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Maryland FSA Newsletter

Maryland Farm Service Agency

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USDA Announces Enrollment Period for Safety Net Coverage in 2017

Producers on farms with base acres under the safety net programs established by the 2014 Farm Bill, known as the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs, can begin visiting FSA county offices starting Nov. 1, 2016, to sign contracts and enroll for the 2017 crop year. The enrollment period will continue until Aug. 1, 2017.

Since shares and ownership of a farm can change year-to-year, producers on the farm must enroll by signing a contract each program year.

If a farm is not enrolled during the 2017 enrollment period, the producers on that farm will not be eligible for financial assistance from the ARC or PLC programs for the 2017 crop should crop prices or farm revenues fall below the historical price or revenue benchmarks established by the program. Producers who made their elections in 2015 must still enroll during the 2017 enrollment period.

The ARC and PLC programs were authorized by the 2014 Farm Bill and offer a safety net to agricultural producers when there is a substantial drop in prices or revenues for covered commodities. Covered commodities include barley, canola, large and small

Farm Loan Program Chief: Cheryl Walker
chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium grain rice (which includes short grain and sweet rice), safflower seed, sesame, soybeans, sunflower seed and wheat. Upland cotton is no longer a covered commodity. For more details regarding these programs, go to www.fsa.usda.gov/arc-plc.

Farm Programs Chief: Bob Wevodau
To find contact information for your local office go to www.fsa.usda.gov/md
For more information, producers are encouraged to visit their local FSA office. To find a local FSA office, visit <http://offices.usda.gov>.

USDA Expands Working-Lands Conservation Opportunities through CRP

USDA will offer a new Conservation Reserve Program (CRP) Grasslands practice specifically tailored for small-scale livestock grazing operations. Small livestock operations with 100 or fewer head of grazing dairy cows (or the equivalent) can submit applications to enroll up to 200 acres of grasslands per farm. USDA's goal is to enroll up to 200,000 acres.

The most recent CRP Grassland ranking period ended on Nov. 10, 2016, and the third ranking period will close on December 16, 2016. To date, the USDA's Farm Service Agency (FSA) has received nearly 5,000 offers covering over 1 million acres for this CRP working-lands conservation program. These offers are predominantly larger acreage rangeland in Western states.

The new practice for small-scale livestock grazers aims, in part, to encourage greater diversity geographically and in types of livestock operation. This opportunity will close on Dec. 16, 2016. Offers selected this fiscal year will be enrolled into CRP Grasslands beginning Oct. 1, 2017.

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 to fund cover or practices like cross-fencing to support rotational grazing or improving pasture cover to benefit pollinators or other wildlife.

USDA will select 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 for the second ranking period also will be considered from producers who submitted offers for the first ranking period but were not accepted, as well as from new offers submitted through Dec. 16.

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.

Margin Protection Program for Dairy Enrollment Deadline is Dec. 16

The deadline for dairy producers to enroll in the Margin Protection Program (MPP) for Dairy is Dec. 16, 2016. This voluntary dairy safety net program, established by the 2014 Farm Bill, provides financial assistance to participating dairy producers when the margin – the difference between the price of milk and feed costs – falls below the coverage level selected by the producer. A USDA web tool, available at www.fsa.usda.gov/mpptool, allows dairy producers to calculate levels of coverage available from MPP based on price projections.

USDA Resumes Incentives to Grow the Bioeconomy and Improve Forest Health

USDA announced that \$1.5 million will be available in fiscal year 2017 for farmers and foresters who harvest and deliver biomass for renewable energy. The funds are from the Biomass Crop Assistance Program (BCAP), which was reauthorized by the 2014 Farm Bill.

In fiscal year 2017, there is \$3 million total available for BCAP, half of which is for harvesting and delivering forest or agricultural residues to a USDA-approved energy facility. BCAP also provides financial assistance to farmers and ranchers who establish and maintain new crops of biomass for energy or biobased products; additional information on the resumption of those funds will be announced at a later date.

Facilities seeking to be qualified by USDA to accept BCAP-funded biomass can begin enrollment Nov. 14 through Dec. 5, 2016. Also, between Jan. 9, 2017, through March 15, 2017, USDA will accept applications from foresters and farmers seeking incentives to remove biomass residues from fields or national forests for delivery to energy generation facilities. The retrieval payments are provided at match of \$1 for \$1, up to \$20 per dry ton. Eligible crops include corn residue, orchard waste or diseased or insect-infested wood materials.

To learn more about BCAP or to enroll in updates, visit www.fsa.usda.gov/bcap or contact your local FSA county office. To find your local county office, visit <http://offices.usda.gov>.

USDA Climate Hub Building Block: Nitrogen Stewardship

USDA Climate Hubs are working with farmers, livestock producers, pasture and forest landowners to effectively partner in ways to help mitigate and adapt to a changing climate. Next in our series on the 10 Building Blocks for Climate Smart Agriculture and Forestry is Nitrogen Stewardship.

Within the United States, agriculture is a significant source of nitrous oxide (N₂O) emissions—a greenhouse gas (GHG) that has a global warming potential 250 times more than carbon dioxide (CO₂). In 2013, cropland agriculture released approximately 136 MMTCO₂e (Million Metric Tons of Carbon Dioxide-Equivalent) in direct N₂O emissions. More than half of these N₂O emissions are from synthetic fertilizers and organic amendments. Improved nitrogen management practices can reduce emissions from these sources.

The primary practice used in the Nitrogen Stewardship Building Block to reduce GHG emissions involves the 4Rs: right source, right rate, right time, and right place. The 4Rs come from the NRCS Conservation Practice Standard (CPS) Nutrient Management (590). To read more about Nitrogen

Stewardship click the following link or copy and paste the link into your web browser:
http://www.usda.gov/oce/climate_change/building_blocks/2_NitrogenStewardship.pdf

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

USDA Invests \$1.7 Billion to Protect Sensitive Agricultural Lands through Conservation Reserve Program

More than Half a Million Americans Involved with Protecting 24 Million Acres

USDA will issue nearly \$1.7 billion in payments to more than half of a million Americans who have contracts with the government to protect sensitive agricultural lands. The investment, part of the voluntary USDA Conservation Reserve Program (CRP), will allow producers to protect almost 24 million acres of wetlands, grasslands and wildlife habitat in 2016.

CRP provides financial assistance to farmers and ranchers who remove environmentally sensitive land from production to be planted with certain grasses, shrubs and trees that improve water quality, prevent soil erosion, and increase wildlife habitat. In return for enrolling in CRP, USDA, through the Farm Service Agency (FSA), provides participants with rental payments and cost-share assistance. Landowners enter into contracts that last between 10 and 15 years.

More than 1.3 million acres were newly enrolled in CRP in fiscal year 2016 using the continuous enrollment authority, double the pace of the previous year. In fiscal year 2016, FSA also accepted 411,000 acres through its general enrollment authority, plus 101,000 acres in the new CRP-Grasslands program, which balances conservation with working lands. More than 70 percent of the acres enrolled in CRP-Grasslands are diverse native grasslands under threat of conversion, with more than 97 percent of the acres having a new, veteran or underserved farmer or rancher as a primary producer.

CRP has sequestered an annual average of 49 million tons of greenhouse gases, equal to taking nine million cars off the road, and prevented nine billion tons of soil from erosion, enough to fill 600 million dump trucks.

For more information about CRP, contact your local FSA office or online at www.fsa.usda.gov/crp. Visit www.fsa.usda.gov/crpis30 or follow Twitter at #CRPis30 for program anniversary background and success stories. To locate your local FSA office, visit <http://offices.usda.gov>.

USDA Announces Streamlined Guaranteed Loans and Additional Lender Category for Small-Scale Operators

Options Help More Beginning, Small and Urban Producers Gain Access to Credit

The U.S. Department of Agriculture (USDA) announced the availability of a streamlined version of USDA guaranteed loans, which are tailored for smaller scale farms and urban producers. The program, called EZ Guarantee Loans, uses a simplified application process to help beginning, small, underserved and family farmers and ranchers apply for loans of up to \$100,000 from USDA-approved lenders to purchase farmland or finance agricultural operations.

USDA today also unveiled a new category of lenders that will join traditional lenders, such as banks and credit unions, in offering USDA EZ Guarantee Loans. Microlenders, which include Community Development Financial Institutions and Rural Rehabilitation Corporations, will be able to offer their customers up to \$50,000 of EZ Guaranteed Loans, helping to reach urban areas and underserved producers. Banks, credit unions and other traditional USDA-approved lenders, can offer customers up to \$100,000 to help with agricultural operation costs.

EZ Guarantee Loans offer low interest rates and terms up to seven years for financing operating expenses and 40 years for financing the purchase of farm real estate. USDA-approved lenders can issue these loans with the Farm Service Agency (FSA) guaranteeing the loan up to 95 percent.

USDA is providing a 90-day period for the public to review and comment on program improvements. To review program details, visit www.regulations.gov, reference RIN 0560-AI34 and follow the instructions to submit comments.

More than half of all FSA loans go to new farmers and more than a quarter to underserved borrowers. FSA also offers loans of up to \$5,000 to young farmers and ranchers through the Youth Loan Program. Loans are made to eligible youth to finance agricultural projects, with almost 9,000 young people now participating. More information about the available types of FSA farm loans can be found at www.fsa.usda.gov/farmloans or by contacting your local FSA office. To find your nearest office location, visit <http://offices.usda.gov>

Preauthorized Debit Available for Farm Loan Borrowers

USDA Farm Service Agency (FSA) has implemented pre-authorized debit (PAD) for Farm Loan Program (FLP) borrowers. PAD is a voluntary and alternative method for making weekly, bi-weekly, monthly, quarterly, semi-annual or annual payments on loans.

PAD payments are pre authorized transactions that allow the National Financial and Accounting Operations Center (NFAOC) to electronically collect loan payments from a customer's account at a financial institution.

PAD may be useful for borrowers who use nonfarm income from regular wages or salary to make payments on loans or adjustment offers or for payments from seasonal produce stands. PAD can only be established for future payments.

To request PAD, customers, along with their financial institution, must fill out form RD 3550-28. This form has no expiration date, but a separate form RD 3550-28 must be completed for each loan to which payments are to be applied. A fillable form can be accessed on the USDA Rural Development (RD) website at <http://www.rd.usda.gov/publications/regulations-guidelines>. Click forms and search for "Form 3550-28."

If you have a "filter" on the account at your financial institution, you will need to provide the financial institution with the following information: Origination ID: 1220040804, Agency Name: USDA RD DCFO.

PAD is offered by FSA at no cost. Check with your financial institution to discuss any potential cost. Preauthorized debit has no expiration date, but you can cancel at any time by submitting a written request to your local FSA office. If a preauthorized debit agreement receives three payment rejections within a three month period, the preauthorized debt agreement will be cancelled by FSA. The payment amount and due date of your loan is not affected by a cancellation of preauthorized debit. You are responsible to ensure your full payment is made by the due date.

For more information about PAD, contact your local FSA office. To find a local FSA office, visit <http://offices.usda.gov>

Selected Interest Rates and Dates to Remember

Selected Interest Rates for November 2016	
90-Day Treasury Bill	.375%
Farm Operating Loans — Direct	2.125%
Farm Ownership Loans — Direct	3.25%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency Loans	3.125%
Farm Storage Facility Loans (7 years)	1.50%
Sugar Storage Facility Loans	1.75%
Commodity Loans 1996-Present	1.625%

Dates to Remember	
Dec 1	NAP application deadline for honey and maple sap
Dec 5	Last day to return COC Election ballots to the USDA Service Center
Dec 15	Crop reporting deadline for fall forage seeding, Perennial forage, fall-seeded small grains
Dec 16	Enrollment deadline for 2017 Margin Protection Program for Dairy (MPP-Dairy)
Dec 16	Close of third ranking period for CRP Grasslands
Dec 31	NAP application deadline for potatoes

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).
