USDA Farm Service Agency
U.S. DEPARTMENT OF AGRICULTURE

Indiana Farm Service Agency State Office Newsletter - January 10, 2022

A Message from Indiana FSA

Happy New Year!

As Indiana FSA welcomes in 2022, we are looking forward to another year serving our Indiana Ag Producers.

FSA Offices are presently busy with several programs. We encourage you to reach out to your local USDA Service Center for more information and to schedule an appointment.

Organic and Transitional Education and Certification Program (OTECP) provides pandemic assistance to cover certification and education expenses for organic or transitioning to organic producers. The deadline to apply for 2020 and 2021 eligible expenses is now February 4, 2022.

Organic Certification Cost Share Program (OCCSP) provides cost-share assistance to producers and handlers of agricultural products for the costs of obtaining or maintaining organic certification under the USDA's National Organic Program. The deadline to late-file an application for 2020 and 2021 eligible expenses is February 4, 2022.

Agriculture Risk Coverage and Price Loss Coverage (ARC/PLC) program signup – Producers should review their program election and enrollment options for the 2022 ARCPLC program. The election and enrollment period opened on October 18, 2021 and runs through March 15, 2022.

Dairy Margin Coverage (DMC) Program and expanded the program to allow dairy producers to better protect their operations by enrolling supplemental production. This signup period – which runs from Dec. 13, 2021 to Feb. 18, 2022 – enables producers to get coverage through this important safety-net program for another year as well as get additional assistance through the new Supplemental DMC.

Spot Market Hog Pandemic Program (SMHPP) provides assistance to hog producers who sold hogs through a negotiated sale from April 16, 2020 through Sept. 1, 2020. SMHPP is part of USDA's Pandemic Assistance for Producers initiative and addresses gaps in previous assistance for hog producers. USDA's Farm Service Agency (FSA) will accept applications through February 25, 2022.

Respectfully,

Your Indiana FSA Staff

Indiana USDA Service Center Operating Status

As you have heard, COVID cases have been on the rise. USDA Service Centers continue to limit in-person office visits to by-appointment-only. Some FSA offices in Indiana are limited to virtual/phone appointments only. FSA staff also continue to work with customers via phone, email and other digital tools.

Please call your local FSA office to inquire of their status and to schedule an appointment.

For offices open to in-person traffic, visitors will be pre-screened based on health concerns or recent travel. Regardless of vaccination status, visitors will be required to wear a face covering and adhere to social distancing guidelines during their appointment.

For Service Center contact information visit: farmers.gov/service-locator.

USDA Supports Military Veteran's Transition to Farming

Are you a military veteran interested in farming?

USDA wants to ensure that veterans transitioning to agriculture have the resources needed to succeed. From farm loans to crop insurance, and conservation to disaster assistance USDA offers resources to support you and your operation:

- **Fund Your Operation:** USDA's Farm Service Agency offers a variety of funding opportunities to help agricultural producers finance their businesses. Certain funds are targeted for veterans and beginning farmers and ranchers.
- **Conserve Natural Resources:** USDA's Natural Resources Conservation Service offers conservation programs and expert one-on-one technical assistance to strengthen agricultural operations now and into the future. Veterans may be eligible for a cost share of up to 90 percent and advance payments of up to 50 percent to cover certain conservation practices.
- **Manage Risks:** USDA is here to help you prepare for and recover from the unexpected. Veterans who are beginning farmers may be eligible for reduced premiums, application fee waivers, increased insurance coverage, and other incentives for multiple USDA programs that support risk management.

Want to learn how to start a farm? Check out our New Farmers Fact Sheet and USDA's Farmers.gov Beginning Farmer webpage. You can also reach out to your local USDA Service Center or your state Beginning Farmer and Rancher Coordinator.

Waiver of DCIA Compliance for Commodity and Farm Storage Facility Loan Programs

On January 27, 2021, the Biden-Harris Administration suspended all debt collections, foreclosures, and other adverse actions for borrowers of direct farm loans and Farm Storage Facility Loans (FSFL) through USDA's Farm Service Agency (FSA) because of the national public health emergency caused by the Coronavirus pandemic.

It has been determined that the January 2021 suspension included a waiver of the Debt Collection Improvement Act (DCIA) noncompliance for issuing new Marketing Assistance Loans (MAL), Loan Deficiency Payments (LDP) or FSFL to borrowers who are in delinquent status with FSFL or farm loans.

Under normal circumstances, DCIA specifies that a person cannot obtain Federal financial assistance in the form of loans (other than disaster loans), loan insurance, or guarantees if that person has delinquent Federal non-tax debt. MAL, LDP, and FSFL programs administered by FSA are currently subject to these statutory constraints.

FSA county offices will review MALs, LDPs, and FSFLs that were previously denied on or after January 27, 2021, because of DCIA noncompliance. Offices will notify applicants of the waiver provisions and the opportunity to obtain a loan. All applicable eligibility requirements remain in place with the exception of DCIA waiver.

Reach out to your local FSA office for more information. To find your local office, visit farmers.gov/service-locator.

USDA Opens 2022 Signup for Dairy Margin Coverage, Expands Program for Supplemental Production

USDA opened signup for the **Dairy Margin Coverage (DMC)** program and expanded the program to allow dairy producers to better protect their operations by enrolling supplemental production. This signup period – which runs from Dec. 13, 2021 to Feb. 18, 2022 – enables producers to get coverage through this important safety-net program for another year as well as get additional assistance through the new Supplemental DMC.

Supplemental DMC will provide $580 million to better help small- and mid-sized dairy operations that have increased production over the years but were not able to enroll the additional production. Now, they will be able to retroactively receive payments for that supplemental production. Additionally, USDA's Farm Service Agency (FSA) updated how feed costs are calculated, which will make the program more reflective of actual dairy producer expenses.

Supplemental DMC Enrollment

Eligible dairy operations with less than 5 million pounds of established production history may enroll supplemental pounds based upon a formula using 2019 actual milk marketings, which will result in additional payments. Producers will be required to provide FSA with their 2019 Milk Marketing Statement.

Supplemental DMC coverage is applicable to calendar years 2021, 2022 and 2023. Participating dairy operations with supplemental production may receive retroactive supplemental payments for 2021 in addition to payments based on their established production history.

Supplemental DMC will require a revision to a producer's 2021 DMC contract and must occur before enrollment in DMC for the 2022 program year. Producers will be able to revise 2021 DMC contracts and then apply for 2022 DMC by contacting their local USDA Service Center.

DMC 2022 Enrollment

After making any revisions to 2021 DMC contracts for Supplemental DMC, producers can sign up for 2022 coverage. DMC provides eligible dairy producers with risk management coverage that pays producers when the difference between the price of milk and the cost of feed falls below a certain level. So far in 2021, DMC payments have triggered for January through October for more than $1.0 billion.

For DMC enrollment, producers must certify with FSA that the operation is commercially marketing milk, sign all required forms and pay the $100 administrative fee. The fee is waived for farmers who are considered limited resource, beginning, socially disadvantaged, or a military veteran. To determine the appropriate level of DMC coverage for a specific dairy operation, producers can use the online dairy decision tool.

Updates to Feed Costs

USDA is also changing the DMC feed cost formula to better reflect the actual cost dairy farmers pay for high-quality alfalfa hay. FSA will calculate payments using 100% premium alfalfa hay rather than 50%. The amended feed cost formula will make DMC payments more reflective of actual dairy producer expenses.

Additional Dairy Assistance

Today's announcement is part of a broader package to help the dairy industry respond to the pandemic and other challenges. USDA is also amending Dairy Indemnity Payment Program (DIPP) regulations to add provisions for the indemnification of cows that are likely to be not marketable for longer durations, as a result, for example, of per- and polyfluoroalkyl substances. FSA also worked closely with USDA's Natural Resources Conservation Service to target assistance through the Environmental Quality Incentives Program) and other conservation programs to help producers safely dispose of and address resource concerns created by affected cows. Other recent dairy announcements include $350 million through the Pandemic Market Volatility Assistance Program and $400 million for the Dairy Donation Program.

Additional details on these changes to DMC and DIPP can be found in a rule that will be published soon in the *Federal Register*. This rule also included information on the new Oriental Fruit Fly Program as well as changes to FSA conservation programs. A copy of the rule is available here.

More Information

To learn more or to participate in DMC or DIPP, producers should contact their local USDA Service Center.

Actively Engaged Provisions for Non-Family Joint Operations or Entities

Many 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.

Transitioning Expiring CRP Land to Beginning, Veteran or Underserved Farmers and Ranchers

CRP contract holders are encouraged to transition their Conservation Reserve Program (CRP) acres to beginning, veteran or socially disadvantaged farmers or ranchers through the Transition Incentives Program (TIP). TIP provides annual rental payments to the landowner or operator for up to two additional years after the CRP contract expires.

CRP contract holders no longer need to be a retired or retiring owner or operator to transition their land. TIP participants must agree to sell, have a contract to sell, or agree to lease long term (at least five years) land enrolled in an expiring CRP contract to a beginning, veteran, or socially disadvantaged farmer or rancher who is not a family member.

Beginning, veteran or social disadvantaged farmers and ranchers and CRP participants may enroll in TIP beginning two years before the expiration date of the CRP contract. The TIP application must be submitted prior to completing the lease or sale of the affected lands. New landowners or renters that return the land to production must use sustainable grazing or farming methods.

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

Double Cropping

Each year, state committees review and approve or disapprove county committee recommended changes or additions to specific combinations of crops.

Double-cropping is approved when two specific crops have the capability to be planted and carried to maturity for the intended use, as reported by the producer, on the same acreage within a crop year under normal growing conditions. The specific combination of crops recommended by the county committee must be approved by the state committee.

Double-cropping is approved in Indiana on a county-by-county basis. Contact your local FSA Office for a list of approved double-cropping combinations for your county.

A crop following a cover crop terminated according to termination guidelines is approved double cropping and these combinations do not have to be approved by the state committee.

Submit Loan Requests for Financing Early

The Indiana Farm Loan team is already working on operating loans for spring 2022 and asks potential borrowers to submit their requests early so they can be timely processed. The farm loan team can help determine which loan programs are best for applicants.

FSA offers a wide range of low-interest loans that can meet the financial needs of any farm operation for just about any purpose. The traditional **farm operating and farm ownership loans** can help large and small farm operations take advantage of early purchasing discounts for spring inputs as well expenses throughout the year.

Microloans are a simplified loan program that will provide up to $50,000 for both Farm Ownership and Operating Microloans to eligible applicants. These loans, targeted for smaller and non-traditional operations, can be used for operating expenses, starting a new operation, purchasing equipment, and other needs associated with a farming operation. Loans to beginning farmers and members of underserved groups are a priority.

Other types of loans available from your local FSA Office include:

Marketing Assistance Loans allow producers to use eligible commodities as loan collateral and obtain a 9-month loan while the crop is in storage. These loans provide cash flow to the producer and allow them to market the crop when prices may be more advantageous.

Farm Storage Facility Loans can be used to build permanent structures used to store eligible commodities, for storage and handling trucks, or portable or permanent handling equipment. A variety of structures are eligible under this loan, including bunker silos, grain bins, hay storage structures, and refrigerated structures for vegetables and fruit. A producer may borrow up to $500,000 per loan**.**

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.

Indiana NRCS Accepting Second Round Applications to Help Protect and Restore Wetlands

Indiana's USDA Natural Resources Conservation Service (NRCS) announced today they are continuing to accept applications to restore, protect and enhance wetlands throughout the state. Dollars are still available for private landowners and Indian tribes through the Wetland Reserve Easements (WRE) program. While applications are accepted on a continuous basis, February 28 will be the second-round application date to be considered for funding this year. Eligible landowners can choose to enroll in a permanent or 30-year easement.

Wetland easements provide habitat for fish and wildlife, including threatened and endangered species, improve water quality by filtering sediments and chemicals, reduce flooding, recharge groundwater, protect biological diversity and provide opportunities for educational and limited recreational activities. In Indiana, over 80,000 acres of wetlands have been enrolled into easements, many of which lie in critical migratory areas for waterfowl and other birds such as the Wabash River, Goose Pond, Kankakee Marsh and Muscatatuck River Corridor.

To enroll land in a wetland reserve easement, NRCS enters into a purchase agreement that includes the right for NRCS to develop and implement a wetland plan on that land. The plan will detail practices to help restore, protect and enhance the wetlands functions and values. NRCS will pay all costs associated with recording the easement in the local land records office, including recording fees, charges for abstracts, survey and appraisal fees and title insurance, regardless of a 30-year or permanent easement.

For more information about easements in Indiana, visit: https://www.nrcs.usda.gov/wps/portal/nrcs/in/programs/easements/.

USDA Announces Details of New Insurance Option for Conservation-Minded Corn Farmers

Corn farmers who "split-apply" nitrogen now have another option for insurance coverage. The U.S. Department of Agriculture's (USDA) Risk Management Agency (RMA) today announced the details of its Post Application Coverage Endorsement (PACE) in certain states for non-irrigated corn, providing coverage for producers who use this practice that saves producers money and is considered better for natural resources.

PACE provides payments for the projected yield lost when producers are unable to apply the post nitrogen application during the V3-V10 corn growth stages due to field conditions created by weather. PACE is offered in select counties in 11 states, including Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin. It is available as supplemental coverage for Yield Protection (YP), Revenue Protection (RP), and Revenue Protection with Harvest Price Exclusion (RP-HPE) policies. The first sales closing date to purchase insurance is March 15, 2022.

To “split-apply” nitrogen, growers make multiple fertilizer applications during the growing season rather than providing all the crop’s nitrogen requirements with a single treatment before or during planting. This practice can lead to lower input costs and helps prevent runoff and leaching of nutrients into waterways and groundwater.

This new crop insurance option builds upon RMA’s efforts to encourage use of conservation practices, including cover crops. For example, RMA recently provided $59.5 million in premium support for producers who planted cover crops on 12.2 million acres through the new Pandemic Cover Crop Program. Additionally, RMA recently updated policy to allow producers with crop insurance to hay, graze or chop cover crops at any time and still receive 100% of the prevented planting payment. This policy change supports use of cover crops, which can help producers build resilience to drought.

More Information

To learn more about PACE, visit the RMA’s Conservation webpage, which has frequently asked questions, a fact sheet and other resources.

RMA staff are working with AIPs and other customers by phone, mail, and electronically to support crop insurance coverage for producers. Farmers with crop insurance questions or needs should contact their insurance agents about conducting business remotely (by telephone or email). More information can be found at farmers.gov/coronavirus.

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.

Important Dates to Remember

January 17 - Offices Closed in Observance of Martin Luther King, Jr’s Birthday
January 18 – Final Acreage Reporting Date for Apples
January 31 – Final Date to Submit Application for Payment for 2021 Losses under Livestock Forage Program (LFP)
January 31 – Final Date to Submit Application for Payment for 2021 Losses under Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP)
January 31 – Deadline to Apply for Loan Deficiency Payments (LDP) for Unshorn Pelts Produced During the 2021 Crop Year
February 4 - Final Date to Sign up for the Organic and Transitional Education and Certification Program (OTECP)
February 4 – Final Date to Submit Late-Filed Application for the Organic Certification Cost Share Program (OCCSP)
February 18 – Final Date to Enroll in the Dairy Margin Coverage Program (DMC) and the Supplemental Dairy Margin Coverage Program
February 21 – Offices Closed in Observance of George Washington’s Birthday
February 25 – Final Date to Submit an Application for the Spot Market Hog Pandemic Program (SMHPP)
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 (Subscribe to USDA Emails for Farmers | Farmers.gov)

Disaster Programs Notice of Loss Filing Requirements

Emergency Livestock Assistance Program (ELAP) (Honeybee, Livestock Assistance & Farm-Raised Fish)
Livestock Indemnity Program (LIP)
Noninsured Crop Disaster Assistance Program
Tree Assistance Program (TAP)

Click here for a printable copy of the Annual Indiana Important Deadline Dates

---

January 2022 Interest Rates

USDA announced loan interest rates for January 2022, which are effective January 1, 2022. 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.

Interest rates for Operating and Ownership loans for January 2022 are as follows:

- Farm Operating Loans (Direct): 2.125%
- Farm Ownership Loans (Direct): 3.000%
- Farm Ownership Loans (Direct, Joint Financing): 2.500%
- Farm Ownership Loans (Down Payment): 1.500%
- Emergency Loan (Amount of Actual Loss): 3.125%

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.

Commodity and Storage Facility Loans

Additionally, 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): 1.250%
- Farm Storage Facility Loans:
- Three-year loan terms: 0.875%
- Five-year loan terms: 1. 250%
- Seven-year loan terms: 1.375%
- Ten-year loan terms: 1.500%

- Twelve-year loan terms: 1.625%

Disaster Support

FSA also reminds rural communities, farmers and ranchers, families and small businesses affected by the year's winter storms, drought, and other natural disasters that USDA has programs that provide assistance. Learn more at farmers.gov/protection-recovery.

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

Indiana Farm Service Agency State Office

5981 Lakeside Blvd
Indianapolis IN 46278

Phone: 317-290-3315
Fax: 855-374-4066

Susan Houston
Acting State Executive Director
susan.houston@usda.gov

Kala Nicholson-Cline
Acting Farm Loan Programs Chief
kala.nicholson-cline@usda.gov

Joshua Oren
Administrative Officer
joshua.oren@usda.gov

Susan Houston
Price Support/Disaster Program Chief
susan.houston@usda.gov

Stephanie Alexander
Conservation/Compliance Program Chief
stephanie.alexander@usda.gov

Susan Houston
Acting Production Adjustment Program Chief
susan.houston@usda.gov

Susan Houston
Acting State Committee
susan.houston@usda.gov

Indiana Farm Service Agency

Service Center Locator