

April 2015



## Alabama FSA Newsletter

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### Alabama Farm Service Agency

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### State Committee:

Dr. Walter Hill, Chairperson  
Laura Elliott, Member  
Danny Ellison, Member  
George Hodge, Member  
Fred Hughes, Member

### State Executive Director:

Daniel Robinson

### Division Chiefs:

William Henderson,  
Production  
Adjustment/Compliance  
Susan Trantum,  
Conservation/Price Support  
Anthony McCarty, Farm  
Loan

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

## USDA Implements 2014 Farm Bill Provision to Limit Payments to Non-Farmers

*Department Proposes Changes to "Actively Engaged" Rule*

USDA proposed a rule to limit farm payments to non-farmers, consistent with requirements Congress mandated in the 2014 Farm Bill. The proposed rule limits farm payments to individuals who may be designated as farm managers but are not actively engaged in farm management. In the Farm Bill, Congress gave USDA the authority to address this loophole for joint ventures and general partnerships, while exempting family farm operations from being impacted by the new rule USDA ultimately implements.

The current definition of "actively engaged" for managers, established in 1987, is broad, allowing individuals with little to no contributions to critical farm management decisions to receive safety-net payments if they are classified as farm managers, and for some operations there were an unlimited number of managers that could receive payments.

The proposed rule seeks to close this loophole to the extent possible within the guidelines required by the 2014 Farm Bill. Under the proposed rule, non-family joint ventures and general partnerships must document that their managers are making significant contributions to the farming operation, defined as 500 hours of substantial management work per year, or 25 percent of the critical management time necessary for the success of

the farming operation. Many operations will be limited to only one manager who can receive a safety-net payment. Operators that can demonstrate they are large and complex could be allowed payments for up to three managers only if they can show all three are actively and substantially engaged in farm operations. The changes specified in the rule would apply to payment eligibility for 2016 and subsequent crop years for Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Programs, loan deficiency payments and marketing loan gains realized via the Marketing Assistance Loan program.

As mandated by Congress, family farms will not be impacted. There will also be no change to existing rules for contributions to land, capital, equipment, or labor. Only non-family farm general partnerships or joint ventures comprised of more than one member will be impacted by this proposed rule.

Stakeholders interested in commenting on the proposed definition and changes are encouraged to provide written comments at [www.regulations.gov](http://www.regulations.gov) by May 26, 2015. The proposed rule is available at <http://go.usa.gov/3C6Kk>.

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## **USDA to Issue Disaster Assistance to Help Honeybee, Livestock and Farm-Raised Fish Producers**

### **Farm Bill Program Offers Producers Relief for 2014 Losses in more than 40 States including Alabama**

The U.S. Department of Agriculture's (USDA) Farm Service Agency today announced that nearly 2,700 applicants will begin receiving disaster assistance through the Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP) for losses experienced from Oct. 1, 2013, through Sept. 30, 2014.

The program, re-authorized by the 2014 Farm Bill, provides disaster relief to livestock, honeybee, and farm-raised fish producers not covered by other agricultural disaster assistance programs. Eligible losses may include excessive heat or winds, flooding, blizzards, hail, wildfires, lightning strikes, volcanic eruptions and diseases, or in the case of honeybees, losses due to colony collapse disorder. Beekeepers, most of whom suffered honeybee colony losses, represent more than half of ELAP recipients.

The farm bill caps ELAP disaster funding at \$20 million per federal fiscal year and the Budget Control Act of 2011, passed by Congress, requires USDA to reduce payments by 7.3 percent, beginning Oct. 1, 2014. To accommodate the number of requests for ELAP assistance, which exceeded 2014 funding, payments will be reduced to ensure that all eligible applicants receive a prorated share.

Today's announcement was made possible by the 2014 Farm Bill, which builds on historic economic gains in rural America over the past six years, while achieving meaningful reform and billions of dollars in savings for the taxpayer. Since enactment, USDA has made significant progress to implement each provision of this critical legislation, including providing disaster relief to farmers and ranchers; strengthening risk management tools; expanding access to rural credit; funding critical research; establishing innovative public-private conservation partnerships; developing new markets for rural-made products; and investing in infrastructure, housing and community facilities to help improve quality of life in rural America. For more information, visit <http://www.usda.gov/farmland>.

To learn more about ELAP, visit [www.fsa.usda.gov/elap](http://www.fsa.usda.gov/elap). For more information about USDA Farm Service Agency (FSA) disaster assistance programs, visit [disaster.usda.fsa.gov](http://disaster.usda.fsa.gov) or contact your local FSA office at <http://offices.usda.gov>.

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## May 31 is the Final Availability Date for Marketing Assistance Loans & Loan Deficiency Payments for some 2014 Crops

May 31, 2015, is the final availability date to request Marketing Assistance Loans and Loan Deficiency Payments on 2014 crops corn, cotton, dry peas, grain sorghum, lentils, mustard seed, rice, safflower seed, chickpeas, soybeans and sunflower seed.

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## Conservation Reserve Program (CRP) Reminders

Producers are reminded of uses on CRP acreage for the life of the contract:

- Applicants must ensure that adequate approved cover is maintained and must control undesirable vegetation
- Restrictive Uses on CRP Acreage
- No crops of any kind shall be harvested
- Using CRP as a lane or road is prohibited
- Unauthorized haying or grazing is prohibited
- Harvesting of pinestraw is prohibited
- CRP acreage shall not be disturbed during the primary nesting season of April 1 – July 15
- Management Activities, such as disking, pruning, burning, and thinning of trees are permitted but **MUST** be part of the approved Conservation Plan.

The County Committee is currently required to conduct spot checks of all active CRP contracts. These contracts are randomly selected unless an establishment of a particular practice is being conducted.

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## 2015 Crop Acreage Reporting Dates

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

The following acreage reporting dates are applicable for Alabama:

- **November 15, 2014** - Apiculture, PRF/Perennial Forage, Onions
- **January 2, 2015** - Honey (If colonies are acquired after January 2, 2015, the crop must be reported within 30 calendar days of the date colonies of bees are acquired, brought into, or removed from the county.)
- **January 15, 2015** - Blueberries, Canola, Rapeseed, Fall Oats, Peaches, Fall Wheat

- **March 15, 2015** - Pecans, Potatoes (planted Jan. 1- Mar. 1)
- **May 15, 2015** - Sweet Corn, Potatoes (planted Mar. 2-Apr. 15), Tobacco, Tomatoes
- **July 15, 2015** - All Other Crops

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.

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## **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 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](http://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 [offices.usda.gov](http://offices.usda.gov).

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## Breaking New Ground

Agricultural producers are reminded to consult with FSA and NRCS before breaking out new ground for production as doing so without prior authorization may put a producer's federal farm program benefits in jeopardy. This is especially true for land that must meet Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions.

Producers 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 risk 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

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## Microloans

Farm Service Agency (FSA) reminds farmers and ranchers that the FSA borrowing limit for microloans increased from \$35,000 to \$50,000, on Nov. 7, 2014. Microloans offer borrowers simplified lending with less paperwork.

The microloan change allows beginning, small and mid-sized farmers to access an additional \$15,000 in loans using a simplified application process with up to seven years to repay. Microloans are part of USDA's continued commitment to [small and midsized farming operations](#).

To complement the microloan program additional changes to FSA eligibility requirements will enhance beginning farmers and ranchers' access to land, a key barrier to entry level producers. FSA policies related to farm experience have changed so that other types of skills may be considered to meet the direct farming experience required for farm ownership loan eligibility. Operation or management of non-farm businesses, leadership positions while serving in the military or advanced education in an agricultural field will now count towards the experience applicants need to show when applying for farm ownership loans. **Important Note:** *Microloans cannot be used to purchase real estate.*

Since 2010, more than 50 percent of USDA's farm loans now go to beginning farmers and FSA has increased its lending to targeted underserved producers by nearly 50 percent.

Please review the FSA [Microloan Program Fact Sheet](#) for program application, eligibility and related information.

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## Youth Loans

The Farm Service Agency makes loans to youth to establish and operate agricultural income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5000.

Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Comply with FSA's general eligibility requirements
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. <span style="mso-spacerun: yes"> </span>The project supervisor must recommend the youth loan applicant, along with providing adequate supervision.

Stop by the county office for help preparing and processing the application forms.

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## **Special Accommodations**

Special accommodations will be made upon request for individuals with disabilities, vision impairment or hearing impairment. Persons with disabilities who require accommodations to attend or participate in FSA programs, meetings, or events should contact the county FSA office directly, or Federal Relay Service at 1-800-877-8339.

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).