

June 2014



# NEWSLETTER



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## WY State FSA Updates

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### USDA ANNOUNCES CHANGES TO FRUIT, VEGETABLE AND WILD RICE PLANTING RULES

Farm Service Agency (FSA) has announced fruit, vegetable and wild rice provisions that affect producers who intend to participate in certain programs authorized by the Agricultural Act of 2014.

Producers who intend to participate in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs are subject to an acre-for-acre payment reduction when fruits and nuts, vegetables or wild rice are planted on the payment acres of a farm. Payment reductions do not apply to mung beans, dry peas, lentils or chickpeas. Planting fruits, vegetables or wild rice on acres that are not considered payment acres will not result in a payment reduction. Farms that are eligible to participate in ARC/PLC but are not enrolled for a particular year may plant unlimited fruits, vegetables and wild rice for that year but will not receive ARC/PLC payments for that year. Eligibility for succeeding years is not affected.

Planting and harvesting fruits, vegetables and wild rice on ARC/PLC acreage is subject to the acre-for-acre payment reduction when those crops are planted on either more than 15 percent of the base acres of a farm enrolled in ARC using the county coverage or PLC, or more than 35 percent of the base acres of a farm enrolled in ARC using the individual coverage.

Fruits, vegetables and wild rice that are planted in a double-cropping practice will not cause a payment reduction if the farm is in a double-cropping region as designated by the USDA's Commodity Credit Corporation.

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### USDA AWARDING \$6 MILLION TO PREPARE FARMERS FOR NEW FARM BILL PROGRAMS

USDA is awarding \$6 million to universities and cooperative state extension services to develop online decision tools and other materials and train experts to educate producers about several key farm bill programs. The new Web tools will help farmers and ranchers determine what participation in programs

established by the 2014 Farm Bill will mean for their businesses.

The University of Illinois (lead for the National Coalition for Producer Education), along with the Food and Agricultural Policy Research Institute (FAPRI) at the University of Missouri and the Agricultural and Food Policy Center at Texas A&M (co-leads for the National Association of Agricultural and Food Policy), will receive a total of \$3 million to develop the new online tools and train state-based extension agents who can in turn help educate farmers.

The new resources will help farmers and ranchers make an educated choice between the new Agriculture Risk Coverage (ARC) program and the Price Loss Coverage (PLC) program. Using the new online tools, producers will be able to use data unique to their specific farming operations combined with factors like the geographical diversity of crops, soils, weather and climates across the country to test a variety of financial scenarios before officially signing up for the new program options later this year. Once a producer enrolls in the ARC or PLC program, he or she must remain in the program through the 2018 crop year.

New tools will be provided for other programs as well. Sign-up for the newly established Margin Protection Program for Dairy (MPP) begins late this summer and enrollment for "buy-up" provisions under the Noninsured Crop Disaster Assistance Program (NAP) will begin early next year. An online MPP tool will be available when sign up begins and the NAP buy-up provision resource will become available to producers in the fall for the 2015 crop year.

USDA will also award \$3 million to state cooperative extension services—a nationwide network of experts based at land-grant universities—for outreach and education on the new Farm Bill programs. Funds will be used to conduct public education outreach meetings where producers can speak with local extension agents and Farm Service Agency (FSA) staff. Outreach meetings will begin late this summer to help farmers and ranchers understand the new programs and their options.

While universities work to create new online tools, producers now have access to a preliminary website that gives them a chance to begin familiarizing themselves with the new programs and the type of information they will need to consider when deciding which program options work better for them. At this site, farmers and ranchers can view ARC and PLC projected payments, ARC guarantees, and PLC payment rate projections. These tables are available on the [FSA website](#).

Visit [www.fsa.usda.gov](http://www.fsa.usda.gov) or the local FSA office for information about FSA and the 2014 Farm Bill programs.

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## USDA KICKS OFF THE 2014 "FEDS FEED FAMILIES" NATIONWIDE FOOD DRIVE

USDA kicked off the 6th annual Feds Feed Families Campaign on June 2, 2014.

The food drive is an annual event in which Federal employees, nationwide, collect food for distribution by food banks, food pantries, and shelters.

The Feds Feed Families program started in 2009. The 2014 food drive officially began on June 2 and will run through August 27.

All Federal agencies across the country participate in the campaign and Federal employees are asked to donate non-perishable food items throughout the summer. Donations are given to local food banks across the country – having a positive impact to help food banks address food insecurity. Secretary Vilsack noted that the latest USDA estimates show that in 2012, food insecurity affected 14.5 percent of American households at some point.

If you are interested in making a donation to the annual "Feds Feed Families" Food Drive, please contact your local USDA Service Center.

For more information on the Feds Feed Families campaign, please visit: <http://www.usda.gov/fedsfeedfamilies>.

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## SAVE TIME – MAKE AN APPOINTMENT WITH FSA

As we roll out the Farm Bill programs administered by FSA, there will be related signups and in some cases multiple management decisions that need to be made by you, the producer, in consult with FSA staff. To insure maximum use of your time and to insure that you are afforded our full attention to your important business needs, please call our office ahead of your visit to set an appointment and to discuss any records or documentation that you may need to have with you when you arrive for your appointment. For local FSA Service Center contact information, please visit: <http://offices.sc.egov.usda.gov/locator/app>.

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## **USDA FARM SERVICE AGENCY ANNOUNCES TREE ASSISTANCE PROGRAM (TAP) SIGN-UP**

As of Tuesday, April 15, 2014, orchardists and nursery tree growers who experienced losses from natural disasters that occurred on or after Oct. 1, 2011, can sign up for the Tree Assistance Program (TAP). TAP was authorized by the Agricultural Act of 2014 as a permanent disaster program. TAP provides financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes and vines damaged by natural disasters.

Eligible tree types include trees, bushes or vines that produce an annual crop for commercial purposes. Nursery trees include ornamental, fruit, nut and Christmas trees that are produced for commercial sale. Trees used for pulp or timber are ineligible.

To qualify for TAP, orchardists must suffer a qualifying tree, bush or vine loss in excess of 15 percent mortality from an eligible natural disaster. The eligible trees, bushes or vines must have been owned when the natural disaster occurred; however, eligible growers are not required to own the land on which the eligible trees, bushes and vines were planted.

If the TAP application is approved, the eligible trees, bushes and vines must be replaced within 12 months from the date the application is approved. The cumulative total quantity of acres planted to trees, bushes or vines, for which a producer can receive TAP payments, cannot exceed 500 acres annually.

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## **USDA'S FARM SERVICE AGENCY (FSA) OFFERS FARM BILL WEBSITE AND ONLINE OVERVIEW OF FARM BILL PROGRAMS**

The Agricultural Act of 2014 (the Act), also known as the 2014 Farm Bill, was signed by President Obama on Feb. 7, 2014. The Act repeals certain programs, continues some programs with modifications, and authorizes several new programs administered by the Farm Service Agency (FSA). Most of these programs are authorized and funded through 2018.

For the latest on 2014 Farm Bill programs administered by FSA, please visit our Farm Bill website at [www.fsa.usda.gov/farmbill](http://www.fsa.usda.gov/farmbill) and for an FSA program overview please read, download and/or print our recently posted FSA Farm Bill Fact Sheet titled, [What's in the 2014 Farm Bill for Farm Service Agency Customers?](#)

For more information on FSA, please contact your local USDA Service Center or visit us online at [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## **LIVESTOCK DISASTER ASSISTANCE SIGN-UP UNDERWAY**

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.

To expedite applications, all producers who experienced losses are encouraged to bring records documenting those losses to their local FSA Office. Producers should record all pertinent information of natural disaster consequences, including:

- Documentation of the number and kind of livestock that have died, supplemented if possible by photographs or video records of ownership and losses
- Dates of death supported by birth recordings or purchase receipts
- Costs of transporting livestock to safer grounds or to move animals to new pastures
- Feed purchases if supplies or grazing pastures are destroyed
- Crop records, including seed and fertilizer purchases, planting and production records

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.

#### Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP)

ELAP provides emergency assistance to eligible producers of livestock, honeybees and farm-raised fish that have losses due to disease, adverse weather, or other conditions, such as blizzards and wildfires. ELAP assistance is provided for losses not covered by LFP and LIP. Producers who suffered eligible livestock, honeybee or farm-raised fish losses during 2012 and 2013 program years must submit a notice of loss and application for payment to their local FSA office by August 1, 2014. For 2014 program year losses, the notice of loss and an application for payment must be submitted by November 1, 2014.

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

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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 PREPARES TO ACCEPT MAL AND LDP REQUESTS; SETS 2014 MAL LOAN RATES

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

MALs and LDPs for the 2014 crop year become available to eligible producers beginning with harvest/shearing season and extending through a specific commodity's final loan availability date. Sugar commodity loans for the 2014 crop will be available to sugar processors beginning Oct. 1, 2014.

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.

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](http://www.fsa.usda.gov/pricesupport).

For more information, please visit a nearby USDA Service Center or FSA's website [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## 2013 ACRE

Participation in 2013 ACRE requires production reports for planted acres that must be submitted for the covered commodities and peanuts planted on the farm by July 15, 2014. Failure to report production for those covered commodities and peanuts planted on ACRE farms may result in contract termination. If the contract is terminated, all payments, including direct payments previously received plus interest will be required to be refunded.

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## DIRECT LOAN CHANGES

Changes were made to the interest rate charged on loans where FSA provides 50 percent or less on jointly financed purchases of real estate also called Direct Farm Ownership Participation Loans. The interest rate will be the greater of 2.5 percent or the current interest rate for direct Farm Ownership loans minus 2 percent, as a fixed rate for the duration of the loan. At present, the June direct Farm Ownership rate is 4.00 percent. Because the 2.5 percent floor is greater than subtracting 2 percent from the current direct farm ownership loan rate, the rate for Direct Farm Ownership Participation Loans in June is 2.50 percent.

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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).