Indiana FSA Updates

Greetings from Indiana FSA,

It’s hard to believe it’s already July! We are all wondering where the first half of the year has gone.

Indiana FSA has been busy with Crop Acreage Reporting and Conservation Reserve Program Signup. Both deadlines are fast approaching. Acreage reporting deadline is July 15th. The final date to submit a General CRP Program offer is July 23rd. If you have not already done so, please contact your county office promptly to schedule an appointment.

County Committee nominations will close on August 2, 2021. Please consider serving on or nominating a great candidate to your local FSA County Committee. Contact your county office for more information.

In Other News:

The Purdue School of Ag is hosting an upcoming field day and webinars which may be of interest to our smaller farmers: The Small Farm Education Field Day and Webinar Series. More information can be found at: Events - Purdue Student Farm Purdue University Purdue Student Farm

AgrAbility is hosting ‘Veteran’s Harvest: A Virtual Conference for Veterans in Agriculture’. For more information and to register, please visit: https://purdue.ca1.qualtrics.com/jfe/form/SV_1Yecd42GQtKvb6u

According to the Indiana Conservation Partnership survey, Indiana farmers have set a conservation record this year by planting an estimated 1.5 million acres of overwinter living covers, the largest amount ever recorded by an Indiana Conservation Partnership survey.

The conservation transect is a visual survey of cropland in the state. It was conducted between March and April 2021 by members of the Indiana Conservation Partnership, including the USDA Natural Resources Conservation Service, the Indiana State Department of Agriculture, Indiana’s Soil and Water Conservation Districts and Purdue Extension, as well as Earth Team volunteers, to show a more complete story of the state’s conservation efforts. Visit isda.in.gov to see the results from the survey.

Respectfully,
Your Indiana FSA Staff
Understanding the U.S. Drought Monitor

Are drought conditions affecting your agricultural operation? The U.S. Drought Monitor (USDM) is a resource producers can use to help determine how to best respond and react to a drought as it develops or lingers.

The USDM is an online, weekly map showing the location, extent, and severity of drought across the United States. It categorizes the entire country as being in one of six levels of drought. The map is released on Thursdays and depicts conditions for the week.

The USDM provides producers with the latest information about drought conditions where they live, enabling producers to best respond and react to a drought as it develops or lingers. In some cases, the USDM may help a producer make specific decisions about their operation, such as reducing the stocking rate because forage is not growing. For others, it may provide a convenient big-picture snapshot of broader environmental conditions.

The USDM incorporates varying data—rain, snow, temperature, streamflow, reservoir levels, soil moisture, and more—as well as first-hand information submitted from on-the-ground sources such as photos, descriptions, and experiences. The levels of drought are connected to the frequency of occurrence across several different drought indicators. What makes the USDM unique is that it is not a strictly numeric product. The mapmakers rely on their judgment and a nationwide network of 450-plus experts to interpret conditions for each region. They synthesize their discussion and analysis into a single depiction of drought for the entire country.

USDA uses the Drought Monitor to determine a producer’s eligibility for certain drought assistance programs, like the Livestock Forage Disaster Program and Emergency Haying or Grazing on Conservation Reserve Program acres.

Additionally, the Farm Service Agency uses the Drought Monitor to trigger and “fast track” Secretarial Disaster Designations which then provides producers impacted by drought access to emergency loans that can assist with credit needs.

Learn more about the U.S. Drought Monitor.

Producers with Individual Agriculture Risk Coverage Reminded to Report Yields

Producers who elected Individual Agriculture Risk Coverage (ARC-IC) are required to report yields annually to FSA. The final date to report production from the prior crop year for farms enrolled in ARC-IC is July 15. The ARC Program is an income support program that provides payments when actual crop revenue declines below a specified guarantee level.

ARC-IC program payments are issued when the actual individual crop revenue for all covered commodities planted on the ARC-IC farm is less than the ARC-IC guarantee for those covered commodities. ARC-IC uses producer’s certified yields, rather than county level yields. ARC-IC payments are dependent upon the planting of covered commodities on the farm. A producer’s ARC-IC farm is defined as the sum of the producer’s interest in all ARC-IC enrolled farms in the state. Producers with all farms enrolled in County Agriculture Risk Coverage and Price Loss Coverage are not required to report production from the prior crop year.

For more information contact your local USDA Service center or visit fsa.usda.gov.
USDA Expands and Renews Conservation Reserve Program in Effort to Boost Enrollment and Address Climate Change

USDA opened enrollment in the Conservation Reserve Program (CRP) with higher payment rates, new incentives, and a more targeted focus on the program’s role in climate change mitigation. Additionally, USDA announced investments in partnerships to increase climate-smart agriculture, including $330 million in 85 Regional Conservation Partnership Program (RCPP) projects and $25 million for On-Farm Conservation Innovation Trials.

Conservation Reserve Program

USDA’s goal is to enroll up to 4 million new acres in CRP by raising rental payment rates and expanding the number of incentivized environmental practices allowed under the program. CRP is one of the world’s largest voluntary conservation programs with a long track record of preserving topsoil, sequestering carbon, and reducing nitrogen runoff, as well providing healthy habitat for wildlife.

CRP is a powerful tool when it comes to climate mitigation, and acres currently enrolled in the program mitigate more than 12 million metric tons of carbon dioxide equivalent (CO2e). If USDA reaches its goal of enrolling an additional 4 million acres into the program, it will mitigate an additional 3 million metric tons of CO2 equivalent and prevent 90 million pounds of nitrogen and 33 million tons of sediment from running into our waterways each year.

New Climate-Smart Practice Incentive

To target the program on climate change mitigation, FSA is introducing 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. The Climate-Smart Practice Incentive is annual, and the amount is based on the benefits of each practice type.

Higher Rental Rates and New Incentives

In 2021, CRP is capped at 25 million acres, and currently 20.8 million acres are enrolled. Furthermore, the cap will gradually increase to 27 million acres by 2023. To help increase producer interest and enrollment, FSA is:

- Adjusting soil rental rates. This enables additional flexibility for rate adjustments, including a possible increase in rates where appropriate.
- Increasing payments for Practice Incentives from 20% to 50%. This incentive for continuous CRP practices is based on the cost of establishment and is in addition to cost share payments.
- Increasing payments for water quality practices. Rates are increasing from 10% to 20% for certain water quality benefiting practices available through the CRP continuous signup, such as grassed waterways, riparian buffers, and filter strips.
- Establishing a CRP Grassland minimum rental rate. This benefits more than 1,300 counties with rates currently below the minimum.

To learn more about updates to CRP, download our “What’s New with CRP” fact sheet.
FSA Outlines MAL and LDP Policy

The 2018 Farm Bill extends loan authority through 2023 for Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs).

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, pulse crops, rice, peanuts, cotton, wool and honey. MALs provide you with interim financing after harvest to help you meet cash flow needs without having to sell your commodities when market prices are typically at harvest-time lows. A producer who is eligible to obtain a loan, but agrees to forgo the loan, may obtain an LDP if such a payment is available. Marketing loan provisions and LDPs are not available for sugar and extra-long staple cotton.

FSA is now accepting requests for 2021 MALs and LDPs for all eligible commodities after harvest. Requests for loans and LDPs shall be made on or before the final availability date for the respective commodities.

Commodity certificates are available to loan holders who have outstanding nonrecourse loans for wheat, upland cotton, rice, feed grains, pulse crops (dry peas, lentils, large and small chickpeas), peanuts, wool, soybeans and designated minor oilseeds. These certificates can be purchased at the posted county price (or adjusted world price or national posted price) for the quantity of commodity under loan, and must be immediately exchanged for the collateral, satisfying the loan. MALs redeemed with commodity certificates are not subject to Adjusted Gross Income provisions.

To be considered eligible for an LDP, you must have form CCC-633EZ, Page 1 on file at your local FSA Office before losing beneficial interest in the crop. Pages 2, 3 or 4 of the form must be submitted when payment is requested.

Marketing loan gains (MLGs) and loan deficiency payments (LDPs) are no longer subject to payment limitations, actively engaged in farming and cash-rent tenant rules.

Adjusted Gross Income (AGI) provisions state that if your total applicable three-year average AGI exceeds $900,000, then you’re not eligible to receive an MLG or LDP. You must have a valid CCC-941 on file to earn a market gain of LDP. The AGI does not apply to MALs redeemed with commodity certificate exchange.

For more information and additional eligibility requirements, contact your local USDA Service Center or visit fsa.usda.gov.

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.

If you take out marketing assistance loans and use the farm-stored grain as collateral, remember that you are responsible for maintaining the quality of the grain through the term of the loan.
Reminders for FSA Direct and Guaranteed Borrowers with Real Estate Security

Farm loan borrowers who have pledged real estate as security for their Farm Service Agency (FSA) direct or guaranteed loans are responsible for maintaining loan collateral. Borrowers must obtain prior consent or approval from FSA or the guaranteed lender for any transaction that affects real estate security. These transactions include, but are not limited to:

- Leases of any kind
- Easements of any kind
- Subordinations
- Partial releases
- Sales

Failure to meet or follow the requirements 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.

USDA Microloans Help Farmers Purchase Farmland and Improve Property

Farmers can use USDA farm ownership microloans 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.

Microloans have helped farmers and ranchers with operating costs, such as feed, fertilizer, tools, fencing, equipment, and living expenses since 2013.

Microloans can also help with farmland 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).

To learn more about the FSA microloan program, contact your local USDA Service Center or visit fsa.usda.gov/microloans.
Infield Advantage – Cover Crop Trial Program

Infield Advantage offers Indiana farmers an opportunity to evaluate cover crops on their farm. Trial participants will receive seed for an application of a cover crop to one of their fields that has not previously been cover cropped. Trial signup is required by August 6, 2021 with a fall seeding and trial evaluation occurring into the following year.

With new carbon market opportunities now emerging, the INfield Advantage program also gives farmers the chance to ready their farms for participation in these new markets at little to no risk.

Participating in the INfield Advantage program provides Indiana farmers with the resources and tools to try cover crops on their farms and evaluate the results before determining whether to adopt the practice more broadly across their operations.

Farmers enrolled in the program will have access to the Truterra™ Insights Engine sustainability tool to benchmark current practices, and track progress and improvement over time of the cover crop split-field trial.

Fall-planted cover crops are designed to keep roots in the ground throughout winter, improving soil health and water filtration. Selecting the right timing and cover crops should be based on a farm’s cropping season and plan for the following year.

To be eligible for the cover crop trial, farmers must be new to planting cover crops. In this split field trial, 20 acres of cover crop seed will be provided, and at least a 40-acre field is recommended. Farmers may also be eligible to receive a $200 sign-up incentive upon enrollment. More information about eligibility requirements and sign-up can be found online at https://infieldadvantage.org/.

This program is available through the collaboration and partnership of the Indiana Soybean Alliance (ISA), the Indiana Corn Marketing Council (ICMC), the Indiana Department of Agriculture (ISDA) and Truterra, LLC, the sustainability business of Land O’Lakes, Inc., one of America’s largest farmer-owned cooperatives.

Getting Acreage Reporting Right

You have a lot at stake in making sure your crop insurance acreage reporting is accurate and on time. The acreage reporting deadline for most spring planted row crops is July 15, 2021. It is a good idea to check with your agent to confirm the acreage reporting date for your policy. If you fail to report on time, you may not be protected. If you report too much acreage, you may pay too much premium. If you report too little acreage, you may recover less when you file a claim.

Crop insurance agents often say that mistakes in acreage reporting are the easiest way for producers to have an unsatisfactory experience with crop insurance. Don’t depend on your agent to do this important job for you. Your signature on the bottom of the acreage reporting form makes it, legally, your responsibility. Double-check it for yourself.
Producers Can Now Hay, Graze and Chop Cover Crops Anytime and Still Receive Full Prevented Planting Payment

Agricultural producers with crop insurance can hay, graze or chop cover crops for silage, haylage or baleage at any time and still receive 100% of the prevented planting payment. Previously, cover crops could only be hayed, grazed or chopped after November 1, otherwise the prevented planting payment was reduced by 65%.

The U.S. Department of Agriculture’s (USDA) Risk Management Agency (RMA) added this flexibility as part of a broader effort to encourage producers to use cover crops, an important conservation and good farming practice. Cover crops are especially important on fields prevented from planting as they help reduce soil erosion and boost soil health.

“We work diligently to ensure the Federal crop insurance program helps producers effectively manage risk on their farms while also conserving natural resources,” said Acting RMA Administrator Richard Flournoy. “We are dedicated to responding to the needs of producers, and this flexibility is good for agriculture and promotes climate smart agricultural practices. We are glad we can better support producers who use cover crops.”

RMA recognizes that cover crops are not planted as an agricultural commodity but rather with the primary purpose for conservation benefits. For the 2021 crop year and beyond, RMA will not consider a cover crop planted following a prevented planting claim to be a second crop. But RMA will continue to consider a cover crop harvested for grain or seed to be a second crop, and it remains subject to a reduction in the prevented planting indemnity in accordance with the policy.

This decision to allow flexibility for the 2021 crop year and to make the change permanent for future years builds on the advanced research and identified benefits cover crops have supporting healthy soils and cropland sustainability efforts. Additionally, this decision aligns with the 2018 Farm Bill’s designation of cover crops as a good farming practice.

More Information

To learn more about this policy change, visit RMA’s Prevented Planting webpage. The webpage also has the latest Cover Crop Termination Guidelines, which USDA updated in 2019 as a result of greater flexibilities provided in the 2018 Farm Bill.

Crop insurance is sold and delivered solely through private crop insurance agents. A list of crop insurance agents is available at all USDA Service Centers and online at the RMA Agent Locator. Learn more about crop insurance and the modern farm safety net at rma.usda.gov.

USDA is committed to empowering agricultural producers to conserve natural resources while strengthening their operations through voluntary conservation. One of the conservation practices that can best be leveraged in agriculture is cover crops. Nationally,
cover crops planted in partnership with NRCS are shown to sequester the equivalent of approximately 500,000 metric tons of carbon dioxide annually. This is as impactful as removing nearly 109,000 passenger vehicles from the road each year. Studies have also shown that cover crops provide increased corn and soybean yields. While results vary by region and soil type, cover crops are proven to reduce erosion, improve water quality and increase the health and productivity of the soil while building resilience to climate change.

Additionally, RMA provided a premium benefit to producers who planted cover crops through the Pandemic Cover Crop Program to help producers maintain cover crop systems amid the financially challenging pandemic.

USDA touches the lives of all Americans each day in so many positive ways. In the Biden-Harris Administration, USDA is transforming America’s food system with a greater focus on more resilient local and regional food production, fairer markets for all producers, ensuring access to healthy and nutritious food in all communities, building new markets and streams of income for farmers and producers using climate smart food and forestry practices, making historic investments in infrastructure and clean energy capabilities in rural America, and committing to equity across the Department by removing systemic barriers and building a workforce more representative of America. To learn more, visit www.usda.gov.

Important Dates to Remember

April 1 – August 1 CRP Primary Nesting Season
July 8 – FSA Accepting Applications for the 2021 Organic Certification Cost Share Program (OCCSP)
July 12 – CRP Grasslands Signup Begins
July 15 – 2021 Acreage Reporting Deadline for Annually Seeded Spring Crops, Spring Seeded Alfalfa Seed, Forage Seeding, Conservation Reserve Program, Perennial Forage not covered under the NAP, and all other crops not required to be reported by a previous reporting date. This is the final date that FSA can accept late-filed 2020 reports for these crops.
July 15 – 2020 ARC-IC Production Certification Deadline for Crops Enrolled in ARC-IC
July 23 – Final Date to Submit an Offer for CRP General Signup
August 2 – Final Date to Submit Nominations for County Committee Elections
August 2 – Final Date to Request a 2021 Farm Reconstitution
August 6 – Final Date for CRP Participants with Contracts Expiring September 30, 2021 to Submit an Offer for CRP CLEAR30
August 20 – Final Date to Submit an Offer for CRP Grasslands
Ongoing - Signup for Continuous CRP
Ongoing – Submit an Application for a Farm Storage Facility Loan
Continuous - Signup for Local County Office FSA Text Alerts
Continuous – Sign up for GovDelivery Newsletters, Bulletins and Indiana Press Releases(https://public.govdelivery.com/accounts/USFSA/subscriber/new/)

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
Interest Rates

USDA announced loan interest rates for July 2021, which are effective July 1, 2021. 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.

FSA offers farm ownership and operating loans with favorable interest rates and terms to help eligible agricultural producers, whether multi-generational, long-time or new to the industry, obtain financing needed to start, expand or maintain a family agricultural operation. For many loan options, FSA sets aside funding for historically disadvantaged producers, including beginning, women, American Indian or Alaskan Native, Asian, Black or African American, Native Hawaiian or Pacific Islander, and Hispanic farmers and ranchers.

Farm Loans

Interest rates for Operating and Ownership loans for July 2021 are as follows:

- **Farm Operating Loans** (Direct): 1.875%
- **Farm Ownership Loans** (Direct): 3.250%
- **Farm Ownership Loans** (Direct, Joint Financing): 2.500%
- **Farm Ownership Loans** (Down Payment): 1.500%
- **Emergency Loan** (Amount of Actual Loss): 2.875%

FSA also offers guaranteed loans through commercial lenders at rates set by those lenders.

You can find out which of these loans may be right for you by using our [Farm Loan Discovery Tool](https://fsa.usda.gov).  

FSA provides low-interest financing to producers to build or upgrade on-farm storage facilities and purchase handling equipment and loans that provide interim financing to help producers meet cash flow needs without having to sell their commodities when market prices are low. Funds for these loans are provided through the Commodity Credit Corporation (CCC) and are administered by FSA.

**Commodity Loans** (less than one year disbursed): 1.125%

**Farm Storage Facility Loans:**

- Three-year loan terms: 0.375%
- Five-year loan terms: 0.750%
- Seven-year loan terms: 1.250%
- Ten-year loan terms: 1.500%
- Twelve-year loan terms: 1.750%

Producers can explore available options on all FSA loan options at [fsa.usda.gov](https://fsa.usda.gov) or by contacting your [local USDA Service Center](https://fsa.usda.gov).