

December 2014



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WY State Office FSA Newsletter

WY Farm Service Agency

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Please contact your
local FSA Office for
questions specific to
your operation or

USDA Extends Application Deadline for Dairy Margin Protection Program to Dec. 19

Dairy producers urged to act now to protect their businesses against unpredictable market swings, take advantage of increased protections offered in first year of program

The application deadline for the dairy Margin Protection Program (MPP) will be extended until Dec. 19, 2014. The program, established by the 2014 Farm Bill, protects participating dairy producers when the margin – the difference between the price of milk and feed costs – falls below levels of protection selected by the applicant.

For just \$100, a farmer can cover 90 percent of production at \$4 margin swings, and with affordable incremental premiums, dairy farmers can cover up to \$8 margin swings. Those who apply this year will receive a slight increase in production protection that will not be available in the future. Farmers who do not sign up for the Margin Protection Program for 2015 will forfeit the 1 percent base production increase.

Producers can use the online Web resource at www.fsa.usda.gov/mpptool to calculate the best levels of coverage for their dairy operation. They can type in specific operation data and explore price projections and market scenarios to determine what level of coverage is best for them. The online resource is on a secure website that can be accessed from computers, mobile phones or tablets, 24 hours a day, seven days a week.

Farmers also have a chance to share comments and help shape the Margin Protection Program for the future. Last month, the U.S. Department of Agriculture (USDA) announced the extension of the opportunity for public comments on both the Margin Protection Program and the Dairy Product Donation Program until Dec. 15, 2014. Comments can be submitted to USDA via the regulations.gov website at <http://go.usa.gov/GJSA> or send them by mail to: Danielle Cooke, Special Programs Manager, Price Support Division, FSA, USDA, STOP

county.

0512, 1400 Independence Ave. SW, Washington, D.C., 20250-0512.

To learn more about the Margin Protection Program for dairy, contact your local USDA Farm Service Agency county office at offices.usda.gov or visit us on the Web at www.fsa.usda.gov.

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

2014 Farm Bill Program Offers Producers in Over 40 States Relief for 2012 and 2013 Losses

Nearly 2,500 applicants will receive disaster assistance through the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP) for losses suffered from Oct. 1, 2011, through Sept. 30, 2013.

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. To accommodate the number of requests, which exceeded funds available for each of the affected years, payments will be reduced to ensure that all eligible applicants receive a prorated share of assistance.

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.

For local FSA Service Center contact information, please visit: <http://offices.sc.egov.usda.gov/locator/app>.

Coverage Selection for New 2014 Farm Bill Safety Net Programs Began Nov. 17

Producers have Until March 31, 2015, to Choose the Program Best for their Operation

Farm owners and producers are reminded that the opportunity to choose between the new 2014 Farm Bill established programs, Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC), began Nov. 17, 2014, and continues through March 31, 2015. 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.

USDA helped create online tools to assist in the decision process, allowing farm owners and producers to enter information about their operation and see projections that show what ARC and/or PLC will mean for them under possible future scenarios. Farm owners and producers can access the online resources, available at www.fsa.usda.gov/arc-plc, from the convenience of their home computer or mobile device at any time.

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

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

- Now through Feb. 27, 2015: Farm 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 between ARC and 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 issued for 2014 crop year, if needed.

To learn more about which safety net options are most appropriate for specific farming operations, farmers can use new Web tools at www.fsa.usda.gov/arc-plc, which can be accessed from the convenience of a home computer or a mobile device at any time. To learn more about upcoming educational meetings, farmers can contact their local Farm Service Agency county office at <http://offices.sc.egov.usda.gov/locator/app>.

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 however 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 www.nrcs.usda.gov/wps/portal/nrcs/main/national/contact/local/.

USDA Announces New Support for Beginning Farmers and Ranchers

Department Implementing New Farm Bill Programs, Unveiling New Centralized Online Resource to Support Next Generation of Farmers

USDA has announced the implementation of new Farm Bill measures and other policy changes to improve the financial security of new and beginning farmers and ranchers. USDA also unveiled www.USDA.gov/newfarmers, a new website that will provide a centralized, one-stop resource where beginning farmers and ranchers can explore the variety of USDA initiatives designed to help them succeed.

USDA's www.usda.gov/newfarmers has in depth information for new farmers and ranchers, including: how to increase access to land and capital; build new market opportunities; participate in conservation opportunities; select and use the right risk management tools; and access USDA education, and technical support programs. These issues have been identified as top priorities by new farmers. The website will also feature instructive case studies about beginning farmers who have successfully utilized USDA resources to start or expand their business operations.

Today's policy announcements in support of beginning farmers and ranchers include:

- Waiving service fees for new and beginning farmers or ranchers to enroll in the Non-Insured Crop Disaster Assistance Program (NAP) for the 2014 crop year. NAP provides risk management tools to farmers who grow crops for which there is no crop insurance product. Under this waiver, announced via an [official notice](#) to Farm Service Agency offices, farmers and ranchers whom already enrolled in NAP for the 2014 crop year and certified to being a beginning farmer or social disadvantaged farmer are eligible for a service fee refund.
- Eliminating payment reductions under the [Conservation Reserve Program](#) (CRP) for new and beginning farmers which will allow routine, prescribed, and emergency grazing outside the primary nesting season on enrolled land consistent with approved conservation plans. Previously, farmers and ranchers grazing on CRP land were subject to a reduction in CRP payments of up to 25 percent. Waiving these reductions for new and beginning farmers will provide extra financial support during times of emergency like drought and other natural disasters.
- Increasing payment rates to beginning farmers and ranchers under Emergency Assistance for [Livestock, Honeybees and Farm-Raised Fish Program \(ELAP\)](#). Under this provision, beginning farmers can claim up to 90 percent of losses for lost livestock, such as bees, under ELAP. This is a fifty percent increase over previously available payment amounts to new and beginning farmers.

In the near future, USDA will also announce additional crop insurance program changes for beginning farmers and ranchers – including discounted premiums, waiver of administrative fees, and other benefits.

Additional information about USDA actions in support of beginning farmers and ranchers is available [here](#).

New Farm Bill Offers Increased Opportunities for Producers

The 2014 Farm Bill offers increased opportunities for producers including farm loan program modifications that create flexibility for new and existing farmers. A fact sheet outlining modifications to the U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) Farm Loan Programs is available [here](#).

The Farm Bill expands lending opportunities for thousands of farmers and ranchers to begin and continue operations, including greater flexibility in determining eligibility, raising loan limits, and emphasizing beginning and socially disadvantaged producers.

Changes that will take effect immediately include:

- Elimination of the 15 year term limit for guaranteed operating loans.
- Modification of the definition of beginning farmer, using the average farm size for the county as a qualifier instead of the median farm size.
- Modification of the Joint Financing Direct Farm Ownership Interest Rate to 2 percent less than regular Direct Farm Ownership rate, with a floor of 2.5 percent. Previously, the rate was established at 5 percent.
- Increase of the maximum loan amount for Direct Farm Ownership Down Payment Loan Program from \$225,000 to \$300,000.
- Elimination of rural residency requirement for Youth Loans, allowing urban youth to benefit.
- Debt forgiveness on Youth Loans, which will not prevent borrowers from obtaining additional loans from the federal government.
- Increase of the guaranteed percentage on Conservation Loans from 75 to 80 percent and 90 percent for socially disadvantaged borrowers and beginning farmers.
- Microloans will not count toward direct operating loan term limits for veterans and beginning farmers.

Additional modifications must be implemented through the rulemaking processes. Visit the [FSA Farm Bill website](#) for detailed information and updates to farm loan programs.

Microloan Cap Grows to \$50,000

Farm Service Agency (FSA) reminds farmers and ranchers that the FSA borrowing limit for microloans increased from

\$35,000 to \$50,000, effective Nov. 7. 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.

Since 2010, FSA has made a record amount of farm loans — more than 165,000 loans totaling nearly \$23 billion. More than 50 percent of USDA's farm loans now go to beginning farmers. In addition, FSA has increased its lending to socially-disadvantaged producers by nearly 50 percent since 2010.

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

Youth Loans

The Farm Service Agency makes loans to youth to establish and operate agricultural income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5000.

Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Comply with FSA's general eligibility requirements
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the youth loan applicant, along with providing adequate supervision.

Stop by the county office for help preparing and processing the application forms.

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.

FSA SIGNATURE POLICY

Using the correct signature when doing business with FSA can save time and prevent a delay in program benefits. The following are FSA signature guidelines:

- Spouses may sign documents on behalf of each other for FSA and CCC programs in which either has an interest, unless written notification denying a spouse this authority has been provided to the county office
- Spouses shall not sign on behalf of each other as an authorized signatory for partnerships, joint ventures, corporations, or other similar entities

For additional clarification on proper signatures contact your local FSA office.

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).