April 2015

April Topics

Virginia FSA Newsletter

Virginia FSA State Office

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USDA Implements 2014 Farm Bill Provision to Limit Payments to Non-Farmers

Department Proposes Changes to "Actively Engaged" Rule

USDA proposed a rule to limit farm payments to non-farmers, consistent with requirements Congress mandated in the 2014 Farm Bill. The proposed rule limits farm payments to individuals who may be designated as farm managers but are not actively engaged in farm management. In the Farm Bill, Congress gave USDA the authority to address this loophole for joint ventures and general partnerships, while exempting family farm operations from being impacted by the new rule USDA ultimately implements.

The current definition of "actively engaged" for managers, established in 1987, is broad, allowing individuals with little to no contributions to critical farm management decisions to receive safety-net payments if they are classified as farm managers, and for some operations there were an unlimited number of managers

Farm Loans

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Virginia FSA Internet
More Information about Virginia FSA programs, activities and news can be found on the VA FSA Internet at

http://www.fsa.usda.gov/va

To learn more about FSA programs you can also visit the National website at http://www.fsa.usda.gov

that could receive payments.

The proposed rule seeks to close this loophole to the extent possible within the guidelines required by the 2014 Farm Bill. Under the proposed rule, non-family joint ventures and general partnerships must document that their managers are making significant contributions to the farming operation, defined as 500 hours of substantial management work per year, or 25 percent of the critical management time necessary for the success of the farming operation. Many operations will be limited to only one manager who can receive a safety-net payment. Operators that can demonstrate they are large and complex could be allowed payments for up to three managers only if they can show all three are actively and substantially engaged in farm operations. The changes specified in the rule would apply to payment eligibility for 2016 and subsequent crop years for Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Programs, loan deficiency payments and marketing loan gains realized via the Marketing Assistance Loan program.

As mandated by Congress, family farms will not be impacted. There will also be no change to existing rules for contributions to land, capital, equipment, or labor. Only non-family farm general partnerships or joint ventures comprised of more than one member will be impacted by this proposed rule.

Stakeholders interested in commenting on the proposed definition and changes are encouraged to provide written comments at www.regulations.gov by May 26, 2015. The proposed rule is available at http://go.usa.gov/3C6Kk.

USDA to Issue Disaster Assistance to Help Honeybee, Livestock and Farm-Raised Fish Producers

Farm Bill Program Offers Producers Relief for 2014 Losses in more than 40 States including State

The U.S. Department of Agriculture's (USDA) Farm Service Agency today announced that nearly 2,700 applicants will begin receiving disaster assistance through the Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP) for losses experienced from Oct. 1, 2013, through Sept. 30, 2014.

The program, re-authorized by the 2014 Farm Bill, provides disaster relief to livestock, honeybee, and farm-raised fish producers not covered by other agricultural disaster assistance programs. Eligible losses may include excessive heat or winds, flooding, blizzards, hail, wildfires, lightning strikes, volcanic eruptions and diseases, or in the case of honeybees, losses due to colony collapse disorder. Beekeepers, most of whom suffered honeybee colony losses, represent more than half of ELAP recipients.

The farm bill caps ELAP disaster funding at $20 million per federal fiscal year and the Budget Control Act of 2011, passed by Congress, requires USDA to reduce payments by 7.3 percent, beginning Oct. 1, 2014. To accommodate the number of requests for ELAP assistance, which exceeded 2014 funding, payments will be reduced to ensure that all eligible applicants receive a prorated share.

Today's announcement was made possible by the 2014 Farm Bill, which builds on historic economic gains in rural America over the past six years, while achieving meaningful reform and billions of dollars in savings for the taxpayer. Since enactment, USDA has made significant progress to implement each provision of this critical legislation, including providing disaster relief to farmers and ranchers; strengthening risk management tools; expanding access to rural credit; funding critical research; establishing innovative public-private conservation partnerships; developing new markets for rural-made products; and investing in infrastructure, housing and community facilities to help improve quality of life in rural America. For more information, visit http://www.usda.gov/farmbill.

To learn more about ELAP, visit www.fsa.usda.gov/elap. For more information about USDA Farm Service Agency (FSA) disaster assistance programs, visit disaster.usda.fsa.gov or contact your local FSA office at http://offices.usda.gov.

2015 Acreage Reporting Dates

In order to comply with FSA program eligibility requirements, all producers are encouraged to visit their local county FSA office to file an accurate crop certification report by the applicable deadline.

The following acreage reporting dates are applicable across Virginia:

- November 15: Apiculture, PRF/Perennial Forage Clams November 30.
- January 15: Apples, Peaches, Fall-Seeded Small Grains.
- May 15: Cabbage (Planted 3/16-4/15), Spring Oats, Potatoes, Tomatoes (Planted on or before 5/15/).
- June 15: Beans (Planted 3/4-5/25).
- July 15: Beans (Planted 5/26-7/10), Tomatoes (Planted 5/16-7/5), Tomatoes, all other crops not listed.
- August 15: Cabbage (Planted 4/16-7/10).
- September 15 Beans (Planted 7/15-9/5).

The following exceptions apply to the above acreage reporting dates:

- If the crop has not been planted by the above acreage reporting date, then the acreage must be reported no later than 15 calendar days after planting is completed.

- If a producer acquires additional acreage after the above acreage reporting date, then the acreage must be reported no later than 30 calendars days after purchase or acquiring the lease. Appropriate documentation must be provided to the county office.

· If a perennial forage crop is reported with the intended use of “cover only,” “green manure,” “left standing,” or “seed,” then the acreage must be reported by July 15th.

Noninsured Crop Disaster Assistance Program (NAP) policy holders should note that the acreage reporting date for NAP covered crops is the earlier of the dates listed above or 15 calendar days before grazing or harvesting of the crop begins.

For questions regarding crop certification and crop loss reports, please contact your local FSA office.

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) and crop insurance, 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.

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.

Livestock Indemnity Program (LIP)

The Livestock Indemnity Program (LIP) provides assistance to eligible producers for livestock death losses in excess of normal mortality due to adverse weather and attacks by animals reintroduced into the wild by the federal government or protected by federal law. LIP compensates livestock owners and contract growers for livestock death losses in excess of normal mortality due to adverse weather, including losses due to hurricanes, floods, blizzards, wildfires, extreme heat or extreme cold.

For 2015, eligible losses must occur on or after Jan. 1, 2015, and before December 31, 2015. A notice of loss must be filed with FSA within 30 days of when the loss of livestock is apparent. Participants must provide the following supporting documentation to their local FSA office no later than 30 calendar days after the end of the calendar year for which benefits are requested:

- Proof of death documentation
- Copy of growers contracts
- Proof of normal mortality documentation

USDA has established normal mortality rates for each type and weight range of eligible livestock, i.e. Adult Beef Cow = 1.5% and Non-Adult Beef Cattle (less than 400 pounds) = 5%. These established percentages reflect losses that are considered expected or typical under “normal” conditions. Producers who suffer livestock losses in 2015 must file both of the following:

· A notice of loss the earlier of 30 calendar days of when the loss was apparent or by January 30, 2016.

- An application for payment by January 30, 2016.

Additional Information about LIP is available at your local FSA office or online at: http://www.fsa.usda.gov

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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 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.

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 today's 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 or visit the website at www.fsa.usda.gov/conservation.

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

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Loans for the Historically Underserved

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or purchase or improve farms or ranches.

While all qualified producers are eligible to apply for these loan programs, the FSA has provided priority funding for members of historically underserved applicants.

A historically underserved applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities.

For purposes of this program, historically underserved groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders.

FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

Selected Interest Rates for April 2015

90-Day Treasury Bill - 0.250%

Farm Operating Loans — Direct - 2.375%

Farm Ownership Loans — Direct - 3.375%

Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher - 1.500%

Direct Farm Ownership - Joint Financing - 2.500%

Emergency Loans - 3.375%

Farm Storage Facility Loans (7 years) - 1.875%

Farm Storage Facility Loans (10 years) - 2.125%

Commodity Loans 1996-Present - 1.250%

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