Topics for January

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- Foreign Buyers Notification
- USDA Farm Service Agency (FSA) Announces Online Hay and Grazing Acres Locator Tool
- Farming Operation Changes
- Beginning Farmer Loans
- Microloan Cap Grows to $50,000

Maryland FSA Newsletter

Maryland Farm Service Agency
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State Executive Director:
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Farm Loan Program Chief:
Cheryl Walker

Important ARC/PLC Program Deadlines Approaching

Producers are reminded that the deadline to update yield history and/or reallocate base acres is Feb. 27, 2015. Farm owners and producers can choose between the new 2014 Farm Bill established programs, Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) through March 31, 2015. The new programs, designed to help producers better manage risk, usher in one of the most significant reforms to U.S. farm programs in decades.

USDA helped create online tools to assist in the decision process, allowing farm owners and producers to enter information about their operation and see projections that show what ARC and/or PLC will mean for them under possible future scenarios. Farm owners and producers can access the online resources, available at www.fsa.usda.gov/arc-plc, from the convenience of their home computer or mobile device at any time.

Covered commodities include barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium grain rice (which includes short grain rice), safflower seed, sesame, soybeans, sunflower seed and wheat. Upland cotton is no longer a
Farm Programs Chief:
Bob Wevoda

Please contact your local FSA Office for questions specific to your operation or county.

Dates associated with ARC and PLC that farm owners and producers need to know:

- Now through Feb. 27, 2015: Farm owners may visit their local Farm Service Agency office to update yield history and/or reallocate base acres.
- Now through March 31, 2015: Producers make a one-time election between ARC and PLC for the 2014 through 2018 crop years.
- Mid-April 2015 through summer 2015: Producers sign contracts for 2014 and 2015 crop years.
- October 2015: Payments issued for 2014 crop year, if needed.

To learn more about which safety net options are most appropriate for specific farming operations, farmers can use new Web tools at www.fsa.usda.gov/arc-plc, which can be accessed from the convenience of a home computer or a mobile device at any time. To learn more about upcoming educational meetings, farmers can contact their local Farm Service Agency county office at http://offices.sc.egov.usda.gov/locator/app.

USDA Reminds Farmers of 2014 Farm Bill Conservation Compliance Changes

The 2014 Farm Bill implements a change that requires farmers to have a Highly Erodible Land Conservation and Wetland Conservation Certification (AD-1026) on file.

For farmers to be eligible for premium support on their federal crop insurance, a completed and signed AD-1026 certification form must be on file with the FSA. The Risk Management Agency (RMA), through the Federal Crop Insurance Corporation (FCIC), manages the federal crop insurance program that provides the modern farm safety net for American farmers and ranchers.

Since enactment of the 1985 Farm Bill, eligibility for most commodity, disaster, and conservation programs has been linked to compliance with the highly erodible land conservation and wetland conservation provisions. The 2014 Farm Bill continues the requirement that producers adhere to conservation compliance guidelines to be eligible for most programs administered by FSA and NRCS. This includes most financial assistance such as the new price and revenue protection programs, the Conservation Reserve Program, the Livestock Disaster Assistance programs and Marketing Assistance Loans and most programs implemented by FSA. It also includes the Environmental Quality Incentives Program, the Conservation Stewardship Program, and other conservation programs implemented by NRCS.

Many FSA and Natural Resource Conservation (NRCS) programs already have implemented this requirement and therefore most producers should already have an AD-1026 form on file for their associated lands. If however an AD-1026 form has not been filed or is incomplete then farmers are reminded of the deadline of June 1, 2015.

When a farmer completes and submits the AD-1026 certification form, FSA and NRCS staff will
review the associated farm records and outline any additional actions that may be required to meet
the required compliance with the conservation compliance provisions.

FSA recently released a revised form AD-1026, which is available at USDA Service Centers and
online at: www.fsa.usda.gov. USDA will publish a rule later this year that will provide details
outlining the connection of conservation compliance with crop insurance premium
support. Producers can also contact their local USDA Service Center for information. A listing of
service center locations is available at offices.usda.gov.

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**Breaking New Ground**

Agricultural producers are reminded to consult with FSA and NRCS before breaking out new ground
for production as doing so without prior authorization may put a producer’s federal farm program
benefits in jeopardy. This is especially true for land that must meet Highly Erodible Land (HEL) and
Wetland Conservation (WC) provisions.

Producers with HEL determined soils must apply tillage, crop residue and rotation requirements as
specified in their conservation plan.

Producers should notify FSA prior to conducting land clearing or drainage projects to ensure
compliance. If you intend to clear any trees to create new cropland, these areas will need to be
reviewed to ensure any work will not risk your eligibility for benefits.

Landowners and operators can complete form AD-1026 Highly Erodible Land Conservation (HELC)
and Wetland Conservation (WC) Certification to determine whether a referral to Natural Resources
Conservation Service (NRCS) is necessary.

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**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.

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 within 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.

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**USDA Farm Service Agency (FSA) Announces Online Hay
and Grazing Acres Locator Tool**

For many years, FSA’s Hay Net website www.fsa.usda.gov/haynet has been the "go to" online
resource for agricultural producers to list information concerning the need for hay or the availability
of hay.

Now, in response to requests from livestock producers and landowners, FSA has expanded the site
to include the option to list a need for grazing acres or to list acres available for grazing.

If, due to extenuating circumstances, producers are in need of hay and/or grazing acres to support
livestock, please use *Hay Net* to post an advertisement seeking these resources. Likewise, landowners who have hay and/or grazing acres available for livestock producers should post a *Hay Net* advertisement as well.

A few things to remember when using the *Hay Net* website:

- There is a one-time registration process that should be completed by all users who want to post an ad online.
- Users who just want to browse ads DO NOT NEED to have an eAuthentication user id.
- Hay and grazing acre ads will be automatically removed after a period of 13 months.
- Please help your fellow farmer and rancher by keeping ads current and up to date and remove ads you no longer need or want advertised on *Hay Net*. Please, no corporate advertisements on this site.

*Hay Net* is brought to you by FSA as a public service. The sole purpose of this online resource is to provide a site for the exchange of information. FSA does not endorse, guarantee, or otherwise make representations of any kind regarding any user of this site and FSA is not responsible for defining the terms of grazing agreements or lease contracts.

For more information about *Hay Net* and other FSA services and programs, please contact your local FSA office. For local FSA Service Center contact information, please visit: [offices.usda.gov](http://offices.usda.gov).

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**Farming Operation Changes**

Producers who have bought or sold land, or added or dropped rented land from their operation must report those changes to the FSA office as soon as possible. A copy of the deed or recorded land contract for purchase property is needed to maintain accurate records with FSA. Failure to do so can lead to possible program ineligibility and penalties. While making record updates, be sure to update signature authorizations. Making record changes now will save time in the spring.

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**Beginning Farmer Loans**

FSA assists beginning farmers to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more than 10 years
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
- Does not own a farm in excess of 30 percent of the county's average size farm.

Additional program information, loan applications, and other materials are available at your local USDA Service Center. You may also visit [www.fsa.usda.gov](http://www.fsa.usda.gov).

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**Microloan Cap Grows to $50,000**

Farm Service Agency (FSA) reminds farmers and ranchers that the FSA borrowing limit for microloans increased from $35,000 to $50,000, effective Nov. 7. 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 mid-sized 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, FSA has made a record amount of farm loans — more than 165,000 loans totaling nearly $23 billion. More than 50 percent of USDA's farm loans now go to beginning farmers. In addition, FSA has increased its lending to socially-disadvantaged producers by nearly 50 percent since 2010.

Please review the FSA Microloan Program Fact Sheet for program application, eligibility and related information.

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0.125% | 2.625% | 4.00% | 1.50% | 3.625% | 2.000% | 2.250% | 2.375% | 1.125% |

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).