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AZ Newsletter - November 2015

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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

your operation or county.

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>.

Producers are Reminded to Complete NASS Crop Surveys

The National Agricultural Statistics Service (NASS) Field Offices are currently completing 2015 small grain yield surveys and will contact growers in December to complete row crop yield surveys. If you are one of the producers contacted to complete a 2015 yield survey, we encourage your participation and cooperation as many USDA agencies including the Farm Service Agency (FSA) and Risk Management Agency (RMA) use the NASS yield data for their programs.

FSA uses NASS county yield data for farm credit, conservation, disaster programs, loan and commodity programs. Under the 2014 Farm Bill, FSA uses the NASS county yield data to calculate Agriculture Risk Coverage – County (ARC-CO) benchmark revenues and current year county revenues. For example, the 2014 NASS county yield, along with the crop's marketing year average price (MYA), are used to determine the county's current year revenue to determine if the county will trigger an ARC-CO payment. An ARC-CO payment is triggered for a county when the current year revenue falls below the guarantee revenue for the crop and crop year. In cases where NASS county yield data is not available, the FSA State Committee must determine a county yield using RMA yield data or the best available yield data, including assigning a county yield using neighboring county yields from NASS or RMA.

Any information that producers provide to NASS is kept confidential and protected by federal law. NASS publishes only aggregate-level data, ensuring that no individual operation or producer can be identified. All reports will be available at www.nass.usda.gov.

Incentives for Working Grass, Range and Pasture Lands

Beginning Sept. 1, farmers and ranchers can 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.

AZ Program Dates and Deadlines

- November 13: NAP Extended Deadline for Buy-up and Quality Loss on 2016 Forage Crops (Non-Alfalfa)
 - November 15: Acreage Reporting Deadline for Alfalfa (Grazing) and Non-Alfalfa Forage Crops
 - November 20: Deadline for Margin Protection Program (MPP) for 2016
 - November 20: NAP Closing Date for: Apples, Apricots, Cherries, Citrus, Greens, Honey, Peaches, Pears, Peas, Plums, and Watermelon
 - November 20: First Signup Deadline for Conservation Reserve Program-Grasslands (CRP)
 - November 30: NAP Closing Date for Potatoes
 - December 1, 2015-August 1, 2016: Enrollment for ARC/PLC 2016
 - December 31: NAP Closing date for Dates and Pistachio
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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).