

August 2015



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## Virginia FSA State Newsletter

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### Virginia FSA State Office

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#### Hours

Monday - Friday  
7:30 a.m. - 4:30 p.m.

### USDA Opens Enrollment Period for Agriculture Risk Coverage and Price Loss Coverage Safety-Net Programs

U.S. Department of Agriculture (USDA) announced that eligible producers may now formally enroll in the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs for 2014 and 2015. The enrollment period began June 17, 2015, and will end Sept. 30, 2015.

The new programs, established by the 2014 Farm Bill, trigger financial protections for agricultural producers when market forces cause substantial drops in crop prices or revenues. More than 1.76 million farmers have elected ARC or PLC. Previously, 1.7 million producers had enrolled to receive direct payments (the program replaced with ARC and PLC by the 2014 Farm Bill). This means more farms have elected ARC or PLC than previously enrolled under previously administered programs.

**State Office Staff**

Pete Adamson, Chief  
Farm Loans

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Connie Washburn-Marsh,  
Chief Administration Officer

Nationwide, 96 percent of soybean farms, 91 percent of corn farms, and 66 percent of wheat farms elected ARC. 99 percent of long grain rice farms, 99 percent of peanut farms, and 94 percent of medium grain rice farms elected PLC. For data about other crops and state-by-state program election results go to [www.fsa.usda.gov/arc-plc](http://www.fsa.usda.gov/arc-plc).

Covered commodities under ARC and PLC 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 and sweet rice), safflower seed, sesame, soybeans, sunflower seed and wheat. Upland cotton is no longer a covered commodity.

For more information please contact your local FSA office <http://offices.sc.egov.usda.gov/locator/app>.

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## **MAL and LDP Policy Changes for Crop Years 2015-2018**

The Agricultural Act of 2014 authorized 2014-2018 crop year Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs), with a few minor policy changes.

Among the changes, farm-stored MAL collateral transferred to warehouse storage will retain the original loan rate, be allowed to transfer only the outstanding farm-stored quantity with no additional quantity allowed and will no longer require producers to have a paid for measurement service when moving or commingling loan collateral.

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, pulse crops, rice, peanuts, cotton, wool and honey. MALs provide producers interim financing after harvest to help them meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows. A producer who is eligible to obtain a loan, but agrees to forgo the loan, may obtain an LDP if such a payment is available. Marketing loan provisions and LDPs are not available for sugar and extra-long staple cotton.

FSA is now accepting requests for 2015 MALs and LDPs for wool as well as LDPs for unshorn pelts. MAL and LDP requests for all other eligible commodities will be accepted after harvest. FSA continues to accept MAL and LDP requests for 2014 crops with upcoming deadlines.

Before MAL repayments and LDP disbursements can be made, producers must meet the requirements of actively engaged in farming, cash rent tenant and member contribution.

Additionally, form CCC-902 and CCC-901 must be submitted for the 2014 crop year, if applicable, with a county committee determination and updated subsidiary files.

To be considered eligible for an LDP, producers must have form [CCC-633EZ](#), Page 1 on file at their local FSA Office before losing beneficial interest in the crop. Pages 2, 3 or 4 of the form must be submitted when payment is requested.

The 2014 Farm Bill also establishes payment limitations per individual or entity not to exceed \$125,000 annually on certain commodities for the following program benefits: price loss coverage payments, agriculture risk coverage payments, marketing loan gains (MLGs) and LDPs. These payment limitations do not apply to MAL loan disbursements.

Adjusted Gross Income (AGI) provisions were modified by the 2014 Farm Bill, which states that a producer whose total applicable three-year average AGI exceeds \$900,000 is not eligible to receive an MLG or LDP.

For more information and additional eligibility requirements, please visit a nearby USDA Service Center or FSA's website [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## **USDA Announces Conservation Incentives for Working Grass, Range and Pasture Lands**

Beginning Sept. 1, farmers and ranchers can apply for financial assistance to help conserve working grasslands, rangeland and pastureland while maintaining the areas as livestock grazing lands.

The initiative is part of the voluntary Conservation Reserve Program (CRP), a federally funded program that for 30 years has assisted agricultural producers with the cost of restoring, enhancing and protecting certain grasses, shrubs and trees to improve water quality, prevent soil erosion and reduce loss of wildlife habitat. In return, the U.S. Department of Agriculture (USDA) provides participants with rental payments and cost-share assistance. CRP has helped farmers and ranchers prevent more than 8 billion tons of soil from eroding, reduce nitrogen and phosphorous runoff relative to cropland by 95 and 85 percent respectively, and even sequester 43 million tons of greenhouse gases annually, equal to taking 8 million cars off the road.

The CRP-Grasslands initiative will provide participants who establish long-term, resource-conserving covers with annual rental payments up to 75 percent of the grazing value of the land. Cost-share assistance also is available for up to 50 percent of the covers and other practices, such as cross fencing to support rotational grazing or improving pasture cover to benefit pollinators or other wildlife. Participants may still conduct common grazing practices, produce hay, mow, or harvest for seed production, conduct fire rehabilitation, and construct firebreaks and fences.

With the publication of the CRP regulation today, the Farm Service Agency will accept applications on an ongoing basis beginning Sept. 1, 2015, with those applications scored against published ranking criteria, and approved based on the competitiveness of the offer. The ranking period will occur at least once per year and be announced at least 30 days prior to its start. The end of the first ranking period will be Nov. 20, 2015.

To learn more about participating in CRP-Grasslands or SAFE, visit [www.fsa.usda.gov/crp](http://www.fsa.usda.gov/crp) or consult with the local Farm Service Agency county office. To locate a nearby Farm Service Agency office, visit <http://offices.usda.gov>. To learn more about the 30th anniversary of CRP, visit [www.fsa.usda.gov/CRPis30](http://www.fsa.usda.gov/CRPis30) or follow on Twitter using #CRPis30.

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## NAP Deadline Approaching for 2016 Crops

Producers are reminded to apply for 2016 Noninsured Crop Disaster Assistance Program (NAP) benefits by September 1, 2015. The September 1, 2015 deadline includes value loss crops (including, but not limited to Aquaculture, Christmas Trees, Ginseng, Turfgrass Sod, Mushrooms, Floriculture and Propagation Stock). September 30 is the deadline for small grain coverage. The deadline for fruit/nut trees, bushes, woody vines and strawberries is November 20; and December 1 for honey and maple sap. The remaining crops have a deadline of February 16, 2016.

Eligible producers can apply for 2016 NAP coverage at their local FSA Office using form CCC-471, Application for Coverage. The service fee for basic NAP coverage is the lesser of \$250 per crop or \$750 per producer per administrative county, not to exceed a total of \$1,875 for a producer with farming interest in multiple counties. Producers interested in buy-up coverage must pay a premium, in addition to the service fee. The maximum premium will be \$6,563.

Producer meeting the definition of a socially disadvantaged farmer or rancher, beginning farmer or rancher or limited resource farmer or rancher will have service fees waived. Producers meeting this definition that choose to purchase buy-up coverage will also have service fees waived and the premium will be capped at \$3,282.

The application and service fee must be filed by September 1, 2015 for value loss crops and September 30 for small grains. Please check with your local FSA Office for specific crop deadlines.

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## Enrollment for 2016 Dairy Margin Protection Program Began July 1

FSA announced that starting July 1, 2015, dairy farmers can enroll in [Margin Protection Program](#) for **coverage in 2016**. The voluntary program, established by the 2014 Farm Bill, provides financial assistance to participating dairy operations when the margin – the difference between the price of milk and feed costs – falls below the coverage level selected by the farmer.

The Margin Protection Program gives participating dairy producers the flexibility to select coverage levels best suited for their operation. Enrollment begins July 1 and ends on Sept. 30, 2015, for coverage in 2016. Participating farmers will remain in the program through 2018 and pay a \$100 administrative fee each year. Producers also have the option of selecting a different coverage level during open enrollment each year. Margin Protection Program payments are based on an operation's historical production. An operation's historical production will increase by 2.61 percent in 2016 if the operation participated in 2015, providing a stronger safety net.

USDA also has an online resource available to help dairy producers decide which level of coverage will provide them with the strongest safety net under a variety of conditions. The enhanced Web tool, available at [www.fsa.usda.gov/mpptool](http://www.fsa.usda.gov/mpptool), allows dairy farmers to quickly and easily combine their unique operation data and other key variables to calculate their coverage needs based on price projections. Producers can also review historical data or estimate future coverage based on

data projections. The secure site can be accessed via computer, mobile phone, or tablet, 24 hours a day, seven days a week.

Dairy operations enrolling in the program must meet conservation compliance provisions. Producers participating in the Livestock Gross Margin insurance program may register for the Margin Protection Program, but this new margin program will only begin once their livestock dairy insurance coverage has ended. Producers must also submit form CCC-782 for 2016, confirming their Margin Protection Program coverage level selection, to the local Farm Service Agency (FSA) office. If electing higher coverage for 2016, dairy producers can either pay the premium in full at the time of enrollment or pay a minimum of 25 percent of the premium by Feb. 1, 2016.

For more information, visit FSA online at [www.fsa.usda.gov/dairy](http://www.fsa.usda.gov/dairy) for more information, or stop by a local FSA office to learn more about the Margin Protection Program. To find a local FSA office in your area, visit <http://offices.usda.gov>.

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## 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.

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.

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## 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.

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## Microloans

Farm Service Agency (FSA) reminds farmers and ranchers that the FSA borrowing limit for microloans increased from \$35,000 to \$50,000, on Nov. 7, 2014. 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 midsized 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, more than 50 percent of USDA's farm loans now go to beginning farmers and FSA has increased its lending to targeted underserved producers by nearly 50 percent.

Please review the FSA [Microloan Program Fact Sheet](#) for program application, eligibility and related information.

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## Selected Interest Rates for August 2015

90-Day Treasury Bill - 0.125%

Farm Operating Loans — Direct - 2.625%

Farm Ownership Loans — Direct - 4.00%

Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher - 1.50%

Emergency Loans - 3.625%

Farm Storage Facility Loans (7 years) - 2.125%

Farm Storage Facility Loans (10 years) - 2.375%

Farm Storage Facility Loans (12 years) - 2.500%

Commodity Loans 1996-Present - 1.250%

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## Dates to Remember

Aug. 28 - Deadline to submit request for a 1 Year Extension for expiring CRP contracts.

Sept. 1 - 2016 NAP Coverage Deadline for Value Loss Crops (aquaculture, Christmas trees, ginseng, floriculture, turfgrass, mushrooms, etc.).

Sept. 4 - Deadline to submit offers for expiring CREP contracts and expiring CCRP contracts.

Sept. 4 - Deadline to submit offers for expiring CRP contracts for Transition Incentive Program (TIP).

Sept. 30 - Deadline to submit contracts for 2014 and 2015 ARCPLC.

Sept. 30 - Deadline for submission of Margin Protection Program-Dairy (MPP-D) for FY 2016 election coverage.

Sept. 30 - 2016 NAP Coverage Deadline for Small Grains.

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For more information on bulletin subjects or details regarding your GovDelivery subscription with the Virginia FSA State Office, contact Dan Mertz at [dan.mertz@va.usda.gov](mailto:dan.mertz@va.usda.gov) or call at 804-287-1548.

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