

April 2015



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North Carolina State FSA Newsletter

North Carolina Farm Service Agency

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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) 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.

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.

Mike Huskey: Chief
Farm Loan Programs

**State Committee
Meeting:
Monthly First Tuesday**

Please contact your [local FSA Office](#) for questions specific to your operation.

Emergency Assistance for Livestock, Honeybee, and Farm-Raised Fish Program (ELAP)

The Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP) provides emergency assistance to eligible livestock, honeybee, and farm-raised fish producers who have losses due to disease, adverse weather or other conditions, such as blizzards and wildfires, not covered by other agricultural disaster assistance programs.

Eligible livestock losses include grazing losses not covered under the Livestock Forage Disaster Program (LFP), loss of purchased feed and/or mechanically harvested feed due to an eligible adverse weather event, additional cost of transporting water because of an eligible drought and additional cost associated with gathering livestock to treat for cattle tick fever.

Eligible honeybee losses include loss of purchased feed due to an eligible adverse weather event, cost of additional feed purchased above normal quantities due to an eligible adverse weather condition, colony losses in excess of normal mortality due to an eligible weather event or loss condition, including CCD, and hive losses due to eligible adverse weather.

Eligible farm-raised fish losses include death losses in excess of normal mortality and/or loss of purchased feed due to an eligible adverse weather event.

Producers who suffer eligible livestock, honeybee, or farm-raised fish losses from October 1, 2014 to September 30, 2015 must file:

- A notice of loss the earlier of 30 calendar days of when the loss is apparent or by November 1, 2015
- An application for payment by November 1, 2015

The Farm Bill caps ELAP disaster funding at \$20 million per federal fiscal year.

The following ELAP Fact Sheets (by topic) are available online:

- ELAP for Farm-Raised Fish Fact Sheet
- ELAP for Livestock Fact Sheet
- ELAP for Honeybees Fact Sheet

To view these and other FSA program fact sheets, visit the FSA fact sheet web page at www.fsa.usda.gov/factsheets.

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.

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.

Livestock Indemnity Program

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) = 3%. 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: www.fsa.usda.gov.

Spring-Summer Food Security Act Compliance Status Review

Conservation Compliance annual status reviews are conducted to ensure that farms receiving USDA program benefits are implementing and maintaining conservation practices. Status reviews are conducted on tracts designated as highly erodible lands (HEL) and wetlands (WET). Each compliance review is a technical review of an entire tract to determine conformance with the HELC and WC provisions of the Food Security Act of 1985, as amended.

USDA participants are notified in writing prior to the review when a tract under their control has been selected for an annual compliance review. The landowner or operator is invited, but not required, to participate in the compliance review, unless the compliance review is for purposes of reinstatement.

Field visits for Food Security Act Annual Compliance Status Reviews in North Carolina will be performed April through August 2015.

NRCS and SWCD Are Here to Help With Your Farming System

As a landowner or operator participating in USDA programs, you face many decisions and much paperwork throughout the year. When you sort through options for your operation, consider reviewing your conservation systems with regard to wetland compliance and fields classified as HEL (highly erodible land). Staff with the Natural Resources Conservation Service (NRCS) and your local Soil and Water Conservation District (SWCD) are available to help you make the right choices for your operation and resource base.

Keep in mind that field operations performed during winter and spring could impact your compliance status, so consult your conservation plan first. If your plan requires updates or changes, contact your local NRCS/SWCD office for assistance. Remember, you must be in compliance to continue to receive USDA program benefits.

Acreage Reporting Requirements When Both ARC and Supplemental Coverage Option (SCO) for Crop Insurance Are Elected

Benefits cannot be received for both ARC and SCO on the same acreage/farm serial number (FSN) of the crop. For the crop insurance acreage report, the insured is required to report which acreage FSN(s) are under the SCO Endorsement and which acreage FSN(s) are under ARC. If the insured incorrectly reports acreage as covered under SCO where ARC has been elected, the acreage report will be revised and the insured is required to pay 20 percent of the premium to offset the cost incurred by the Approved Insurance Provider in servicing the SCO.

Selected Interest Rates for April 2015

90-Day Treasury Bill - .125%

Farm Operating Loans — Direct - 2.375%

Farm Ownership Loans — Direct -3.375%

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

Direct Farm Ownership - Joint Financing - 2.50%

Emergency Loans - 3.375%

Farm Storage Facility Loans (7 years) - 1.875%

Sugar Storage Facility Loans - 2.375%

Commodity Loans 1996-Present - 1.250%

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).