

July 2015



## Maryland FSA Newsletter

### Maryland Farm Service Agency

339 Busch's Frontage Road,  
Suite 104  
Annapolis, MD 21409

Phone: (443) 482-2760

[www.fsa.usda.gov/md](http://www.fsa.usda.gov/md)

**State Executive Director:**  
Linda D. Slacum

**State Committee:**  
William Malkus, Chairperson  
Pamela S. Callahan  
David Patrick  
Sarah Rider  
William D. Walmsley

**Farm Loan Program Chief:**  
Cheryl Walker

**Farm Programs Chief:**  
Bob Wevodau

Please contact your [local FSA Office](#) for questions specific to your operation or county.

### USDA Opens Enrollment Period for Agriculture Risk Coverage and Price Loss Coverage Safety-Net Programs

U.S. Department of Agriculture (USDA) announced that eligible producers may now formally enroll in the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs for 2014 and 2015. The enrollment period began June 17, 2015, and will end Sept. 30, 2015.

The new programs, established by the 2014 Farm Bill, trigger financial protections for agricultural producers when market forces cause substantial drops in crop prices or revenues. More than 1.76 million farmers have elected ARC or PLC. Previously, 1.7 million producers had enrolled to receive direct payments (the program replaced with ARC and PLC by the 2014 Farm Bill). This means more farms have elected ARC or PLC than previously enrolled under previously administered programs.

Nationwide, 96 percent of soybean farms, 91 percent of corn farms, and 66 percent of wheat farms elected ARC. 99 percent of long grain rice farms, 99 percent of peanut farms, and 94 percent of medium grain rice farms elected PLC. For data about other crops and state-by-state program election results go to [www.fsa.usda.gov/arc-plc](http://www.fsa.usda.gov/arc-plc).

Covered commodities under ARC and PLC 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. Upland cotton is no longer a covered commodity.

For more information please contact your local FSA office  
<https://offices.usda.gov>.

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## **USDA Begins Accepting Applications from States for \$100 Million Biofuels Infrastructure Partnership**

Following an announcement by the U.S. Department of Agriculture (USDA) Secretary Tom Vilsack on May 29, 2015, the Commodity Credit Corporation (CCC) announced that all 50 states, the Commonwealth of Puerto Rico and Washington, D.C. may now apply for up to \$100 million in grants under the [Biofuels Infrastructure Partnership](#) (BIP). The funding is to support the infrastructure needed to make more renewable fuel options available to American consumers. The Farm Service Agency will administer BIP.

USDA continues to aggressively pursue investments in American-grown renewable energy to create new markets for U.S. farmers and ranchers, help Americans save money on their energy bills, support America's clean energy economy, cut carbon pollution and reduce dependence on foreign oil and costly fossil fuels. A typical gas pump delivers fuel with 10 percent ethanol, which limits the amount of renewable energy most consumers can purchase at the pump.

Through BIP, USDA will award competitive grants, matched by states, to expand the infrastructure for distribution of higher blends of renewable fuel. These competitive grants are available to assist states, the Commonwealth of Puerto Rico and Washington, D.C. with infrastructure funding. States that offer funding equal to or greater than that provided by the federal government will receive higher consideration for grant funds. States may work with private entities to enhance their offer.

CCC funds must be used to pay a portion of the costs related to the installation of fuel pumps and related infrastructure dedicated to the distribution of higher ethanol blends, for example E15 and E85, at vehicle fueling locations. The matching contributions may be used for these items or for related costs such as additional infrastructure to support pumps, marketing, education, data collection, program evaluation and administrative costs.

This new investment seeks to double the number of fuel pumps capable of supplying higher blends of renewable fuel to consumers. This will expand markets for farmers, support rural economic growth and the jobs that come with it, and ultimately give consumers more choices at the pump.

Applications must be submitted by July 15, 2015, using [www.grants.gov](http://www.grants.gov). To locate, search by funding opportunity number "USDA-FSA-2015-22."

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## **Livestock Indemnity Program (LIP)**

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 2015, eligible losses must occur on or after Jan. 1, 2015, and before December 31, 2015. 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 30 calendar days after the end of the calendar year for which benefits are requested:

- 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. These established percentages reflect losses that are considered expected or typical under “normal” conditions. Producers who suffer livestock losses in 2015 must file both of the following:

- A notice of loss the earlier of 30 calendar days of when the loss was apparent or by January 30, 2016
- An application for payment by January 30, 2016.

Additional Information about LIP is available at your local FSA office or online at: [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## **ARC, PLC and CTAP Acreage Maintenance**

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

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## **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.

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## Guaranteed Loan Program

FSA guaranteed loans allow lenders to provide agricultural credit to farmers who do not meet the lender's normal underwriting criteria. Farmers and ranchers apply for a guaranteed loan through a lender, and the lender arranges for the guarantee. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan. Guaranteed loans can be used for both farm ownership and operating purposes.

Guaranteed farm ownership loans can be used to purchase farmland, construct or repair buildings, develop farmland to promote soil and water conservation or to refinance debt.

Guaranteed operating loans can be used to purchase livestock, farm equipment, feed, seed, fuel, farm chemicals, insurance and other operating expenses.

FSA can guarantee farm ownership and operating loans up to \$1,392,000. 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 lender or local FSA farm loan office for more information on guaranteed loans.

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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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Selected Interest Rates for July 2015	
90-Day Treasury Bill	.125%
Farm Operating Loans — Direct	2.50%
Farm Ownership Loans — Direct	3.75%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency Loans	3.50%
Farm Storage Facility Loans (7 years)	2.00%
Farm Storage Facility Loans (10 years)	2.25%
Farm Storage Facility Loans (12 years)	2.375%
Commodity Loans 1996-Present	1.25%

Dates to Remember	
Aug 3	Deadline to submit County Committee Election Nomination Form (FSA-669A) to FSA (or be postmarked) at the local FSA office
Aug 15	Acreage Reporting Date for Beans (all types except Limas), Cucumbers (Planted 6/26-8/10 in Caroline, Dorchester, Kent and Talbot Counties)
Sept. 1	Sales Closing Date for 2016 NAP Coverage for value loss crops or controlled environment crops, ornamental nursery, aquaculture, Christmas trees, ginseng, floriculture, mushrooms, turf grass sod
Sept. 30	Sales Closing Date for 2016 NAP Coverage for Biennial and Perennial forage crops, alfalfa, grass forages, mixed forages, and other forages
Sept. 30	Final Date to Enroll for 2016 MPP-Dairy Coverage
Sept. 30	Final Date to Enroll for 2014 and 2015 ARC/PLC Programs

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).