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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

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From the Desk of the State Executive Director

Greetings!

I hope everyone is excited to get a new year started. It's been a tough 2019 year on Indiana producers. The common theme I have been hearing is, *I hope we can have a normal year in 2020*. The excessive rains led to late or no planting in the spring and adverse weather in the fall delayed harvest this year in many areas around the state. My travels the last couple of weeks indicate harvest is about finished.

It has been a busy year for the Farm Service Agency. We have been asked to administer several programs and there is more to come:

- ARC/PLC signup
- Crop Certification
- Dairy Margin Coverage Program signup
- Completion of MFP 1 and 2
- Waiting for the announcement of General CRP and Continuous CRP start date

I would like to thank our Indiana producers for their patience during these difficult times and all our FSA employees for their dedication and hard work.

I wish everyone a Happy Thanksgiving!

Steve

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USDA Issues Second Tranche of Market Facilitation Program Payments

MFP Enrollment Closes Dec. 6, 2019

USDA announced the second tranche of 2019 Market Facilitation Program (MFP) payments aimed at assisting farmers suffering from damage due to unjustified trade retaliation by foreign nations. Producers of MFP-eligible commodities will now be eligible to receive 25 percent of the total payment expected, in addition to the 50 percent they have already received from the [2019 MFP](#). Second round payments started being issued November 18 for producers who received payments in the first round. Payments will continue through November 28.

Details Regarding Second Tranche of 2019 MFP Payments

MFP signup at local FSA offices will run through Friday, December 6, 2019. Producers who have already applied do not need to apply again to receive the second payment.

Payments will be made by the Farm Service Agency (FSA) under the authority of the Commodity Credit Corporation (CCC) Charter Act 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 these non-specialty crops is based on a single county payment rate multiplied by a farm's total plantings of MFP-eligible crops in aggregate in 2019. Those per-acre payments are not dependent on which of these crops are planted in 2019. A producer's total payment-eligible plantings cannot exceed total 2018 plantings. County payment rates range from \$15 to \$150 per acre, depending on the impact of unjustified trade retaliation in that county.

Dairy producers who were in business as of June 1, 2019, will receive a per hundredweight payment on Dairy Margin Coverage (DMC) production history, and hog producers will receive a payment based on the number of live hogs owned on a day selected by the producer between April 1 and May 15, 2019.

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.

Acreage of non-specialty crops and cover crops had to be planted by August 1, 2019 to be considered eligible for MFP payments.

Per-acre non-specialty crop county payment rates, specialty crop payment rates, and livestock payment rates are all currently available on farmers.gov.

More Information

This is the second of up to three tranches of MFP payments. The third tranche will be evaluated as market conditions and trade opportunities dictate. If conditions warrant, the third tranche will be made in January 2020.

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 unless at least 75 percent of the person's or legal entity's AGI is derived from farming, ranching, or forestry related activities. Applicants must also comply with the provisions of the Highly Erodible Land and Wetland Conservation regulations.

For more information on the MFP, visit www.farmers.gov/mfp or contact your local FSA office, which can be found at www.farmers.gov.

FSA Encourages Farmers to Vote in County Committee Elections by the Dec. 2 Deadline

Ballots for the 2019 Farm Service Agency County Committee Elections were mailed to eligible voters the week of Nov. 4. The deadline to return the ballots to local FSA offices, or to be postmarked, is **Dec. 2, 2019**.

County committee members are an important component of the operations of FSA and provide a link between the agricultural community and USDA. Farmers and ranchers elected to county committees help deliver FSA programs at the local level, applying their knowledge and judgment to make decisions on commodity price support programs; conservation programs; incentive indemnity and disaster programs for some commodities; emergency programs and eligibility. FSA committees operate within official regulations designed to carry out federal laws.

To be an eligible voter, farmers must participate or cooperate in an FSA program. A person who is not of legal voting age but supervises and conducts the farming operations of an entire farm, may also be eligible to vote.

Eligible voters who do not receive a ballot can obtain one from their local USDA Service Center. **Dec. 2, 2019** is the last day for voters to submit ballots in person to local USDA Service Centers. Ballots returned by mail must also be postmarked no later than **Dec. 2**. Newly Elected committee members will take office Jan. 1, 2020.

More information on county committees, such as the new 2019 fact sheet, can be found on the FSA website at fsa.usda.gov/elections or at a local USDA Service Center.

USDA Opens 2020 Enrollment for Dairy Margin Coverage Program; Ends Dec. 13, 2019

Dairy producers can now enroll in the [Dairy Margin Coverage \(DMC\)](#) for calendar year 2020. USDA's Farm Service Agency (FSA) opened signup for the program that helps producers manage economic risk brought on by milk price and feed cost disparities.

The DMC program offers reasonably priced 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. The deadline to enroll in DMC for 2020 is **Dec. 13, 2019**.

Dairy farmers earned more than \$300 million dollars from the program in 2019 so far. Producers are encouraged to take advantage of this very important risk management tool for 2020.

All producers who want 2020 coverage, even those who took advantage of the 25 percent premium discount by locking in the coverage level for five years of margin protection coverage are required to visit the office during this signup period to pay the annual administrative fee.

Dairy producers should definitely consider coverage for 2020 as even the slightest drop in the margin can trigger payments.

More Information

The 2018 Farm Bill created DMC, improving on the previous safety net for dairy producers. DMC is one of many programs that FSA and other USDA agencies are implementing to support America's farmers.

For more information on enrolling in DMC and taking advantage of an online dairy decision tool that assists producers in selecting coverage for 2020, visit the [DMC webpage](#).

For additional questions and assistance, contact your local USDA service center. To locate your local FSA office, visit farmers.gov/service-locator.

USDA Safety Net Program Enrollment Opens for 2020

Agricultural producers now can enroll in the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs – two U.S. Department of Agriculture (USDA) safety net programs – for the 2020 crop year. Meanwhile, producers who enrolled farms for the 2018 crop year have started receiving more than \$1.5 billion for covered commodities for which payments were triggered under such programs.

ARC provides income support payments on historical base acres when actual crop revenue declines below a specified guaranteed level. PLC provides income support payments on historical base acres when the effective price for a covered commodity falls below its reference price. The 2018 Farm Bill reauthorized and updated both programs.

Signup for the 2020 crop year closes June 30, 2020, while signup for the 2019 crop year closes March 15, 2020. Producers who have not yet enrolled for 2019 can enroll for both 2019 and 2020 during the same visit to an FSA county office.

ARC and PLC have options for the farm operator who is actively farming the land as well as the owner of the land. Farm owners also have a one-time opportunity to update PLC payment yields beginning with crop year 2020. If the farm owner and producer visit the FSA county office together, FSA can also update yield information during that visit.

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 and short grain rice, safflower seed, seed cotton, sesame, soybeans, sunflower seed and wheat.

2018 Crop Year ARC and PLC Payments

FSA began processing payments last week for 2018 ARC-County (ARC-CO) and PLC on covered commodities that met payment triggers on enrolled farms in the 2018 crop year. In addition to the \$1.5 billion now in process, FSA anticipates it will issue another \$1 billion in November once USDA's National Agricultural Statistics Service publishes additional commodity prices for the 2018 crop.

Producers who had 2018 covered commodities enrolled in ARC-CO can visit www.fsa.usda.gov/arc-plc for payment rates applicable to their county and each covered commodity. For farms and covered commodities enrolled in 2018 PLC, the following crops met payment triggers: barley, canola, corn, dry peas, grain sorghum, lentils, peanuts, and wheat.

Oats and soybeans did not meet 2018 PLC payment triggers.

2018 PLC payment rates for the following covered commodities have not been determined: crambe, flaxseed, large and small chickpeas, long and medium grain rice, mustard seed, rapeseed, safflower, seed cotton, sesame seed, sunflower seed and temperate Japonica rice.

More Information

For more information on ARC and PLC including two online decision tools that assist producers in making enrollment and election decisions specific to their operations, visit the [ARC and PLC webpage](#).

2020 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)

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.

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.

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.

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.

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 \$1,776,000. 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.

USDA Microloans Help Farmers Purchase Farmland and Improve Property

Producers, Including Beginning and Underserved Farmers, Have a New Option to Gain Access to Land

The U.S. Department of Agriculture (USDA) is offering farm ownership microloans, creating a new financing avenue for farmers to buy and improve property. These microloans are especially helpful to beginning or underserved farmers, U.S. veterans looking for a career in farming, and those who have small and mid-sized farming operations.

The microloan program has been hugely successful, providing more than 16,800 low-interest loans, totaling over \$373 million to producers across the country. Microloans have helped farmers and

ranchers with operating costs, such as feed, fertilizer, tools, fencing, equipment, and living expenses since 2013. Seventy percent of loans have gone to new farmers.

Now, microloans will be available to also help with farm land and building purchases, and soil and water conservation improvements. FSA designed the expanded program to simplify the application process, expand eligibility requirements and expedite smaller real estate loans to help farmers strengthen their operations. Microloans provide up to \$50,000 to qualified producers, and can be issued to the applicant directly from the USDA Farm Service Agency (FSA).

This microloan announcement is another USDA resource for America's farmers and ranchers to utilize, especially as [new and beginning farmers and ranchers](#) look for the assistance they need to get started. To learn more about the FSA microloan program visit www.fsa.usda.gov/microloans, or contact your local FSA office. To find your nearest office location, please visit <http://offices.usda.gov>.

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 Michigan, due to excessive rain, flooding, flash flooding, and abnormally cold temperatures that occurred from March 1, 2019 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 June 30, 2020.

Elkhart, LaGrange, LaPorte, St. Joseph, Steuben

Clinton County was declared a primary natural disaster area due to excessive rain and flooding that occurred March 1, 2019 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 July 20, 2020.

Additionally, the following Indiana counties were declared a natural disaster area as contiguous counties to Clinton County under this same designation.

Boone, Carroll, Hamilton, Howard, Montgomery, Tippecanoe, Tipton

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.

Reporting Organic Crops

Producers who want to use the Noninsured Crop Disaster Assistance Program (NAP) organic price and selected the "organic" option on their NAP application must report their crops as organic.

When certifying organic acres, the buffer zone acreage must be included in the organic acreage.

Producers must also provide a current organic plan, organic certificate or documentation from a certifying agent indicating an organic plan is in effect. Documentation must include:

- name of certified individuals
- address
- telephone number
- effective date of certification
- certificate number
- list of commodities certified
- name and address of certifying agent
- a map showing the specific location of each field of certified organic, including the buffer zone acreage

Certification exemptions are available for producers whose annual gross agricultural income from organic sales totals \$5,000 or less. Although exempt growers are not required to provide a written certificate, they are still required to provide a map showing the specific location of each field of certified organic, transitional and buffer zone acreage.

For questions about reporting organic crops, contact your local FSA office. To find your local office, visit <http://offices.usda.gov>.

USDA To Collect Final 2019 Crop Production and Crop Stocks Data

As the 2019 growing season officially comes to an end, the U.S. Department of Agriculture's National Agricultural Statistics Service (NASS) will contact producers nationwide to gather final year-end crop production numbers and the amount of grain and oilseed they store on their farms. At the same time, NASS will survey grain facility operators to determine year-end grain and oilseed stocks.

"These surveys are the largest and most important year-end surveys conducted by NASS," explained NASS's Indiana State Statistician Greg Matli. "They are the basis for the official USDA estimates of production and harvested acres of all major agricultural commodities in the United States and year-end grain and oilseed supplies. Data from the survey will benefit farmers and processors by providing timely and accurate information to help them make critical year-end business decisions and begin planning for the next growing and marketing season."

NASS will analyze the survey information and publish the results in a series of USDA reports, including the *Crop Production Annual Summary* and quarterly *Grain Stocks* reports, both to be released Friday, January 10, 2020.

"Responses to the producer survey will be included in the County Agricultural Production Survey and used in calculating county yields," explained Matli. "USDA uses county yield information from the survey to evaluate and administer vital farm disaster and insurance programs. Farmers who receive this survey are not included in the County Agricultural Production Survey; therefore this is their only opportunity to be included in the calculation of Indiana county yields."

As with all NASS surveys, information provided by respondents is confidential, as required by federal law. NASS safeguards the privacy of all responses and publishes only aggregate data, ensuring that no individual operation or producer can be identified. These and all NASS reports are available online at www.nass.usda.gov.

For more information on NASS surveys and reports, call the NASS Great Lakes Regional Field Office at (800) 453-7501.

Dates to Remember

Continuing through December 6, 2019: Market Facilitation Program (MFP) signup

Continuing through December 13, 2019: Dairy Margin Coverage Program (DMC) signup for calendar year 2020

Continuing through March 15, 2020: Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Programs signup for **2019 crop year**

Continuing through June 30, 2020: Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Programs signup for **2020 crop year**

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 6: Deadline to apply for the Market Facilitation Program (MFP)

December 13: Deadline to enroll for the Dairy Margin Coverage Program (DMC)

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

December 25: Offices closed in observance of Christmas Day

January 1, 2020: Offices closed in observance of New Year's Day

January 2: Reporting date for 2020 honeybee colonies/honey for all FSA programs

January 15: Reporting date for 2020 apples

January 20: Offices closed in observance of Martin Luther King, Jr's Birthday

January 30: Final application for payment for 2019 ELAP for losses occurring 10/1/2018 to 12/31/19

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 2019 crop year

February 15: NAP buy-up premiums due

February 17: Offices closed in observance of George Washington's Birthday

March 15: Signup deadline for Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Programs for **2019 crop year**

March 31: Final date to obtain loans or Loan Deficiency Payments (LDP's) on 2019 harvested small grains

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