

December 2014



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- [Application Deadline for Dairy Margin Protection Program is Today, Dec. 19](#)
- [Coverage Selection for New 2014 Farm Bill Safety Net Programs Began Nov. 17](#)
- [Farm Bill Allows Early Termination for Certain CRP Contracts](#)
- [New Farm Bill Offers Increased Opportunities for Producers](#)
- [USDA Provides Greater Protection for Fruit, Vegetable and Other Specialty Crop Growers](#)
- [Filing for NAP Losses](#)
- [Maintaining the Quality of Loaned Grain](#)
- [Youth Loans](#)

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## Maryland FSA Newsletter

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### Maryland Farm Service Agency

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[www.fsa.usda.gov/MD](http://www.fsa.usda.gov/MD)

#### State Committee:

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David Patrick  
Sarah Rider  
William D. Walmsley

#### State Executive Director:

Linda D. Slacum

#### Farm Loan Program Chief:

Cheryl Walker

### Application Deadline for Dairy Margin Protection Program is Today, 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) is 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](http://www.fsa.usda.gov/mpptool) to calculate the best levels of coverage

**Farm Programs Chief:**  
Bob Wevodau

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

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.

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](#).

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## 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](#).

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## 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. 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](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>.

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## 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.

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## **USDA Provides Greater Protection for Fruit, Vegetable and Other Specialty Crop Growers**

*Free Basic Coverage Plans and Premium Discounts Available for New, Underserved and Limited Income Farmers*

Greater protection is now available from the Noninsured Crop Disaster Assistance Program for crops that traditionally have been ineligible for federal crop insurance. The new options, created by the 2014 Farm Bill, provide greater coverage for losses when natural disasters affect specialty crops such as vegetables, fruits, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, and energy crops.

Previously, the program offered coverage at 55 percent of the average market price for crop losses that exceed 50 percent of expected production. Producers can now choose higher levels of coverage, up to 65 percent of their expected production at 100 percent of the average market price.

The expanded protection will be especially helpful to beginning and traditionally underserved producers, as well as farmers with limited resources, who will receive fee waivers and premium reductions for expanded coverage. More crops are now eligible for the program, including expanded aquaculture production practices, and sweet and biomass sorghum. For the first time, a range of crops used to produce bioenergy will be eligible as well.

To help producers learn more about the Noninsured Crop Disaster Assistance Program and how it can help them, USDA, in partnership with Michigan State University and the University of Illinois, created an online resource. The Web tool, available at [www.fsa.usda.gov/nap](http://www.fsa.usda.gov/nap), allows producers to determine whether their crops are eligible for coverage. It also gives them an opportunity to explore a variety of options and levels to determine the best protection level for their operation.

If the application deadline for an eligible crop has already passed, producers will have until Jan. 14, 2015, to choose expanded coverage through the Noninsured Crop Disaster Assistance Program. To learn more, visit the Farm Service Agency (FSA) website at [www.fsa.usda.gov/nap](http://www.fsa.usda.gov/nap) or contact your local FSA office at [offices.usda.gov](http://offices.usda.gov). The Farm Service Agency (FSA), which administers the program, also wants to hear from producers and other interested stakeholders who may have suggestions or recommendations on the program. Written comments will be accepted until Feb. 13, 2015 and can be submitted through [www.regulations.gov](http://www.regulations.gov).

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## **Filing for NAP Losses**

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.

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## Maintaining the Quality of Loaned Grain

Bins are ideally designed to hold a level volume of grain. When bins are overfilled and grain is heaped up, airflow is hindered and the chance of spoilage increases.

Producers who take out marketing assistance loans and use the farm-stored grain as collateral should remember that they are responsible for maintaining the quality of the grain through the term of the loan.

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## 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.

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Selected Interest Rates for December 2014	
90-Day Treasury Bill	.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)	2.000%
Farm Storage Facility Loans (10 years)	2.375%
Farm Storage Facility Loans (12 years)	2.500%
Commodity Loans 1996- Present	1.125%

Dates to Remember	
Dec. 19	Dairy Margin Protection Program (MPP) application deadline
Jan. 1	Newly elected county committee members take office
Jan. 7	Farm Bill Workshop – <u>Wor-Wic</u> Community College, Salisbury, MD
Jan. 8	Farm Bill Workshop – St. Mary's County Ag Center, Leonardtown, MD
Jan. 9	Farm Bill Workshop – Washington County UME Office
Jan. 14	Deadline to choose expanded NAP coverage for an eligible crop if the application deadline has already passed
Jan. 30	Deadline to request early CRP contract termination
Feb. 27	Deadline for land owners to update yield history and/or reallocate base acres
March 31	Deadline for producers to make a one-time election of either ARC or PLC for the 2014 through 2018 crop years

Persons with disabilities who require accommodations to attend or participate in any Farm Bill Workshop should contact the County Executive Director (CED) at the [local FSA office](#) or Federal Relay Service at [1-800-877-8339](tel:1-800-877-8339) at least three days prior to the event.

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