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Maryland FSA Newsletter

Maryland Farm Service Agency

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Maryland FSA News

Maryland Farm Service Agency would like to thank Linda Slacum for her dedication to the agency and Maryland farmers over the last 34 years - as a Program Technician, County Executive Director, Executive Officer and most recently State Executive Director of Maryland. She has led Maryland FSA to strive to always provide excellent customer service and program delivery to the farmers of Maryland. We wish her the very best in the next chapter of her life after decades of serving rural America with dedication.

Foreign Buyers Notification

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. The Farm Service Agency administers this program for USDA.

Farm Loan Program**Chief:**

Cheryl Walker

Farm Programs Chief:

Bob Wevodau

To find contact information for your local office go to www.fsa.usda.gov/md

All individuals who are not U.S. citizens, and have purchased or sold agricultural land in the county are required to report the transaction to FSA with 90 days of the closing. Failure to submit the AFIDA form (FSA-153) could result in civil penalties of up to 25 percent of the fair market value of the property. County government offices, Realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

USDA Expands Grasslands Conservation Program to Small-Scale Livestock Producers

Helping Dairy, Beef and Other Producers Protect Working Grasslands in 43 States

USDA will accept over 300,000 acres in 43 states that were offered by producers during the recent ranking period for the Conservation Reserve Program (CRP) Grasslands enrollment with emphasis placed on small-scale livestock operations. Through the voluntary CRP Grasslands program, grasslands threatened by development or conversion to row crops are maintained as livestock grazing areas, while providing important conservation benefits. Approximately 200,000 of the accepted acres were offered by small-scale livestock operations.

The most recent ranking period closed on Dec. 16, 2016, and included for the first time a CRP Grasslands practice specifically tailored for small-scale livestock grazing operations to encourage broader participation. Under this ranking period and for future periods, small-scale livestock operations with 100 or fewer head of grazing cows (or the equivalent) can submit applications to enroll up to 200 acres of grasslands per farm. Larger operations may still make offers through the normal process. USDA met its goal of 200,000 acres under this small-scale initiative. The new practice for small-scale livestock grazing operations encourages greater diversity geographically and in all types of livestock operations. Visit <http://go.usa.gov/x9PFS> to view the complete list of acres accepted by state.

Participants in CRP Grasslands establish or maintain long-term, resource-conserving grasses and other plant species to control soil erosion, improve water quality and develop wildlife habitat on marginally productive agricultural lands. CRP Grasslands participants can use the land for livestock production (e.g. grazing or producing hay), while following their conservation and grazing plans in order to maintain the cover. A goal of CRP Grasslands is to minimize conversion of grasslands either to row crops or to non-agricultural uses. Participants can receive annual payments of up to 75 percent of the grazing value of the land and up to 50 percent of the cost of cover practices like cross-fencing to support rotational grazing or improving pasture cover to benefit pollinators or other wildlife.

USDA selects offers for enrollment based on six ranking factors: (1) current and future use, (2) new farmer/rancher or underserved producer involvement, (3) maximum grassland preservation, (4) vegetative cover, (5) environmental factors, and (6) pollinator habitat. Offers not selected in a ranking period are rolled over into the next ranking period.

Small livestock operations or other farming and ranching operations interested in participating in CRP Grasslands should contact their local FSA office. To find your local FSA office, visit <http://offices.usda.gov>. To learn more about FSA's conservation programs, visit www.fsa.usda.gov/conservation.

USDA Encourages Producers to Consider Risk Protection Coverage before Crop Sales Deadlines

The Farm Service Agency encourages producers to examine available USDA crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the applicable crop sales deadline.

Producers are reminded that crops not covered by insurance may be eligible for NAP. The 2014 Farm Bill expanded NAP to include higher levels of protection. Beginning, underserved and limited resource farmers are now eligible for free catastrophic level coverage, as well as discounted premiums for additional levels of protection."

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 crops in **Maryland** have a NAP application deadline of **February 15, 2017: 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**.

All other yield based crops have a NAP application deadline of **March 15, 2017**.

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, including coverage for organics and crops marketed directly to consumers.

Deadlines for coverage vary by state and crop. To learn more about NAP visit www.fsa.usda.gov/nap or contact your local USDA Service Center. To find your local USDA Service Centers go to <http://offices.usda.gov>.

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.

USDA Climate Hub 'Energy Generation and Efficiency' Building Block

Through the Agricultural Act of 2014, USDA has several authorities that encourage the adoption of renewable energy and energy efficiency technologies. The Energy Generation and Efficiency Building Block supports energy efficiency improvements in rural homes and on farm operations, for example, through EQIP's National On-Farm Energy Initiative. This Building Block also provides opportunities to reduce Greenhouse Gas (GHG) emissions from energy generation and use, for example, through the Rural Energy for America Program. To learn more about energy generation and efficiency opportunities from USDA click the following link:

http://www.usda.gov/oce/climate_change/building_blocks/10_EnergyGenerationEfficiency.pdf

For more information about the USDA Climate Hubs click here: <http://www.climatehubs.oce.usda.gov/>.

USDA's Farm Service Agency Expands Bridges to Opportunity Nationwide

The U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) announced the expansion of a unique service for farmers and ranchers. FSA's Bridges to Opportunity program provides a one-stop-shop that connects producers with resources, programs and educational services offered across the department, as well as from other USDA partner organizations. Bridges to Opportunity, which currently provides enhanced customer support to more than 150,000 customers in 20 states, will expand to serve customers across the country before the end of the month using fiscal year 2016 funds.

FSA's presence in over 2,100 county offices, in nearly every rural county, puts the agency in a unique position to partner with non-governmental organizations to reach thousands of agricultural producers who can benefit from the programs and services. Bridges to Opportunity allows FSA employees to search and obtain a list of all local, state, regional and national organizations that may be able to assist local producers with their specific need. For example, FSA's Houston County office in Texas partnered with many agricultural organizations to serve producers affected by severe drought. When drought-stricken agricultural producers came to the county office looking for assistance, FSA employees were able to provide traditional services, such as the Livestock Forage Program and the Emergency loan program administered by FSA, as well as connect local farmers with local, regional, and national organizations that provide drought assistance and education.

Bridges to Opportunity was developed by FSA to provide producers with a more comprehensive customer service experience by connecting them with other USDA agencies and nonfederal partners. Through Bridges to Opportunity, FSA county office employees have the tools to connect farmers, ranchers and anyone interested in agriculture with customized expertise on topics ranging including organic production, beginning farmer resources, integrated pest management, disaster assistance, conservation practices, agricultural educational courses, loans, grants and other financial assistance that can start, grow or benefit farming and ranching operations.

For more information about Bridges to Opportunity, please contact your local FSA county office. To locate your FSA county office, please see <https://offices.usda.gov>.

USDA Announces New Conservation Opportunities to Improve Water Quality and Restore Wildlife Habitat

USDA will offer farmers and ranchers more opportunities to participate in the Conservation Reserve Program (CRP). The announcement includes new CRP practices to protect water quality and adds an additional 1.1 million acres targeted to benefit wildlife, pollinators and wetlands.

The new conservation initiative known as Clean Lakes, Estuaries and Rivers (CLEAR) will add new tools to CRP that can help to improve water quality. CLEAR will assist landowners with the cost of building bioreactors and saturated buffers that filter nitrates and other nutrients from tile-drained cropland. Early estimates indicate that CLEAR could help to reduce nitrate runoff by as much as 40 percent over traditional conservation methods. CLEAR may cover up to 90 percent of the cost to install these new practices through incentives and cost-share. These new methods are especially important in areas where traditional buffers have not been enough to prevent nutrients from reaching bodies of water.

USDA will also add an additional 1.1 million acres to a number of key CRP practices that are critically important to wildlife and conservation. These include 700,000 acres for State Acres for Wildlife Enhancement (SAFE) efforts, which restore high-priority wildlife habitat tailored to a specific state's needs. In addition to SAFE, 300,000 acres will be added to target wetlands restoration that are nature's water filters and 100,000 acres for pollinator habitat that support 30 percent of agricultural production.

The continued strong demand for CRP combined with the limited acreage available for enrollment and lower land rental rates, allows USDA to modify certain program components without affecting the integrity of the program. Signing incentives are being reduced by \$25 per acre on certain practices for fiscal year 2018 enrollments (incentives are currently between \$100 and \$150 per acre) and a cap on the maximum soil rental rate is being instituted for Continuous CRP at \$300 per acre. The savings from these changes are being reinvested back in CRP, including the additional acres for SAFE, pollinator habitat and wetlands restoration.

To learn more about FSA's conservation programs, visit www.fsa.usda.gov/conservation or contact your local FSA office. To find your local FSA office, visit <http://offices.usda.gov>.

Direct Loans

FSA offers direct farm ownership and direct farm operating Loans to producers who want to establish, maintain or strengthen their farm or ranch. FSA loan officers process, approve and service direct loans.

Direct farm operating loans can be used to purchase livestock and feed, farm equipment, fuel, farm chemicals, insurance and other costs including family living expenses. Operating loans can also be used to finance minor improvements or repairs to buildings and to refinance some farm-related debts, excluding real estate.

Direct farm ownership loans can be used to purchase farmland, enlarge an existing farm, construct and repair buildings, and to make farm improvements.

The maximum loan amount for both direct farm ownership and operating loans is \$300,000 and a down payment is not required. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

Please contact your local FSA office for more information or to apply for a direct farm ownership or operating loan.

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.

Selected Interest Rates and Dates to Remember

Selected Interest Rates for January 2017	
90-Day Treasury Bill	.375
Farm Operating Loans — Direct	2.375
Farm Ownership Loans — Direct	3.625
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50
Emergency Loans	3.375
Farm Storage Facility Loans (7 years)	2.250
Commodity Loans 1996-Present	1.875

Dates to Remember	
Feb 15	NAP application deadline for early spring vegetables with a crop reporting date of May 15 – includes, but is not limited to: asparagus, broccoli, cauliflower, cabbage, greens, horseradish, kale, lettuce, onions, peas and radishes
March 15	NAP application deadline for all other yield based crops
March 31	Final availability date for MALs and LDPs for barley, canola, crambe, flaxseed, honey, oats, rapeseed, wheat, sesame 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).