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Alabama FSA Newsletter

Alabama Farm Service Agency

4121 Carmichael Rd.,
Suite 600
Montgomery, AL 36106

Phone: 334-279-3500
Fax: 855-747-0599

www.fsa.usda.gov/al

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

USDA Issues Safety-Net Payments to Farmers Facing Market Downturn

USDA's Farm Service Agency (FSA) has announced that beginning today, nearly one half of the 1.7 million farms that signed up for either the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs will receive safety-net payments for the 2014 crop year.

Unlike the old direct payments program, which paid farmers in good years and bad, the 2014 Farm Bill authorized a new safety-net that protects producers only when market forces or adverse weather cause unexpected drops in crop prices or revenues.

Example: The corn price for 2014 is 30 percent below the historical benchmark price used by the ARC-County program, and revenues of the farms participating in the ARC-County program are down by about \$20 billion from the benchmark during the same period. The nearly \$4 billion provided today by the ARC and PLC safety-net programs will give assistance to producers where revenues dropped below normal.

The ARC/PLC programs primarily allow producers to continue to produce for the market by making payments on a percentage of historical base production, limiting the impact on production decisions.

Nationwide, 96 percent of soybean farms, 91 percent of corn farms, and 66 percent of wheat farms elected the ARC-County coverage option. Ninety-nine percent of long grain rice and peanut farms, and 94 percent of medium grain rice farms elected the PLC option. Overall, 76 percent of participating farm acres are protected by ARC-County, 23 percent by PLC, and 1 percent by ARC-Individual. For data about other crops, as well as state-by-state program election results, final PLC price and payment data, and other program information including frequently asked questions, visit www.fsa.usda.gov/arc-plc.

Crops receiving assistance include barley, corn, grain sorghum, lentils, oats, peanuts, dry peas, soybeans, and wheat. In the upcoming months, disbursements will be made for other crops after

marketing year average prices are published by USDA's National Agricultural Statistics Service. Any disbursements to participants in ARC-County or PLC for long and medium grain rice (except for temperate Japonica rice) will occur in November, for remaining oilseeds and also chickpeas in December, and temperate Japonica rice in early February 2016. ARC-individual payments will begin in November. Upland cotton is no longer a covered commodity.

The Budget Control Act of 2011, passed by Congress, requires USDA to reduce payments by 6.8 percent. For more information, producers are encouraged to visit their local Farm Service Agency office. To find a local Farm Service Agency office, visit <http://offices.usda.gov>.

USDA Extends Deadline to Increase Protections for Forage Crop Losses

The USDA Farm Service Agency (FSA) deadline for producers to obtain or modify higher levels of coverage through the Noninsured Crop Disaster Assistance Program (NAP) to protect against poor forage crop quality because of drought or other natural disasters where the forage is intended for mechanical harvest has been extended to Nov. 13, 2015.

For some 2016 forage crops, the application deadline for NAP occurred before information became available to measure losses due to quality that could influence loss payments, so the deadline was extended so that producers have more time to decide what type of modified coverage works best for their operation.

The Noninsured Crop Disaster Assistance Program protects agricultural crops for which crop insurance is not available from losses due to natural disasters, such as drought, freeze, hail, excessive moisture, excessive wind or hurricanes. The program offers basic coverage at 55 percent of the average market price for crop losses exceeding 50 percent of expected production, and higher levels of coverage, up to 65 percent of expected production at 100 percent of the average market price. Higher coverage is not available on grazing crops. However, the extension does not afford producers the opportunity to purchase basic 50/55 NAP coverage.

Producers interested in adjusting their NAP coverage must submit the appropriate paperwork to their local FSA county office before the Nov. 13 deadline. To find your local USDA Service Center go to <http://offices.usda.gov>. For more details on the Noninsured Crop Disaster Assistance Program, visit www.fsa.usda.gov/nap.

New USDA Commitments to Help Build Up Next Generation of Farmers and Ranchers

The U.S. Department of Agriculture today announced a commitment by the U.S. Department of Agriculture (USDA) to prioritize \$5.6 billion over the next two years within USDA programs and services that serve new and beginning farmers and ranchers. Deputy Secretary Harden also announced a new, tailored web tool designed to connect burgeoning farm entrepreneurs with programs and resources available to help them get started.

The new web tool is available at www.usda.gov/newfarmers. The site was designed based on feedback from new and beginning farmers and ranchers around the country, who cited unfamiliarity

with programs and resources as a challenge to starting and expanding their operations. The site features advice and guidance on everything a new farm business owner needs to know, from writing a business plan, to obtaining a loan to grow their business, to filing taxes as a new small business owner. By answering a series of questions about their operation, farmers can use the site's Discovery Tool to build a personalized set of recommendations of USDA programs and services that may meet their needs.

Using the new web tool and other outreach activities, and operating within its existing resources, USDA has set a new goal of increasing beginning farmer and rancher participation by an additional 6.6 percent across key USDA programs, which were established or strengthened by the 2014 Farm Bill, for a total investment value of approximately \$5.6 billion. Programs were targeted for expanded outreach and commitment based on their impact on expanding opportunity for new and beginning farmers and ranchers, including starting or expanding an operation, developing new markets, supporting more effective farming and conservation practices, and having access to relevant training and education opportunities. USDA will provide quarterly updates on its progress towards meeting its goal. A full explanation of the investment targets, benchmarks and outcomes is available at: [BFR-Commitment-Factsheet](#).

As the average age of the American farmer now exceeds 58 years, and data shows that almost 10 percent of farmland in the continental United States will change hands in the next five years, we have no time to lose in getting more new farmers and ranchers established. Equally important is encouraging young people to pursue careers in industries that support American agriculture. According to [an employment outlook report](#) released by USDA's National Institute of Food and Agriculture (NIFA) and Purdue University, one of the best fields for new college graduates is agriculture. Nearly 60,000 high-skilled agriculture job openings are expected annually in the United States for the next five years, yet only 35,000 graduates with a bachelor's degree or higher in agriculture related fields are expected to be available to fill them. The report also shows that women make up more than half of the food, agriculture, renewable natural resources, and environment higher education graduates in the United States. USDA recently released a [series of fact sheets](#) showcasing the impact of women in agriculture nationwide.

Today's announcement builds on USDA's ongoing work to engage its resources to inspire a strong next generation of farmers and ranchers by improving access to land and capital; building market opportunities; extending conservation opportunities; offering appropriate risk management tools; and increasing outreach and technical support. To learn more about USDA's efforts, visit the [Beginning Farmers and Ranchers Results Page](#).

USDA Extends Dairy Margin Protection Program Deadline

USDA's Farm Service Agency (FSA) announced that the deadline to enroll for the dairy Margin Protection Program for coverage in 2016 has been extended until Nov. 20, 2015. The voluntary program, established by the 2014 Farm Bill, provides financial assistance 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.

Producers who were enrolled in 2015 will need to make a coverage election for 2016 and pay the \$100 administration fee. Although any unpaid premium balances for 2015 must be paid in full by the enrollment deadline to remain eligible for higher coverage levels in 2016, premiums for 2016 are not due until Sept. 1, 2016. Also, producers can work with milk marketing companies to remit premiums

on their behalf.

To enroll in the Margin Protection Program for Dairy, contact your local FSA county office. To find your local FSA county office, visit <http://offices.usda.gov>.

Payments under the program may be reduced by a certain percentage due to a sequester order required by Congress and issued pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985. Should a payment reduction be necessary, FSA will reduce the payment by the required amount.

USDA Commits \$2.5 Million to Expand New Farmer Education

Training Will also Help Returning Service Members, Underserved, and Urban Producers

U.S. Department of Agriculture (USDA has announced that \$2.5 million in grants is now available for projects to educate new and underserved farmers about more than 20 Farm Service Agency (FSA) programs that can provide financial, disaster or technical assistance to the agricultural community.

The grants will be awarded to nonprofits and public higher education institutions that develop proposals to improve farmer education on topics such as financial training, value-added production, recordkeeping, property inheritance, and crop production practices.

USDA will conduct four evaluation periods to review applications, with the deadlines of Nov. 20, 2015, Jan. 22, 2015, Mar. 18, 2016, and May 27, 2016. Awards between \$20,000 and \$100,000 per applicant will be available. To learn more about the funding solicitation and the related Farm Service Agency programs, details can be found at www.grants.gov with the reference number USDA-FSA-CA-2015-001. For nonprofits and public institutions of higher education that are considering participation, an online informational session will be conducted on Sept. 28, 2015. Additional information is posted on the Web at www.fsa.usda.gov/outreach.

2016 Acreage Reporting of PRF and Perennial Forage (grass intended for grazing or hay)

In order to comply with FSA program eligibility requirements, all producers are encouraged to visit their local FSA Office to file an accurate crop certification report by the applicable deadline for PRF/Perennial Forage. Programs that require certification of PRF and/or Perennial Forage include the Noninsured Crop Disaster Assistance Program (NAP), Livestock Forage Disaster Program (LFP) and the Agriculture Risk Coverage (ARC) and Price Loss Coverage Program (PLC).

Perennial Forage includes but is not limited to grass, alfalfa, birdsfoot trefoil, clover and mixed forage intended for hay or grazing. PRF includes acreage insured as PRF with crop insurance.

The acreage reporting deadline for PRF/Perennial Forage is November 15, 2015.

The following exceptions apply to the above acreage reporting date:

- 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 complete.
- 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.

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 FSA office.

Incentives for Working Grass, Range and Pasture Lands

Farmers and ranchers can now apply for financial assistance to help conserve working grasslands, rangeland and pastureland while maintaining the areas as livestock grazing lands.

The initiative is part of the voluntary Conservation Reserve Program (CRP), a federally funded program that for 30 years has assisted agricultural producers with the cost of restoring, enhancing and protecting certain grasses, shrubs and trees to improve water quality, prevent soil erosion and reduce loss of wildlife habitat. In return, the U.S. Department of Agriculture (USDA) provides participants with rental payments and cost-share assistance. CRP has helped farmers and ranchers prevent more than 8 billion tons of soil from eroding, reduce nitrogen and phosphorous runoff relative to cropland by 95 and 85 percent respectively, and even sequester 43 million tons of greenhouse gases annually, equal to taking 8 million cars off the road.

The CRP-Grasslands initiative will provide participants who establish long-term, resource-conserving covers with annual rental payments up to 75 percent of the grazing value of the land. Cost-share assistance also is available for up to 50 percent of the covers and other practices, such as cross fencing to support rotational grazing or improving pasture cover to benefit pollinators or other wildlife. Participants may still conduct common grazing practices, produce hay, mow, or harvest for seed production, conduct fire rehabilitation, and construct firebreaks and fences.

With the publication of the CRP regulation today, the Farm Service Agency will accept applications on an ongoing basis beginning Sept. 1, 2015, with those applications scored against published ranking criteria, and approved based on the competitiveness of the offer. The ranking period will occur at least once per year and be announced at least 30 days prior to its start. The end of the first ranking period will be Nov. 20, 2015.

To learn more about participating in CRP-Grasslands or SAFE, visit www.fsa.usda.gov/crp or consult with the local Farm Service Agency county office. To locate a nearby Farm Service Agency office, visit <http://offices.usda.gov>. To learn more about the 30th anniversary of CRP, visit www.fsa.usda.gov/CRPis30 or follow on Twitter using #CRPis30.

Farmers to Receive Documentation of USDA Services

Local Offices Issue Receipts for Services Provided

Farm Service Agency (FSA) reminds agricultural producers that FSA provides a receipt to customers who request or receive assistance or information on FSA programs.

As part of FSA's mission to provide enhanced customer service, producers who visit FSA will

receive documentation of services requested and provided. From December through June, FSA issued more than 327,000 electronic receipts.

The 2014 Farm Bill requires a receipt to be issued for any agricultural program assistance requested from FSA, the National Resources Conservation Service (NRCS) and Rural Development (RD). Receipts include the date, summary of the visit and any agricultural information, program and/or loan assistance provided to an individual or entity.

In some cases, a form or document – such as a completed and signed program enrollment form – serve as the customer receipt instead of a printed or electronic receipt. A service is any information, program or loan assistance provided whether through a visit, email, fax or letter.

To learn more about FSA, visit www.fsa.usda.gov or to find your local USDA office, visit <http://offices.usda.gov>.

Direct Loans

FSA offers direct farm ownership and direct farm operating Loans to producers who want to establish, maintain or strengthen their farm or ranch. FSA loan officers process, approve and service direct loans.

Direct farm operating loans can be used to purchase livestock and feed, farm equipment, fuel, farm chemicals, insurance and other costs including family living expenses. Operating loans can also be used to finance minor improvements or repairs to buildings and to refinance some farm-related debts, excluding real estate.

Direct farm ownership loans can be used to purchase farmland, enlarge an existing farm, construct and repair buildings, and to make farm improvements.

The maximum loan amount for both direct farm ownership and operating loans is \$300,000 and a down payment is not required. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

Please contact your local FSA office for more information or to apply for a direct farm ownership or operating loan.

Guaranteed Loan Program

FSA guaranteed loans allow lenders to provide agricultural credit to farmers who do not meet the lender's normal underwriting criteria. Farmers and ranchers apply for a guaranteed loan through a lender, and the lender arranges for the guarantee. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan. Guaranteed loans can be used for both farm ownership and operating purposes.

Guaranteed farm ownership loans can be used to purchase farmland, construct or repair buildings, develop farmland to promote soil and water conservation or to refinance debt.

Guaranteed operating loans can be used to purchase livestock, farm equipment, feed, seed, fuel, farm chemicals, insurance and other operating expenses.

FSA can guarantee farm ownership and operating loans up to \$1,399,000. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

Please contact your lender or local FSA farm loan office for more information on guaranteed loans.

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).