

August 2015



Maryland FSA Newsletter

Maryland Farm Service Agency

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Please contact your [local FSA Office](#) for questions specific to your operation or county.

USDA Announces Conservation Incentives for Working Grass, Range and Pasture Lands

Beginning Sept. 1, farmers and ranchers can apply for financial assistance to help conserve working grasslands, rangeland and pastureland while maintaining the areas as livestock grazing lands.

The initiative is part of the voluntary Conservation Reserve Program (CRP), a federally funded program that for 30 years has assisted agricultural producers with the cost of restoring, enhancing and protecting certain grasses, shrubs and trees to improve water quality, prevent soil erosion and reduce loss of wildlife habitat. In return, the U.S. Department of Agriculture (USDA) provides participants with rental payments and cost-share assistance. CRP has helped farmers and ranchers prevent more than 8 billion tons of soil from eroding, reduce nitrogen and phosphorous runoff relative to cropland by 95 and 85 percent respectively, and even sequester 43 million tons of greenhouse gases annually, equal to taking 8 million cars off the road.

The CRP-Grasslands initiative will provide participants who establish long-term, resource-conserving covers with annual rental payments up to 75 percent of the grazing value of the land. Cost-share assistance also is available for up to 50 percent of the covers and other practices, such as cross fencing to support rotational grazing or improving pasture cover to benefit pollinators or other wildlife. Participants may still conduct common grazing practices, produce hay, mow, or harvest for seed production, conduct fire rehabilitation, and construct firebreaks and fences.

With the publication of the CRP regulation today, the Farm Service Agency will accept applications on an ongoing basis beginning Sept. 1, 2015, with those applications scored against published ranking criteria, and approved based on the competitiveness of the offer. The ranking period will occur at least once per year and be announced at least 30 days prior to its start. The end of the first ranking period will be Nov. 20, 2015.

To learn more about participating in CRP-Grasslands or SAFE, visit www.fsa.usda.gov/crp or consult with the local Farm Service Agency county office. To locate a nearby Farm Service Agency office, visit <http://offices.usda.gov>. To learn more about the 30th anniversary of CRP, visit www.fsa.usda.gov/CRPis30 or follow on Twitter using #CRPis30.

NAP Deadline Approaching for 2016 Crops

Producers are reminded to apply for 2016 Noninsured Crop Disaster Assistance Program (NAP) benefits by September 1, 2015. The sales closing dates for 2016 NAP Coverage are below.

Sales Closing Dates for 2016 NAP Coverage	Crop
September 1, 2015	Value loss crops or controlled environment crops, ornamental nursery, aquaculture, Christmas trees, ginseng, floriculture, mushrooms, turf grass sod
September 30, 2015	Biennial and Perennial forage crops, alfalfa, grass forages, mixed forages, and other forages
November 20, 2015	Perennial crops (other than those intended for forage), peaches, apples, cherries, grapes, berries
December 1, 2015	Honey and maple sap
December 31, 2015	Potatoes
February 15, 2016	Early spring vegetables with a crop reporting date of May 15 th . This includes but is not limited to: asparagus, broccoli, cauliflower, cabbage, greens, horseradish, kale, lettuce, onions, peas and radishes
March 15, 2016	All other yield based crops

Eligible producers can apply for 2016 NAP coverage at their local FSA Office using form CCC-471, Application for Coverage. The service fee for basic NAP coverage is the lesser of \$250 per crop or \$750 per producer per administrative county, not to exceed a total of \$1,875 for a producer with farming interest in multiple counties. Producers interested in buy-up coverage must pay a premium, in addition to the service fee. The maximum premium will be \$6,563.

Producer meeting the definition of a socially disadvantaged farmer or rancher, beginning farmer or rancher or limited resource farmer or rancher will have service fees waived. Producers meeting this definition that choose to purchase buy-up coverage will also have service fees waived and the premium will be capped at \$3,282.

The application and service fee must be filed by September 1, 2015 for value loss crops or controlled environment crops, ornamental nursery, aquaculture, Christmas trees, ginseng, floriculture, mushrooms, and turf grass sod.

Enrollment for 2016 Dairy Margin Protection Program Began July 1

FSA announced that starting July 1, 2015, dairy farmers can enroll in [Margin Protection Program](#) for **coverage in 2016**. The voluntary program, established by the 2014 Farm Bill, provides financial assistance to participating dairy operations when the margin – the difference between the price of milk and feed costs – falls below the coverage level selected by the farmer.

The Margin Protection Program gives participating dairy producers the flexibility to select coverage levels best suited for their operation. Enrollment begins July 1 and ends on Sept. 30, 2015, for coverage in 2016. Participating farmers will remain in the program through 2018 and pay a \$100

administrative fee each year. Producers also have the option of selecting a different coverage level during open enrollment each year. Margin Protection Program payments are based on an operation's historical production. An operation's historical production will increase by 2.61 percent in 2016 if the operation participated in 2015, providing a stronger safety net.

USDA also has an online resource available to help dairy producers decide which level of coverage will provide them with the strongest safety net under a variety of conditions. The enhanced Web tool, available at www.fsa.usda.gov/mpptool, allows dairy farmers to quickly and easily combine their unique operation data and other key variables to calculate their coverage needs based on price projections. Producers can also review historical data or estimate future coverage based on data projections. The secure site can be accessed via computer, mobile phone, or tablet, 24 hours a day, seven days a week.

Dairy operations enrolling in the program must meet conservation compliance provisions. Producers participating in the Livestock Gross Margin insurance program may register for the Margin Protection Program, but this new margin program will only begin once their livestock dairy insurance coverage has ended. Producers must also submit form CCC-782 for 2016, confirming their Margin Protection Program coverage level selection, to the local Farm Service Agency (FSA) office. If electing higher coverage for 2016, dairy producers can either pay the premium in full at the time of enrollment or pay a minimum of 25 percent of the premium by Feb. 1, 2016.

For more information, visit FSA online at www.fsa.usda.gov/dairy or stop by a local FSA office to learn more about the Margin Protection Program. To find a local FSA office in your area, visit <http://offices.usda.gov>.

MAL and LDP Policy Changes for Crop Years 2015-2018

The Agricultural Act of 2014 authorized 2014-2018 crop year Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs), with a few minor policy changes.

Among the changes, farm-stored MAL collateral transferred to warehouse storage will retain the original loan rate, be allowed to transfer only the outstanding farm-stored quantity with no additional quantity allowed and will no longer require producers to have a paid for measurement service when moving or commingling loan collateral.

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 producers interim financing after harvest to help them meet cash flow needs without having to sell their 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 2015 MALs and LDPs for wool as well as LDPs for unshorn pelts. MAL and LDP requests for all other eligible commodities will be accepted after harvest. FSA continues to accept MAL and LDP requests for 2014 crops with upcoming deadlines.

Before MAL repayments and LDP disbursements can be made, producers must meet the requirements of actively engaged in farming, cash rent tenant and member contribution.

Additionally, form CCC-902 and CCC-901 must be submitted for the 2014 crop year, if applicable, with a county committee determination and updated subsidiary files.

To be considered eligible for an LDP, producers must have form [CCC-633EZ, Page 1](#) on file at their 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.

The 2014 Farm Bill also establishes payment limitations per individual or entity not to exceed \$125,000 annually on certain commodities for the following program benefits: price loss coverage payments, agriculture risk coverage payments, marketing loan gains (MLGs) and LDPs. These payment limitations do not apply to MAL loan disbursements.

Adjusted Gross Income (AGI) provisions were modified by the 2014 Farm Bill, which states that a producer whose total applicable three-year average AGI exceeds \$900,000 is not eligible to receive an MLG or LDP.

For more information and additional eligibility requirements, please visit a nearby USDA Service Center or FSA's website www.fsa.usda.gov.

Youth Loans

The Farm Service Agency makes loans to youth to establish and operate agricultural income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5000.

Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Comply with FSA's general eligibility requirements
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the youth loan applicant, along with providing adequate supervision.

Stop by the county office for help preparing and processing the application forms.

Microloans

Farm Service Agency (FSA) reminds farmers and ranchers that the FSA borrowing limit for microloans increased from \$35,000 to \$50,000, on Nov. 7, 2014. Microloans offer borrowers simplified lending with less paperwork.

The microloan change allows beginning, small and mid-sized farmers to access an additional \$15,000 in loans using a simplified application process with up to seven years to repay. Microloans are part of USDA's continued commitment to [small and midsized farming operations](#).

To complement the microloan program additional changes to FSA eligibility requirements will enhance beginning farmers and ranchers access to land, a key barrier to entry level producers. FSA policies related to farm experience have changed so that other types of skills may be considered to meet the direct farming experience required for farm ownership loan eligibility. Operation or management of non-farm businesses, leadership positions while serving in the military or advanced education in an agricultural field will now count towards the experience applicants need to show

when applying for farm ownership loans. **Important Note:** *Microloans cannot be used to purchase real estate.*

Since 2010, more than 50 percent of USDA's farm loans now go to beginning farmers and FSA has increased its lending to targeted underserved producers by nearly 50 percent.

Please review the [FSA Microloan Program Fact Sheet](#) for program application, eligibility and related information.

Selected Interest Rates for August 2015		Dates to Remember	
90-Day Treasury Bill	.125%	Sept. 1	Sales Closing Date for 2016 NAP Coverage for value loss crops or controlled environment crops, ornamental nursery, aquaculture, Christmas trees, ginseng, floriculture, mushrooms, turf grass sod
Farm Operating Loans — Direct	2.625%		
Farm Ownership Loans — Direct	4.00%	Sept. 30	Sales Closing Date for 2016 NAP Coverage for biennial and perennial forage crops, alfalfa, grass forages, mixed forages and other forages
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50%		
Emergency Loans	3.625%	Sept. 30	Final Date to Enroll for 2016 MPP-Dairy Coverage
Farm Storage Facility Loans (7 years)	2.125%	Sept. 30	Final Date to Enroll for 2014 and 2015 ARC/PLC Programs
Farm Storage Facility Loans (10 years)	2.375%		
Farm Storage Facility Loans (12 years)	2.500%	Nov 20	Sales Closing Date for 2016 NAP Coverage for perennial crops (other than those intended for forage), peaches, apples, cherries, grapes, berries
Commodity Loans 1996-Present	1.250%		

USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).