

August 2016



---

## Maryland FSA Newsletter

---

### **Maryland Farm Service Agency**

339 Busch's Frontage Road, Suite 104  
Annapolis, MD 21409

Phone: 443-482-2760  
Fax: 855-401-6639

[www.fsa.usda.gov/md](http://www.fsa.usda.gov/md)

**State Executive Director:**  
Linda D. Slacum

**State Committee:**  
William Malkus,  
Chairperson  
Pamela S. Callahan  
David Patrick  
Sarah Rider  
William D. Walmsley

**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](http://www.fsa.usda.gov/md)

### **USDA Announces Safety Net Assistance for Milk Producers Due to Tightening Dairy Margins**

*May/June 2016 Average Margins Below \$6*

USDA announced approximately \$11.2 million in financial assistance to American dairy producers enrolled in the 2016 Margin Protection Program for Dairy (MPP-Dairy). The payment rate for May/June 2016 will be the largest since the program began in 2014. The narrowing margin between milk prices and the cost of feed triggered the payments, as provided for by the 2014 Farm Bill.

Dairy producers should evaluate their enrollment options for 2017, as the enrollment period ends Sept. 30, 2016.

Dairy producers who enrolled at the \$6 through \$8 margin trigger coverage level will receive payments. MPP-Dairy payments are triggered when the national average margin (the difference between the price of milk and the cost of feed) falls below a level of coverage selected by the dairy producer, ranging from \$4 to \$8, for a specified consecutive two-month period. All final USDA prices for milk and feed components required to determine the national average margin for May/June 2016 were released on July 29, 2016.

The national average margin for the May/June 2016 two-month consecutive period is \$5.76277 per hundred weight (cwt.).

State specific payment amounts can be found at [www.fsa.usda.gov/dairy](http://www.fsa.usda.gov/dairy).

To learn more about the Margin Protection Program for dairy, visit the Farm Service Agency (FSA) online at [www.fsa.usda.gov/dairy](http://www.fsa.usda.gov/dairy) or stop by a local FSA office. Producers may visit [www.fsa.usda.gov/mpptool](http://www.fsa.usda.gov/mpptool) to calculate the best levels of coverage for their dairy operation. To find an FSA office near you, visit <http://offices.usda.gov>.

---

## 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 the Noninsured Crop Disaster Assistance Program (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.

USDA has partnered with Michigan State University and the University of Illinois to create an online tool at [www.fsa.usda.gov/nap](http://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](http://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.

---

## Filing a Notice of Loss

The CCC-576, Notice of Loss, is used to report failed acreage and prevented planting and may be completed by any producer with an interest in the crop. Timely filing a Notice of Loss is required for all crops including grasses. For losses on crops covered by the Non-Insured Crop Disaster Assistance Program (NAP), you must file a CCC-576, Notice of Loss, in the FSA County Office within 15 days of the occurrence of the disaster or when losses become apparent or 15 calendar days after the normal harvest date.

Producers of hand-harvested crops must notify FSA of damage or loss through the administrative County Office within 72 hours of the date of damage or loss first becomes apparent. This notification can be provided by filing a CCC-576, email, fax or phone. Producers who notify the County Office by any method other than by filing the CCC-576 are still required to file a CCC-576, Notice of Loss, within the required 15 calendar days.

If filing for prevented planting, an acreage report and CCC-576 must be filed within 15 calendar days of the final planting date for the crop.

---

## **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.

---

## **USDA Creates More Bird Habitat Opportunities on Irrigated Farmland**

USDA's Farm Service Agency (FSA) announces more bird habitats to be established in irrigated farmland regions through the Conservation Reserve Program (CRP).

Declines in upland bird populations, such as the northern bobwhite, pheasant, and prairie chicken, led to the creation of new Conservation Reserve Program features to help restore habitats for these species in these agricultural areas. Since the program's creation in 2004, more than 240,000 acres of marginal cropland has been converted to native grasslands, spurring an increase in upland bird populations.

In recent years, however, applications for this type of habitat creation have slowed. To encourage more participation, USDA's new policy focuses on farmland with center-pivot irrigation systems where there are circular areas of cropland with patches of land beyond the reach of irrigation. Until now, these patches – known as pivot corners – were only eligible for habitat creation when connected by a linear strip of grassland also enrolled in the program. The new policy allows producers interested in habitat creation to use disconnected pivot corners to help increase the population of upland birds.

Other species that can benefit from this change include the mourning dove, wild turkey, several sparrows, meadowlark and bobolinks.

The Conservation Reserve Program is a voluntary program. FSA contracts with agricultural landowners so that environmentally sensitive land is not farmed but instead used for conservation. Participants establish long-term plant species that control soil erosion, sequester carbon, improve water quality, and strengthen declining wildlife populations. In return, participants receive annual rental payments between 10 and 15 years.

Interested landowners can enroll pivot corners in the Conservation Reserve Program at any time. Participants and land must meet certain eligibility requirements. Other restrictions may apply. For additional details, contact your local Farm Service Agency office at [offices.usda.gov](https://offices.usda.gov) or visit the website at [www.fsa.usda.gov/conservation](https://www.fsa.usda.gov/conservation).

---

## **Farm Service Agency (FSA) and Risk Management Agency (RMA) to Prevent Fraud, Waste, and Abuse**

FSA supports the RMA in the prevention of fraud, waste and abuse of the Federal Crop Insurance Program. FSA has been, and will continue to, assist RMA and insurance providers by monitoring crop conditions throughout the growing season. FSA will continue to refer all suspected cases of fraud, waste and abuse directly to RMA. Producers can report suspected cases to the county office staff, the RMA office, or the Office of the Inspector General.

---

## USDA Improves Access to Capital for Tribal Farmlands with Multiple Owners

*New Program Allows More Farm Loans for “Highly Fractionated” Tribal Land*

USDA is expanding the availability of farm loans for Indian tribes and members to purchase tribal farmland that has multiple owners. The improved lending opportunities are possible due to new authority granted by the 2014 Farm Bill, which allows USDA to provide revolving loan funds to qualified intermediary lenders that can relend the funds to qualified tribes and individuals.

As a direct result of more than a dozen tribal meetings across the country, USDA is able to implement a solution to a longstanding barrier to financing, which will increase the availability of farm loans to Native Americans who want to start or expand a farming or ranching operation on Indian lands.

Under the [1887 Dawes Act](#), Indian reservation land was divided and allotted to individual tribal members such that with the passing of each generation, title ownership was divided and parceled among heirs, while the land was not. As a result, land once owned by a single person could today be owned by hundreds or thousands of individuals, resulting in what is known as “highly fractionated Indian land.” In many instances, landowners are unknown or cannot be located, which complicates the coordination of ownership or prevents the use of the property altogether. There are more than 245,000 owners of three million fractionated land interests, spanning approximately 150 Indian reservations.

Under the rules published, USDA will now allow tribes and tribal members to submit a farm loan application to an intermediary lender. To participate, intermediary lenders first must be approved by USDA. The lenders may be private and tribal nonprofit corporations, public agencies, Indian tribes, or lenders subject to federal or state regulation (such as a credit union or other financial institution). FSA will lend to the intermediary, which will relend to the applicant. The intermediary lender also will administer the loan for the applicant.

For more information, visit [www.fsa.usda.gov/farmloans](http://www.fsa.usda.gov/farmloans) or contact the local FSA county office. To find the 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.

## Selected Interest Rates and Dates to Remember

Selected Interest Rates for August 2016		Dates to Remember	
90-Day Treasury Bill	0.500%		
Farm Operating Loans — Direct	2.250%	Sep 1	NAP application deadline for value loss crops or controlled environment crops, ornamental nursery, aquaculture, Christmas trees, ginseng, floriculture, mushrooms, and turf grass sod
Farm Ownership Loans — Direct	3.375%		
Emergency Loans	3.250%	Sep 30	Enrollment deadline for 2017 Margin Protection Program for Dairy (MPP-Dairy)
Farm Storage Facility Loans (7 years)	1.375%		
Sugar Storage Facility Loans	1.750%		
Commodity Loans 1996-Present	1.500%	Sep 30	NAP application deadline for Biennial and Perennial forage crops, alfalfa, grass forages, mixed forages, and other forages

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).