### October 2016



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## Wisconsin FSA Newsletter

# Wisconsin Farm Service Agency

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## One Minute Message with Patty

The farmer's busy season is upon us. As you read this you may be sitting in the cab of your tractor, or waiting in line at the elevator. The employees at the Farm Service Agency offices know you are hard at work this time of year.

Employees in your local FSA offices are also hard at work. Since October 1st, Wisconsin FSA offices have issued approximately \$191 million for the 2015 crop year to Wisconsin farms that enrolled in safety-net programs established by the 2014 Farm Bill. We all know as producers that when farm economies are strong, rural communities are strong. That when farmers get a dollar they spend a dollar, most often locally. In tough commodity years, the money that goes out to producers through Farm Bill programs helps to contribute to and reinvigorate those strong rural communities.

Along with issuing payments, local FSA offices are busy with fall acreage reports. Please remember to report your fall-seeded crops, perennial forage, fall mint, pasture, rangeland, forage, and cover crops to your local office **by November 15, 2016**.

In the spirit of the season, I also wanted to take a minute to remind you how important it is to vote in the County Committee (COC) Election. If you are an operator or landowner in a Local Administrative Area up for election this year, you will receive a ballot in the mail during the second week of November. Please take the time to review the ballot, make an election, and return it by mail or in person to your local FSA office.

Those who are elected to serve on FSA county committees apply their judgment and knowledge to help with the decisions necessary to administer FSA programs in their counties, ensuring the needs of local producers are met. I can't express

the importance of the local knowledge of County Committees in our local delivery system of farm programs.

County Committee election ballots must be returned to FSA office by December 5, 2016. As always, if you have any questions at all, please feel free to contact your local FSA office.

Have a safe and productive harvest,

Patty

### **Dates to Remember**

#### November 11, 2016:

USDA Service Centers closed in observance of Veterans Day

#### November 15, 2016:

**Acreage reporting deadline** for 2017 crops including fall-seeded crops, perennial forage, fall mint, pasture, rangeland, forage, and cover crops

#### November 21, 2016:

**Non-insured Crop Disaster Assistance Program (NAP) application deadline** for 2017 crops including apples, asparagus, blueberries, caneberries, cherries, cranberries, currants, grapes, honey, hops, maple sap, pears, and strawberries

#### November 24, 2016:

USDA Service Centers closed in observance of Thanksgiving

#### **December 5, 2016:**

Deadline for County Committee election ballots to be returned to the county office.

#### December 16, 2016:

Deadline to sign up for 2017 Dairy Margin Protection Program (MPP)

#### December 26, 2016:

**USDA Service Centers closed** in observance of Christmas

#### **January 2, 2017:**

USDA Service Centers closed in observance of New Year's Day

## **USDA Reminds Producers of Nov. 1 ELAP Application Deadline**

Eligible livestock, honeybee, and farm-raised fish producers who experienced losses due to disease, adverse weather or other conditions, such as blizzards and wildfires, not covered by other agricultural disaster assistance programs, have until Nov. 1, 2016, to submit an application and notice of loss under the Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP).

Eligible livestock losses include grazing losses not covered under the Livestock Forage Disaster Program (LFP), loss of purchased feed and/or mechanically harvested feed due to an eligible adverse weather event, additional cost of transporting water because of an eligible drought and additional cost associated with gathering livestock to treat for cattle tick fever.

Eligible honeybee losses include loss of purchased feed due to an eligible adverse weather event, cost of additional feed purchased above normal quantities due to an eligible adverse weather condition, colony losses

in excess of normal mortality due to an eligible weather event or loss condition, including CCD, and hive losses due to eligible adverse weather.

Eligible farm-raised fish losses include death losses in excess of normal mortality and/or loss of purchased feed due to an eligible adverse weather event.

Producers who suffer eligible livestock, honeybee, or farm-raised fish losses from October 1, 2015 to September 30, 2016 must file:

- A notice of loss the earlier of 30 calendar days of when the loss is apparent or by November 1, 2016
- An application for payment by November 1, 2016

The Farm Bill caps ELAP disaster funding at \$20 million per federal fiscal year. The following ELAP Fact Sheets (by topic) are available online:

ELAP for Farm-Raised Fish Fact Sheet
ELAP for Livestock Fact Sheet
ELAP for Honeybees Fact Sheet

To view these and other FSA program fact sheets, visit the FSA fact sheet web page at www.fsa.usda.gov/factsheets.

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# USDA Announces Streamlined Guaranteed Loans and Additional Lender Category for Small-Scale Operators

The U.S. Department of Agriculture (USDA) announced the availability of a streamlined version of USDA guaranteed loans, which are tailored for smaller scale farms and urban producers. The program, called EZ Guarantee Loans, uses a simplified application process to help beginning, small, underserved and family farmers and ranchers apply for loans of up to \$100,000 from USDA-approved lenders to purchase farmland or finance agricultural operations.

USDA also unveiled a new category of lenders that will join traditional lenders, such as banks and credit unions, in offering USDA EZ Guaranteed Loans. Microlenders, which include Community Development Financial Institutions and Rural Rehabilitation Corporations, will be able to offer their customers up to \$50,000 of EZ Guaranteed Loans, helping to reach urban areas and underserved producers. Banks, credit unions and other traditional USDA-approved lenders, can offer customers up to \$100,000 to help with agricultural operation costs.

EZ Guarantee Loans offer low interest rates and terms up to seven years for financing operating expenses and 40 years for financing the purchase of farm real estate. USDA-approved lenders can issue these loans with the Farm Service Agency (FSA) guaranteeing the loan up to 95 percent.

USDA is providing a 90-day period for the public to review and comment on program improvements. To review program details, visit <a href="www.regulations.gov">www.regulations.gov</a>, reference RIN 0560-Al34 and follow the instructions to submit comments.

More than half of all FSA loans go to new farmers and more than a quarter to underserved borrowers. FSA also offers loans of up to \$5,000 to young farmers and ranchers though the Youth Loan Program. Loans are made to eligible youth to finance agricultural projects, with almost 9,000 young people now participating. More information about the available types of FSA farm loans can be found at <a href="https://www.fsa.usda.gov/farmloans">www.fsa.usda.gov/farmloans</a> or by contacting your local FSA office. To find your nearest office location, visit <a href="http://offices.usda.gov">http://offices.usda.gov</a>

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## **NASS To Collect 2016 Wisconsin Harvested Acreage Numbers**

From November 20 – December 30, 2016, the U.S. Department of Agriculture's National Agricultural Statistics Service (NASS) Wisconsin Field Office will conduct two major end of year surveys. The Row Crops Agricultural Production Survey and the December Agricultural Survey determine harvested acreages and production for major crops in Wisconsin. If you are contacted by NASS, we encourage your participation and cooperation.

NASS gathers data for these surveys from farmers by either mail, phone or in person. Growers will be asked to provide crop harvested acreage and yield or production information for 2016. By responding to the survey, you will help ensure that the information published by NASS represents all areas of the State and is as accurate as possible.

Your participation will not only help NASS provide data that levels the playing field for farmers, giving you access to the same information as grain buyers, packers, and input suppliers, but also help provide the information used by other USDA programs. The Farm Service Agency (FSA) and the Risk Management Agency (RMA) use this data primarily to administer the crop insurance and other farm programs. This information is also used extensively by state, local, and national leaders to address agricultural related issues that my impact producers. As you can see, taking a few minutes to respond to a NASS survey helps ensure the accuracy and quality of this data so that NASS reports can eliminate speculation about the amount of 2016 crops on hand and help producers make critical decisions about marketing their crops for the upcoming year.

Any information you provide is kept confidential and protected by federal law. NASS publishes only aggregate-level data, ensuring that no individual operation or producer can be identified. State level data for Wisconsin will be published mid-January 2017. County level data for the major crops will be released in mid-February 2017. All reports will be available on the internet at <a href="https://www.nass.usda.gov">www.nass.usda.gov</a>. If you have any questions about how to complete a survey from the NASS Wisconsin Field Office, please call 1-800-789-9277

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# **USDA Issues Safety-Net Payments to Farmers in Response to 2015 Market Downturn**

The U.S. Department of Agriculture (USDA) announced that many of the 1.7 million farms that enrolled in either the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs will receive safety-net payments due to market downturns during the 2015 crop year.

This fall, USDA will be making more than \$7 billion in payments under the ARC-County and PLC programs to assist participating producers, which will account for over 10 percent of USDA's projected 2016 net farm income. These payments will help provide reassurance to America's farm families, who are standing strong against low commodity prices compounded by unfavorable growing conditions in many parts of the country.

Unlike the old direct payment program, which issued payments during both weak and strong market conditions, the 2014 Farm Bill authorized the ARC-PLC safety net to trigger and provide financial assistance only when decreases in revenues or crop prices, respectively, occur. The ARC and 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, producers enrolled 96 percent of soybean base acres, 91 percent of corn base acres and 66 percent of wheat base acres in the ARC-County coverage option. Producers enrolled 99 percent of long grain rice and peanut base acres and 94 percent of medium grain rice base acres in the PLC option. Overall, 76 percent of participating farm base acres are enrolled in ARC-County, 23 percent in PLC and one percent in ARC-Individual. For other program information including frequently asked questions, visit <a href="www.fsa.usda.gov/arc-plc">www.fsa.usda.gov/arc-plc</a>.

Payments are made to producers who enrolled base acres of barley, corn, grain sorghum, lentils, oats, peanuts, dry peas, soybeans, wheat and canola. In the upcoming months, payments will be announced after marketing

year average prices are published by USDA's National Agricultural Statistics Service for the remaining covered commodities. These include long and medium grain rice (except for temperate Japonica rice), which will be announced in November, remaining oilseeds and chickpeas, which will be announced in December, and temperate Japonica rice, which will be announced in early February 2017. Upland cotton is no longer a covered commodity.

The Budget Control Act of 2011, passed by Congress, requires USDA to reduce 2015 ARC and PLC payments by 6.8 percent. For more information, producers are encouraged to visit their local Farm Service Agency (FSA) office. To find a local FSA office, visit <a href="https://offices.usda.gov">https://offices.usda.gov</a>.

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# NRCS: Agricultural Conservation Easement Program Accepting Applications

The USDA Natural Resources Conservation Service (NRCS) announced new Agricultural Conservation Easement Program (ACEP) funding will be delivered to Wisconsin for 2017 projects later this fall. ACEP provides financial and technical assistance to help conserve agricultural lands and wetlands and their related benefits. Two programs are available under ACEP:

- 1. Agricultural Land Easements (ALE) are designed for active working farms through a cooperative agreement with a cooperating entity, such as a land trust, sharing 50% of the easement purchase cost. Landowners work directly with entities to secure easements to protect land in perpetuity from development and subdivision. The program also protects grazing land by conserving grassland, rangeland, pastureland and shrubland.
- 2. Wetland Reserve Easements (WRE) are designed to restore and protect wetlands and their associated habitats and allow landowners to work directly with NRCS to secure and restore easement areas with up to 100% of the associated costs paid for by NRCS. WRE gives the opportunity for landowners to successfully enhance and protect habitat for wildlife on their lands, reduce impacts from flooding, recharge groundwater, and provide outdoor recreational and educational opportunities. NRCS provides technical and financial assistance directly to private and tribal landowners to restore, protect and enhance wetlands through the purchase of these easements. Eligible landowners can choose to enroll in a permanent or 30-year easement; tribal landowners also have the option of enrolling in 30-year contracts.

Applications for both programs in ACEP are accepted year-round with an anticipated application cutoff slated for late January, 2017. Contact your local <u>USDA NRCS Service Center</u> for more information or visit <a href="http://www.wi.nrcs.usda.gov/">http://www.wi.nrcs.usda.gov/</a>.

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### MAL and LDP Policy Changes for Crop Years 2015-2018

The Agricultural Act of 2014 authorized 2014-2018 crop year Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs), with a few minor policy changes.

Among the changes, farm-stored MAL collateral transferred to warehouse storage will retain the original loan rate, be allowed to transfer only the outstanding farm-stored quantity with no additional quantity allowed and will no longer require producers to have a paid for measurement service when moving or commingling loan collateral.

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, pulse crops, rice, peanuts, cotton, wool 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.

FSA is now accepting requests for 2016 MALs and LDPs for all eligible commodities after harvest. The interest rate for loans disbursed in October is 1.625%.

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

Commodity certificates are available to loan holders who have outstanding nonrecourse loans for wheat, upland cotton, rice, feed grains, pulse crops (dry peas, lentils, large and small chickpeas), peanuts, wool, soybeans and designated minor oilseeds. These certificates can be purchased at the posted county price (or adjusted world price or national posted price) for the quantity of commodity under loan, and must be immediately exchanged for the collateral, satisfying the loan. MALs redeemed with commodity certificates are not subject to the actively engaged in farming, cash-rent tenant, Adjusted Gross Income provisions or the payment limitation.

To be considered eligible for an LDP, producers must have form CCC-633EZ, Page 1 on file at their local FSA Office before losing beneficial interest in the crop. Pages 2, 3 or 4 of the form must be submitted when payment is requested.

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 or redemptions using commodity certificate exchange.

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. Producers must have a valid CCC-941 on file to earn a market gain of LDP. The AGI does not apply to MALs redeemed with commodity certificate exchange.

For more information and additional eligibility requirements, please visit a nearby USDA Service Center or FSA's website <a href="https://www.fsa.usda.gov/pricesupport">www.fsa.usda.gov/pricesupport</a>.

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## **ARC and PLC Acreage Maintenance**

Producers enrolled in Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) 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.

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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).