA to determine whether a referral to Natural Resources Conservation Service (NRCS) for further review is necessary.

---

## USDA Processing Pending Conservation Reserve Program Continuous Enrollment Offers

### *Acceptance of Most 2018 Offers Temporarily Suspended*

USDA's Farm Service Agency (FSA) will process many pending eligible offers for land enrollment in the Conservation Reserve Program (CRP), and will temporarily suspend accepting most new offers until later in the 2018 fiscal year.

All current, eligible CRP continuous enrollment offers made through Sept. 30, 2017, except for those made under the Pollinator Habitat Initiative (CP42), will be approved. Additionally, FSA is temporarily suspending acceptance of most offers going forward to provide time to review CRP allocation levels, and to avoid exceeding the statutory cap of 24 million acres.

The CRP acreage cap is a provision of the 2014 Farm Bill. Current enrollment is about 23.5 million acres nationwide. USDA is accepting all pending continuous enrollment offers that were made beginning on May 4, 2017, and extending through Sept. 30, 2017, except Pollinator Habitat Initiative offers. Pollinator acreage offers are being declined because the program has met its acreage enrollment goal. Effective immediately, USDA is suspending acceptance of all new CRP continuous offers received or submitted after Sept. 30, 2017. The suspension will continue until later in the 2018 fiscal year.

However, FSA will continue to accept eligible offers for state-specific Conservation Reserve Enhancement Program (CREP) and CRP Grasslands enrollment. Offers received on or after Oct. 1, 2017, are subject to fiscal year 2018 rental rates which have been adjusted to reflect current market conditions and were established after careful review of the latest USDA National Agricultural Statistics Service (NASS) cash rent data.

In return for enrolling in CRP, USDA, through FSA, provides participants with rental payments and cost-share assistance. Landowners enter into contracts that last between 10 and 15 years. CRP pays farmers and ranchers who remove sensitive lands from production and plant certain grasses, shrubs and trees that improve water quality, prevent soil erosion and increase wildlife habitat. Payment totals for 2017 is over \$1.6 billion.

For more information about CRP, contact your local FSA office or visit [www.fsa.usda.gov/crp](http://www.fsa.usda.gov/crp). To locate your local FSA office, visit <http://offices.usda.gov>.

---

## 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.

---

## 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](http://www.fsa.usda.gov).

---

## Payments to Deceased Producers

In order to claim a Farm Service Agency (FSA) payment on behalf of a deceased producer, all program conditions for the payment must have been met before the applicable producer's date of death.

If a producer earned a FSA payment prior to becoming deceased, the following is the order of precedence of the representatives of the producer:

- administrator or executor of the estate
- the surviving spouse
- surviving sons and daughters, including adopted children
- surviving father and mother
- surviving brothers and sisters
- heirs of the deceased person who would be entitled to payment according to the State law

In order for FSA to release the payment, the legal representative of the deceased producer must file a form FSA-325, to claim the payment for themselves or an estate. The county office will verify and determine that the application, contract, loan agreement, or other similar form requesting payment issuance, was signed by the applicable deadline for such form, by the deceased or a person legally authorized to act on their behalf at that time of application.

If the application, contract or loan agreement form was signed by someone other than the participant who is deceased, FSA will determine whether the person submitting the form has the legal authority to submit the form to compel FSA to pay the deceased participant.

Payments will be issued to the respective representative's name using the deceased program participant's tax identification number. Payments made to representatives are subject to offset regulations for debts owed by the deceased.

FSA is not responsible for advising persons in obtaining legal advice on how to obtain program benefits that may be due to a participant who has died, disappeared or who has been declared incompetent.

---

## Farm Reconstitutions

When changes in farm ownership or operation take place, a farm reconstitution is necessary. The reconstitution - or recon - is the process of combining or dividing farms or tracts of land based on the farming operation.

The following are the different methods used when doing a farm recon.

**Estate Method** — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate;

**Designation of Landowner Method** — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding;

**DCP Cropland Method** — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract;

**Default Method** — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

---

## 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.

## Dates to Remember

**Continuing through August 1, 2018:** Enrollment for 2018 Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) Programs

**March 15:** NAP application closing date for annual spring/summer planted crops not limited to: beans, beets, broccoli, Brussel sprouts, cabbage, canola, cantaloupes, carrots, cauliflower, corn, cucumbers, eggplant, garlic, greens, herbs, honeydew, lettuce, oats, okra, onions, peas, peppers, potatoes, pumpkins, radishes, sorghum, squash, tomatillos, tomatoes, and watermelon

**March 31:** Final date to obtain loans or Loan Deficiency Payments (LDP's) on 2017 harvested small grains

**May 1:** NAP application closing date for nursery (ornamental nursery and nonornamental propagation nursery) for the crop year June 1 - May 31

**May 28:** Offices closed in observance of Memorial Day

**May 31:** Final date to obtain loans or LDP's on 2017 harvested feed grains and soybeans

---

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).