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Farm Service Agency Electronic News Service

NEWSLETTER

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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

State Executive Director:
Steven E. Brown
steven.brown2@in.usda.gov

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

Administrative Officer:
Pauletta Dusterberg
pauletta.dusterberg@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

USDA Extends Deadline to May 17 for Producers to Certify 2018 Crop Production for Market Facilitation Program Payments

USDA extended the deadline to **May 17** from May 1 for agricultural producers to certify 2018 crop production for payments through the Market Facilitation Program (MFP), which helps producers who have been significantly affected by foreign tariffs, resulting in the loss of traditional exports. USDA's Farm Service Agency (FSA) extended the deadline because heavy rainfall and snowfall have delayed harvests in many parts of the country, preventing producers from certifying acres.

Payments will be issued only if eligible producers certify before the updated **May 17** deadline.

The MFP provides payments to producers of corn, cotton, sorghum, soybeans, wheat, dairy, hogs, fresh sweet cherries and shelled almonds. FSA will issue payments based on the producer's certified total production of the MFP commodity multiplied by the MFP rate for that specific commodity.

Producers can certify production by contacting their local FSA office or through farmers.gov.

About the Market Facilitation Program

U.S. Secretary of Agriculture Sonny Perdue launched the trade mitigation program to assist farmers suffering from damage because of unjustified trade retaliation by foreign nations. FSA implemented MFP in September 2018 as a relief strategy to protect agricultural producers while the Administration works on free, fair and reciprocal trade deals to open more markets to help American farmers compete globally. To date, more than $8.3 billion has been paid to nearly 600,000 applicants.

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

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

The MFP is established under the statutory authority of the Commodity Credit Corporation Charter Act and is administered by FSA.

More Information

For more information, contact your local FSA office or visit www.farmers.gov/MFP.

Opportunity to Request a Referendum: Soybean Promotion, Research, and Information Program

The USDA Agricultural Marketing Service (AMS) announced that soybean producers may request a referendum on the Soybean Promotion and Research Order, as authorized under the Soybean Promotion, Research, and Consumer Information Act. Participation in the Request for Referendum is voluntary, and producers should only participate if they wish to request a referendum on the program.

The results of the Request for Referendum will be published in a notice in the Federal Register. If at least 10 percent of eligible producers, as determined by USDA, participate in the Request for Referendum, a referendum will be held within one year from that determination.

Interested soybean producers may request a referendum during a four-week period beginning on May 6 and ending May 31, 2019. Form LS-51-1, *Soybean Promotion and Research Order Request for Referendum*, may be downloaded online, or obtained by mail, fax, or in person from Farm Service Agency (FSA) county offices during this time.

Completed forms and supporting documentation must be returned to the appropriate county FSA office by fax or in person no later than close of business May 31, 2019, or if returned by mail, must be postmarked by midnight May 31, 2019, and received in the county FSA office by close of business on June 6, 2019.

For detailed information, including eligibility, read the full AMS announcement. To find your local office, visit www.farmers.gov.

USDA Announces February Income over Feed Cost Margin Triggers Second 2019 Dairy Safety Net Payment

Enrollment Expected to Begin this June

USDA's Farm Service Agency (FSA) announced this week that the February 2019 income over feed cost margin was $8.22 per hundredweight (cwt.), triggering the second payment for dairy producers who purchase the appropriate level of coverage under the new but yet-to-be established Dairy Margin Coverage (DMC) program.

DMC, which replaces the Margin Protection Program for Dairy, is a voluntary risk management program for dairy producers that was authorized by the 2018 Farm Bill. DMC offers protection to dairy producers when the difference between the all milk price and the average feed cost (the margin) falls below a certain dollar amount selected by the producer.

Sign up for DMC will open by mid-June of this year. At the time of sign up, producers who elect a DMC coverage level between $8.50 and $9.50 would be eligible for a payment for February 2019.

For example, a dairy operation that chooses to enroll an established production history of 3 million pounds (30,000 cwt.) that elects the $9.50 coverage level on 95 percent of production would receive $3,040 for February.

Sample calculation:
$9.50 - $8.22 margin = $1.28 difference
$1.28 x 95percent of production x 2,500 cwt. (30,000 cwt./12) = $ 3,040

DMC premiums are paid annually. The calculated annual premium for coverage at $9.50 on 95 percent of a 3-million-pound production history for this example would be $4,275.

Sample calculation:
3,000,000 x 95 percent = 2,850,000/100 = 28,500 cwt. x 0.150 premium fee = $4,275.

The dairy operation in the example calculation will pay $4,275 in total premium payments for all of 2019 and receive $6,626.25 in Dairy Margin Coverage payments for January and February combined. Additional payments will be made if calculated margins remain below the $9.50/cwt level.

All participants are also required to pay an annual $100 administrative fee in addition to any premium, and payments will be subject to a 6.2% reduction to account for federal sequestration.

Operations making a one-time election to participate in DMC through 2023 are eligible to receive a 25 percent discount on their premium for the existing margin coverage rates. For the example above, this would reduce the annual premium by $1,068.75.

On December 20, 2018, President Trump signed into law the 2018 Farm Bill, which provides support, certainty and stability to our nation’s farmers, ranchers and land stewards by enhancing farm support programs, improving crop insurance, maintaining disaster programs and promoting and supporting voluntary conservation. FSA is committed to implementing these changes as quickly and effectively as possible, and today’s updates are part of meeting that goal.

Additional details about DMC and other Farm Bill program changes can be found at farmers.gov/farmbill.

USDA Announces Buy-Up Coverage Availability and New Service Fees for Noninsured Crop Coverage Policies

Changes apply beginning April 8, 2019

USDA’s Farm Service Agency (FSA) announced on April 8, 2019, that higher levels of coverage will be offered through the Noninsured Crop Disaster Assistance Program (NAP), a popular safety net program, beginning April 8, 2019. The 2018 Farm Bill also increased service fees and made other changes to the program, including service fee waivers for qualified military veterans interested in obtaining NAP coverage.

“When other insurance coverage is not an option, NAP is a valuable risk mitigation tool for farmers and ranchers,” said FSA Administrator Richard Fordyce. “In agriculture, losses from natural disasters are a matter of when, not if, and having a NAP policy provides a little peace of mind.”

NAP provides financial assistance to producers of commercial crops for which insurance coverage is not available in order to protect against natural disasters that result in lower yields or crop losses, or prevent crop planting.

NAP Buy-Up Coverage Option

The 2018 Farm Bill reinstates higher levels of coverage, from 50 to 65 percent of expected production in 5 percent increments, at 100 percent of the average market price. Producers of organics and crops marketed directly to consumers also may exercise the “buy-up” option to obtain NAP coverage of 100 percent of the average market price at the coverage levels of between 50 and 65 percent of expected production. NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production.

Producers have a one-time opportunity until May 24, 2019, to obtain buy-up coverage for 2019 or 2020 eligible crops for which the NAP application closing date has passed.

Buy-up coverage is not available for crops intended for grazing.

NAP Service Fees

For all coverage levels, the new NAP service fee is the lesser of $325 per crop or $825 per producer per county, not to exceed a total of $1,950 for a producer with farming interests in multiple counties. These amounts reflect a $75 service fee increase for crop, county or multi-county coverage. The fee increases apply to obtaining NAP coverage on crops on or after April 8, 2019.

NAP Enhancements for Qualified Military Veterans

The 2018 Farm Bill NAP amendments specify that qualified veteran farmers or ranchers are now eligible for a service fee waiver and premium reduction, if the NAP applicant meets certain eligibility criteria.

Beginning, limited resource and targeted underserved farmers or ranchers remain eligible for a waiver of NAP service fees and premium reduction when they file form CCC-860, “Socially Disadvantaged, Limited Resource and Beginning Farmer or Rancher Certification.”

For NAP application, eligibility and related program information, visit www.fsa.usda.gov/nap or contact your local USDA Service Center. To locate your local FSA office, visit www.farmers.gov.

Higher Limits Now Available on USDA Farm Loans

2018 Farm Bill Increases Limits and Makes Other Changes to Farm Loans

Higher limits are now available for borrowers interested in USDA’s farm loans, which help agricultural producers purchase farms or cover operating expenses. The 2018 Farm Bill increased the amount that producers can borrow through direct and guaranteed loans available through USDA’s Farm Service Agency (FSA) and made changes to other loans, such as microloans and emergency loans.

Key changes include:

- The Direct Operating Loan limit increased from $300,000 to $400,000, and the Guaranteed Operating Loan limit increased from $1.429 million to $1.75 million. Operating loans help producers pay for normal operating expenses, including machinery and equipment, seed, livestock feed, and more.

- The Direct Farm Ownership Loan limit increased from $300,000 to $600,000, and the Guaranteed Farm Ownership Loan limit increased from $1.429 million to $1.75 million. Farm ownership loans help producers become owner-operators of family farms as well as improve and expand current operations.

- Producers can now receive both a $50,000 Farm Ownership Microloan and a $50,000 Operating Microloan. Previously, microloans were limited to a combined $50,000. Microloans provide flexible access to credit for small, beginning, niche, and non-traditional farm operations.
- Producers who previously received debt forgiveness as part of an approved FSA restructuring plan are now eligible to apply for emergency loans. Previously, these producers were ineligible.
- Beginning and socially disadvantaged producers can now receive up to a 95 percent guarantee against the loss of principal and interest on a loan, up from 90 percent.

About Farm Loans

Direct farm loans, which include microloans and emergency loans, are financed and serviced by FSA, while guaranteed farm loans are financed and serviced by commercial lenders. For guaranteed loans, FSA provides a guarantee against possible financial loss of principal and interest.

For more information on FSA farm loans, visit www.fsa.usda.gov or contact your local USDA service center.

Indiana Counties Eligible for Emergency Loans Following Presidential Disaster Declaration

The following Indiana counties were declared a natural disaster area as contiguous counties to primary natural disaster areas in Kentucky, due to severe storms, straight-line winds, flooding, landslides and mudslides that occurred February 6, 2019 through March 10, 2019. Under this designation, producers with operations in any primary or contiguous county are eligible to apply for low interest emergency loans. Emergency loan applications will be received through December 17, 2019.

Jefferson, Perry, Posey, Spencer, Switzerland, Vanderburgh, Warrick

Emergency loans help producers recover from production and physical losses due to drought, flooding and other natural disasters or quarantine.

Producers have eight months from the date of the declaration to apply for emergency loan assistance. FSA will consider each loan application on its own merits, taking into account the extent of losses, security available and repayment ability. Producers can borrow up to 100 percent of actual production or physical losses, to a maximum amount of $500,000.

For more information about emergency loans, please contact your local FSA office or visit www.fsa.usda.gov.

Maps for Acreage Reporting

Maps are now available at your local county FSA office for acreage reporting purposes. Producers may pick them up any time during office hours. If you wish to receive your maps by e-mail, please call your local office. Please see the following upcoming acreage reporting deadlines in Indiana:

- June 15: Cucumbers planted 5/1 to 5/31 in Knox County
- July 15: All other crops (including cucumbers planted 5/10-6/15 in all other counties)
- 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
- December 15: 2020 fall mint, fall-seeded small grains

In order to maintain program eligibility and benefits, producers must timely file acreage reports. Failure to file an acreage report by the crop acreage reporting deadline may result in ineligibility for future program benefits. FSA will not accept acreage reports provided more than a year after the acreage reporting deadline.

Producers are encouraged to file their acreage reports as soon as planting is completed.

USDA Acreage Reporting Deadline for Perennial Forage Changes to July 15

USDA Farm Service Agency (FSA) has established a new acreage reporting deadline for perennial forage for 2019 and subsequent years. Previously set in the fall, the new deadline is July 15 for all states, except for Hawaii and Puerto Rico.

Timely and accurate acreage reports for all crops and land uses, including prevented planting or failed acreage, are the foundation for many FSA program benefits, including disaster programs for livestock owners. Producers must report their acreage to maintain program eligibility.

Producers who have coverage for perennial forage under the Noninsured Crop Disaster Assistance Program (NAP) must report their crop acreage by the earlier of any of the following:

- the established acreage reporting date (July 15)
- 15 calendar days before the onset of harvest or grazing of the specific crop acreage being reported
- the established normal harvest date for the end of the coverage period.

Timely Filing a Notice of Loss

Timely filing a Notice of Loss is required for all crops including grasses. For losses on crops covered by the Noninsured Crop Disaster Assistance Program (NAP), producers must timely report damage or loss to their administrative County Office. For all low yield and value-loss crop claims, a CCC-576 Part B Notice of Loss must be filed within 15 calendar days of earlier of the date disaster occurs (or becomes apparent) or the normal harvest date. However, all producers should be aware that deadlines to provide initial notice to FSA do now vary by method of harvest and crop.

Crops that are either hand-harvested or other crops determined by FSA to deteriorate quickly and therefore need prompt appraisal must notify FSA within 72 hours of the date of damage or loss first becomes apparent. This initial notice may be by the filing of the CCC-576 Part B, e-mail, FAX, or a phone call. When initial notice is by email, FAX, or phone, County Offices will provide a Receipt for Service with additional requirements. A *CCC-576 Notice of Loss* will still be required within 15 calendar days of earlier of date of occurrence/appearance of damage or harvest date.

Other crops, such as forages and grains, continue to have the 15 day requirement to file a required *CCC-576, Notice of Loss*, to report failed acreage and prevented planting and may be completed by any producer with an interest in the crop. This Notice of Loss must be filed within 15 calendar days of the earlier of date of occurrence/appearance of damage or harvest date.

If filing for prevented planting, an acreage report and CCC-576 Part B must be filed within 15 calendar days of the final planting date for the crop.

Further, to receive NAP assistance for claimed losses producers **must** timely file an Application for Payment on CCC-576 (Parts D through H) along with all required production records. Each producer on the unit must file their own application for payment. The deadline to apply for payment is 60 calendar days after the end of coverage for the crop year on the unit. There are no late-file provisions for NAP Applications for Payment.

2014, 2015, 2016, 2017 and 2018 Average Adjusted Gross Income Compliance Reviews

The AGI verification and compliance reviews for 2014, 2015, 2016, 2017 and 2018 are conducted on producers who the IRS indicated may have exceeded the adjusted gross income limitations described in [7 CFR 1400.500]. Based on this review, producers will receive determinations of eligibility or ineligibility.

If the producer is determined to have exceeded the average AGI limitation of $900,000, receivables will be established for payments earned directly or indirectly by the producer subject to the $900,000 limitation. The Indiana FSA Office has begun notifying producers selected for review. If you have any questions about the review process or determinations, please contact the Indiana FSA Office at 317-290-3315. Producers who receive initial debt notification letters may only appeal the amount of the debt to their local FSA office. Payment eligibility adverse determinations become administratively final 30 days from the date of the payment eligibility adverse determination letter and can only be reopened if exceptional circumstances exist that prevented the producer from timely filing the appeal.

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.

Guaranteed Loan Program

FSA guaranteed loans allow lenders to provide agricultural credit to farmers who do not meet the lender's normal underwriting criteria. Farmers and ranchers apply for a guaranteed loan through a lender, and the lender arranges for the guarantee. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan. Guaranteed loans can be used for both farm ownership and operating purposes.

Guaranteed farm ownership loans can be used to purchase farmland, construct or repair buildings, develop farmland to promote soil and water conservation or to refinance debt.

Guaranteed operating loans can be used to purchase livestock, farm equipment, feed, seed, fuel, farm chemicals, insurance and other operating expenses.

FSA can guarantee farm ownership and operating loans up to $1,750,000. 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 lender or local FSA farm loan office for more information on guaranteed loans.

Reminder to FSA Direct and Guaranteed Borrowers with Real Estate Security

Farm Service Agency would like to remind farm loan borrowers who have pledged real estate as security for their loans of key items for maintaining loan collateral. It is required that borrowers must obtain prior consent or approval by either FSA for direct loans or by a guaranteed lender, for any transaction affecting real estate security. Examples of these transactions include, but are not limited to:

- Leases of any kind;
- Easements of any kind;
- Subordinations;
- Partial releases, and
- Sales

Failure to meet or follow the requirements set forth in the loan agreement, promissory note, and other security instruments could lead to nonmonetary default which could jeopardize your current and future loans.

It is critical that borrowers keep an open line of communication with their FSA loan staff or guaranteed lender when it comes to changes in their operation. For more information on borrower responsibilities, read Your FSA Farm Loan Compass.

2017 Census of Agriculture Indiana Data

- Number of Farms: 56,649
- Land in Farms: 14,969,996 acres
  - Indiana total land in farms up 1.7% or 249,600 acres (since 2012)
- Average farm size: 264 acres
- Female producers: 31,225
  - U.S. = 36 %
  - Indiana = 33%
- Top 3 counties by total agricultural value
  - Jay $373 million
  - Jasper $299 million
  - Elkhart $298 million
- Top 3 agricultural products by value
  - Grains and Oilseeds $6.7 billion
  - Poultry and Eggs $1.3 billion
  - Hogs and Pigs $1.3 billion
- Farms with internet access
  - U.S. 75%
  - Indiana 72%

The complete 2017 Census data is available at www.nass.usda.gov/AgCensus.

Dates to Remember

May 1: NAP application closing date for nursery (ornamental nursery and nonornamental propagation nursery) for the crop year June 1 - May 31
May 6: Soybean producers request for a referendum begins
May 17: Deadline to certify production for the Market Facilitation Program (MFP)
May 27: Offices closed in observance of Memorial Day
May 31: Final date to obtain loans or LDPs on 2018 harvested feed grains and soybeans
May 31: Final date for soybean producers request for a referendum in person, faxed or postmarked
June 1: Date used to establish ownership interest for person or legal entity for program purposes
June 1: Date used for the determination of minor child for program purposes

June 15: Reporting date for cucumbers (planted 5/1 to 5/31) in Knox County
June 20: Final date to submit a prevented planting claim for corn
July 4: Offices closed in observance of Independence Day
July 5: Final date to submit a prevented planting claim for soybeans
July 15: Reporting date for all other crops (including cucumbers planted 5/10-6/15) in all other counties in Indiana
August 1: Deadline to request farm reconstitutions and transfers for 2019
August 15: Reporting date for cucumbers (planted 6/16-8/5 in Fulton, LaPorte, Porter and St. Joseph Counties)
