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Farm Service Agency **Electronic News Service**

NEWSLETTER

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Maryland FSA Newsletter

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

Deadline to Enroll in Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC)

Maryland Producers Have until Aug. 1 to Enroll in ARC/PLC

Farmers and ranchers have until Aug. 1 to enroll in Agriculture Risk Coverage (ARC) and/or Price Loss Coverage (PLC) programs for the 2017 crop year. These programs trigger financial protections for participating agricultural producers when market forces cause substantial drops in crop prices or revenues.

Producers have already elected ARC or PLC, but to receive program benefits they must enroll for the 2017 crop year by signing a contract before the Aug. 1 deadline. Please contact your local FSA office to schedule an appointment if you have not yet enrolled.

Covered commodities under the programs include barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium grain rice (which includes short grain and sweet rice), safflower seed, sesame, soybeans, sunflower seed and wheat.

For more program information, contact your local FSA office or visit www.fsa.usda.gov/arc-plc.

ARC/PLC Acreage Maintenance

Producers enrolled in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs 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 or PLC, the County Committee may elect to terminate the contract for the program year.

Filing a Notice of Loss

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), 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 or 15 calendar days after the normal harvest date.

Producers of hand-harvested crops must notify FSA of damage or loss through the administrative County Office within 72 hours of the date of damage or loss first becomes apparent. This notification can be provided by filing a CCC-576, email, fax or phone. Producers who notify the County Office by any method other than by filing the CCC-576 are still required to file a CCC-576, *Notice of Loss*, within the required 15 calendar days.

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.

Report Livestock Losses

The Livestock Indemnity Program (LIP) provides assistance to eligible producers for 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. LIP compensates livestock owners and contract growers for livestock death losses in excess of normal mortality due to adverse weather, including losses due to hurricanes, floods, blizzards, wildfires, extreme heat or extreme cold.

For 2017, eligible losses must occur on or after Jan. 1, 2017, and no later than 60 calendar days from the ending date of the applicable adverse weather event or attack. A notice of loss must be filed with FSA within 30 days of when the loss of livestock is apparent. Participants must provide the following supporting documentation to their local FSA office no later than 90 calendar days after the end of the calendar year in which the eligible loss condition occurred.

- Proof of death documentation
- Copy of growers contracts
- Proof of normal mortality documentation

USDA has established normal mortality rates for each type and weight range of eligible livestock, i.e. Adult Beef Cow = 1.5% and Non-Adult Beef Cattle (less than 400 pounds) = 3%. These established percentages reflect losses that are considered expected or typical under "normal" conditions. Producers who suffer livestock losses in 2017 must file both of the following:

- A notice of loss the earlier of 30 calendar days of when the loss was apparent
- An application for payment by March 31, 2018.

Additional Information about LIP is available at your local FSA office or online at: www.fsa.usda.gov.

Annual Review of Payment Eligibility

All participants of FSA programs who request program benefits are required to submit a completed CCC-902 (Farming Operation Plan) and CCC-941 Average Gross Income (AGI) Certification and Consent to Disclosure of Tax Information to be considered for payment eligibility and payment limitation applicable for the program benefits.

Participants are not required to annually submit new CCC-902s for payment eligibility and payment limitation purposes unless a change in the farming operation occurs that may affect the determination of record. A valid CCC-902 filed by the participant is considered to be a continuous certification used for all payment eligibility and payment limitation determinations applicable for the program benefits requested.

Participants are responsible for ensuring that all CCC-902 and CCC-941 and related forms on file in the county Office are correct at all times. Participants are required to timely notify the county office of any changes in the farming operation that may affect the determination of record by filing a new or updated CCC-902 as applicable.

Changes that may require a NEW determination include, but are not limited to, a change of:

- Shares of a contract, which may reflect:
 - A land lease from cash rent to share rent
 - A land lease from share rent to cash rent (subject to the cash rent tenant rule)
 - A modification of a variable/fixed bushel-rent arrangement
- The size of the producer's farming operation by the addition or reduction of cropland that may affect the application of a cropland factor
- The structure of the farming operation, including any change to a member's share
- The contribution of farm inputs of capital, land, equipment, active personal labor, and/or active personal management
- Farming interests not previously disclosed on CCC-902 including the farming interests of a spouse or minor child
- Financial status that may affect the 3-year average for the determination of average AGI or other changes that affects eligibility under the average adjusted gross income limitations.

Participants are encouraged to file or review these forms within the deadlines established for each applicable program for which program benefits are being requested.

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.

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.

Farm Loan Graduation Reminder

FSA Direct Loans are considered a temporary source of credit that is available to producers who do not meet normal underwriting criteria for commercial banks.

FSA periodically conducts Direct Loan graduation reviews to determine a borrower's ability to graduate to commercial credit. If the borrower's financial condition has improved to a point where they can refinance their debt with commercial credit, they will be asked to obtain other financing and partially or fully pay off their FSA debt.

By the end of a producer's operating cycle, the Agency will send a letter requesting a current balance sheet, actual financial performance and a projected farm budget. The borrower has 30 days to return the required financial documents. This information will be used to evaluate the borrower's potential for refinancing to commercial credit.

If a borrower meets local underwriting criteria, FSA will send the borrower's name, loan type, balance sheet and projected cash flow to commercial lenders. The borrower will be notified when loan information is sent to local lenders.

If any lenders are interested in refinancing the borrower's loan, FSA will send the borrower a letter with a list of lenders that are interested in refinancing the loan. The borrower must contact the lenders and complete an application for commercial credit within 30 calendar days.

If a commercial lender rejects the borrower, the borrower must obtain written evidence that specifies the reasons for rejection and submit to their local FSA farm loan office.

If a borrower fails to provide the requested financial information or to graduate, FSA will notify the borrower of noncompliance, FSA's intent to accelerate the loan, and appeal rights.

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).