



“SCOOP”

ARKANSAS FARM SERVICE AGENCY - - STATE OFFICE JULY 2014

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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 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.

COUNTY COMMITTEE NOMINATION PERIOD

The nomination period for local Farm Service Agency (FSA) county committees began Sunday, June 15, 2014.

The county committee is a vital link between the farm community and USDA. To be eligible to serve on an FSA county committee, a person must participate or cooperate in a program administered by FSA, be eligible to vote in a county committee election and reside in the local administrative area where the person is nominated.

Farmers and ranchers may nominate themselves or others. Organizations representing minorities and women also may nominate candidates. To become a candidate, an eligible individual must sign the nomination form, FSA-669A. The form and other information about FSA county committee elections are available www.fsa.usda.gov/elections. Nomination forms for the 2014 election must be postmarked or received in the local USDA Service Center by close of business on August 1, 2014. Elections will take place this fall.

While FSA county committees do not approve or deny farm ownership or operating loans, they make decisions on disaster and conservation programs, emergency programs, commodity price support loan programs and other agricultural issues. Members serve 3 year terms.

FSA will mail out ballots to eligible voters beginning November 3, 2014. Ballots are due back to the local county office either via mail (postmarked) or in person by December 1, 2014. Newly elected members and alternates take office on January 1, 2015.

DEBTORS CONTACTING RSG

Due to the issues debtors are having when calling our 1-800 phone line, RSG is in the process of modifying the "selection option" procedure. This future modification will prompt the debtor to enter their applicable area code that will direct their call to the responsible specialist for their State. RSG will also modify the demand letters to include the new receivable 1-800 phone line "selection option".

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> .

USDA INVITES SUGGESTIONS FOR THE 2017 CENSUS OF AGRICULTURE

USDA invites suggestions for the 2017 Census of Agriculture that is conducted once every five years by USDA's National Agricultural Statistics Service (NASS). The Census provides detailed data covering nearly every facet of U.S. agriculture down to the county level.

NASS released the complete 2012 Census of Agriculture results on May 2, 2014. The agency is now planning the content for the 2017 Agriculture Census and is accepting input. Any individual or organization may submit suggestions on questionnaire items to add or delete, as well as any other ideas concerning the Census. There will be another opportunity to provide official comment through the Federal Register process in the coming weeks.

Content suggestions for the 2017 Census will be accepted until August 4, 2014. Comments can be submitted online at www.agcensus.usda.gov/Contact_Us/Census_Program_Input_Form/. Written suggestions may be mailed to: Census Content Team, Room 6451, 1400 Independence Ave, SW, Washington, DC 20250.

To learn more and to access the complete 2012 Census of Agriculture results, including State and County Profiles and all the other Census data and tools, visit www.agcensus.usda.gov.

CONSERVATION RESERVE PROGRAM (CRP)

Beginning June 9, 2014, County Offices are authorized to begin accepting new offers under all CRP Continuous, CREP, Farmable Wetland Program, and SAFE signup types. For contracts expiring on September 30, 2014, participants have been sent a letter advising them to contact their local FSA office to determine if they are eligible for a 1-year Contract extension, or eligible to re-enroll in the Continuous CRP.

Under continuous sign-up authority, environmentally sensitive land devoted to certain conservation practices can be enrolled in CRP at any time. Offers are automatically accepted provided the land and producer meet certain eligibility requirements. Unlike CRP enrollments under general sign-up authority, offers for continuous sign-up are not subject to competitive bidding.

The effective date of the CRP contract is the first day of the month following the month of approval. In certain circumstances, producers may defer the effective date for up to six months.

If the acreage is currently under CRP contract and is within one year of the scheduled expiration date, the effective date is October 1 following the expiration date.

To offer land for continuous sign-up, producers should contact their local FSA office.

Eligible Producers

A producer must have owned or operated the land for at least 12 months prior to submitting the offer, unless:

- The new owner acquired the land due to the previous owner's death;
- The ownership change occurred due to foreclosure where the owner exercised a timely right of redemption in accordance with state law or;
- The circumstances of the acquisition present adequate assurance to FSA that the new owner did not acquire the land for the purpose of placing it in CRP.

Eligible Land

Land must be cropland that is planted or considered planted to an agricultural commodity four of the previous six crop years from 2008 to 2013, and is physically and legally capable of being planted (no planting restrictions due to an easement or other legally binding instrument) in a normal manner to an agricultural commodity.

Eligible Practices

The land must be eligible and suitable for any of the following conservation practices:

- Riparian buffers;
- Wildlife habitat buffers;
- Wetland buffers;
- Filter strips;
- Wetland restoration;
- Grass waterways;
- Shelterbelts;
- Living snow fences;
- Contour grass strips;
- Constructed wetlands;
- Restoration of aquaculture wetlands;
- Wildlife habitat restoration within approved State Areas for Wildlife Enhancement (SAFE) projects;
- Salt tolerant vegetation or;
- Shallow water areas for wildlife.

Land within an Environmental Protection Agency (EPA)-designated public wellhead area also may be eligible for enrollment on a continuous basis.

EMERGENCY CONSERVATION PROGRAM (ECP)

Many Arkansas Counties have been approved for this program as a result of the storms April 26, 2014. Flooding and Wind damage to Agricultural land has generated the need for assistance.

Contact your local County Office to inquire about signing up for this Emergency Conservation assistance.

EMERGENCY FOREST RESTORATION PROGRAM (EFRP)

Many Arkansas Counties were affected by the storms on April 26, 2014. Wind damage to non-industrial private forestland may have generated the need for assistance. Contact your local County Office to inquire about signing up for this Emergency Forest Restoration assistance.

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 October 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.

USDA ANNOUNCES FUNDING AVAILABILITY FOR TURNING BIOMASS MATERIAL INTO ENERGY

Farm Bill Implementation Continues as Energy Facilities Can Now Apply for Renewed Biomass Crop Assistance Program

The U.S. Department of Agriculture (USDA) will begin accepting applications June 16 from energy facilities interested in receiving forest or agricultural residues to generate clean energy. The support comes through the Biomass Crop Assistance Program (BCAP), which was authorized by the 2014 Farm Bill.

BCAP provides financial assistance to farmers and ranchers who establish and maintain new crops of energy biomass, or who harvest and deliver forest or agricultural residues to a qualifying energy facility. Of the total \$25 million per year authorized for BCAP, the 2014 Farm Bill provides up to 50 percent (\$12.5 million) each year for matching payments for the harvest and transportation of biomass residues. BCAP matching payments will resume this summer, while crop incentives will begin in 2015. Some matching payments will support the removal of dead or diseased trees from National Forests and Bureau of Land Management public lands. This will be

turned into renewable energy while reducing the risk of forest fire. Agriculture residues, such as corn cobs and stalks, also may qualify as energy-producing feedstock.

With the 2014 Farm Bill requiring several regulatory updates to BCAP, the resumption of payments for starting and maintaining new sources of biomass (Project Areas) has been deferred until a later date when the regulatory updates occur.

The USDA Farm Service Agency (FSA), which administers BCAP, will begin accepting applications from biomass conversion facilities beginning June 16, 2014, through July 14, 2014. Information on funding availability can be found in the *Federal Register* notice at <http://go.usa.gov/8FSH>. For more details on applications and deadlines on BCAP, visit a local FSA county office or go online to www.fsa.usda.gov/bcap.

SELLING LAND

If you plan on selling farmland, you should be aware of several consequences associated with FSA programs. For example, if you're planning to sell land that's enrolled in the Conservation Reserve Program, the buyer must agree to continue the enrollment. If the buyer doesn't want to continue the CRP contract, you might have to refund all of the payments you've received to date.

Reviewing program implications with your local Farm Service Agency staff before completing a sale of farmland is always a prudent precaution.

HIGHLY ERODIBLE LAND AND WETLAND COMPLIANCE

Landowners and operators are reminded that in order to receive payments from USDA, they must be compliant with Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions. Farmers with HEL determined soils must apply tillage, crop residue and rotation requirements as specified in their conservation plan.

Producers should notify FSA prior to conducting land clearing or drainage projects to ensure compliance. If you intend to clear any trees to create new cropland, these areas will need to be reviewed to ensure any work will not jeopardize your eligibility for benefits.

Landowners and operators can complete form AD-1026 Highly Erodible Land Conservation (HEL) and Wetland Conservation (WC) Certification to determine whether a referral to Natural Resources Conservation Service (NRCS) is necessary.

For more information on Highly Erodible Land and Wetland Conservation provisions, contact a FSA County Office or visit the FSA website at www.fsa.usda.gov.

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 October 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.

2012 & 2013 ELAP LOSSES MUST BE FILED BY AUG. 1, 2014 FOR HONEYBEE, LIVESTOCK AND FARM-RAISED FISH LOSSES (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.

PREVENTED PLANTED PROVISIONS

Producers should report prevented planted acreage to their local FSA Office when the crop acreage is not planted due to disaster-related conditions.

- To be considered timely filed, prevented planted acres should be reported no later than 15 calendar days after the final planting date established by Federal Crop Insurance.
- Final planting dates are provided in this SCOOP titled “Dates To Remember”

FAILED ACREAGE PROVISIONS

Producers should report failed crop acres to their local FSA Office when the crop failed due to disaster related conditions. To be timely filed the failed acreage shall be reported to FSA before the crop is destroyed. County Committee review and action is required to receive history credit in accordance with applicable rules and regulations. The County Committee may require the office to conduct a field visit for crop residue and verification

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 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 October 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 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.

USDA ANNOUNCES THE EXTENSION OF THE MILK INCOME LOSS CONTRACT PROGRAM FOR 2014

The USDA Farm Service Agency (FSA) recently announced the extension of the Milk Income Loss Contract (MILC) program which protects dairy farmers against income loss through September 1, 2014, or until a new Margin Protection Program for dairy producers (MPP) is operational. Contracts for eligible producers enrolled in MILC on or before September 30, 2013, are automatically extended until the termination date of the MILC program. Dairy operations with approved MILC contracts will continue to receive monthly payments if a payment rate is in effect. MILC compensates enrolled dairy producers when the Boston Class I milk price falls below \$16.94 per hundredweight (cwt), after adjustment for the cost of dairy feed rations. MILC payments are calculated each month using the latest milk price and feed cost, just as in the 2008 Farm Bill. The payment rate for October 2013 through January 2014 marketing is zero. Payment rates during the months after January 2014 until the termination of the MILC program will be determined as the appropriate data becomes available.

FSA will provide producers with information on program requirements, updates and sign-ups as the information becomes available.

DAIRY INDEMNITY PAYMENT PROGRAM

The 2014 Farm Bill authorized the extension of the Dairy Indemnity Payment Program (DIPP) through September 30, 2018. DIPP provides payments to dairy producers and manufacturers of dairy products when they are directed to remove their raw milk or products from the market because of contamination.

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.

2009, 2010, 2011, 2012 AND 2013 AVERAGE ADJUSTED GROSS INCOME COMPLIANCE REVIEW

The AGI verification and compliance reviews for 2009, 2010, 2011, 2012 and 2013 are conducted on producers who the IRS indicates may have exceeded the adjusted gross income limitations described in [7 CFR 1400.500]. Based on this review, producers will receive determinations of eligibility or ineligibility.

If the producer is determined to have exceeded the AGI limitation of \$500,000 of nonfarm income, \$750,000 of farm income, \$1 million of conservation program benefits or the \$1 million total AGI, then receivables will be established for payments earned directly or indirectly by the producer subject to the applicable limitation. The Arkansas FSA State Office will begin notifying producers selected for review next month. If you have any questions about the review process or determination, please contact the Arkansas FSA State Office at 501-301-3065. Producers who receive initial debt notification letters may only appeal the amount of the debt to their local FSA office. Adverse determinations become administratively final if not timely

appealed and can only be reopened if exceptional circumstances exist that prevented the producer from timely filing the appeal.

2014 ACREAGE REPORTING DATES

In order to comply with FSA program eligibility requirements, all producers are encouraged to visit their County FSA office to file an accurate crop certification report by the applicable deadline.

The following acreage reporting dates are applicable for all Arkansas Counties:

July 15, 2014: All spring planted crops and CRP warm season grasses for hay and pastures.

The following exceptions apply to the above acreage reporting dates:

- If the crop has not been planted by the above acreage reporting date, then the acreage must be reported no later than 15 calendar days after planting is completed.
- If a producer acquires additional acreage after the above acreage reporting date, then the acreage must be reported no later than 30 calendar days after purchase or acquiring the lease. Appropriate documentation must be provided to the county office.
- If a perennial forage crop is reported with the intended use of “cover only,” “green manure,” “left standing,” or “seed,” then the acreage must be reported by July 15th.

Noninsured Crop Disaster Assistance Program (NAP) policy holders should note that the acreage reporting date for NAP covered crops is the earlier of the dates listed above or 15 calendar days before grazing or harvesting of the crop begins.

For questions regarding crop certification and crop loss reports, please contact your local County FSA office.

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.

FARM SAFETY

Summer is an exciting and hectic time on Arkansas farms. **Arkansas** FSA employees care about our customers, and want to remind them to practice farm safety.

Remember to: Walk around machinery and check shields and guards; make sure the PTO's master shield is in place; make sure Slow Moving Vehicle signs are on machinery.

If you are taking medicine, take it at the appropriate time and eat on schedule.

If you are working in grain bins know that flowing grain can kill, and it can kill quickly. It takes less than five seconds for a person caught in flowing grain to be trapped. Try not to work alone in bins or confined spaces, and if that's not possible let someone know where you are by checking in regularly by cell phone.

The American Society of Safety Engineers (ASSE) offers the following safety tips for farmers:

1. Educate yourself on farm equipment. Read and follow instructions according to the equipment's manuals about safety.
2. Conduct regular equipment inspections.
3. Don't wear loose clothing while entering confined spaces such as grain bins, silos and hoppers as this can prevent entanglements.
4. Install Rollover Protective Structures (ROPS) on tractors.
5. Use seat belts while operating tractors with a ROPS. Do not allow additional passengers on the tractor with you.
6. While operating tractors and other farm equipment, be very cautious on rural roadways.
7. Use protective gear when operating machinery: Be familiar with hazardous chemicals. Take extra precaution when handling chemicals such as anhydrous ammonia, carbon dioxide, methane gas and hydrogen sulfide.
8. Consistently educate your family and co-workers about safety practices, especially children.

COMPLIANCE SPOT CHECKS

Compliance spot checks will be conducted on 2014 crops. Instead of locally selecting farms, contracts, deficiency loans, etc. for review, a nationwide selection of producers is employed. Spot check selections are to be conducted based on a producer's participation in Conservation Reserve Program, Direct and Counter-cyclical Program, Loan Deficiency Program, etc.

For more information about the spot check selection procedure, feel free to contact your local Farm Service Agency office for additional clarification.

FARM RECONSTITUTIONS

When changes in farm ownership or operation take place, a farm *reconstitution* is necessary. The reconstitution — or recon — is the process of combining or dividing farms or tracts of land based on the farming operation.

The following are the different methods used when doing a farm recon.

Estate Method — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate;

Designation of Landowner Method — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm

ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding;

DCP Cropland Method — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract;

Default Method — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

SUCCESSION IN INTEREST

If you have made any changes that affect your interest in base acres since you signed your last Direct and Counter-cyclical Program contract, you must report these *successions-in-interest* to the county committee by September 30, so that a final determination can be made on who is eligible for the program on the farm.

Changes that qualify as a succession-in-interest include:

- A sale of land
- A change of operator or producer, including an increase or decrease in the number of partners
- A foreclosure, bankruptcy or involuntary loss of the farm
- A change in producer shares to reflect changes in the producer's share of the crop(s) that were originally approved on the contract.

If a succession-in-interest has taken place, you, as the “predecessor,” are required to refund any advance DCP payments you received for the affected base acres before a payment can be made to the “successor.”

Not reporting a succession-in-interest can result in contract termination and a loss of program benefits for all producers involved.

FOREIGN BUYERS NOTIFICATION

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. The Farm Service Agency administers this program for USDA.

All individuals who are not U.S. citizens, and have purchased or sold agricultural land in the county are required to report the transaction to FSA with 90 days of the closing. Failure to submit the AFIDA form (FSA-153) could result in civil penalties of up to 25 percent of the fair market value of the property. County government offices, Realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

USDA ENHANCES FARM STORAGE FACILITY LOAN PROGRAM

The U.S. Department of Agriculture (USDA) today announced the expansion of the Farm Storage and Facility Loan program, which provides low-interest financing to producers. The

enhanced program includes 22 new categories of eligible equipment for fruit and vegetable producers.

Producers with small and mid-sized operations, and specialty crop fruit and vegetable growers, now have access to needed capital for a variety of supplies including sorting bins, wash stations and other food safety-related equipment. A new more flexible alternative is also provided for determining storage needs for fruit and vegetable producers, and waivers are available on a case-by-case basis for disaster assistance or insurance coverage if available products are not relevant or feasible for a particular producer.

Additionally, Farm Storage Facility Loan security requirements have been eased for loans up to \$100,000. Previously, all loans in excess of \$50,000 and any loan with little resale value required a promissory note/security agreement and additional security, such as a lien on real estate. Now loans up to \$50,000 can be secured by only a promissory note/security agreement and some loans between \$50,000 and \$100,000 will no longer require additional security.

The low-interest funds can be used to build or upgrade permanent facilities to store commodities. Eligible commodities include grains, oilseeds, peanuts, pulse crops, hay, honey, renewable biomass commodities, fruits and vegetables. Qualified facilities include grain bins, hay barns and cold storage facilities for fruits and vegetables.

Contact your local FSA office or visit www.fsa.usda.gov for more about FSA programs and loans, including the Farm Storage Facility Loan Program.

UNAUTHORIZED DISPOSITION OF GRAIN

If loan grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties for unauthorized dispositions are severe and a producer's name will be placed on a loan violation list for a two-year period. Always call before you haul any grain under loan.

CONTROLLED SUBSTANCE

Any person convicted under federal or state law of a controlled substance violation could be ineligible for USDA payments or benefits. Violations include planting, harvesting, or growing a prohibited plant. Prohibited plants include marijuana, opium, poppies and other drug producing plants.

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.

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, 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.

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 at:

http://fsa.usda.gov/FSA/newsReleases?area=newsroom&subject=landing&topic=pfs&newstype=prfactsheet&type=detail&item=pf_20140324_insup_en_fbill.html

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 PROGRAM

The Farm Service Agency (FSA) developed the Microloan program to better serve the unique financial operating needs of beginning, niche and small family farm operations.

FSA offers applicants a Microloan designed to help farmers with credit needs of \$35,000 or less. The loan features a streamlined application process built to fit the needs of new and smaller producers. This loan program will also be useful to specialty crop producers and operators of community supported agriculture (CSA).

Eligible applicants can apply for a maximum amount of \$35,000 to pay for initial start-up expenses such as hoop houses to extend the growing season, essential tools, irrigation and annual expenses such as seed, fertilizer, utilities, land rents, marketing, and distribution expenses. As financing needs increase, applicants can apply for a regular operating loan up to the maximum amount of \$300,000 or obtain financing from a commercial lender under FSA's Guaranteed Loan Program.

Individuals interested in applying for a microloan or would like to discuss other farm loan programs available, should contact the local FSA office to setup an appointment with a Loan Approval Official.

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

LOANS FOR THE 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.

GUARANTEED LOAN ELIGIBILITY

Changes to FSA regulations have removed Guaranteed Operating term limits. Previous and current guaranteed loan borrowers who were not eligible for further guaranteed loans due to the previous 15 year eligibility term limit may now be eligible for further guaranteed loans through their commercial lender.

LAND CONTRACT (LC) GUARANTEES

The Land Contract (LC) Guarantee Program is a valuable tool to transfer farm real estate to the next generation of farmers and ranchers. Guarantees will be offered to the owner of a farm who wishes to sell real estate through a land contract to a beginning or socially disadvantaged farmer or rancher. The guarantee reduces the financial risk to the seller.

FSA offers two types of guarantees:

- Prompt Payment Guarantee - A guarantee up to the amount of three amortized annual installments plus the cost of any related real estate taxes and insurance.
- Standard Guarantee - A guarantee of 90 percent of the outstanding principal balance under the land contract.

The guarantee period is 10 years and the contract payments must be amortized for a minimum of 20 years. The purchase price of the farm cannot exceed the lesser of \$500,000 or the market value of the property.

For additional information you can read the Land Contract Guarantee Program Fact Sheet at: http://www.fsa.usda.gov/Internet/FSA_File/lc_guarantee_Program.pdf

Dates to Remember	
JULY 15	Final date to Report 2014 Spring Seeded Planted Crops , warm season grasses, hay and pastures. (Note crop insured under the NAP Program may have an earlier acreage reporting date. Check with your local county office for verification.)

July 2014 Interest Rates	
90-Day Treasury Bill	0.125%
Farm Operating Loans — Direct	2.125%
Farm Ownership Loans — Direct	3.875%
Farm Ownership Loans, Direct Down Payment, Beginning farmer or Rancher	1.500%
Emergency Loans Actual Loss	3.125%
Farm Ownership – Joint Financing	2.500%
Farm Storage Facility Loans 7 years	2.250%
Farm Storage Facility Loans 10 years	2.625%
Farm Storage Facility Loans 12 years	2.750%
Sugar Storage Facility Loans	3.00 %
Commodity Loans 1996-Present	1.125%

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