**July 2015**

# July Topics


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# Virginia FSA Newsletter

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## Virginia FSA State Office


**James M. Dunn**
**Acting State Executive Director**

1606 Santa Rosa Rd
Suite 138
Richmond, VA 23229

804-287-1503
855-621-5866 fax


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

**State Office Staff**

## 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.

Pete Adamson, Chief
Farm Loans

Brent L. Whitlock, Chief
Farm Programs

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.

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 https://offices.usda.gov.

## CRP/CREP Re-Enrollment Available Now

The Conservation Reserve Program (CRP) and Conservation Reserve Enhancement Program (CREP) help Virginia farmers and landowners by protecting and restoring natural resources, enhancing the rural landscape, and providing substantial economic benefits for participants. Currently, more than 50,000 acres in the State are enrolled in the program; but on September 30, 2015, more than 8,000 acres that are currently enrolled in CRP/CREP are scheduled to expire. **CRP and CREP participants who have contracts expiring on September 30, 2015 may now offer to re-enroll or extend their contracts.**

Producers with expiring continuous CRP and CREP contracts can re-enroll all or a portion of their land back into the program for another 10-15 year contract term. Re-enrolling an expiring CREP contract will allow participants to continue receiving annual rental payments, often at a higher rate than the original contract.

Also, producers with eligible expiring General CRP contracts are able to extend their contract for one year. Then, FSA will begin to accept new offers to participate in CRP under a general signup to be held Dec. 1, 2015, through Feb. 26, 2016.

**The deadline to submit an offer for continuous CRP/CREP re-enrollment is August 1, 2015**. General CRP extensions may be requested through August 28. Any re-enrolled contract must be approved prior to September 30, 2015 and become effective on October 1, 2015. Visit your local FSA office soon and allow the FSA staff to help you determine your options!

## 2015 Acreage Reporting Dates

In order to comply with FSA program eligibility requirements, all producers are encouraged to visit

their local FSA office to file an accurate crop certification report by the applicable deadline.

The following acreage reporting dates are the last day to report for all Virginia Counties:

- July 15, 2015: Corn, Cotton, CRP, Grain Sorghum, Soybeans, Beans (Planted 5/26-7/10), Tomatoes (Planted 5/16-7/5), and all other crops not listed elsewhere.
- August 15, 2015: Cabbage (Planted 4/16-7/10)
- September 15, 2015: Beans (Planted 7/15-9/5)
- November 15, 2015: Pasture, Rangeland, Forage (PRF), Perennial Forages, Apiculture
- January 15, 2016: Fall-Seeded Small Grains (Wheat, Barley, Oats, Rye, etc), Apples, Peaches

The following exceptions apply to the above acreage recording 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 service center.

## 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.

## USDA Enhances Farm Storage Facility Loan Program

The U.S. Department of Agriculture (USDA) expanded 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.

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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.

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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.

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## USDA Packages Disaster Protection with Loans to Benefit Specialty Crop and Diversified Producers

*Free basic coverage and discounted premiums available for new and underserved loan applicants*

U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) today announced that producers who apply for FSA farm loans also will be offered the opportunity to enroll in new disaster loss protections created by the 2014 Farm Bill. The new coverage, available from the Noninsured Crop Disaster Assistance Program (NAP), is available to FSA loan applicants who grow non-insurable crops, so this is especially important to fruit and vegetable producers and other specialty crop growers.

New, underserved and limited income specialty growers who apply for farm loans could qualify for basic loss coverage at no cost, or higher coverage for a discounted premium.

The basic disaster coverage protects at 55 percent of the market price for crop losses that exceed 50 percent of production. Covered crops include "specialty" crops, for instance, vegetables, fruits, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, hay, forage, grazing and energy crops. FSA allows beginning, underserved or limited income producers to obtain NAP coverage up to 90 days after the normal application closing date when they also apply for FSA credit.

In addition to free basic coverage, beginning, underserved or limited income producers are eligible for a 50 percent discount on premiums for the higher levels of coverage that protect up to 65 percent of expected production at 100 percent of the average market price. Producers also may work with FSA to protect value-added production, such as organic or direct market crops, at their fair market value in those markets. Targeted underserved groups eligible for free or discounted coverage are American Indians or Alaskan Natives, Asians, Blacks or African Americans, Native

Hawaiians or other Pacific Islanders, Hispanics, and women.

FSA offers a variety of loan products, including farm ownership loans, operating loans and microloans that have a streamlined application process.

Growers need not apply for an FSA loan, nor be a beginning, limited resource, or underserved farmer, to be eligible for Noninsured Crop Disaster Assistance Program assistance. To learn more, visit www.fsa.usda.gov/nap or www.fsa.usda.gov/farmloans, or contact your local FSA office at https://offices.usda.gov.

## 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

## Selected Interest Rates for July 2015

90-Day Treasury Bill - .125%

Farm Operating Loans — Direct - 2.50%

Farm Ownership Loans — Direct - 3.75%

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

Emergency Loans - 3.50%

Farm Storage Facility Loans (7 years) - 2.000%

Farm Storage Facility Loans (10 years) - 2.250%

Commodity Loans 1996-Present - 1.250%

## Dates to Remember

Jul. 15 - Deadline to report corn, cotton, soybeans, tobacco and grain sorghum acreage.

Aug. 1 - Deadline to submit offer to reenroll for expiring CREP contracts.

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

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

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

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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 or call at 804-287-1548.

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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).