



FARM SERVICE AGENCY

STATE OF THE FARM UPDATE

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www.fsa.usda.gov/in

FEBRUARY 2010



From the FSA Farm Fields ...

Greetings from your Indiana Farm Service Agency (FSA)!

I am proud to represent each of you – the American farmer. It is my duty and honor to work every day here at the Indiana Farm Service Agency (FSA) to effectuate change and to

continue our mission as a “farmer friendly” agency. My personal farm background and professional career experience in the greatest industry ever – agriculture – has helped me prepare for this once-in-a-lifetime opportunity to serve the farmers of the great state of Indiana. I have tremendous respect and admiration for America’s producers and for this Agency’s mission to serve them. Please know I will work every day to serve our customers – you – the Indiana farmer!

I have a simple philosophy: *do what’s right*. I personally have a responsibility to the farmers who rely on the programs we administer; to the Members of Congress who have created these programs as a contract with the citizens they represent; to the President of the United States and Secretary of Agriculture who rely on our offices to carry out our duties fairly and competently; to citizens expecting FSA to be responsible stewards of tax dollars; and to our passionate FSA employees.

As a farmer, you experience change every year – be it the weather, markets, or input costs. And, for the last several years USDA has been changing too. Currently, we are in the midst of a monumental change from an extremely outdated, antiquated computer system to a more modern, state-of-the-art, user friendly web-based computer technology structure. However, because of this transition it is an awkward time. I do ask you to be patient with your local FSA employees as the new system is implemented. FSA’s goal is that when the change-over is complete, the system will be a great tool for our employees and each of you.

The Indiana Farm Service Agency has completed another great year of providing farm programs and loans to

Hoosier agriculture. Our tireless employees have worked with each of you – over 100,000 farmers – to deliver over 40 programs to Indiana’s landscape. In Fiscal Year 2009, Indiana FSA provided \$105 million in credit assistance to Hoosier farmers, \$250 million in commodity program payments, \$43 million in conservation program assistance, and over \$5 million in disaster support. All of this program funding went to benefit not only Indiana’s farmers, but also Indiana’s rural communities.

Thanks for all that you do for American agriculture and for bringing food, fiber and fuel to our dinner tables, living rooms and vehicles every day. The American citizen appreciates it.

Sincerely Yours In Agriculture,

Julia A. Wickard
State Executive Director
julia.wickard@in.usda.gov

New Adjusted Gross Income (AGI) Verification Process

USDA and the Internal Revenue Service (IRS) have developed an electronic information exchange process strictly for the purpose of average AGI verification. USDA receives the results of these comparisons with indicators of whether the participant appears to exceed or not exceed the average AGI amounts. No actual tax data will be included.

Participants are now required to submit a consent form to the IRS to meet AGI compliance. The 2008 Farm Bill required the implementation of the average AGI limitations for program eligibility for the 2009 through 2012 program years.

A person or legal entity shall not be eligible to receive certain program benefits during the 2009 through 2012 crop, program, or Fiscal Year if the average AGI exceeds specified amounts. If average adjusted gross nonfarm income exceeds \$500,000, the person or legal entity is ineligible for commodity, price support, and disaster assistance program benefits. If farm income exceeds

\$750,000, the person or legal entity is ineligible for DCP direct payments and ACRE. If nonfarm income exceeds \$1 million, the person or legal entity is ineligible for conservation program benefits unless 66.66 percent or more of the average AGI was derived from activities related to farming, and forestry operations.

IRS requires written consent from the individual or legal entity to provide USDA verification of the average AGI. Such written consent is given by completion of forms CCC-927, Consent to Disclosure of Tax Information - Individual; or if a legal entity, CCC-928, Consent to Disclosure of Tax Information - Legal Entity. These forms allow for the selection of the appropriate year or years and authorize IRS to perform the average AGI calculations. The consent forms shall be mailed directly to the IRS by the participants themselves. Failure to provide the written consent to IRS will require refund of applicable payments received from FSA and NRCS. Consent forms may be obtained from the local FSA county office or online at <http://forms.sc.gov.usda.gov/eforms/mainservlet>. The deadline for participants to provide consent forms to IRS for program year 2009 and 2010 is June 15, 2010.

1099-G Form – FSA Payments



Producers who have received payments from FSA should have received a CCC-1099-G. A CCC-1099-G is a report to the Internal Revenue Service (IRS) about FSA payments made to producers during the previous calendar year. The CCC-1099-G is a service to help participating producers report taxable income. It is not intended to replace the producer's responsibility to report income to the IRS.

When the CCC-1099-G is received, it should be checked with your records to see that the amounts are accurate. Refunds will no longer be reported on the 1099-G, but will be available online from the FSA Financial Inquiries (FSA-FI) web-based database. Farmers with an eAuthentication user ID and password may access their refund information at FSA-FI and select "Inquiry Type 1099/Refund Reports". Refund amounts are displayed on the Producer's Year-to-Date Activity web page.

If you have a question concerning the 1099-G refund information, you may contact your local FSA office for assistance locating the payment data.

Payment Limitation Provisions

Producers are reminded that no program benefits may be provided until all the necessary payment limitation and payment eligibility determinations have been made. Producers will remain ineligible until all required forms for the specific farming operation are provided to the county office.

Any determinations previously made for farming operations as a result of enrollment in the 2009-2012, Direct & Counter Cyclical Program (DCP) or Average Crop Revenue Election (ACRE) will remain in effect for the current and subsequent years and participants will not be required to file a farm operating plan unless a change occurs that could affect the determination or benefits are requested under an annual program. If any changes occur that could affect an "actively engaged in farming," cash-rent tenant, foreign person, or average AGI determination, producers must timely notify the County Office by filing revised farm operating plans and/or supporting documentation, as applicable. Failure to timely notify the county office may adversely affect payment eligibility.

To be eligible for payments and benefits under specified programs, all program participants, either individuals or legal entities, must provide significant contributions to the farming operation to be considered as "actively engaged in farming." Contributions can consist of capital, land, and/or equipment, as well as active personal labor and/or active personal management. The management contribution must be critical to the profitability of the farming operation and the contributions must be at risk.

Each partner, stockholder or member with an ownership interest must contribute active personal labor and/or active personal management to the farming operation on a regular basis. There is an exception allowed for legal entities, such as corporations, if total direct payments received both directly and indirectly by the members do not exceed \$40,000 and labor/management is provided by individuals representing at least a 50% interest in the entity. Spouses may both be considered "actively engaged in farming", if one spouse makes all of the requisite and at-risk contributions.

Landowners may be considered "actively engaged in farming", if they contribute the owned land to the farming operation and in return, receive rent or income for the use of the land. The landowner's share of the profits or losses from the farming operation must also be commensurate with the landowner's contributions to the farming operation and the contributions must be at risk.

A cash-rent tenant will be ineligible to receive payments on the cash-rented land unless the tenant makes a significant contribution of active personal labor. If the cash-rent tenant does not provide labor, he or she must make a significant contribution of both active personal management and equipment to the farming operation. All other "actively engaged in farming" requirements apply as well.



Foreign persons, other than registered aliens, are not eligible to receive any program benefits including commodity loans, unless that person provides a significant contribution of capital, land, and active personal labor to the farming operation.

Please contact the county office for further information concerning the limitation amounts and filing deadlines for each program.

2010 Direct and Counter-Cyclical Payment (DCP) & Average Crop Revenue Election (ACRE) Signup Underway Through June 1, 2010



Signup is underway for the 2010 DCP and ACRE Programs. Crop year 2010 Signup will continue until June 1, 2010. The June 1, 2010, deadline is **mandatory** for all participants. FSA will not accept any late-filed applications.

FSA computes DCP Program payments using base acres and payment yields established for each farm. Counter-cyclical payment rates vary depending on market prices and are issued only when the effective price for a commodity is statutorily set below its target price.

The optional ACRE Program provides a safety net based on state revenue losses and acts in place of the price-based safety net of counter-cyclical payments under DCP. A farm's payment is based on a revenue guarantee calculated using a 5-year average state yield and the most recent 2-year national price for each eligible commodity. An ACRE payment is issued when both the state and the farm have incurred a revenue loss. The total number of planted acres for which a producer may receive ACRE payments may not exceed the total base on the farm. In exchange for participating in ACRE, in addition to not receiving counter-cyclical payments, a farm's direct payment is reduced by 20 percent, and marketing assistance loan rates are reduced by 30 percent.

The decision to enroll in the ACRE Program is irrevocable. The owner of the farm and all producers on the farm must agree to enroll in ACRE. Once enrolled, the farm shall be enrolled for that initial crop year and will remain in ACRE through the 2012 crop year.

ACRE/PTPP Program Production Reporting Requirements

Participation in the Average Crop Revenue Election (ACRE) and Planting Transferability Pilot Project (PTPP) requires production reports for planted acres that must be submitted no later than the last crop reporting date for the covered commodities planted on the farm in the year following the contract year of enrollment in the programs. The production reports impact eligibility for ACRE payments in the current year and also impacts

future years' benchmark farm yields for covered commodities. For 2009 enrolled ACRE farms, the deadline to establish benchmark farm yields and reporting production for the 2009 crop year is May 31, 2010 for fall seeded crops in southern Indiana and July 15, 2010 for all other fall and spring seeded crops. For farms enrolled in the PTPP for 2009 the deadline to report production is July 15, 2010.

Foreign Buyers and Sellers Must Report U.S. Agricultural Land Holdings

Foreign investors with an interest in agricultural lands in the United States are required to report their holdings and any transactions to the U.S. Secretary of Agriculture, through the USDA Farm Service Agency. Any foreign person who acquires or transfers any interest, other than a security interest, in agricultural land in the United States is required by law to report the transaction no later than 90 days after the date of the transaction. Foreign investors or entities must file Agricultural Foreign Investment Disclosure Act (AFIDA) reports with the FSA county office that maintains reports for the county where the land is located. Failure to file a report, filing a late report, or filing an inaccurate report can result in a penalty with fines up to 25 percent of the fair market value of the agricultural land. Please contact your local FSA county office for more information.

Planting Transferability Pilot Project (PTPP) Signup Underway

Authorized in the 2008 Farm Bill, the PTPP Program allows producers to plant approved fruits or vegetables for processing on a farm's base acres - these include cucumbers, green peas, lima beans, pumpkin, snap beans, sweet corn, or tomatoes. Without the PTPP, planting these crops on base acres would be prohibited. Base acres on a farm will be temporarily reduced each year on an acre-for-acre basis, for each base acre planted with an approved fruit or vegetable on that farm.

Eligible participants must agree to produce one of the approved crops for processing and to provide the county FSA office with a copy of the contract between the producer and processing plant. Participants must agree to produce the crop as part of a program of crop rotation on the farm to achieve agronomic, pest and disease management benefits, and to provide disposition evidence of the crop. Participants must complete form CCC-749 (available at <http://www.fsa.usda.gov>) and file it with their county FSA office. Signup deadline for 2010 PTPP enrollment is March 1, 2010.

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The American Farmer Feeds Himself
and 154 Other People.
Thank You!
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Supplemental Revenue Assistance Program (SURE) Underway for 2008 Crop Losses

The SURE Program provides benefits for crop losses due to natural disasters occurring in the 2008 crop year. This program is revenue based which accounts for losses in both production quantity and quality, as well as price. Prior crop disaster programs dealt only with production losses and did not account for decreases in revenue. This program was authorized by the 2008 Farm Bill to replace the traditional "ad hoc" disaster programs and is legislated through 2011.

For the SURE Program, a producer's "farm" includes all acres of all crops in all counties. To be eligible, a producer must have at least part of his or her "farm" located within a Secretarial declared county, a contiguous county, or must have suffered at least a 50% loss of actual production on the farm. To be eligible for payment, a producer must have suffered at least a 10% loss of production on at least one crop of economic significance in a declared or contiguous county.

This program does have a risk management purchase requirement. To receive benefits all crops of economic significance must have been covered by a multiple peril crop insurance policy or have Non-insurable Crop Disaster Assistance Program (NAP) coverage. For 2008, producers were allowed to "buy-in", or pay an administrative fee to meet this requirement as the program was not legislated until after the sales closing dates for coverage purchases.

Producers should visit their local county office to see if they qualify for SURE payments. No ending date has been announced at this time. A SURE fact sheet is available on the National FSA Website at <http://www.fsa.usda.gov>.

Eligibility for the 2008 SURE Program

Because there was a delay in announcing the requirements for 2008 SURE, producers may not have been aware that all 2008 crops were required to be reported, in all counties where they have an interest. To maintain eligibility for SURE, all crops planted on cropland and/or non-cropland, including native or improved grass that will be hayed, must have been covered by crop insurance, NAP, or "buy-in".

To allow producers to remain eligible for 2008 SURE, producers should report any 2008 crops not previously reported. Late-filed fees shall be waived and physical evidence in the field is not required. Evidence of disposition of the crop must be provided.

Late filing of acreage reports for 2008 is only for SURE purposes and cannot be used to satisfy requirements for other program eligibility unless all late-filed provisions are met.

March 15 Non-insured Crop Assistance Program (NAP) Closing Date

The NAP provides financial help to producers of non-insurable crops when a low yield, loss of inventory or prevented planting occurs because of natural disasters. NAP also provides coverage for crops when the catastrophic level of multi-peril insurance is not offered. NAP coverage may be required to be eligible for the permanent disaster programs as provided in the 2008 Farm Bill. Producers must apply for coverage using Form CCC-471, Application for Coverage, and pay the service fee at the county office. The application and service fee must be filed by March 15 for all spring-seeded annual crops (green beans, melons, potatoes, peppers, tomatoes, etc.). The service fee is \$250 per crop per county or \$750 per producer per county. The fee cannot exceed a total of \$1,875 per producer with farming interests in multiple counties. Limited resource producers may request a waiver of service fees. To qualify, a producer must be a landowner, tenant, or sharecropper who shares in the risk of producing an eligible crop. In addition, the producer's non-farm Average Gross Income (AGI) cannot exceed \$500,000 for the three tax years preceding the most immediately completed taxable year. For 2010, the AGI would be based on tax years 2006, 2007, and 2008. A payment limitation of \$100,000 per crop year is in effect.

Milk Income Loss Contract Program (MILC)



The 2008 Farm Bill provides provisions to extend the MILC Program from October 1, 2007 through September 30, 2012. The MILC Program contract provides the enrolled eligible dairy operation the opportunity to receive payments for the pounds of milk marketed for the months the calculated milk prices are below the price levels established in the legislation. The initial enrollment period was available through January 2009. Late enrollment is available through September 2012. However, late enrollment is not retroactive back to months prior to enrollment to receive benefits. Producers who have not yet enrolled should contact their county office to enroll.

Eligible MILC producers must commercially market their milk produced during the marketing period. The limitation for the maximum quantity for payment per fiscal year is 2.985 million lbs. for the period of October 1, 2008 through August 31, 2012.

Livestock Indemnity Program (LIP)

LIP is available to eligible livestock producers on farms that have incurred livestock death losses in excess of normal mortality because of eligible adverse weather

events since July 13, 2009 and during the 2010 calendar year. Eligible losses, as determined by the U.S. Secretary of Agriculture, include losses because of floods, blizzards, lightning, tornado, disease exacerbated by eligible adverse weather, wildfires, extreme heat, and extreme cold. Producers must file a Notice of Loss with their county office within 30 days of the livestock loss. Producers who experience a livestock loss can call their local FSA office to report their Notice of Loss.

The LIP application, all supporting documentation of the livestock inventory, required proof of livestock death loss and producer signatures must be filed at the producer's county office no later than January 30 of the year following the year of the livestock loss.

LIP payments will be based on 75% of a fair market value, as determined by the Secretary, for each specific livestock category and the individual producer's eligible losses.

Emergency Assistance for Livestock, Honey Bees, and Farm-raised Fish (ELAP) Program

The ELAP program will provide emergency relief to producers of livestock, honey bees, and farm-raised fish because of feed loss, additional costs incurred, honey bee or farm-raised fish death losses after September 13, 2009 for 2009 and during 2010 from eligible adverse weather events, such as blizzards, tornados, floods, lightning and wildfires, as determined eligible by the Secretary for the claimed loss. To be eligible for the ELAP program, the producer must have purchased or enrolled in the following:

- For an insurable crop on the farm, a policy or plan of insurance under the Federal Crop Insurance Act by the state's sales closing date; and
- For a non-insurable commodity on the farm, have completed the required paperwork and have paid the fee by the applicable deadline for the Non-insured Crop Disaster Assistance Program (NAP).

The ELAP program is intended to cover disasters that are not adequately covered by any of the other disaster programs. Producers must file a Notice of Loss within 30 days after the loss event. The ELAP application and all supporting documentation must be filed no later than January 30 of the year following the year of loss.

Marketing Assistance Loans and Loan Deficiency Payments (LDPs)

To be eligible for commodity loans and LDPs, producers must:

- Comply with conservation and wetland protection requirements;
- Report how they use their cropland acreage on the farm;

- Have beneficial interest in the commodity on the date the loan or LDP is requested and, in the case of a loan, retain beneficial interest while the loan is outstanding; and
- Ensure that the commodity meets Commodity Credit Corporation (CCC) minimum grade and quality standards.

Beneficial interest means producers retain control, which allows the producer the ability to make day-to-day decisions about the commodity and has title to the commodity. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan or LDP, even if the producer regains beneficial interest.

For commodities to be eligible for loans or LDPs, they must have been produced by an eligible producer, be in existence and in a storable condition and be merchantable as determined by CCC. Producers must maintain the quality of the commodity in farm storage throughout the term of the loan.

For the 2009-2012 crop, individuals and entities whose previous three-year average adjusted gross non-farm income exceeds \$500,000 are ineligible for LDPs and market loan gains. Participation of farm(s) in the ACRE program will require a separate loan with a 30% reduction in the loan rate for ACRE enrolled farm(s).

Wool and Mohair Loans



To be eligible for loans or Loan Deficiency Payments (LDPs) for wool, mohair and unshorn pelts, the producer must:

- Meet the definition of an eligible producer by: (1) reporting crop acreages if associated with a farm that has cropland; (2) complying with highly erodible and wetland provisions; and (3) complying with payment eligibility and adjusted gross income provisions.
- Own the sheep or goats that produce the wool and mohair for a period of not less than 30 calendar days before shearing, or in the case of unshorn lambs, 30 days prior to slaughter of the lambs.
- For unshorn pelt LDPs only, sell the unshorn lamb for immediate slaughter or slaughter the unshorn lamb for personal use.
- Have submitted to FSA page 1 of Form CCC-633 EZ before beneficial interest in the commodity was lost if requesting an LDP.

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Indiana Farmers:
Working to Fill Your Plate
and Your Gas Tank!
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Farm Storage Facility Loan Program (FSFL) Available to Build or Upgrade on Farm Commodity Storage Facilities



Effective August 17, 2009, changes to the FSFL Program were implemented in accordance with the 2008 Farm Bill. These changes include increases to the maximum

FSFL loan amount, longer loan repayment terms, and the inclusion of hay, biomass, and fruit and vegetables as eligible FSFL commodities. This low interest loan program is available to producers of eligible commodities to help build or upgrade their on-farm commodity storage and handling facilities. Eligible commodities include:

- Corn, grain sorghum, rice, soybeans, oats, wheat, barley or minor oilseeds harvested as whole grain
- Corn, grain sorghum, wheat, oats or barley harvested as other-than whole grain
- Pulse crops – lentils, small chickpeas and dry peas
- Hay
- Renewable biomass
- Fruits (including nuts) and vegetables – cold storage facilities

Some of the program details include:

- The maximum loan amount is 85% of the net cost of the facility, not to exceed \$500,000 per loan.
- The loan term will be for 7, 10 or 12 years depending on the loan amount.
- The interest rate will be fixed for the term of the loan. The interest rate for FSFLs approved in February 2010 will be 3.25% for a 7 year term; 3.75% for a 10 year term; and 4.03.75% for a 12 year term.
- A down payment of 15% is required.
- Producers are required to carry property insurance on the storage facility and also crop insurance for the term of the loan.
- Loans over \$50,000 require additional security to be taken, such as real estate, or irrevocable letter of credit.
- Eligible bushel capacity is limited to 2 years of production minus the applicant's current available storage, (except fruit and vegetable storage facilities are limited to 1 year of production minus the applicant's current available storage).
- There is a \$100 non-refundable application fee per applicant.
- Eligible facilities include conventional grain bins designed for whole grain storage; oxygen limiting structures designed for whole grain wet storage and silage; concrete bunker silos; flat storage structures designed for whole grain, hay, or biomass storage; and cold storage buildings designed for fruit and vegetable storage. Permanently affixed handling and drying equipment, safety equipment (i.e. ladders), electrical equipment, concrete foundations, site

preparation, materials and paid labor, are also eligible.

- Used equipment, portable dryers, scales, structures of temporary nature, or structures used for commercial purposes are not eligible.
- Construction of the storage facility cannot begin until after the FSFL application has been submitted to FSA and the loan has been approved.

FSA Farm Loans Available



Direct Operating Loans and Farm Ownership Loans

Farmers may obtain up to \$300,000 for their operation. This includes annual operating and family living expenses, machinery, breeding livestock purchases, refinancing most operating loans and real estate improvements or repairs. Producers can also obtain up to \$300,000 to purchase real estate and real estate improvements or repairs. The interest rate as of February 1, 2010 is 2.625 percent for Operating Loans and 4.875 percent for Farm Ownership. Loans for real estate can be amortized for up to 40 years and for chattels up to 7 years.

Direct Farm Ownership Down Payment Loan Program

The purpose of the program is to provide credit for beginning farmers and socially disadvantaged farmers to purchase real estate. The applicant must place 5% down; FSA will provide 45% of the purchase price up to a maximum of \$225,000. The balance of the purchase price will be obtained from a conventional lender or seller financing. The interest rate as of February 1, 2010 is 1.5% fixed for the term of the loan which will be 20 years for the down payment loan program.

To qualify you must be a beginning farmer or a socially disadvantaged farmer. A beginning farmer must have been farming for at least 3 years and not more than 10 years. A beginning farmer cannot own real estate that exceeds 30% of the median farm size for the county.

Guaranteed Operating Loans and Farm Ownership Loans

Farmers may obtain up to \$1,112,000 in Guaranteed Farm Ownership and /or Farm Operating Loans. Funds can be used to purchase or enlarge a farm, refinance debt or for most operating uses. Under this program, your local lender makes the loan and FSA provides a guarantee of up to 95% (depends on the circumstances) of the loan. This allows your local lender to continue to help even if you are experiencing a decline in your financial condition. The interest rate is negotiated with the lender, but should not exceed the rate charged to their average customers. You could qualify for interest assistance (4% rate reduction) if your cash flow and financial statements show the need. Loans for real estate can be amortized for up to 40 years and for chattel up to 7 years. Contact your local FSA office for a list of participating commercial lenders.

Socially Disadvantaged Farmers

FSA has a number of loan programs available to assist applicants to begin or continue in agricultural production. Operating loans and loans for farm purchase or improvement are available.

While all qualified producers are eligible to apply for these loan programs, FSA has provided priority funding for socially disadvantaged applicants. A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities. For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans, and Pacific Islanders. If producers or their spouses believe they would qualify as socially disadvantaged, they should contact their local FSA office for details. FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

Contact your local FSA office about the Continuous Conservation Reserve Program (CRP)



The Continuous CRP Program is a private-lands environmental improvement program that allows participants the opportunity to enroll acreages in conservation practices that will reduce soil erosion, improve water and soil quality and provide wildlife habitat and food sources.

The Continuous CRP program is a voluntary enrollment program. Eligible landowners enter into contracts that range from 10 to 15 years in length. In return, the landowners may receive annual rental payments, incentive payments for certain activities and cost-share for establishment.

To be eligible for enrollment in the Continuous CRP program, participants and acreage must meet certain eligibility requirements. Provided the eligibility requirements are met, FSA will automatically accept enrollment into Continuous CRP. Landowners may enroll in the program at any time during the year. Practices enrolled as Continuous CRP include filter strips, grassed waterways, riparian buffers, field windbreaks, habitat field borders and wetland restorations. Currently, Indiana has 98,371 acres enrolled in these types of conservation practices.

For more information on Continuous CRP enrollment, please contact your local FSA office or visit <http://www.fsa.usda.gov>.

FSA Issues Proposed Biomass Crop Assistance Program (BCAP) Rule

USDA recently issued a proposed rule for FSA's new energy program – BCAP. Under the proposed rule, the BCAP is authorized to fund two main types of activities. First, it will provide funding for agriculture and forest land owners and operators to receive matching payments for eligible biomass materials sold to qualified biomass conversion facilities for the production of heat, power, bio-based products or advanced biofuels. The payment rate is intended to assist producers with the cost of collection, harvest, storage and transportation of the biomass to the facility, for up to two years.

Additionally, BCAP will provide funding for producers of eligible renewable crops within a select geographical area to receive payments up to 75% of the cost of establishing the crop and annual payments for up to 15 years of biomass crop production.

The proposed rule is available for public comment for sixty days. A copy of the proposed rule is available online at www.fsa.usda.gov/bcap and comments may be submitted online at <http://regulations.gov>.

Conservation Compliance

Attention Producers and Landowners!

- ✓ Do you intend to clear timber areas to create or expand existing cropland?
- ✓ Are you converting a pasture field into a crop field?
- ✓ Are there areas on your farm(s) that you are considering cropping that have not been cropped in recent years?
- ✓ Are you planning any drainage projects such as installing new tile lines or grading wet spots in a field?
- ✓ Are you planning on clearing a fence row?

These are Highly Erodible and Wetland provision questions that need to be considered each year by producers to assure that they may remain eligible for USDA benefits.

If you have any questions or concerns that something you plan to do on your farm could jeopardize your eligibility for benefits, please contact your FSA or NRCS representative at your local USDA service center before you begin any work.

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**FSA Administers the Nation's Largest
Conservation Program – CRP!**
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IMPORTANT DATES	
March 1, 2010	Deadline for 2010 PTPP Enrollment
March 31, 2010	Final date to obtain loans or LDP's on 2009 harvested small grains
May 31, 2010	Crop Certification Date for Fall Seeded Crops in Southern Indiana
May 31, 2010	Deadline for Reporting 2009 Production for ACRE Farms with Fall Seeded Crops in Southern Indiana
May 31, 2010	Deadline to Establish 2009 Farm Benchmark Yields – Fall seeded crops in Southern Indiana
May 31, 2010	Final date to obtain loans or LDP's on 2009 harvested feed grains and soybeans
June 1, 2010	Deadline for 2010 DCP Enrollment/ACRE Election
June 1, 2010	Date Used to Determine Ownership Interest in a Legal Entity for Program Year 2010
June 15, 2010	Deadline for participants to submit 2009 and/or 2010 Consent to Disclosure of Tax Information – Individual (CCC-927) or Entity (CCC-928)
July 15, 2010	Crop Certification Date for Spring Seeded Crops and CRP for the State of Indiana
July 15, 2010	Crop Certification Date for Fall Seeded Crops in Northern Indiana
July 15, 2010	Deadline for Reporting 2009 Production for ACRE Farms with Spring Seeded Crops in Indiana
July 15, 2010	Deadline to Establish 2009 Farm Benchmark Yields – Spring seeded crops in the State of Indiana
July 15, 2010	Deadline to Establish 2009 Farm Benchmark Yields – Fall seeded crops in Northern Indiana
July 15, 2010	Deadline to Report Production for Farms Enrolled in 2009 PTPP
August 1, 2010	Deadline for Program Year 2010 Basic Farm Reconstitution

APPLICATION FOR COVERAGE FOR NONINSURED ASSISTANCE PROGRAM (NAP) FINAL DATES	
March 15th	All spring planted crops (green beans, melons, potatoes, peppers, tomatoes, etc.)
September 1st	Christmas Tree, Flowers, and Nursery Crops for the following year's crop
September 30th	Grazing/forage crops and mint crops for the following year's crop
November 20th	Perennial crops for the following year's crop (apples, maple sap, peaches, etc.)
December 1st	Honey for the following year

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its program and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider, employer and lender.