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Farm Service Agency **Electronic News Service**

# NEWSLETTER

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## Indiana Farm Service Agency Program Updates

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### Indiana Farm Service Agency

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### USDA Opens Signup for Market Facilitation Program

*Enrollment Now Open through Dec. 6*

Signup is underway for the Market Facilitation Program (MFP), a U.S. Department of Agriculture (USDA) program to assist farmers who continue to suffer from damages because of unjustified trade retaliation from foreign nations. Through MFP, USDA will provide up to \$14.5 billion in direct payments to impacted producers, part of a broader trade relief package announced in late July. The sign-up period runs through Dec. 6.

MFP payments will be made to producers of certain non-specialty and specialty crops as well as dairy and hog producers.

#### Non-Specialty Crops

MFP payments will be made to producers of alfalfa hay, barley, canola, corn, crambe, dried beans, dry peas, extra-long staple cotton, flaxseed, lentils, long grain and medium grain rice, millet, mustard seed, oats, peanuts, rapeseed, rye, safflower, sesame seed, small and large chickpeas, sorghum, soybeans, sunflower seed, temperate japonica rice, triticale, upland cotton, and wheat.

MFP assistance for 2019 crops is based on a single county payment rate multiplied by a farm's total plantings to the MFP-eligible crops in aggregate in 2019. Those per acre payments are not dependent on which of those crops are planted in 2019. A producer's total payment-eligible plantings cannot exceed total 2018 plantings. [View payment rates by county.](#)

#### Dairy and Hogs

Dairy producers who were in business as of June 1, 2019, will receive a per hundredweight payment on production history, and hog producers will receive a payment based on the number of live

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hogs owned on a day selected by the producer between April 1 and May 15, 2019.

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### **Specialty Crops**

MFP payments will also be made to producers of almonds, cranberries, cultivated ginseng, fresh grapes, fresh sweet cherries, hazelnuts, macadamia nuts, pecans, pistachios, and walnuts. Each specialty crop will receive a payment based on 2019 acres of fruit or nut bearing plants, or in the case of ginseng, based on harvested acres in 2019.

**For local FSA Service Center  
contact information [click  
here](#)**

### **More Information**

Payments will be made in up to three tranches, with the second and third tranches evaluated as market conditions and trade opportunities dictate. If conditions warrant, the second and third tranches will be made in November and early January.

MFP payments are limited to a combined \$250,000 for non-specialty crops per person or legal entity. MFP payments are also limited to a combined \$250,000 for dairy and hog producers and a combined \$250,000 for specialty crop producers. However, no applicant can receive more than \$500,000. Eligible applicants must also have an average adjusted gross income (AGI) for tax years 2015, 2016, and 2017 of less than \$900,000, or 75 percent of the person's or legal entity's average AGI for those tax years must have been derived from farming and ranching. Applicants must also comply with the provisions of the Highly Erodible Land and Wetland Conservation regulations.

More information can be found on [farmers.gov/mfp](http://farmers.gov/mfp), including payment information and a program application.

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## **USDA Now Making Payments for New Dairy Margin Coverage Program**

*Income-over-feed margin for May triggers fifth payment for 2019*

The U.S. Department of Agriculture's Farm Service Agency (FSA) opened enrollment for the [Dairy Margin Coverage](#) (DMC) program on June 17 and has started issuing payments to producers who purchased coverage. Producers can enroll through Sept. 20, 2019.

Authorized by the 2018 Farm Bill, DMC replaces the Margin Protection Program for Dairy (MPP-Dairy). The program 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. To date, nearly 10,000 operations have signed up for the new program, and FSA has begun paying approximately \$100 million to producers for January through May.

### **May Margin Payment**

DMC provides coverage retroactive to January 1, 2019, with applicable payments following soon after enrollment.

The May 2019 income over feed cost margin was \$9.00 per hundredweight (cwt.), triggering the fifth payment for eligible dairy producers who purchase the \$9.50 level of coverage under DMC. Payments for January, February, March and April also were triggered.

With the 50 percent hay blend, FSA's revised April 2019 income over feed cost margin is \$8.82 per cwt. The revised margins for January, February and March are, respectively, \$7.71, \$7.91 and \$8.66.

### **Coverage Levels and MPP Reimbursements**

Dairy producers can choose coverage levels from \$4 up to \$9.50 at the time of signup. More than 98 percent of the producers currently enrolled have elected \$9.50 coverage on up to 95 percent of their production history.

### **More Information**

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.

For more information, visit [farmers.gov](http://farmers.gov) DMC webpage or contact your local USDA service center. To locate your local FSA office, visit [farmers.gov/service-locator](http://farmers.gov/service-locator).

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## **Actively Engaged Provisions for Non-Family Joint Operations or Entities**

Many Farm Service Agency programs require all program participants, either individuals or legal entities, to be "actively engaged in farming." This means participants provide a significant contribution to the farming operation, whether it is capital, land, equipment, active personal labor and/or management. For entities, each partner, stockholder or member with an ownership interest, must contribute active personal labor and/or management to the operation on a regular basis.

Joint operations comprised of non-family members or partners, stockholders or persons with an ownership in the farming operation must meet additional payment eligibility provisions. Joint operations comprised of family members are exempt from these additional requirements. For 2016 and subsequent crop years, non-family joint operations can have one member that may use a significant contribution of active personal management exclusively to meet the requirements to be determined "actively engaged in farming." The person or member will be defined as the farm manager for the purposes of administering these management provisions.

Non-family joint operations may request to add up to two additional managers for their farming operation based on the size and/or complexity of the operation. If additional farm managers are requested and approved, all members who contribute management are required to complete form CCC-902MR, Management Activity Record. The farm manager should use the form to record management activities including capital, labor and agronomics, which includes crop selection, planting decisions, acquisition of inputs, crop management and marketing decisions. One form should be used for each month and the farm manager should enter the number of hours of time spent for each activity under the date of the month the actions were completed. The farm manager must also document if each management activity was completed on the farm or remotely.

The records and supporting business documentation must be maintained and timely made available for review by the appropriate FSA reviewing authority, if requested.

If the farm manager fails to meet these requirements, their contribution of active personal management to the farming operation for payment eligibility purposes will be disregarded and their payment eligibility status will be re-determined for the applicable program year.

In some instances, additional persons or members of a non-family member joint operation who meet the definition of farm manager may also be allowed to use such a contribution of active personal management to meet the eligibility requirements. However, under no circumstances may the number of farm managers in a non-family joint operation exceed a total of three in any given crop and program year.

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## **USDA Fruit, Vegetable and Wild Rice Planting Rules Unchanged from Previous Farm Bill**

Farm Service Agency (FSA) has announced fruit, vegetable and wild rice provisions that affect producers who intend to participate in certain programs authorized by the Agricultural Act of 2014 as amended by the Agricultural Improvement Act of 2018.

Producers who intend to participate in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs are subject to an acre-for-acre payment reduction when fruits and nuts, vegetables or wild rice are planted on the payment acres of a farm. Payment reductions do not apply to mung beans, dry peas, lentils or chickpeas. Planting fruits, vegetables or wild rice on acres that are not considered payment acres will not result in a payment reduction. Farms that are eligible to participate in ARC/PLC but are not enrolled for a particular year may plant unlimited fruits, vegetables and wild rice for that year but will not receive ARC/PLC payments for that year. Eligibility for succeeding years is not affected.

Planting and harvesting fruits, vegetables and wild rice on ARC/PLC acreage is subject to the acre-for-acre payment reduction when those crops are planted on more than 15 percent of the base acres of a farm enrolled in ARC using the county coverage or PLC, or more than 35 percent of the base acres of a farm enrolled in ARC using the individual coverage.

Fruits, vegetables and wild rice that are planted in a double-cropping practice will not cause a payment reduction if the farm is in a double-cropping region as designated by the USDA's Commodity Credit Corporation.

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## **CRP Participants Must Maintain Approved Cover on Acreages Enrolled in CRP and the Farm Programs**

Conservation Reserve Program (CRP) participants are responsible for ensuring adequate, approved vegetative and practice cover is maintained to control erosion throughout the life of the contract after the practice has been established. Participants must also control undesirable vegetation, weeds (including noxious weeds), insects and rodents that may pose a threat to existing cover or adversely impact other landowners in the area.

All CRP maintenance activities, such as mowing, burning, disking and spraying, must be conducted outside the primary nesting or brood rearing season for wildlife, which for Indiana is April 1 through August 1 each year for contracts which started in 2008. If your contract was approved prior to 2008, then the primary nesting season is March 1 through July 15. However, spot treatment of the acreage may be allowed during the primary nesting or brood rearing season if, left untreated, the weeds, insects or undesirable species would adversely impact the approved cover. In this instance, spot treatment is limited to the affected areas in the field and requires County Committee approval prior to beginning the spot treatment. The County Committee will consult with NRCS to determine if such activities are needed to maintain the approved cover.

Annual mowing of CRP for generic weed control, or for cosmetic purposes, is prohibited at all times.

## **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.

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## **Loan Servicing**

There are options for Farm Service Agency loan customers during financial stress. If you are a borrower who is unable to make payments on a loan, contact your local FSA Farm Loan Manager to learn about the options available to you.

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## **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.

## **Indiana Counties Eligible for Emergency Loans Following Disaster Declarations**

The following Indiana counties were declared a natural disaster area as contiguous counties to primary natural disaster areas in Ohio due to severe storms, straight-line winds, tornadoes, flooding and landslides that occurred May 27, 2019 through May 29, 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 February 18, 2020.

### **Adams, Jay, Randolph, Wayne**

The following Indiana counties were declared a natural disaster area as contiguous counties to primary natural disaster areas in Ohio, due to excessive rain and flooding that occurred April 1, 2019 through July 7, 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 April 1, 2020.

### **DeKalb, Steuben**

The following Indiana counties were declared a natural disaster area as contiguous counties to primary natural disaster areas in Ohio, due to excessive rain and flooding that occurred April 1, 2019 through July 3, 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 April 2, 2020.

### **Adams, Allen**

The following Indiana counties were declared a natural disaster area as contiguous counties to primary natural disaster areas in Illinois, due to excessive moisture, flooding and flash flooding that occurred September 1, 2018 and continuing. 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 April 7, 2020.

### **Benton, Gibson, Knox, Lake, Newton, Posey, Sullivan, Vermillion, Vigo, Warren**

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

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## **Purdue Extension to Host Crops Field Day on Sept. 5**

Farmers have been on their toes so far in 2019, dealing with Mother Nature and all of the challenges that come with an unprecedentedly wet spring, along with navigating fluctuating markets, learning about new alternatives of production, and adapting to new technologies. These and other issues will be addressed on September 5<sup>th</sup> at [Purdue University Extension's](#) annual Crops Field Day. This field day will also serve as a celebration, honoring Purdue University's "150 Years of Giant Leaps" along with "70 Years of Agronomic Progress at the Agronomy Farm."

The field day, sponsored by the [Indiana Soybean Alliance](#) and [Indiana Corn Marketing Council](#), will be at the Beck Agricultural Center, located at the [Agronomy Center for Research and Education](#) (ACRE), 4540 U.S. 52 West in West Lafayette. While the event is free and open to the public, those wanting to attend must register online at: <http://bit.ly/2019CropsFieldDay>.

Crops Field Day is scheduled to begin with check in at 7:30 a.m. (EST) and conclude at 1:30 p.m.

For more information visit <https://www.purdue.edu/dffs/events/crops-field-day/> or contact Andrew Westfall at 219-984-5115, [awestfal@purdue.edu](mailto:awestfal@purdue.edu).

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## Dates to Remember

**Continuing through September 20:** Dairy Margin Coverage Program (DMC) signup

**Continuing through December 6:** Market Facilitation Program (MFP) Signup

**September 1:** NAP application closing date for value loss crops for the following year (flowers for fresh cut, onion sets, turfgrass sod, Christmas trees, aquaculture, ginseng, mushrooms, etc.)

**September 2:** Offices closed in observance of Labor Day

**September 15:** Reporting date for cucumbers (planted 6/1-8/15 in Knox County)

**September 20:** Deadline to apply for the Dairy Margin Coverage Program

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

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

**October 14:** Offices closed in observance of Columbus Day

**November 4:** Final date to submit a prevented planting claim for 2020 fall wheat with 10/31 final plant date

**November 4:** COC Ballots mailed to eligible voters

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

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

**November 15:** Final date to submit a prevented planting claim for 2020 fall wheat with 10/31 final plant date

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

**November 28:** Offices closed in observance of Thanksgiving Day

**December 1:** NAP application closing date for honey and maple sap for the following year

**December 2:** Deadline to return COC election voted ballots - postmarked or delivered to the local FSA office

**December 3:** Final application for payment for 2019 ELAP for losses occurring 10/1/2018 to 9/30/2019

**December 15:** Reporting date for 2020 fall mint, fall-seeded small grains

**December 25:** Offices closed in observance of Christmas Day

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