January 2015

Oklahoma FSA Program Updates and Reminders

Francie Kucera Tolle
State Executive Director

100 USDA, Suite 102
Stillwater, OK 74074
405-742-1130 phone
855-416-9557 fax
www.fsa.usda.gov/ok

Hours:
Monday - Friday
8:00 a.m. - 4:30 p.m.

State Committee Members:

Cletus Carter, Beaver (Chairman)
Steve Nunley, Marlow
Brenda Neufeld, Fairview
Steve Butler, Wagoner
Jo Jennings, Depew

State Staff:

Phil Estes,
Farm Loan Programs

Tona Huggins,
Production & Payment Eligibility

Rod Wanger,
Conservation Programs

Danny Lee,
Compliance & Price Support

Krey Reimer,
Administration

Shelly Bilderback,
Public Relations/Outreach

Livestock Disaster Assistance Programs Deadline is Jan. 30

Livestock producers who have suffered eligible disaster-related losses need to call their local FSA office and schedule an appointment before the upcoming Jan. 30 deadline. Producers must be placed on an appointment register before the deadline in order to receive program benefits.

The Livestock Forage Disaster Program (LFP) compensates eligible livestock producers for grazing losses due to drought, or fire on federal lands between Oct. 1, 2011 and Dec. 31, 2014. Producers forced to liquidate their livestock may also be eligible for program benefits.

Also available is the Livestock Indemnity Program (LIP) which provides compensation to eligible livestock producers that have suffered 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. And, the Tree Assistance Program (TAP) which provides financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes and vines damaged by natural disasters. Producers who suffered losses covered by these programs should also contact their local FSA office by January 30, 2015.

Important ARC/PLC Program Deadlines Approaching

Farm owners and producers are reminded that the opportunity to choose between the new 2014 Farm Bill established programs, Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC), began Nov. 17, 2014, and continues through March 31, 2015. The new programs, designed to help producers better manage risk, usher in one of the most significant reforms to U.S. farm programs in decades.

USDA helped create online tools to assist in the decision process, allowing farm owners and producers to enter information about their operation and see projections that show what ARC and/or PLC will mean for them under possible future scenarios. Farm owners and producers can access the online resources, available at www.fsa.usda.gov/arc-plc.

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 (which includes short grain rice), safflower seed, sesame, soybeans, sunflower seed and wheat.

The dates associated with ARC and PLC that farm owners and producers need to know are:

- **Now through Feb. 27, 2015**: Land owners may visit their local Farm Service Agency office to update yield history and/or reallocate base acres.
- **Now through March 31, 2015**: Producers make a one-time election of either ARC or PLC for the 2014 through 2018 crop years.
- **Mid-April 2015 through summer 2015**: Producers sign contracts for 2014 and 2015 crop years.

To learn more about which safety net options are most appropriate for specific farming operations, farmers can use new Web tools at www.fsa.usda.gov/arc-plc, which can be accessed from the convenience of a home computer or a mobile device at any time.

USDA Reminds Farmers of 2014 Farm Bill Conservation Compliance Changes

The 2014 Farm Bill implements a change that requires farmers to have a Highly Erodible Land Conservation and Wetland Conservation Certification (AD-1026) on file for Federal Crop Insurance Corporation (FCIC) premium subsidy.

For farmers to be eligible for premium support on their federal crop insurance, a completed and signed AD-1026 certification form must be on file with the FSA. The AD-1026 must be filed for FCIC purposes by June 1 to be eligible for premium subsidy for the next reinsurance year. The AD-1026 filed by a producer remains a one-time continuous certification only to be updated when the producer has a change in an operation such as adding or removing land from their operation or potential production of an agriculture commodity on land not previously used to produce a crop.

Most producers should already have an AD-1026 on file for participation in programs administered through FSA or NRCS which continues to require conservation compliance provision be met for program benefit. Producer that have only participated in FCIC premium subsidy in the past are those most encouraged to visit the local FSA office to complete the AD-1026 by the June 1,2015 deadline.

When a producer completes and submits the AD-1026 certification form, FSA and NRCS staff will review the associated farm records and outline any additional actions that may be required to meet the required compliance with the conservation compliance provisions.

Deadline Nears for CRP Early Contract Termination

FSA reminds producers with acres under contract through the Conservation Reserve Program (CRP) that they 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.

This is a unique opportunity to request early termination afforded by the 2014 Farm Bill. The requesting CRP contract must have been in effect for at least five years and additional eligibility conditions must be met to qualify. The 2014 Farm Bill identifies a list of 10 exceptions whereby land will not be eligible for the early termination 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.

Once a CRP contract termination request is approved by the FSA County Committee, the decision may not be reversed and the terminated contract will not be reinstated. Once the land is no longer considered under the CRP contract all participants must meet HEL/WC and other conservation compliance provisions for all associated lands.

Transition Incentive Payment Program

Producers with Conservation Reserve Program (CRP) contracts in their final year may elect to receive two additional years of payments if they sell or long lease (5-years) their CRP land to a beginning farmer, veteran beginning farmer or socially disadvantaged farmer (excluding family members) through the Transition Incentive Payment Program (TIP). The person buying or leasing the land may conduct any activity on the land according to a conservation plan while the original CRP contract participant receives an additional two years of payments at the regular annual payment time and current rental rate. Contact your local FSA office for further details.

Center Pivot Corners for CRP

Land eligibility modifications were recently made to the Continuous Conservation Reserve Program (CCRP) to allow center pivot irrigation corners to be enrolled in the “Habitat Buffers for Upland Birds” practice (termed practice “CP33). The land eligibility modification eliminated an earlier requirement that required a “connecting” strip to be enrolled when multiple pivot corner were offered for the program. The modification now allows each pivot corner of multiple pivot corners offered to be enrolled to stand on their own without the connecting strip. The modification hopes to encourage upland bird habitat in irrigated areas.

Producers may offer to enroll pivot corners in the program at any time in the CCRP Upland Bird Habitat practice by visiting the local FSA office. The CCRP contract is a 10 year contract providing annual rental payments for this period of time and financial assistance for vegetative habitat establishment. A $150 per acre sign up incentive payment is received by the producer at contract approval. The acreage enrolled in the practice may not be grazed or hayed.

Microloan Cap Grows to $50,000

FSA reminds farmers and ranchers that the FSA borrowing limit for microloans has increased from $35,000 to $50,000. Microloans offer borrowers simplified lending with less paperwork.

The microloan change allows beginning, small and mid-sized farmers to access an additional $15,000 in loans using a simplified application process with up to seven years to repay. Microloans are part of USDA’s continued commitment to small and midsized farming operations.

To complement the microloan program additional changes to FSA eligibility requirements will enhance beginning farmers and ranchers access to land, a key barrier to entry level producers. FSA policies related to farm experience have changed so that other types of skills may be considered to meet the direct farming experience required for farm ownership loan eligibility. Operation or management of non-farm businesses, leadership positions while serving in the military or advanced education in an agricultural field will now count towards the experience applicants need to show when applying for farm ownership loans. **Important Note**: Microloans cannot be used to purchase real estate.

Since 2010, FSA has made a record amount of farm loans — more than 165,000 loans totaling nearly $23 billion. More than 50 percent of USDA’s farm loans now go to beginning farmers. In addition, FSA has increased its lending to socially-disadvantaged producers by nearly 50 percent since 2010.

Please review the FSA Microloan Program Fact Sheet for program application, eligibility and related information.

FSA Signature Policy

Using the correct signature when doing business with FSA can save time and prevent a delay in program benefits. The following are FSA signature guidelines:

- Spouses may sign documents on behalf of each other for FSA and CCC programs in which either has an interest, unless written notification denying a spouse this authority has been provided to the county office
- Spouses shall not sign on behalf of each other as an authorized signatory for partnerships, joint ventures, corporations, or other similar entities

If a producer has a durable power of attorney, while that may be sufficient to take care of most non-FSA business, the durable power of attorney may not suffice for FSA purposes. Producers should complete an FSA-211, Power of Attorney, to enable the attorney in fact to take care of FSA business as necessary.

For additional clarification on proper signatures contact your local FSA office.

Bank Account Changes

Current policy mandates that FSA payments be electronically transferred into a bank account. In order for timely payments to be made, producers need to notify the FSA county office when an account has been changed or if another financial institution purchases the bank where payments are sent. Payments can be delayed if the FSA office is not aware of updates to bank accounts and routing numbers.

Farm Loan Interest Rates:

- Farm Operating Loans = 2.625%
- Farm Ownership Loans = 3.750%
- Farm Ownership Down Payment Loans = 1.5%
- Micro Loans = 2.625%
- Youth Loans = 2.625%
- Emergency Loans = 3.625%

*Rates effective February 1, 2015
