

February 2016



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.

FSA Issues Fiscal Year 2015 Impacts Report

2015 marks the 20th anniversary of USDA's Farm Service Agency, but FSA's roots date back nearly 80 years, to the days of the Great Depression and the Dust Bowl, when the rural economy was in crisis and America's farmers and ranchers needed assistance. At that time, Congress empowered USDA to provide a strong safety-net for farm families, helping them navigate the unpredictability of natural disasters and volatile market conditions.

Today, technological advancements in equipment, crop and veterinary sciences, soil and water conservation, and pest and nutrient management, all have resulted in agriculture becoming stronger than we've ever known - - certainly far stronger than the days of our grandparents and great-grandparents. But the unpredictability of weather and markets remain. That means the FSA mission is as important as it's ever been to ensure the domestic agriculture sector continues to deliver an abundant, safe, and affordable food and fiber supply for the American people.

The [FSA Impacts Report](#) shows selected highlights for fiscal year 2015. This report highlights the achievements of FSA and will ensure that the path forward continues to demonstrate our commitment to rural America.

Maryland FSA Reminds Producers to Consider Risk Protection Coverage before March 15 Sales Closing Date

The USDA Farm Service Agency (FSA) reminds producers to review available USDA crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the upcoming crop deadline of **March 15, 2016**.

Federal crop insurance covers crop losses from natural adversities such as drought, hail and excessive moisture. NAP covers losses from natural disasters on crops for which no permanent federal crop insurance program is available, including perennial grass forage and grazing crops, fruits, vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

The following NAP application closing dates have been established for Maryland:

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

USDA has partnered with Michigan State University and the University of Illinois to create an online tool at www.fsa.usda.gov/nap that allows producers to determine whether their crops are eligible for federal crop insurance or NAP and to explore the best level of protection for their operation. NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production, with higher levels of coverage, up to 65 percent of their expected production at 100 percent of the average market price available, including coverage for organics and crops marketed directly to consumers. Crops intended for grazing are not eligible for additional NAP coverage.

Federal crop insurance coverage is sold and delivered solely through private insurance agents. Agent lists are available at all USDA Service Centers or at USDA's online Agent Locator: <http://prodwebnlb.rma.usda.gov/apps/AgentLocator/#>. Producers can use the USDA Cost Estimator, <https://ewebapp.rma.usda.gov/apps/costestimator/Default.aspx>, to predict insurance premium costs.

For more information on NAP, service fees, premiums and sales deadlines, contact your [local FSA office](#) or visit the web at www.fsa.usda.gov/nap.

USDA 49th Enrollment Period for the Conservation Reserve Program Ends Feb. 26

December 2015 Marked 30th Anniversary for the Nation's Most Successful Voluntary Conservation Program

Farmers and ranchers are reminded that the general enrollment period for the Conservation Reserve Program (CRP) ends on **Feb. 26, 2016**. December 2015 marked the 30th anniversary of CRP, a federally funded program that assists 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.

As of September 2015, 24.2 million acres were enrolled in CRP. CRP also is protecting more than 170,000 stream miles with riparian forest and grass buffers, enough to go around the world 7 times. For an interactive tour of CRP success stories from across the U.S., visit www.fsa.usda.gov/CRPis30, or follow on Twitter at #CRPis30.

Participants in CRP establish long-term, resource-conserving plant species, such as approved grasses or trees (known as "covers") to control soil erosion, improve water quality and develop wildlife habitat on marginally productive agricultural lands. In return, FSA provides participants with rental payments and cost-share assistance. At times when commodity prices are low, enrolling sensitive lands in CRP can be especially attractive to farmers and ranchers, as it softens the economic hardship for landowners at the same time that it provides ecological benefits. Contract duration is between 10 and 15 years. The long-term goal of the program is to re-establish native plant species on marginal agricultural lands for the primary purpose of preventing soil erosion and improving water quality and related benefits of reducing loss of wildlife habitat.

Contracts on 1.64 million acres of CRP are set to expire on Sept. 30, 2016. Producers with expiring contracts or producers with environmentally sensitive land are encouraged to evaluate their options under CRP.

Since it was established on Dec. 23, 1985, CRP has:

- Prevented more than 9 billion tons of soil from eroding, enough soil to fill 600 million dump trucks;
- Reduced nitrogen and phosphorous runoff relative to annually tilled cropland by 95 and 85 percent respectively;
- Sequestered an annual average of 49 million tons of greenhouse gases, equal to taking 9 million cars off the road.

Since 1996, CRP has created nearly 2.7 million acres of restored wetlands.

For more information on FSA conservation programs, visit a local FSA office or www.fsa.usda.gov/conservation. To find your local FSA office, visit <http://offices.usda.gov>.

USDA Expands Microloans to 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) will begin offering farm ownership microloans, creating a new financing avenue for farmers to buy and improve property. These microloans will be 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, which celebrates its third anniversary this week, 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>.

Farm Loan Graduation Reminder

FSA Direct Loans are considered a temporary source of credit that is available to producers who do not meet normal underwriting criteria for commercial banks.

FSA periodically conducts Direct Loan graduation reviews to determine a borrower's ability to graduate to commercial credit. If the borrower's financial condition has improved to a point where they can refinance their debt with commercial credit, they will be asked to obtain other financing and partially or fully pay off their FSA debt.

By the end of a producer's operating cycle, the Agency will send a letter requesting a current balance sheet, actual financial performance and a projected farm budget. The borrower has 30 days to return the required financial documents. This information will be used to evaluate the borrower's potential for refinancing to commercial credit.

If a borrower meets local underwriting criteria, FSA will send the borrower's name, loan type, balance sheet and projected cash flow to commercial lenders. The borrower will be notified when loan information is sent to local lenders.

If any lenders are interested in refinancing the borrower's loan, FSA will send the borrower a letter with a list of lenders that are interested in refinancing the loan. The borrower must contact the lenders and complete an application for commercial credit within 30 calendar days.

If a commercial lender rejects the borrower, the borrower must obtain written evidence that specifies the reasons for rejection and submit to their local FSA farm loan office.

If a borrower fails to provide the requested financial information or to graduate, FSA will notify the borrower of noncompliance, FSA's intent to accelerate the loan, and appeal rights.

ARC, PLC and CTAP Acreage Maintenance

Producers enrolled in Agriculture Risk Coverage (ARC), Price Loss Coverage (PLC) or the Cotton Transition Assistance Program (CTAP) must protect all cropland and noncropland acres on the farm from wind and water erosion and noxious weeds. Producers who sign ARC county or individual contracts and PLC contracts agree to effectively control noxious weeds on the farm according to sound agricultural practices. If a producer fails to take necessary actions to correct a maintenance problem on a farm that is enrolled in ARC, PLC or CTAP, the County Committee may elect to terminate the contract for the program year.

Selected Interest Rates for February 2016	
90-Day Treasury Bill	.125%
Farm Operating Loans — Direct	2.625%
Farm Ownership Loans — Direct	3.875%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency Loans	3.625%
Farm Storage Facility Loans (7 years)	2.00%
Sugar Storage Facility Loans	2.375%
Commodity Loans 1996-Present	1.625%

Dates to Remember	
Feb. 26	Final day of general enrollment period for the Conservation Reserve Program (CRP)
March 15	NAP application closing date for all other yield-based crops. Contact local county office for specific details.
March 31	Final availability date for MALs and LDPs for barley, canola, crambe, flaxseed, honey, oats, rapeseed, wheat, sesame seed
May 15	Crop reporting deadline for spring forage seeding, peas (green only), potatoes
May 31	Final availability date for MALs and LDPs for corn, dry peas, grain sorghum, lentils, mustard seed, rice, safflower seed, chickpeas, soybeans, sunflower seed

USDA is an equal opportunity provider, employer and lender. 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).