Indiana FSA Updates

Planting is nearly complete in Indiana, summer will soon be upon us and final acreage reporting dates are fast approaching. Indiana’s FSA offices are busy with producers, like yourself, visiting their local USDA Service Center to certify crops for the 2021 growing season.

With the current operating status of our Service Centers, we cannot stress enough the importance of calling your local FSA office to schedule an appointment. FSA staff will also continue to work with customers via phone, email and other digital tools. To beat the rush, the sooner you schedule your in-person or phone/virtual appointment, the better for you and your local FSA staff!

For in-person appointments, if you have not yet been vaccinated, please wear a mask and maintain social distancing.

On behalf of all Indiana FSA employees, we thank you for the work you do. As the providers of our food, fiber and fuel supply, the work you do does not go unnoticed. May you all have a great growing season which produces a bountiful harvest this fall!

Respectfully,
Your Indiana FSA Staff

Policy Updates for Acreage Reporting

The USDA Farm Service Agency (FSA) recently made several policy updates for acreage reporting for cover crops, revising intended use, late-filed provisions, grazing allotments as well as updated the definitions of “idle” and “fallow.”

Reporting Cover Crops:

Cover crop types can be chosen from the following four categories:

- Cereals and other grasses
- Legumes
- Brassicas and other broadleaves
- Mixtures

If the cover crop is harvested for any use other than forage or grazing and is not terminated according to policy guidelines, then that crop will no longer be considered a cover crop and the acreage report must be revised to reflect the actual crop.

Permitted Revision of Intended use After Acreage Reporting Date:

New operators or owners who pick up a farm after the acreage reporting deadline has passed and the crop has already been reported on the farm, have 30 calendar days from the date when the new operator or owner acquired the lease on land, control of the land or ownership and new producer crop share interest in the previously reported crop acreage.
Under this policy, appropriate documentation must be provided to the County Committee’s satisfaction to determine that a legitimate operator or ownership and producer crop share interest change occurred to permit the revision.

Acreage Reports:

In order to maintain program eligibility and benefits, you 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.

Reporting Grazing Allotments:

FSA offices can now accept acreage reports for grazing allotments. You will use form “FSA-578” to report grazing allotments as animal unit months (AUMs) using the “Reporting Unit” field. Your local FSA office will need the grazing period start and end date and the percent of public land.

Definitions of Terms

FSA defines “idle” as cropland or a balance of cropland within a Common Land Unit (CLU) (field/subfield) which is not planted or considered not planted and does not meet the definition of fallow or skip row.

Fallow is considered unplanted cropland acres which are part of a crop/fallow rotation where cultivated land that is normally planted is purposely kept out of production during a regular growing season.

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For more information, contact your local USDA Service Center or visit farmers.gov/crop-acreage-reports.

Update Your Records

FSA is cleaning up our producer record database and needs your help. Please report any changes of address, zip code, phone number, email address or an incorrect name or business name on file to our office. You should also report changes in your farm operation, like the addition of a farm by lease or purchase. You should also report any changes to your operation in which you reorganize to form a Trust, LLC or other legal entity.

FSA and NRCS program participants are required to promptly report changes in their farming operation to the County Committee in writing and to update their Farm Operating Plan on form CCC-902.

To update your records, contact your local County USDA Service Center.

USDA Announces New Initiative to Quantify Climate Benefits of Conservation Reserve Program

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) today announced an initiative to quantify the climate benefits of Conservation Reserve Program (CRP) contracts. This multi-year effort will enable USDA to better target CRP toward climate outcomes and improve existing models and conservation planning tools while
supporting USDA’s goal of putting American agriculture and forestry at the center of climate-smart solutions to address climate change.

CRP Monitoring, Assessment and Evaluation Projects

FSA has historically worked with partners to identify Monitoring, Assessment and Evaluation (MAE) projects to quantify CRP environmental benefits to water quality and quantity, wildlife and rural economies. The agency will now invest $10 million through this program to measure and monitor the soil carbon sequestration and other climate and environmental benefits of conservation practices over the life of CRP contracts.

This effort will allow USDA to better target climate outcomes through CRP while gaining critical data to calibrate, validate and further improve quantification methods within existing models and tools. One model of focus is the Daily Century Model, or DayCent, which simulates the movement of carbon and nitrogen through agricultural systems and informs the National Greenhouse Gas Inventory. Data will also be used to strengthen the COMET-Farm and COMET-Planner tools, which enable producers to evaluate potential carbon sequestration and greenhouse gas emission reductions based on specific management scenarios.

Request for Proposals

USDA is seeking proposals for projects to survey, sample and measure the climate benefits of land enrolled in the following CRP practice types over time:

- Predominately Perennial grass with legumes and shrubs, depending on the practice
- Tree
- Wetland, including both mineral and organic soils and both floodplain and non-floodplain wetlands

A project can cover one or more of the above practice types and should be for a three- to five-year term, with the potential for renewal. Projects should be a minimum of $1 million and not exceed $9 million.

Applications are welcome from all types of organizations, including public, private and nonprofit institutions. Project proposals can be from a single entity or from a group of partners who coordinate efforts. Applications from or in partnership with Historically Black Colleges & Universities (HBCU), Tribal Colleges & Universities (TCU) and Hispanic-Serving Institutions (HSI) or organizations will be considered as part of the selection process.

The deadline for proposals is July 2, 2021. Visit the request for proposals for more information on requirements, project deliverables, evaluation criteria and how to submit your proposal. Visit FSA’s Monitoring, Assessment and Evaluation page for additional information on CRP MAEs.

Conservation Reserve Program

CRP is one of the world’s largest voluntary conservation programs with an established track record of preserving topsoil, sequestering carbon, reducing nitrogen runoff and providing healthy habitat for wildlife.

In exchange for a yearly rental payment, agricultural producers enrolled in the program agree to remove environmentally sensitive land from production and plant species that will improve environmental health and quality. Land is enrolled in CRP for 10 to 15 years, with the option of re-enrollment. FSA offers multiple CRP signups, including the general signup and continuous signup – both currently open – as well as CRP Grasslands and pilot programs focused on soil health and clean water.
In April, USDA announced updates to CRP including higher payment rates, new incentives for environmental practices and a more targeted focus on the program’s role in climate change mitigation. This included a new Climate-Smart Practice Incentive for CRP general and continuous signups that aims to increase carbon sequestration and reduce greenhouse gas emissions. Climate-Smart CRP practices include establishment of trees and permanent grasses, development of wildlife habitat and wetland restoration. Download our “What’s New” fact sheet to learn more about program updates.

Actively Engaged Provisions for Non-Family Joint Operations or Entities

Many Farm Service Agency (FSA) 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 that is identifiable and documentable as well as separate and distinct from contributions of any other member. Members of joint operations must have a share of the profits or losses from the farming operation commensurate with the member’s contributions to the operation and must make contributions to the farming operation that are at risk for a loss, with the level of risk being commensurate with the member’s claimed share on the farming operation.

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.
Unauthorized Disposition of Grain Results in Financial Penalties

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 your name will be placed on a loan violation list for a two-year period. Always call before you haul any grain under loan.

Environmental Review Required Before Project Implementation

The National Environmental Policy Act (NEPA) requires Federal agencies to consider all potential environmental impacts for federally funded projects before the project is approved.

For all Farm Service Agency (FSA) programs, an environmental review must be completed before actions are approved, such as site preparation or ground disturbance. These programs include, but are not limited to, the Emergency Conservation Program (ECP), Farm Storage Facility Loan (FSFL) program and farm loans. If project implementation begins before FSA has completed an environmental review, the request will be denied. Although there are exceptions regarding the Stafford Act and emergencies, it’s important to wait until you receive written approval of your project proposal before starting any actions.

Applications cannot be approved until FSA has copies of all permits and plans. Contact your local FSA office early in your planning process to determine what level of environmental review is required for your program application so that it can be completed timely.

Communication is Key in Lending

Farm Service Agency (FSA) is committed to providing our farm loan borrowers the tools necessary to be successful. FSA staff will provide guidance and counsel from the loan application process through the borrower’s graduation to commercial credit. While it is FSA’s commitment to advise borrowers as they identify goals and evaluate progress, it is crucial for borrowers to communicate with their farm loan staff when changes occur. It is the borrower’s responsibility to alert FSA to any of the following:

- Any proposed or significant changes in the farming operation
- Any significant changes to family income or expenses
- The development of problem situations
- Any losses or proposed significant changes in security

If a farm loan borrower can’t make payments to suppliers, other creditors, or FSA on time, contact your farm loan staff immediately to discuss loan servicing options.

For more information on FSA farm loan programs, contact your local USDA Service Center or visit fsa.usda.gov.
FSA Offers Joint Financing Option on Direct Farm Ownership Loans

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

There are three types of Direct Farm Ownership Loans: regular, down payment and joint financing. FSA also offers a Direct Farm Ownership Microloan option for smaller financial needs up to $50,000.

Joint financing allows FSA to provide more farmers and ranchers with access to capital. FSA lends up to 50 percent of the total amount financed. A commercial lender, a State program or the seller of the property being purchased, provides the balance of loan funds, with or without an FSA guarantee. The maximum loan amount for a joint financing loan is $600,000, and the repayment period for the loan is up to 40 years.

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

For more information about farm loans, contact your local USDA Service Center or visit fsa.usda.gov.

USDA Announces Grants for Urban Agriculture and Innovative Production

The U.S. Department of Agriculture (USDA) announced the availability of up to $4 million for grants to support the development of urban agriculture and innovative production projects. USDA’s Office of Urban Agriculture and Innovation Production is accepting proposals for planning and innovation projects, and these grants are part of USDA’s broader efforts to support urban agriculture. USDA will accept applications on Grants.gov until 11:59 p.m. Eastern Time on June 18, 2021.

Planning projects initiate or expand efforts of farmers, gardeners, citizens, government officials, schools and other stakeholders in urban areas and suburbs. Projects may target areas of food access, education, business and start-up costs for new farmers, urban agroforestry or food forests, and development of policies related to zoning and other needs of urban production.

Implementation projects accelerate existing and emerging models of urban, indoor and other agricultural practices that serve multiple farmers. Projects will improve local food access and collaborate with partner organizations and may support infrastructure needs, emerging technologies, educational endeavors and urban farming policy implementation. More information is available at farmers.gov/urban.
Producers with Crop Insurance to Receive Premium Benefit for Cover Crops

Agricultural producers who have coverage under most crop insurance policies are eligible for a premium benefit from the USDA if they planted cover crops during this crop year. The Pandemic Cover Crop Program (PCCP), offered by USDA’s Risk Management Agency (RMA), helps farmers maintain their cover crop systems, despite the financial challenges posed by the pandemic.

The PCCP is part of USDA’s Pandemic Assistance for Producers initiative, a bundle of programs to bring financial assistance to farmers, ranchers and producers who felt the impact of COVID-19 market disruptions.

About the Premium Benefit

PCCP provides premium support to producers who insured their spring crop with most insurance policies and planted a qualifying cover crop during the 2021 crop year. The premium support is $5 per acre, but no more than the full premium owed.

Illinois, Indiana and Iowa have existing programs for producers to receive a premium benefit for planting cover crops. In these states, participating producers will receive an additional benefit.

All cover crops reportable to FSA are eligible and include cereals and other grasses, legumes, brassicas and other non-legume broadleaves, and mixtures of two or more cover crop species planted at the same time.

To receive the benefit for this program, producers must file a Report of Acreage form (FSA-578) for cover crops with USDA’s Farm Service Agency (FSA) by June 15, 2021, which is distinct from the normal acreage reporting date. The normal acreage reporting deadline with FSA has not changed, but to receive the premium benefit, producers must file by June 15. The cover crop fields reported on the Report of Acreage form must match what the producer reported to their insurance company for crop insurance policies. To file the form, producers must contact and make an appointment with their local USDA Service Center.

Program Details

Certain policies are not eligible because they have underlying coverage, which would already receive the benefit or are not designed to be reported in a manner consistent with the Report of Acreage form (FSA-578). PCCP is not available for Whole-Farm Revenue Protection, Enhanced Coverage Option, Hurricane Insurance Protection – Wind Index, and Supplemental Coverage Option. Stacked Income Protection (STAX) and Margin Protection (MP) policies are only eligible for PCCP when insured as a standalone policy. STAX and MP endorsements to underlying policies are not eligible for PCCP.

PCCP does not change acreage reporting dates, reporting requirements, or any other terms of the crop insurance policy.

Cover Crop Conservation Practice Standard

Meanwhile, USDA’s Natural Resources Conservation Service (NRCS) has made the determination not to update its conservation practice standard for cover crops. NRCS originally proposed restricting mechanical harvest of cover crops, but after reviewing input from agricultural producers and groups, NRCS recognizes this could present challenges for producers who use this important conservation practice. The latest version of the
conservation practice standard can be found in the Field Office Technical Guide under Section IV, Conservation Practices and Supporting Documents, by State.

A Notice of Funding Availability was posted on the Federal Register. Additional information on PCCP, including frequently asked questions, can be found at farmers.gov/pandemic-assistance/cover-crops.

RMA is authorizing additional flexibilities due to coronavirus. More information can be found at farmers.gov/coronavirus.

**Important Dates to Remember**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>April 1 – August 1</td>
<td>CRP Primary Nesting Season</td>
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<tr>
<td>May 31</td>
<td>Memorial Day Observance - Offices Closed</td>
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<tr>
<td>June 1</td>
<td>Final date to obtain Commodity Loans or Loan Deficiency Payments on 2020 Corn and Soybeans</td>
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<tr>
<td>June 15</td>
<td>Nominations open for the 2021 County Committee (COC) Election</td>
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<tr>
<td>Delayed until Further Notice</td>
<td>CRP Grasslands Signup (originally scheduled to begin March 15th)</td>
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<tr>
<td>Deadline TBD</td>
<td>Submit an offer for General CRP/SAFE Acreage</td>
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<tr>
<td>Deadline TBD</td>
<td>CFAP 1 ‘Top-up’ Payments for Swine &amp; CFAP2 Payment Calculations &amp; Expanded Eligibility Options</td>
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<tr>
<td>Ongoing</td>
<td>Submit an Application for a Farm Storage Facility Loan</td>
</tr>
<tr>
<td>Continuous</td>
<td>Signup for Local County Office FSA Text Alerts</td>
</tr>
<tr>
<td>Continuous</td>
<td>Sign up for GovDelivery Newsletters, Bulletins and Indiana Press Releases<a href="https://public.govdelivery.com/accounts/USFSA/subscriber/new/">https://public.govdelivery.com/accounts/USFSA/subscriber/new/</a></td>
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**Disaster Program Notice of Loss Filing Requirements**

- File Emergency Livestock Assistance Program (ELAP) Notice of Loss (NOL) (Honeybee NOL Must be Filed within 15 Days of When the Loss is First Apparent; Other ELAP covered Livestock Losses - Livestock Feed, Grazing & Farm-Raised Fish NOL Must be Filed within 30 Days of When the Loss is First Apparent)
- File Livestock Indemnity Program (LIP) Notice of Loss within 30 Calendar Days of When the Livestock Loss is First Apparent.
- File Noninsured Crop Disaster Assistance Program NOL Within 15 Calendar Days of the Earlier of a Natural Disaster Occurrence, the Final Planting Date if Planting is Prevented by a Natural Disaster, the Date the Damage to the Crop or Loss of Production Becomes Apparent; or the Normal Harvest Date. Note: A producer’s signature is required on form CCC-576 when a Notice of Loss is submitted.
- Submit Application for the Tree Assistance Program (TAP) along with Supporting Documentation within 90 Calendar Days of the Disaster Event or the Date when the Loss is Apparent to the Producer.

**Interest Rates**

USDA announced loan interest rates for June 2021, which are effective June 1. USDA’s FSA loans provide important access to capital to help agricultural producers start or expand their farming operation, purchase equipment and storage structures, or meet cash flow needs.

**Price Support Loans**

**Commodity Loans** – 1.125%
Farm Storage Facility Loans

Farm Storage Facility Loan, 3 year                  -- 0.375%
Farm Storage Facility Loan, 5 year                  -- 0.875%
Farm Storage Facility Loan, 7 year                  -- 1.250%
Farm Storage Facility Loan, 10 year                -- 1.625%
Farm Storage Facility Loan, 12 year                -- 1.750%

FSFL Microloans are also available for the 3, 5, and 7 year terms at the 3, 5, and 7 year term rates for a maximum aggregated loan amount of $50,000 and at a reduced down payment of 5% (regular FSFL loans require 15% down and have a maximum loan amount of $500,000).

Farm Loans

Farm Operating Loan                                                    -- 1.750%
Farm Ownership Loan                                                  -- 3.250%
Farm Ownership Loan, Joint-Financing                        -- 2.500%
Farm Ownership Loan, Down Payment                        -- 1.500%
Limited Resource Loans                                               -- 5.000%
Emergency Loans                                                         -- 2.750%

Producers can explore available options on all FSA loan options at fsa.usda.gov or by contacting your local USDA Service Center.

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Members - Allen Buchanan, Bill Gelfius and Clint Orr

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Service Center Locator