

September 2014



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## Colorado State FSA Updates

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Anita Nein, Member  
Bill Warren, Member  
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### Livestock Producers Urged to Enroll in Disaster Assistance Program by October 1

Producers who have suffered eligible disaster-related losses are encouraged to act to secure assistance by Sept. 30, 2014, as congressionally mandated payment reductions will take place for producers who have not acted before that date. Livestock producers that have experienced grazing losses since October 2011 and may be eligible for benefits but have not yet contacted their local Farm Service Agency (FSA) office should do so as soon as possible.

The Budget Control Act passed by Congress in 2011 requires USDA to implement reductions of 7.3 percent to the Livestock Forage Disaster Program (LFP) in the new fiscal year, which begins Oct. 1, 2014. However, producers seeking LFP support who have scheduled appointments with their local FSA office before Oct. 1, even if the appointment occurs after Oct. 1, will not see reductions in the amount of disaster relief they receive.

USDA is encouraging producers to register, request an appointment or begin a Livestock Forage Disaster Program application with their county FSA office before Oct. 1, 2014, to lock in the current zero percent sequestration rate. As an additional aid to qualified producers applying for LFP, the Farm Service's Agency has developed an online registration that enables farmers and ranchers to put their names on an electronic list before the deadline to avoid reductions in their disaster assistance. This is an alternative to visiting or contacting the county office. To place a name on the Livestock Forage Disaster Program list online, visit <http://www.fsa.usda.gov/disaster-register>.

Producers who already contacted the county office and have an appointment scheduled need do nothing more.

The Livestock Indemnity Program, the Tree Assistance Program and the Noninsured Disaster Assistance Program Frost Freeze payments will also be cut by 7.3 percent on Oct. 1, 2014. Unlike the Livestock Forage

Disaster Program, applications for these programs must be fully completed by Sept. 30. FSA offices will prioritize these applications, but as the full application process can take several days or more to complete, producers are encouraged to begin the application process as soon as possible.

The Livestock Forage Disaster Program compensates eligible livestock producers who suffered grazing losses due to drought or fire between Oct. 1, 2011 and Dec. 31, 2014. Eligible livestock includes alpacas, beef cattle, buffalo, beefalo, dairy cattle, deer, elk, emus, equine, goats, llamas, poultry, reindeer, sheep or swine that have been or would have been grazing the eligible grazing land or pastureland. Producers forced to liquidate their livestock may also be eligible for program benefits.

Additionally, the 2014 Farm Bill eliminated the risk management purchase requirement. Livestock producers are no longer required to purchase coverage under the federal crop insurance program or Noninsured Crop Disaster Assistance Program to be eligible for Livestock Forage Disaster Program assistance.

To learn more about USDA disaster relief program, producers can review the 2014 Farm Bill fact sheet at [www.fsa.usda.gov/farmbill](http://www.fsa.usda.gov/farmbill), the LFP program fact sheet, <http://go.usa.gov/5JTk>, or contact their [local FSA office](#).

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## **USDA Farm Service Agency Reminds Producers: Farm Bill Allows Early Termination for Certain CRP Contracts**

USDA Colorado Farm Service Agency reminds producers that as of Aug. 6, producers with acres under contract through the Conservation Reserve Program (CRP) can apply for early contract termination, as required by the 2014 Farm Bill. The deadline to request early CRP contract termination is Jan. 30, 2015.

The effective date for early termination is no earlier than October 1, 2014. The CRP contract must have been in effect for at least five years and other conditions must be met. The 2014 Farm Bill identifies 10 exceptions whereby land will not be eligible for the early-out provisions. For a complete list of these exceptions, please view the program fact sheet online at [http://www.fsa.usda.gov/Internet/FSA\\_File/crp\\_opt\\_out\\_fact\\_sht.pdf](http://www.fsa.usda.gov/Internet/FSA_File/crp_opt_out_fact_sht.pdf)

Once a CRP contract termination request is approved by the FSA County Committee, the decision cannot be reversed and the contract cannot be reinstated. Producers must meet conservation compliance provisions for all land that will be returned to production.

For more information on or to determine eligibility for early termination of existing CRP contracts, please contact your local FSA office. For local FSA Service Center contact information, please visit: <http://offices.sc.egov.usda.gov/locator/app>.

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## **USDA Notifies Producers on Acreage History and Yields**

Written notifications from USDA are underway to farmers that provide updates on their current base acres, yields and 2009-2012 planting history.

Please cross check the letter from USDA with your farm records. If the information is correct, no further action is needed at this time, but if our letter is incomplete or incorrect, contact your local FSA office as soon as possible.

Verifying the accuracy of data on a farm's acreage history is a required early step for enrolling in the upcoming Agriculture Risk Coverage (ARC) program and the Price Loss Coverage (PLC) program. Farmers and ranchers can update their crop yield information and reallocate base acres.

By mid-winter all producers on a farm will be required to make a one-time, unanimous and irrevocable election between price protection and county revenue protection or individual revenue protection for 2014-2018 crop years. Producers can expect to sign contracts for ARC or PLC for the 2014 and 2015 crop years in the spring of 2015.

Covered commodities 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 (includes short grain rice and temperate japonica rice), safflower seed, sesame, soybeans, sunflower seed, and wheat. Upland cotton is no longer a covered commodity.

Visit [www.fsa.usda.gov](http://www.fsa.usda.gov) or the local FSA office for information about FSA and the 2014 Farm Bill programs.

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## USDA Reminds Farmers of 2014 Farm Bill Conservation Compliance Changes

Changes mandated through the 2014 Farm Bill require producers 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 form must be on file with the FSA. Since many FSA and Natural Resource Conservation (NRCS) programs have this requirement, most producers should already have an AD-1026 on file. If producers have not filed, they must do so by June 1, 2015.

When a farmer completes the AD-1026, FSA and NRCS staff will outline any additional actions that may be required for compliance with the provisions. The Risk Management Agency, 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 the new price and revenue protection programs, the Conservation Reserve Program, the Livestock Disaster Assistance programs and Marketing Assistance Loans implemented by FSA. It also includes the Environmental Quality Incentives Program, the Conservation Stewardship Program, and other conservation programs.

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 [www.nrcs.usda.gov/wps/portal/nrcs/main/national/contact/local/](http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/contact/local/).

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## Disaster Assistance for 2012 Frost or Freeze Fruit Crop Losses Announced

Producers who experienced losses to bush or tree fruit crops due to frost or freeze during the 2012 crop year may be eligible for assistance through the Noninsured Crop Disaster Assistance Program (NAP). The program, authorized by the 2014 Farm Bill, provides supplemental NAP payments to eligible producers.

Farmers who did not have access to crop insurance and are in primary and adjacent counties that received a Secretarial disaster designation because of frost or freeze in 2012 are eligible for NAP assistance. Losses due to weather damage or other adverse natural occurrences may also qualify for program assistance.

NAP enrollment began July 22, 2014. Applications must be submitted to FSA county offices by Sept. 22, 2014.

To expedite applications, producers who experienced losses are encouraged to collect records documenting these losses in preparation for sign-up. Producers also are encouraged to contact their FSA county office to schedule an appointment. Limited resource, socially disadvantaged, and beginning producers are eligible for premium reductions and also may be eligible for fee reductions.

Interested producers can view the 2012 NAP Coverage for Frost, Freeze or Weather Related Fruit Losses Fact Sheet at <http://go.usa.gov/5kSQ>, or visit a local FSA office.

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## Margin Protection Program for Dairy Producers

The 2014 Farm Bill authorized the Margin Protection Program (MPP-Dairy) for dairy producers. The new, voluntary risk management program replaces the Milk Income Loss Contract (MILC) program which expires on Sept. 1, 2014.

MPP-Dairy offers protection to dairy producers when the difference (the margin) between the all-milk price and national average feed cost falls below a certain producer selected amount.

Eligible producers may purchase coverage for their dairy operation by paying an annual administrative fee of \$100 and a premium, as applicable, for higher levels of coverage. Producers in the dairy operation will have to

select a desired coverage level ranging from \$4.00 to \$8.00, in \$0.50 increments and a desired coverage percentage level ranging from 25 to 90 percent, in 5 percent increments. Producers will also have to decide whether or not to participate in the MPP-Dairy Program or the Livestock Gross Margin program administered by the Risk Management Agency (RMA), but they will not be allowed to participate in both.

A decision tool will be made available in the fall of 2014 to help producers make coverage level decisions. Enrollment will also begin this fall. Dairy operators will establish their production history during signup. Verification of the production records will be required. The regulations for MPP-dairy are still being developed. Additional information will be provided as it becomes available.

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## **USDA's Farm Service Agency (FSA) Offers Farm Bill Website and Online Overview of Farm Bill Programs**

The Agricultural Act of 2014 (the Act), also known as the 2014 Farm Bill, was signed by President Obama on Feb. 7, 2014. The Act repeals certain programs, continues some programs with modifications, and authorizes several new programs administered by the Farm Service Agency (FSA). Most of these programs are authorized and funded through 2018.

For the latest on 2014 Farm Bill programs administered by FSA, please visit our Farm Bill website at [www.fsa.usda.gov/farmbill](http://www.fsa.usda.gov/farmbill) and for an FSA program overview please read, download and/or print our recently posted FSA Farm Bill Fact Sheet titled, [What's in the 2014 Farm Bill for Farm Service Agency Customers?](#)

For more information on FSA, please contact your local USDA Service Center or visit us online at [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## **2014 MAL and LDP Requests**

The USDA Farm Service Agency (FSA) is accepting requests for marketing assistance loans (MALs) and loan deficiency payments (LDPs) for eligible 2014 commodities.

MALs and LDPs for the 2014 crop year become available to eligible producers beginning with harvest/shearing season and extending through a specific commodity's final loan availability date. Sugar commodity loans for the 2014 crop will be available to sugar processors beginning Oct. 1, 2014.

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, pulse crops, rice, peanuts, cotton, wool, mohair and honey. MALs provide producers interim financing after harvest to help them meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows. A producer who is eligible to obtain a loan, but agrees to forgo the loan, may obtain an LDP if such a payment is available. Marketing loan provisions and LDPs are not available for sugar and extra-long staple cotton.

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, marketing loan gains (MLGs) and LDPs. These payment limitations do not apply to MAL loan disbursements.

Adjusted Gross Income (AGI) provisions were modified by the 2014 Farm Bill, which states that a producer whose total applicable three-year average AGI exceeds \$900,000 is not eligible to receive an MLG or LDP.

National and county loans rates for 2014 crops are posted on the FSA website at: [www.fsa.usda.gov/pricesupport](http://www.fsa.usda.gov/pricesupport).

For more information, please visit a nearby USDA Service Center or FSA's website [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## **Microloan Program**

The Farm Service Agency (FSA) developed the Microloan (ML) program to better serve the unique financial operating needs of beginning, niche and small family farm operations.

FSA offers applicants a Microloan designed to help farmers with credit needs of \$35,000 or less. The loan features a streamlined application process built to fit the needs of new and smaller producers. This loan program

will also be useful to specialty crop producers and operators of community supported agriculture (CSA).

Eligible applicants can apply for a maximum amount of \$35,000 to pay for initial start-up expenses such as hoop houses to extend the growing season, essential tools, irrigation and annual expenses such as seed, fertilizer, utilities, land rents, marketing, and distribution expenses. As financing needs increase, applicants can apply for a regular operating loan up to the maximum amount of \$300,000 or obtain financing from a commercial lender under FSA's Guaranteed Loan Program.

Individuals who are interested in applying for a microloan or would like to discuss other farm loan programs available should contact their local FSA office to set up an appointment with a loan official.

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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. 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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## Important Colorado FSA Dates/Deadlines

- **Sept. 26:** Deadline to Request and Approve a Reconstitution for 2014
- **Sept. 30** - 2015 Crop Year NAP Sales Closing for Wheat and Barley
- **Nov. 1:** 2014 ELAP Notice of Loss and Application for Payment Deadline
- **Nov. 3:** FSA County Committee Election ballots mailed to eligible voters
- **Nov. 17:** 2015 Crop Year FSA Acreage Reporting Deadline for Fall Seeded: Grass, Mixed Forage, Alfalfa, Clover, the year of seeding (annual and perennial types), Established Grass, Mixed Forage, Alfalfa, Clover in years subsequent to the year of seeding (perennial types), Apiculture, Fall Wheat, and all other Fall-Seeded Small Grains crops with sales closing date of Sept. 1.
- **Nov 20:** 2015 Crop Year NAP Sales closing for Apples, Apricots, Cherries, Grapes, Hops, Nectarines, Peaches, Pears, Plums and Prunes
- **Dec. 1:** Last day to return voted ballots to the local FSA County Office
- **Dec. 1:** 2015 Non-insured Crop Disaster Assistance Program (NAP) Sales Closing Date for 2015 Honey, Alfalfa, Grass, Mixed Forages, Clover, Mustard and Vetch
- **Jan. 1:** Newly elected County Committee Members take office
- **Jan 15:** Acreage report Date for Crops with Sales Closing date of November 20.
- **Jan. 30:** 2011, 2012, 2013 & 2014 LFP, LIP Notice of Loss and Application for Payment Deadline
- **Jan 30:** Deadline to submit Tree Assistance Program (TAP) Application for Payment and Supporting Documentation for Loss for 2011, 2012, 2013 and 2014 (or 90 days after disaster event or loss was apparent)

To reach your local FSA County Office go to: <http://offices.sc.egov.usda.gov/locator/app>.

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## Selected Interest Rates for September 2014

- 90 day Treasury Bill - .125%
- Farm Operating Loans direct - 2.125%
- Farm Ownership Loans Direct - 3.75%
- Farm Ownership Loans - Direct Down Payment, Beginning Farmers or Rancher - 1.50%
- Emergency Loans - 3.125%
- Farm Storage Facility Loans (7 years) - 2.125%
- Sugar Storage Facility Loans - 2.75%
- Commodity Loans 1996 - Present - 1.125%

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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).