October 2014

Idaho Farm Service Agency
9173 West Barnes Drive
Suite B
Boise, ID 83709

www.fsa.usda.gov/id

State Committee:
Scott McLeod, Chair
Bobbi Bodine
Sherry Crutcher
Matt Gellings
Amy Manning

Executive Director:
Aaron Johnson, Acting State Executive Director

Division Chiefs:
Aaron Johnson
Farm Loan Chief
Ron Abbott
Farm Program Chief
Terry Pobst-Martin
Administration Chief

To find contact information for your local office you can go to www.fsa.usda.gov/id and select County Offices.

USDA Unveils New Programs to Help Farmers Manage Risk

Recently USDA unveiled highly anticipated new programs to help farmers better manage risk, ushering in one of the most significant reforms to U.S. farm programs in decades.

New tools are now available to help provide farmers the information they need to choose the new safety net program that is right for their business.

The new programs, Agricultural Risk Coverage (ARC) and Price Loss Coverage (PLC), are cornerstones of the commodity farm safety net programs in the 2014 Farm Bill, legislation that ended direct payments. Both programs offer farmers protection when market forces cause substantial drops in crop prices and/or revenues. Producers will have through early spring of 2015 to select which program works best for their businesses.

In late September farm owners began visiting their local Farm Service Agency (FSA) offices to update their yield history and/or reallocate base acres, the first step before choosing which new program best serves their risk management needs. Letters sent this summer enabled farm owners and producers to analyze their crop planting history in order to decide whether to keep their base acres or reallocate them according to recent plantings.

The next step in USDA's safety net implementation is scheduled for this winter when all producers on a farm begin making their election, which will remain in effect for 2014-2018 crop years between the options offered by ARC and PLC.

Producers can contact their local FSA Office for more information on ARC and PLC or to schedule an appointment to update their yield history and/or reallocate base acres.

Key Dates for New 2014 Farm Bill Safety Net Programs

USDA announced key dates for farm owners and producers to keep in mind regarding the new 2014 Farm Bill established programs, Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC). 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.

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

- **Sept. 29, 2014 to Feb. 27, 2015**: Land owners may visit their local Farm Service Agency office to update yield history and/or reallocate base acres.
- **Nov. 17, 2014 to March 31, 2015**: Producers make a one-time election of either ARC or 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 for 2014 crop year, if needed.

USDA leaders will visit with producers across the country to share information and answer questions on the ARC and PLC programs.

Covered commodities include barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, safflower seed, sesame, soybeans, sunflower seed and wheat. Upland cotton is no longer a covered commodity.

USDA Announces Changes to Fruit and Vegetable (FAV) Planting Rules

Farm Service Agency (FSA) has announced fruit, vegetable and wild rice provisions that affect producers who intend to participate in certain programs authorized by the Agricultural Act of 2014.

Producers who intend to participate in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs are subject to an acre-for-acre payment reduction when fruits and nuts, vegetables or wild rice are planted on the payment acres of a farm. Payment reductions do not apply to mung beans, dry peas, lentils or chickpeas. Planting fruits, vegetables or wild rice on acres that are not considered payment acres will not result in a payment reduction. Farms that are eligible to participate in ARC/PLC but are not enrolled for a particular year may plant unlimited fruits, vegetables and wild rice for that year but will not receive ARC/PLC payments for that year. Eligibility for succeeding years is not affected.

Planting and harvesting fruits, vegetables and wild rice on ARC/PLC acreage is subject to the acre-for-acre payment reduction when those crops are planted on either more than 15 percent of the base acres of a farm enrolled in ARC using the county coverage or PLC, or more than 35 percent of the base acres of a farm enrolled in ARC using the individual coverage.

Fruits, vegetables and wild rice that are planted in a double-cropping practice will not cause a payment reduction if the farm is in a double-cropping region as designated by the USDA's Commodity Credit Corporation.

NAP Coverage NOT Available for Annually Planted Crops Used for Mechanically Harvested Livestock Feed

Producers are reminded that NAP coverage will not be available for 2015 annually planted forage crops used for mechanically harvested livestock feed that includes, but is not limited to: small grains, forage sorghums, mixed forages, turnips and other annually planted crops with the following intended uses: "fg," gc," "Hy," and "sg."

Producers were allowed to use NAP coverage for 2014 annual forage crops because there was limited time for producers in the pilot states to transition from NAP to the new RMA pilot program. However, NAP coverage will not be available for 2015 annual forage crops used for mechanically harvested livestock feeds.

NAP Coverage Available for 2015 Crops for Livestock Feed Intended for Grazing:

It is important that producers note that NAP coverage WILL be available for annually planted crops for livestock feed intended for grazing because RMA is not offering CAT level coverage under the Rainfall Index-Annual Forage Insurance Plan. The NAP sales closing date for this insurance is December 1st.

Please contact your local FSA office for questions concerning NAP or your crop insurance agent for questions concerning RMA crop insurance. A list of agents can be found at www.rma.usda.gov/.

Margin Protection Program for Dairy Producers

The 2014 Farm Bill authorized the Margin Protection Program (MPP-Dairy) for dairy producers. The new, voluntary risk management program replaces the Milk Income Loss Contract (MILC) program which expires on Sept. 1, 2014.

MPP-Dairy offers protection to dairy producers when the difference (the margin) between the all-milk price and national average feed cost falls below a certain producer selected amount.

Eligible producers may purchase coverage for their dairy operation by paying an annual administrative fee of $100 and a premium, as applicable, for higher levels of coverage. Producers in the dairy operation will have to select a desired coverage level ranging from $4.00 to $8.00, in $0.50 increments and a desired coverage percentage level ranging from 25 to 90 percent, in 5 percent increments. Producers will also have to decide whether or not to participate in the MPP-Dairy Program or the Livestock Gross Margin program administered by the Risk Management Agency (RMA), but they will not be allowed to participate in both.

A decision tool will be made available in the fall of 2014 to help producers make coverage level decisions. Enrollment will also begin this fall. Dairy operators will establish their production history during signup. Verification of the production records will be required. The regulations for MPP-dairy are still being developed. Additional information will be provided as it becomes available.

Dairy Product Donation Program

The Dairy Product Donation Program (DPDP) assists dairy operations when margins are low by using Commodity Credit Corporation (CCC) funds to purchase dairy products for donation to public and private nonprofit organizations that provide nutrition assistance to low-income populations. Purchases are only made by USDA during periods of low margins. Dairy operators do not have to enroll to benefit from DPDP. The Farm Service Agency (FSA) and Food and Nutrition Service (FNS) will administer the program when FSA determines that the actual dairy production margin has been $4 or less per hundredweight (CWT) for each of the preceding two months.

Farm Bill Allows Early Termination for Certain CRP Contracts

The Farm Service Agency reminds producers with acres under contract through the Conservation Reserve Program (CRP) that they can apply for early contract termination, as required by the 2014 Farm Bill. The deadline to request early CRP contract termination is Jan. 30, 2015.

This is a unique opportunity to request early termination afforded by the 2014 Farm Bill. The earliest effective date for this early termination is October 1, 2014. The requesting CRP contract must have been in effect for at least five years and additional eligibility conditions must be met to qualify. The 2014 Farm Bill identifies a list of 10 exceptions whereby land will not be eligible for the early termination provisions. **Early Termination continued on Page 3**

EARLY TERMINATION continued

For a complete list of these exceptions, please view the program fact sheet online at http://www.fsa.usda.gov/Internet/FSA_File/crp_opt_out_fact_sht.pdf

Once a CRP contract termination request is approved by the FSA County Committee, the decision may not be reversed and the terminated contract will not be reinstated. Once the land is no longer considered under the CRP contract all participants must meet HEL/WC and other conservation compliance provisions for all associated lands.

For more information or to verify eligibility for early termination (opt-out) for existing CRP contracts, please contact your local FSA office. For local FSA Service Center contact information, please visit: http://offices.sc.egov.usda.gov/locator/app.

MICROLOAN PROGRAM

The Farm Service Agency (FSA) developed the Microloan (ML) program to better serve the unique financial operating needs of beginning, niche and small family farm operations.

FSA offers applicants a Microloan designed to help farmers with credit needs of $35,000 or less. Beginning on November 7, 2014 this amount will increase to $50,000. The loan features a streamlined application process built to fit the needs of new and smaller producers. This loan program will also be useful to specialty crop producers and operators of community supported agriculture (CSA).

Eligible applicants can apply for a maximum amount of $35,000 to pay for initial start-up expenses such as hoop houses to extend the growing season, essential tools, irrigation and annual expenses such as seed, fertilizer, utilities, land rents, marketing, and distribution expenses. As financing needs increase, applicants can apply for a regular operating loan up to the maximum amount of $300,000 or obtain financing from a commercial lender under FSA's Guaranteed Loan Program.

Individuals who are interested in applying for a microloan or would like to discuss other farm loan programs available should contact their local FSA office to set up an appointment with a loan official.

USDA ENHANCES FARM STORAGE FACILITY LOAN PROGRAM

The U.S. Department of Agriculture (USDA) today announced the expansion of the Farm Storage and Facility Loan program, which provides low-interest financing to producers. The enhanced program includes 22 new categories of eligible equipment for fruit and vegetable producers.

Producers with small and mid-sized operations, and specialty crop fruit and vegetable growers, now have access to needed capital for a variety of supplies including sorting bins, wash stations and other food safety-related equipment. A new more flexible alternative is also provided for determining storage needs for fruit and vegetable producers, and waivers are available on a case-by-case basis for disaster assistance or insurance coverage if available products are not relevant or feasible for a particular producer.

Additionally, Farm Storage Facility Loan security requirements have been eased for loans up to $100,000. Previously, all loans in excess of $50,000 and any loan with little resale value required a promissory note/security agreement and additional security, such as a lien on real estate. Now loans up to $50,000 can be secured by only a promissory note/security agreement and some loans between $50,000 and $100,000 will no longer require additional security.

The low-interest funds can be used to build or upgrade permanent facilities to store commodities. Eligible commodities include grains, oilseeds, peanuts, pulse crops, hay, honey, renewable biomass commodities, fruits and vegetables. Qualified facilities include grain bins, hay barns and cold storage facilities for fruits and vegetables.

Contact your local FSA office or visit www.fsa.usda.gov for more about FSA programs and loans, including the Farm Storage Facility Loan Program.

DATES TO REMEMBER	
Nov. 1	Deadline for ELAP Application for losses in 2014
Nov. 15	Crop Reporting Deadline for forage
Nov. 28	Registration period ends for 2014 and 2015 Margin Protection Program for Dairy
Dec. 1	Deadline to purchase NAP insurance on perennial crops, honey and fruit
Dec. 15	Crop reporting deadline for all fall seeded crops.

Selected Interest Rates for October 2014	
Farm Operating Loans — Direct	2.125%
Farm Ownership Loans — Direct	3.652%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency Loans	3.125%
Farm Storage Facility Loans (7 years)	2.125%