

November 2014



Kansas FSA Updates

Kansas Farm Service Agency State Office

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

USDA Extends Dairy Margin Protection Program Deadlines

Enrollment Continues Through Dec. 5; Comments Accepted Until Dec. 15

USDA is extending the deadlines for the dairy Margin Protection Program. Farmers now have until Dec. 5, 2014, to enroll in the voluntary program, established by the 2014 Farm Bill. The program provides margin risk protection to participating farmers when the margin – the difference between the price of milk and feed costs – falls below the coverage level selected by the farmer.

Producers are encouraged to use the online Web resource at www.fsa.usda.gov/mpptool to calculate the best levels of coverage for their dairy operation. The secure website can be accessed via computer, smartphone or tablet.

The U.S. Department of Agriculture (USDA) also extended 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>.

USDA Farm Service Agency County Committee Elections Begin Monday, Nov. 3

USDA encourages farmers and ranchers to make their voices heard by voting in the upcoming Farm Service Agency (FSA) County Committee elections. Beginning Monday, Nov. 3, 2014, USDA will mail ballots for the 2014 elections to eligible producers across the country. Producers must return ballots to their local FSA offices by the Dec. 1, 2014, deadline to ensure that their vote is counted.

FSA County Committee members provide an important link between the local agricultural community and USDA. Farmers and ranchers elected to county committees help deliver FSA programs at the local level, applying their knowledge and judgment to make decisions on commodity support programs; conservation programs; indemnity and disaster programs; emergency programs and eligibility. County committees operate within official regulations designed to carry out federal laws.

To be an eligible voter, farmers and ranchers must participate or cooperate in an FSA program. A person who is not of legal voting age, but supervises and conducts the farming operations of an entire farm may also be eligible to vote.

Eligible voters who do not receive ballots in the coming week may pick one up at their local USDA Service Center or FSA office. The deadline to submit ballots is Dec. 1, 2014. Ballots returned by mail must be postmarked no later than Dec. 1, 2014. Newly elected committee members and their alternates will take office Jan. 1, 2015.

More information on county committees, such as the new 2014 fact sheet and brochures, can be found on the FSA website at www.fsa.usda.gov/elections. You may also contact your local USDA Service Center or FSA office. Visit <http://go.usa.gov/pYV3> to find an FSA office near you.

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.

USDA Farm Service Agency Announces Key Dates for New 2014 Farm Bill Safety Net Programs

USDA announced key dates for farm owners and producers to keep in mind regarding the new 2014 Farm Bill established programs, Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC). 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.

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

- Sept. 29, 2014 to Feb. 27, 2015: Land 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 of either ARC or 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 for 2014 crop year, if needed.

USDA leaders will visit with producers across the country to share information and answer questions on the ARC and PLC programs.

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. The new tools are now available at www.fsa.usda.gov/arc-plc. Farm owners and producers can access the online resources 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.

Producers can contact their local FSA office for more information or to schedule an appointment.

Dairy Product Donation Program

The Dairy Product Donation Program (DPDP) assists dairy operations when margins are low by using Commodity Credit Corporation (CCC) funds to purchase dairy products for donation to public and private nonprofit organizations that provide nutrition assistance to low-income populations. Purchases are only made by USDA during periods of low margins. Dairy operators do not have to enroll to benefit from DPDP. The Farm Service Agency (FSA) and Food and Nutrition Service (FNS) will administer the program when FSA determines that the actual dairy production margin has been \$4 or less per hundredweight (CWT) for each of the preceding two month.

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/.

Dates to Remember

11/27/2014 Thanksgiving Day - Office Closed
12/01/2014 NAP Application Closing Date to Purchase Coverage for Perennial Forage Crops and Asparagus, Berry Crops, Cherries, Grapes, Honey, Oats, Peaches and Plums
12/15/2014 Final Acreage Reporting Date for Fall-seeded Small Grains
12/05/2014 Deadline to Enroll in Dairy Margin Protection Program
01/01/2015 NAP Application Closing Date to Purchase Coverage for Apples and Pears
01/30/2015 Final Date to Submit an Application for LIP and LFP for 2011, 2012, 2013 and 2014 Program Years

USDA Farm Service Agency Reminds Producers: 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

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>.

Livestock Disaster Assistance Sign-up

Livestock disaster program enrollment opened on April 15, 2014. These disaster programs are authorized by the 2014 Farm Bill as permanent programs and provide retroactive authority to cover losses that occurred on or after Oct. 1, 2011.

Eligible producers can sign-up for the following livestock disaster assistance programs:

Livestock Forage Disaster Program (LFP):

LFP provides compensation to eligible livestock producers that have suffered grazing losses due to drought on privately owned or cash leased land or fire on federally managed land. Eligible producers must physically be located in a county affected by a qualifying drought during the normal grazing period for the county. Producers who suffered eligible grazing losses should submit a completed CCC-853 and supporting documentation by January 30, 2015.

Livestock Indemnity Program (LIP):

LIP provides compensation to eligible livestock producers that have suffered 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. Producers who suffered livestock death losses should submit a notice of loss and an application for payment to their local FSA office by January 30, 2015.

For more information, producers can review the LFP and LIP Fact Sheets on the [Farm Bill webpage](#). Producers are encouraged to make an appointment with their local FSA office to apply for these programs.

Loans for Socially Disadvantaged

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or purchase or improve farms or ranches.

While all qualified producers are eligible to apply for these loan programs, the FSA has provided priority funding for members of 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.

FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

2014 MAL and LDP Requests

The USDA Farm Service Agency (FSA) is accepting requests for marketing assistance loans (MALs) and loan deficiency payments (LDPs) for eligible 2014 commodities.

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, pulse crops, rice, peanuts, cotton, wool, mohair 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.

Producers who lose "Beneficial Interest" (title or control) in the commodity upon harvest or delivery should consider filing form CCC-633EZ page 1 prior to harvest and delivery to maintain eligibility for potential Loan Deficiency Payments (LDP) benefits based on the rate in effect on date of delivery. Once beneficial interest is lost, eligibility for commodity loans and LDP is also lost.

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.

National and county loans rates for 2014 crops are posted on the FSA website at: www.fsa.usda.gov/pricesupport.

For more information, please visit a nearby USDA Service Center or FSA's website www.fsa.usda.gov.

Selected Interest Rates for November 2014

Direct Farm Operating Loans - 2.75%

Direct Farm Ownership Loans - 4.125%

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

Direct Farm Ownership Loans — Joint Financing - 2.50%

Emergency Loans - 3.75%

Farm Storage Facility Loans (7 years) - 2.125%

Commodity Loans 1996-Present - 1.125%

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).