



NEWSLETTER



AUGUST 2016

Idaho Farm Service Agency

9173 West Barnes Drive
Suite B
Boise, ID 83709
www.fsa.usda.gov/id

State Committee:

Scott McLeod, Chair
Bobbie Bodine
Sherry Crutcher
Matt Gellings
Amy Manning

State Executive Director:

Mark Samson

Farm Loan Chief:

Aaron Johnson

Farm Program Chief:

Jeff Mitchell

Note: To check the status of your FSA Farm Loan (FLP) account, call 1-888-518-4983 or check with your local office.

To find contact information for your local office go to www.fsa.usda.gov/id

Idaho FSA Newsletter

August 2016

Farm Storage Facility Loans

FSA's Farm Storage Facility Loan (FSFL) program provides low-interest financing to producers to build or upgrade storage facilities.

The low-interest funds can be used to build or upgrade permanent facilities to store commodities. Eligible commodities include corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley, minor oilseeds harvested as whole grain, pulse crops (lentils, chickpeas and dry peas), hay, honey, renewable biomass, fruits, nuts and vegetables for cold storage facilities, floriculture, hops, maple sap, rye, milk, cheese, butter, yogurt, meat and poultry (unprocessed), eggs, and aquaculture (excluding systems that maintain live animals through uptake and discharge of water). Qualified facilities include grain bins, hay barns and cold storage facilities for eligible commodities.

Loans up to \$50,000 can be secured by a promissory note/security agreement and some loans between \$50,000 and \$100,000 will no longer require additional security.

Producers do not need to demonstrate the lack of commercial credit availability to apply. The loans are designed to assist a diverse range of farming operations, including small and mid-sized businesses, new farmers, operations supplying local food and farmers markets, non-traditional farm products, and underserved producers.

To learn more about the FSA Farm Storage Facility Loan, visit www.fsa.usda.gov/pricesupport or contact your local FSA county office. To find your local FSA county office, visit <http://offices.usda.gov>

Idaho Producers Urged to Consider Risk Protection Coverage before Crop Sales Deadlines

The USDA Farm Service Agency (FSA) reminds producers to review available USDA crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the crop deadline of September 30, 2016 and December 1, 2016.

Federal crop insurance covers crop losses from natural adversities such as drought, hail and excessive moisture. NAP covers losses from natural disasters on crops for which no permanent federal crop insurance program is available, including perennial grass forage and grazing crops, fruits, vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

The following crops in Idaho counties have a NAP application deadline of **September 30, 2016**: fall seeded crops, including flowers. The following crops have a NAP application deadline of **December 1, 2016** in Idaho: perennial grass seed crops, all other perennial crops, annual planted mixed forage crops, and honey. The NAP application deadline for spring planted crops (excluding annual planted mixed forage) is **March 15, 2017**.

NAP basic catastrophic coverage is available based on the amount of loss that exceeds 50 percent of expected production at 55 percent of the average market price for the crop. Additional higher coverage levels (also called buy-up coverage), provides coverage ranging from 50 to 65 percent of production, in 5 percent increments, at 100 percent of the average market price. Buy-up coverage includes coverage for organics and crops marketed directly to consumers. Crops intended for grazing are not eligible for additional NAP coverage.

Federal crop insurance coverage is sold and delivered solely through private insurance agents. Agent lists are available at all USDA Service Centers or at USDA's online Agent Locator: <http://prodwebnlb.rma.usda.gov/apps/AgentLocator/#>. Producers can use the USDA Cost Estimator, <https://ewebapp.rma.usda.gov/apps/costestimator/Default.aspx>, to predict insurance premium costs.

For more information on NAP, service fees, premiums and sales deadlines, contact your local FSA office or visit the web at www.fsa.usda.gov/nap.

USDA Offers Help to Fire-Affected Farmers and Ranchers

The [U.S. Department of Agriculture](#) (USDA) reminds farmers and ranchers affected by the recent wildfires in Alaska, California, Idaho, Oregon, Montana and Washington State that USDA has programs to assist with their recovery efforts.

The [Farm Service Agency](#) (FSA) can assist farmers and ranchers who lost livestock, grazing land, fences or eligible trees, bushes and vines as a result of a natural disaster. FSA administers a suite of safety-net programs to help producers recover from eligible losses, including the [Livestock Indemnity Program](#), the [Livestock Forage Disaster Program](#), the [Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program](#), and the [Tree Assistance Program](#).

In addition, the FSA [Emergency Conservation Program](#) provides funding and technical assistance for farmers and ranchers to rehabilitate farmland damaged by natural disasters and for carrying out emergency water conservation measures in periods of severe drought. Producers located in counties that received a primary or contiguous disaster designation are eligible for low-interest [emergency loans](#) to help them recover from production and physical losses. Compensation is also available to producers who purchased coverage through the [Noninsured Crop Disaster Assistance Program](#), which protects non-insurable crops against natural disasters that result in lower yields, crop losses or prevented planting.

The [Natural Resources Conservation Service](#) (NRCS) can assist producers with damaged grazing land as well as farmers, ranchers and forestland owners who find themselves in emergency situations caused by natural disasters. The NRCS [Environmental Quality Incentives Program](#) provides financial assistance to producers who agree to defer grazing on damaged land for two years. In the event that presidentially declared natural disasters, such as wildfires, lead to imminent threats to life and property, NRCS can assist local government sponsors with the cost of implementing conservation practices to address natural resource concerns and hazards through the [Emergency Watershed Protection Program](#).

Farmers and ranchers with coverage through the federal crop insurance program administered by the [Risk Management Agency](#) (RMA) should contact their crop insurance agent to discuss losses due to fire or other natural causes of loss. Crop insurance is sold and delivered solely through private crop insurance agents. A list of crop insurance agents is available at all USDA Service Centers and online at the RMA [Agent Locator](#).

When wildfires destroy or severely damage residential property, [Rural Development](#) (RD) can assist with providing priority hardship application processing for single family housing. Under a disaster designation, RD can issue a priority letter for next available multi-family housing units. RD also provides low-interest loans to community facilities, water environmental programs, businesses and cooperatives and to rural utilities.

For the first time in its 110-year history, the [Forest Service](#), part of USDA, is spending more than 50 percent of its budget to suppress the nation's wildfires.

Today, fire seasons are 78 days longer than in the 1970s. Since 2000, at least 10 states have had their largest fires on record. **This year, there have been more than 46,000 fires.** Increasing development near forest boundaries also drives up costs, as more than 46 million homes and more than 70,000 communities are at risk from wildfire in the United States.

Visit <http://go.usa.gov/3eDeF> to learn more about USDA disaster preparedness and response. For more information on USDA disaster assistance programs, please contact your local USDA Service Center. To find your local USDA Service Center go to <http://offices.usda.gov>

Tree Assistance Program (TAP) Sign-up

Orchardists and nursery tree growers who experience losses from natural disasters during calendar year 2016 must submit a TAP application either 90 calendar days after the disaster event or the date when the loss is apparent. 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.

Loan Deficiency Payments (LDPs) and Market Loan Repayments (MLGs)

LDPs (Loan Deficiency Payments) are payments made to producers who, although eligible to obtain a CCC loan (MAL – Marketing Assistance Loan), agree to forgo the loan in return for a payment on the eligible commodity.

Currently HRW Wheat is below the county loan rate and eligible for a LDP (Loan Deficiency Payment) in most counties in Idaho. The LDP rate can change from one day to the next. Producers must have filed form CCC-633EZ, page 1 before loss of beneficial interest, on all eligible commodities. Producers can then lock in a LDP rate on CCC-633EZ, page 2. The LDP rate can change daily and depending on the market – it may trigger one day but not the next day.

If producers currently have an outstanding HRW wheat loan for 2015 and 2016 – they may also lock in a market repayment rate. The producer needs to file form CCC-697, Request to Lock-in a Market Loan Repayment Rate. On the date the producer locks in a repayment rate at less than principal plus interest, the daily Posted County Price (PCP) must be less than the loan rate.

Producers may lock in a repayment rate for 60 calendar days and lock-in rates:

- Can only be requested on disbursed loans only
- Cannot be requested within 14 calendar days of loan maturity

The request to lock in a repayment rate may only be completed 1 time for a designated quantity. The designated quantity may be:

- All quantity under loan
- A specific loan quantity

Producers cannot take out a Loan Deficiency Payment (LDP) or Market Assistance Loan (MAL) on the same eligible quantity.

LDPS and Market Loan Gains (market loan repayment on a marketing assistance loan) are subject to the \$125,000 payment limitation in combination with ARC and PLC payments. In addition, producers must file a Farm Operating Plan with FSA on automated form CCC-902 and be determined “actively engaged in farming”.

Producers must file form CCC-941, Adjusted Gross Income and be under the 3 year Average Adjusted Gross Income of less than \$900,000.

Please visit your local FSA Office to find out details of either Loan Deficiency Payments (LDPs) or Market Loan Repayments (MLRs) on a disbursed Market Assistance Loan (MAL).

GRAZE-OUT Payments Now Available to Idaho Producers

Wheat, Barley, Oats or Triticale

FSA is now accepting applications for 2016 GRAZE-OUT payments for producers who elect to use their acreage planted to wheat, barley, oats, or triticale for grazing by livestock and agree to forgo any other harvesting of the commodity in 2016.

Producers must request graze-out payments by farm and complete form CCC-633 GRAZING. If multiple producers share in the acreage, all signatures must be obtained before the request is considered complete.

The graze-out payment rate is determined by the amount the applicable commodity loan rate exceeds the CCC-determined value of the commodity for the county where the farm is located. This is referred to as the Loan Deficiency Payment (LDP) rate. The graze-out payment will be based on the LDP rate in effect for the county on the date of the request.

Producers may file an application for graze-out any time prior to March 31, 2017.

Farm acres identified on form CCC-633 GRAZING will not be eligible for an indemnity under the Federal Crop Insurance Act or Noninsured Crop Disaster Assistance Program (NAP).

Graze-out payments are subject to the same basic eligibility requirements as commodity loans and LDPs including, but not limited to Adjusted Gross Income (AGI) provisions, beneficial interest, conservation compliance, foreign person, payment limitations for crop years 2014 through 2018, together with market loan gains and ARC/PLC.

Before MAL repayments with a market loan gain (MLG) or LDP disbursements can be made, producers must meet the requirements of actively engaged in farming, cash rent tenant and member contribution. 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, MLGs and LDPs.

AGI provisions state that a producer whose total applicable three-year average AGI exceeds \$900,000 is not eligible to receive an MLG or LDP. Producers must have a valid CCC-941 on file to earn a market gain or LDP.

For more information and additional eligibility requirements, please contact your local FSA county office or FSA's website www.fsa.usda.gov.

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.

Sugar producers to be eligible for sugar loans through amalgamated sugar company

Sugar producers are reminded to be eligible for program benefits (sugar loans), sugar must have been processed from beets delivered by a producer, owner, or operator who complies with HELC and WC provisions and producers are required to file:

- Form AD-1026, Highly Erodible land Conservation (HELC) and Wetland Conservation (WC) Certification.
- FSA-578, Report of Acreage, annually, before the final acreage reporting date established for the county.

Persons shall not be eligible for program benefits during the crop year in which the producer does not comply with HELC and WC provisions.

Farm Service Agency (FSA) and Risk Management Agency (RMA) to Prevent Fraud, Waste, and Abuse

FSA supports the RMA in the prevention of fraud, waste and abuse of the Federal Crop Insurance Program. FSA has been, and will continue to, assist RMA and insurance providers by monitoring crop conditions throughout the growing season. FSA will continue to refer all suspected cases of fraud, waste and abuse directly to RMA. Producers can report suspected cases to the county office staff, the RMA office, or the Office of the Inspector General.

ARC, PLC and CTAP Acreage Maintenance

Producers enrolled in Agriculture Risk Coverage (ARC), Price Loss Coverage (PLC) or the Cotton Transition Assistance Program (CTAP) must protect all cropland and noncropland acres on the farm from wind and water erosion and noxious weeds. Producers who sign ARC county or individual contracts and PLC contracts agree to effectively control noxious weeds on the farm according to sound agricultural practices. If a producer fails to take necessary actions to correct a maintenance problem on a farm that is enrolled in ARC, PLC or CTAP, the County Committee may elect to terminate the contract for the program year.

Loans for Targeted Underserved Producers

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 to purchase or improve farms or ranches.

While all qualified producers are eligible to apply for these loan programs, FSA has provided priority funding for members of targeted underserved applicants.

A targeted underserved 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, targeted underserved 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.

Borrower Training

Borrower training is available for all Farm Service Agency customers. This training is required for all direct loan applicants, unless the applicant has a waiver issued by the agency.

Borrower training includes instruction in production and financial management. The purpose is to help the applicant develop and improve skills that are necessary to successfully operate a farm and build equity in the

operation. It aims to help the producer become financially successful. Borrower training is provided, for a fee, by agency approved vendors. Contact your local FSA Farm Loan Manager for a list of approved vendors.

Farm Safety

Flowing grain in a storage bin or gravity-flow wagon is like quicksand — it can kill quickly. It takes less than five seconds for a person caught in flowing grain to be trapped.

The mechanical operation of grain handling equipment also presents a real danger. Augers, power take offs, and other moving parts can grab people or clothing.

These hazards, along with pinch points and missing shields, are dangerous enough for adults; not to mention children. It is always advisable to keep children a safe distance from operating farm equipment. Always use extra caution when backing or maneuvering farm machinery. Ensure everyone is visibly clear and accounted for before machinery is engaged

FSA wants all farmers to have a productive crop year and that begins with putting safety first.

Dates to Remember

Sept 30	NAP application closing date for fall seeded crops
---------	--

Selected Interest Rates for August 2016

Farm Operating Loans — Direct	2.125%
Farm Ownership Loans — Direct	3.125%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50%
Farm Storage Facility Loans (7 years)	1.375%
Farm Storage Facility Loans (12 years)	1.625%

USDA is an equal opportunity provider, employer and lender. 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).