**April 2016**


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# Ohio FSA State News and Updates

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## Report Failed Crop Acreage Prior to Destruction

With spring planting quickly approaching, the FSA encourages farmers to report failed crop acreage that will not be brought to harvest to their FSA office. Failed acreage must be reported to FSA before destroying and replanting to allow time for a field check.

"It is very important that farmers report failed acreage that will not be brought to harvest to the FSA office prior to destruction," said State Executive Director, Steven Maurer. "This simple act of insuring that failed acres are documented could be the determining factor in whether or not a farmer is eligible for future crop disaster program payments."

Form CCC-576, *Notice of Loss*, is used to report failed acreage and may be completed by any producer with an interest in the crop.  For crop losses covered by the Non-insured Assistance Program (NAP), producers must contact their local FSA office within 15 days of the occurrence of the disaster or when losses become apparent.  Producers with crop insurance should also contact their local agent when losses occur and before destroying the crop.

Producers are encouraged to keep good production records on acreage with a low crop yield to document crop losses. To be eligible for crop

**Production Adjustment, Compliance and Risk Management Chief:**
Matt Kleski

**State Committee:**
Bob Boggs, Chairperson
Bob Cole, member
Bruce Long, member
Jim Rex, member
Jim Zumbrink, member

Visit Ohio FSA website for additional information at: www.fsa.usda.gov/oh

Please contact your FSA County Office for questions specific to your operation.

disaster programs in the future, production records may help support crop loss claims.

Additional information in regard to failed crop acreage or crop losses covered by the Non-Insured Assistance Program (NAP) can be obtained by contacting your County FSA office.

## USDA Expands Microloans to Help Farmers Purchase Farmland and Improve Property

***Producers, Including Beginning and Underserved Farmers, Have a New Option to Gain Access to Land***

The USDA FSA has begun offering farm ownership microloans, creating a new financing avenue for farmers to buy and improve property. These microloans will be especially helpful to beginning or underserved farmers, U.S. veterans looking for a career in farming, and those who have small and mid-sized farming operations. Microloans have helped farmers with operating costs, such as feed, fertilizer, tools, fencing, equipment, and living expenses since 2013.

Now, microloans will be available to also help with farm land and building purchases, and soil and water conservation improvements. FSA designed the expanded program to simplify the application process, expand eligibility requirements and expedite smaller real estate loans to help farmers strengthen their operations. Microloans provide up to $50,000 to qualified producers, and can be issued to the applicant directly from the FSA.

Individuals interested in applying for a FSA microloan or would like to discuss other farm loan programs available, should contact their local FSA office to setup an appointment with a Loan Approval Official.

## USDA Regional Climate Change Hubs

Agriculture Secretary Tom Vilsack established the first ever USDA Regional Climate Change Hubs in February 2014 at seven locations around the country to provide more information to farmers, ranchers and forest landowners on the increasing risks of fires, pests, floods, and droughts associated with a changing climate. For general information on Climate Hubs, visit http://www.climatehubs.oce.usda.gov/sites/default/files/USDA%20Regional%20Hubs%20for%20Risk%20Adaptation%20and%20Mitigation%20to%20Climate%20Change%202015.pdf. For information on the Climate Hub in your Region, visit http://climatehubs.oce.usda.gov and Click on the region to learn more.

## FSA Financial Assistance Available to Help Organic Farmers Create Conservation Buffers

USDA FSA is assisting organic farmers with the cost of establishing up to 20,000 acres of new conservation buffers and other practices on and near farms that produce organic crops.

The financial assistance is available from the FSA Conservation Reserve Program (CRP), a federally funded voluntary program that contracts with agricultural producers so that environmentally sensitive land is not farmed or ranched, but instead used for conservation benefits. CRP participants establish long-term, resource-conserving plant species, such as approved grasses or trees (known as “covers”) to control soil erosion, improve water quality and develop wildlife habitat. In return, FSA provides participants with rental payments and cost-share assistance. Contract duration is between 10 and 15 years.

For conservation buffers, funds are available for establishing shrubs and trees, or supporting pollinating species through establishing a grass and/or wildlife mixture that can be planted in blocks or strips. Interested organic producers can offer eligible land for enrollment in this initiative at any time.

Other FSA programs that assist organic farmers include:

- The Noninsured Crop Disaster Assistance Program that provides financial assistance for 55 to 100 percent of the average market price for organic crop losses between 50 to 65 percent of expected production due to a natural disaster.
- Marketing assistance loans that provide interim financing to help producers meet cash flow needs without having to sell crops during harvest when market prices are low, and deficiency payments to producers who forgo the loan in return for a payment on the eligible commodity.
- A variety of loans for operating expenses, ownership or guarantees with outside lenders, including streamlined microloans that have a lower amount of paperwork.
- Farm Storage Facility Loans for that provide low-interest financing to build or upgrade storage facilities for organic commodities, including cold storage, grain bins, bulk tanks and drying and handling equipment.
- Services such as mapping farm and field boundaries and reporting organic acreage that can be provided to a farm’s organic certifier or crop insurance agent.

Visit your County FSA office to learn more about how our programs can help organic farmers.

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## USDA Expands Safety-Net for Dairy Operations Adding Next-Generation Family Members

Dairy farms participating in the Margin Protection Program (MPP) can now update their production history when an eligible family member joins the operation. The voluntary program, established by the 2014 Farm Bill, protects participating dairy producers when the margin – the difference between the price of milk and feed costs – falls below levels of protection selected by the applicant.

The U.S. Department of Agriculture’s (USDA) Farm Service Agency (FSA) published a final rule which makes these changes effective on April 13, 2016. Any dairy operation already enrolled in the Margin Protection Program that had an intergenerational transfer occur will have an opportunity to increase the dairy operations production history during the 2017 registration and annual coverage election period. The next election period begins on July 1, 2016, and ends on Sept. 30, 2016. For intergenerational transfers occurring on or after July 1, 2016, notification must be made to the FSA within 60 days of purchasing the additional cows. Each participating dairy operation is authorized one intergenerational transfer at any time of its choosing until 2018.

For $100 a year, dairy producers can receive basic catastrophic protection that covers 90 percent of milk production at a $4 margin coverage level. For additional premiums, operations can protect 25 to 90 percent of production history with margin coverage levels from $4.50 to $8, in 50 cent increments. Annual enrollment in the program is required in order to receive margin protection. The final rule also provides improved risk protection for dairy farmers that pay premiums to buy-up higher levels of coverage by clarifying that 90 percent of production is covered below the $4 level even if a lower percentage was selected above the $4 margin.

Earlier this year, FSA gave producers the opportunity to pay their premium through additional options including via their milk cooperative or handler. This rule facilitates those options and also clarifies that the catastrophic level protection at $4 will always cover 90 percent of the production history, even if a producer selected a less than a 90 percent percentage for the buy-up coverage.

Assuming current participation, had the Margin Protection Program existed from 2009 to 2014, premiums and fees would have totaled $500 million while providing producers with $2.5 billion in financial assistance, nearly $1 billion more than provided by the old Milk Income Loss Contract program during the same period.

For more information, visit FSA online at [www.fsa.usda.gov/dairy]() or stop into your [County FSA office]() and ask about the Margin Protection Program.

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## Foreign Persons Must Report U.S. Agricultural Land Holdings

The FSA reminds foreign persons with an interest in agricultural lands in the United States that they are required to report their holdings and any transactions to the U.S. Secretary of Agriculture.

"Any foreign person who acquires, transfers or holds any interest, other than a security interest, including leaseholds of 10 years or more, in agricultural land in the United States is required by law to report the transaction no later than 90 days after the date of the transaction," said State Executive Director Steven Maurer.

Foreign investors must file Agricultural Foreign Investment Disclosure Act (AFIDA) reports with the FSA county office that maintains reports for the county where the land is located.

“Failure to file a report, filing a late report or filing an inaccurate report can result in a penalty with fines up to 25 percent of the fair market value of the agricultural land,” said Maurer.

For AFIDA purposes, agricultural land is defined as any land used for farming, ranching or timber production, if the tracts total 10 acres or more.

Disclosure reports are also required when there are changes in land use. For example, reports are required when land use changes from nonagricultural to agricultural or from agricultural to nonagricultural. Foreign investors must also file a report when there is a change in the status of ownership such as the owner changes from foreign to non-foreign, from non-foreign to foreign or from foreign to foreign.

Data gained from these disclosures is used to prepare an annual report to the President and Congress concerning the effect of such holdings upon family farms and rural communities in the United States.

For more information regarding AFIDA and FSA programs, contact your [County FSA office]().

## Selected Interest Rates for April 2016

- 90 Day Treasury Bill, -- 0.250%
- Farm Operating Loans, Direct, -- 2.250%
- Farm Ownership Loans, Direct, -- 3.500%
- Limited Resource Loans, -- 5.000%
- Farm Ownership Loans, Down Payment, -- 1.500%
- Emergency Loans, -- 3.250%
- Farm Storage Facility Loan, 7 year, -- 1.625%
- Farm Storage Facility Loan, 10 year, -- 1.875%
- Farm Storage Facility Loan, 12 year, -- 2.000%
- Sugar Storage Facility Loans,15 year, -- 2.125%
- Commodity Loans, 1996- Present, -- 1.625%

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