



# Farm Service Agency

Serving Franklin & Fulton Counties

Sharon B. Weigle, County Executive Director

# What Does Franklin FSA Do?

- Maintain program eligibility records for FSA, NRCS & RMA
- Maintain farm data for 2943 Franklin farms
- Recorded 106,000 planted acres in FY2016
- Post STORM reports during the growing season when weather adversely affects crops, livestock or property; this can trigger disaster designations
- Implement Farm Bill Programs

# What Programs?

Conservation:	CRP & CREP
Compliance:	Acreage Reporting
HEL/WC:	AD-1026
ARC/PLC:	Commodity market dependent
MPP-Dairy:	Margin Protection – Dairy
FSFL:	Storage Facility/Commodity Handling Loans
MAL:	Loans on Farm Stored Grain
Disaster:	Harvested Feed Loss or Livestock Loss
Farm Loans	Purchase & Operating Loans

# Conservation



# CRP or CREP

Contracts that set aside land for 10-15 years for benefit of wildlife or water quality concerns:

Along streams:

riparian buffers

grass filter strips

Cropland:

wildlife buffer strips (grass)

cool season grass fields

warm season grass fields

# Franklin County

- Acres enrolled: 3000
  - Water Practices: 12%
  - Grass Practices: 88%
- Number of contracts: 143
- Annual Rental Payments: ~ \$419,000



# Compliance

This form is available electronically.

FSA-578 Manual  
(09-13-16)

See Page 2 for Privacy Act and Paperwork Reduction Act Statements.

## REPORT OF ACREAGE

Form Approved - OMB No. 0560-0175  
U.S. Department of Agriculture  
Farm Service Agency

PAGE  
OF

(7A)	(7B)	(7C)	(7D)	(7E)	(7F)
3.0 Corn gr 4-25-16	14.4 ALF 16 4-4-12	10.2	14.0 BAR GR 10-12-16	10.0	17.22 BAR GR 10-12-16
		corn gr 4-22-16	"D" CONJ-GR 6-28-16	Oats-fg 3-22-16	"D" CONJ-GR 6-28-16
		51.58 ac NHSL			27.22 ac NHSL

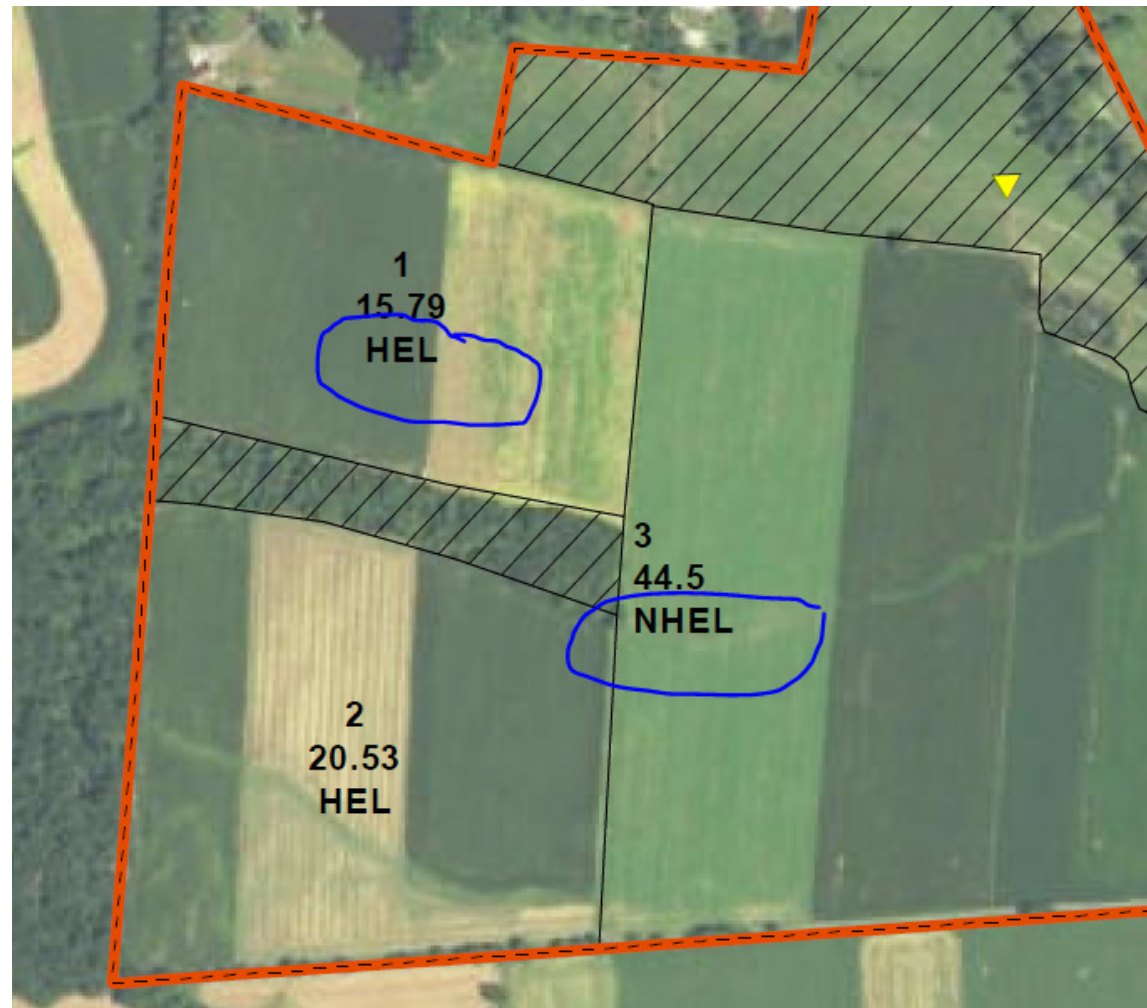
# Compliance

## Why report acres to FSA?

- Data shared with RMA (crop insurance)
  - Record certified acres covered by the policy
  - Used in loss adjustment work (maps, acres, use)
- Builds / Maintains history for program eligibility:
  - ARC/PLC (base acres)
  - Disaster
  - FSFL sizing
  - MAL quantity
  - Conservation program eligibility



# HEL/WC



# AD-1026

HEL/WC: Highly Erodible Land and Wetland Certification

- Required to meet eligibility for:
  - All FSA program payments and loans
  - All NRCS programs
  - All RMA crop insurance subsidy

FSA is the record keeper for FSA, NRCS & RMA

# What am I certifying to?

## Overview

The following conditions of eligibility are required for a producer to receive any U.S. Department of Agriculture (USDA) loans or other program benefits that are subject to the highly erodible land conservation (HELC) and wetland conservation (WC) provisions. Unless an exemption has been granted by USDA, the producer agrees to all of the following on all farms in which the producer, and any affiliated person to the producer (as specified in 7 CFR Part 12), has an interest:

- **NOT** to plant or produce an agricultural commodity on highly erodible land or fields unless being farmed in accordance with a conservation plan or system approved by the Natural Resources Conservation Service.
- **NOT** to plant or produce an agricultural commodity on a wetland that was converted after December 23, 1985.
- **NOT** to have converted a wetland after November 28, 1990, for the purpose, or to have the effect, of making the production of an agricultural commodity possible on such converted wetland.
- **NOT** to convert a wetland by draining, dredging, filling, leveling, removing woody vegetation, or any other activity that results in impairing or reducing the flow and circulation of water in a way that would allow the planting of an agricultural commodity.
- **NOT** to use proceeds from any Farm Service Agency farm loan, insured or guaranteed, or any USDA financial assistance program, in such a way that might result in negative impacts to a wetland, except for those projects evaluated and approved by Natural Resources Conservation Service.

# ARC/PLC



# What is ARC/PLC?

## Price Loss Coverage

- Payments by crop, each year only when the **national** average market year price falls below the reference price:

Corn	\$3.70
Soybeans	\$8.40
Wheat	\$5.50
Barley	\$4.95
Oats	\$2.40
- Pays on 85% of your farm's **established base** acres and PLC yield.
- No Requirement to plant the crops for which you have base acres;
- Cropland can be all hay or idle & still be eligible for payments

## Agricultural Risk Contract

- Payments only when the ARC-County actual crop revenue/acre is less than the ARC-County revenue guarantee/acre.
- Covers losses due to price or yield or combination of the two.
- Pays on 85% of your farm's **established base** acres.
- Based on Olympic average of **Franklin County** prices & **Franklin County** yields over 5 years
- No Requirement to plant the crops for which you have base acres

# PLC Payment Rates

Franklin Co.

2014: zero: all commodities

2015: Payments on:

Corn	.09 cents/bushel
Grain Sorghum	.64 cents/bushel
Oats	.28 cents/bushel
Wheat	.61 cents/bushel

# ARC- CO Payment Rates

## Franklin Co.

2014:

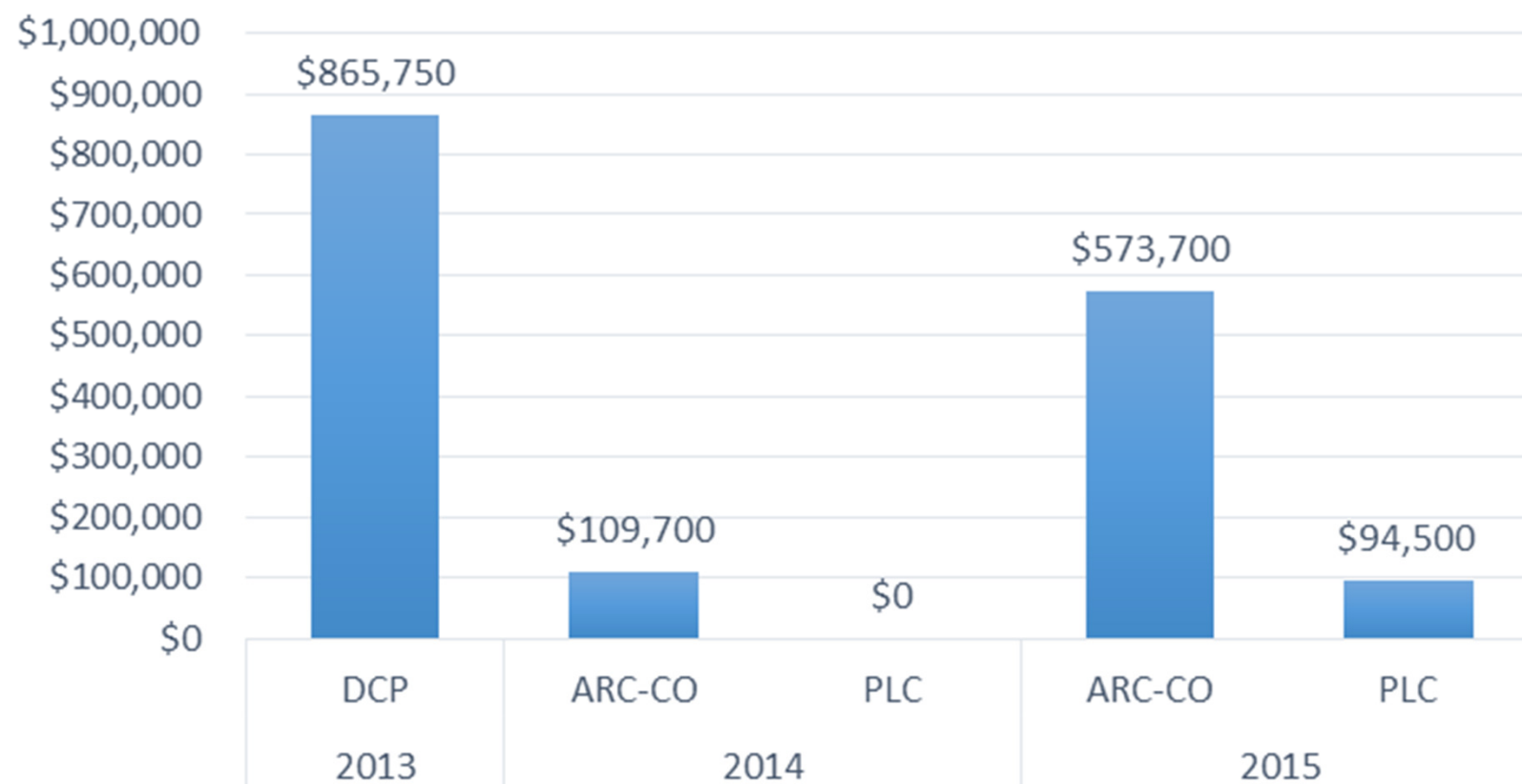
\$ 4.63	Corn
\$44.88	Grain Sorghum
\$ 2.29	Wheat

2015:

\$13.08	Corn
\$44.37	Grain Sorghum
\$21.92	Oats
\$55.22	Soybeans
\$46.90	Wheat



## 2008 Farm Bill vs 2014 Farm Bill



# Difference Between DCP & ARC/PLC

**DCP:** paid guaranteed payments

- & in a few years, a few crops some bonus “market driven” money called “counter-cyclical” payments.

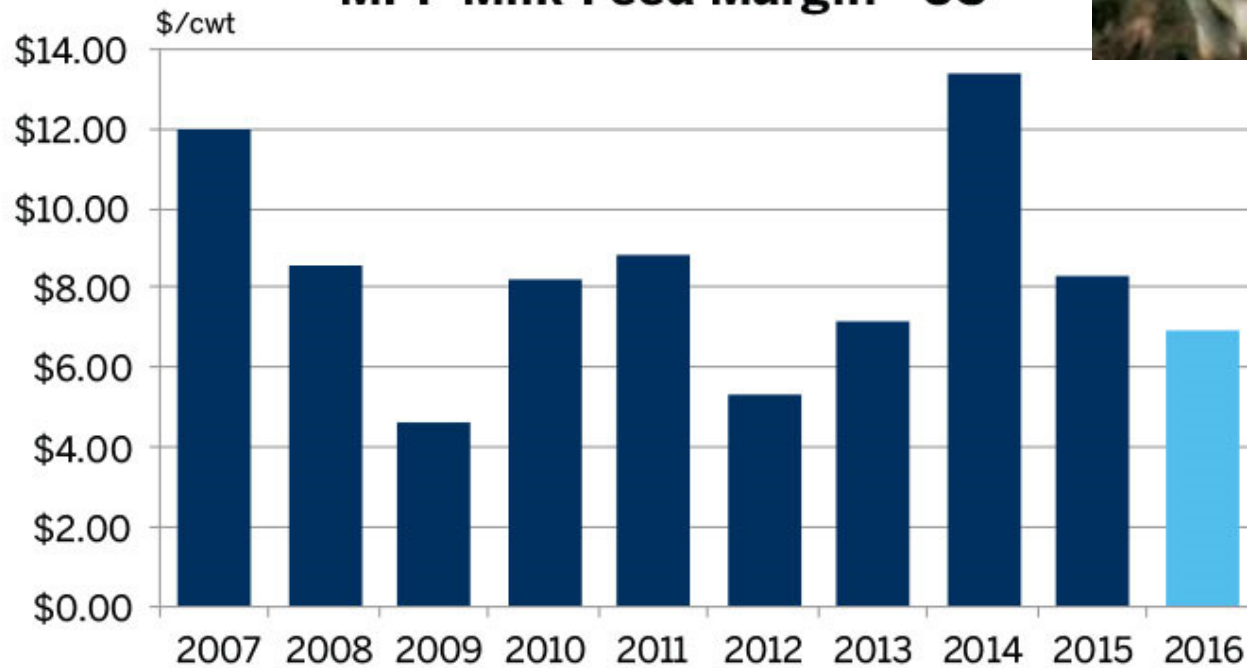
**PLC:** pays only when market prices are low  
(permanent targets)

**ARC:** pays only when combination of market price and or yields are low (moving targets)

# MPP-Dairy



**MPP Milk-Feed Margin - US**



# MPP- Dairy

## Margin Protection Program for Dairy

Like insurance... you choose the margin coverage level (milk income over feed cost standard)

Basic:

- \$100 admin fee: Covers up to 90% of milk production at \$4.00 margin.

Buy-up:

- Can choose level to cover a margin as high as \$8.00 and 25-90% of milk production
- Premium calculated based on level chosen

Ex. 100 cow dairy w/ 25,000# herd ave. covers 90% of their milk at:

- \$6.50 margin: Premium would cost \$2025 + \$100 admin fee
- \$8.00 margin: Premium would cost \$10,687 + \$100 admin fee

# MPP-Dairy Payments

2015: zero (in Franklin Co.) lowest margin: \$7.50415

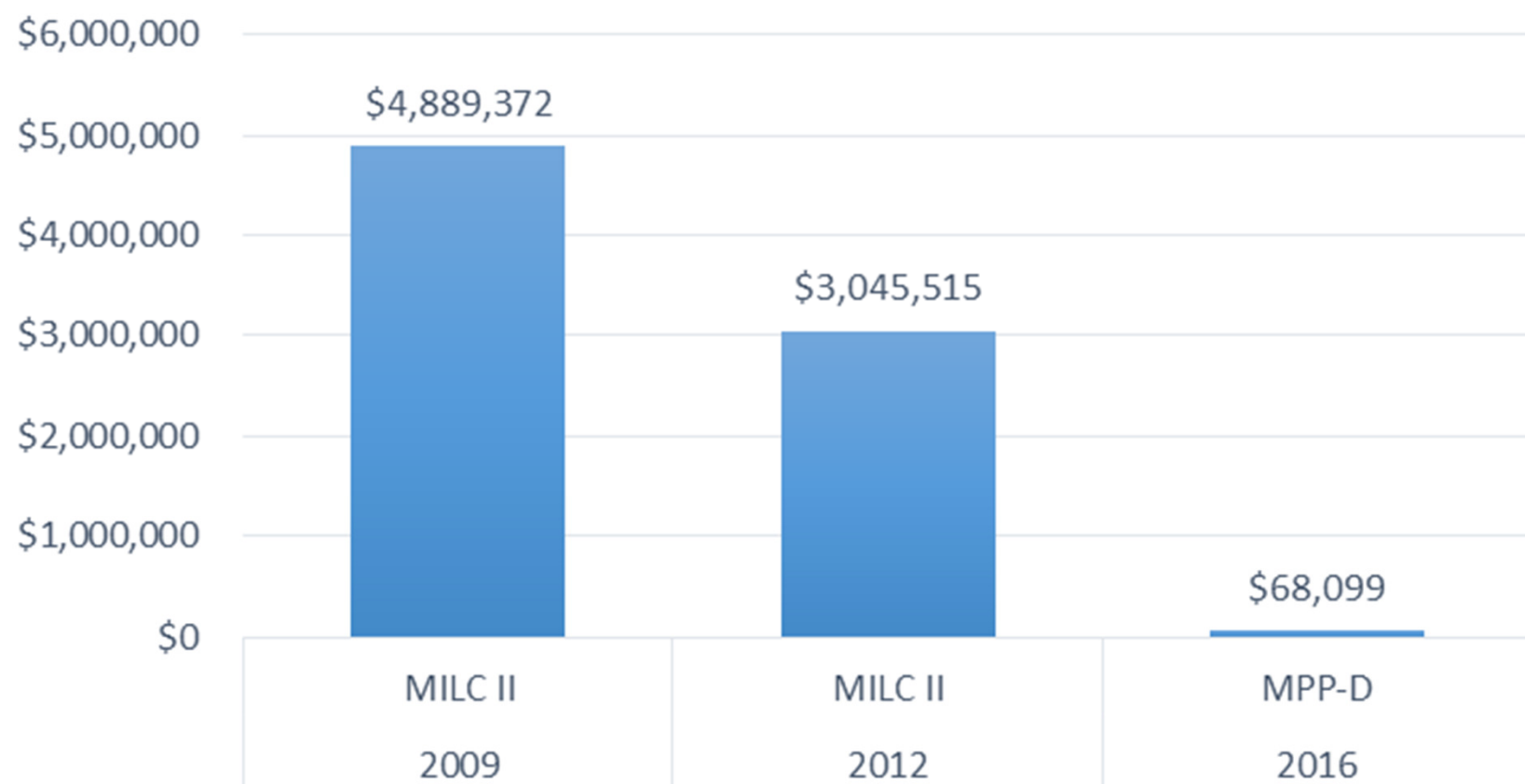
2016: Paid \$8.00 & \$7.50 margin in Apr/Mar (margin \$7.14868)  
Paid \$8.00, \$7.50, \$7.00, \$6.50, \$6.00 margin  
in May/June (margin \$5.76277)

Example:

100 cow dairy w/25K cwt milk production who purchased:

- \$6.50 margin paid \$2,025 in premium + \$100 Admin fee
  - received \$2,765 pmt
- \$8.00 margin paid \$10,687 in premium + \$100 Admin fee
  - received \$8,390 AND \$3,192 (total: \$11,582 pmt)

## 2008 Farm Bill vs 2014 Farm Bill



# Difference between MPP-Dairy and MILC II

**MILC II:** on a monthly basis, payments triggered when class I milk price fell below the target of \$16.94/cwt in the Boston market with an adjustment factor when dairy feed cost exceeded a threshold of \$7.35/cwt. (2008-2013)

**MPP-D:** on a bi-monthly basis, payments triggered by the selected production margin—(difference between the national all-milk price and the national average feed cost AVERAGE over 2 months). (2014-2018)



# MPP-Dairy in Franklin 2017

<b>Number of Contracts</b>	<b>103</b>
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Contracts at CAT level:	88%
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Contracts at buy-up level:	12%
(\$5.00 - \$6.50)	

# FSFL



# FSFL

## Farm Storage Facility Loans:

- Silos
- Bunkers/trenches
- Hay storage
- Grain bins
- Cold storage
- Skid loaders
- Grain trailers
- Silage trucks
- Milk bulk tanks

- |   |                 |
|---|-----------------|
| • February Interest Rate:                       | 1.5% - 2.625%   |
| • Loans >\$50,000                               | 7-12 year terms |
| • Micro-loan: up to \$50,000                    | 3-5 year terms  |
| • Maximum Loan: \$500,000                       |                 |
| • New or Used Equipment w/ minimum 15 year life |                 |

# MAL



# Marketing Assistance Loans

Loans on crops you produced & harvested and are storing on the farm.

- Short term, 9 month loan
- Low interest
- Collateral is the commodity
- Loan amount is based on loan rates:

Barley	\$1.64/bu
Corn	\$2.11/bu
Gr. Sorghum	\$3.66/cwt
Oats	\$1.40/bu
Soybeans	\$5.05/bu
Wheat	\$2.52/bu

# Farm Loans



# Farm Loan Team

Serviced from Gettysburg Service Center 717-334-4216

Covers Adams, Cumberland, Franklin, Fulton, York Counties

155 Direct Loan Borrowers

\$2.5 Million in Funds Outstanding

3.7% Delinquency Rate

- Direct Loan Farm ownership max \$300,000
- Direct Loan Farm operating max \$300,000





Franklin/Fulton Farm Service Agency  
185 Franklin Farm Lane  
Chambersburg, PA 17202

717-264-8074