



**IDAHO SENATE
AGRICULTURAL AFFAIRS COMMITTEE
Jim Rice, Chairman**

USDA Idaho Farm Service Agency
February 11, 2016



**Idaho State Committee
Represent all Areas of the State**

- **Scott McLeod**, Chairman Nezperce
- **Amy Manning** Pocatello
- **Matt Gellings** Idaho Falls
- **Sherry Crutcher** Duck Valley
- **Bobbi Bodine** Grangeville





Farm Service Agency

Mark Samson

State Executive Director

Jeff Mitchell

Farm Program Chief

Aaron Johnson

Farm Loan Chief

Brandi Mitchell

Administrative Officer



FSA County Office Committees (COC) Unique to FSA

- USDA encourages *all* eligible farmers and ranchers to participate in the county committee election process
- COC's serve 3-year terms and elections are held in December
- COC's oversee delivery of federal programs locally





Administrative

FTE Ceiling is stable at 135

83 employees to implement the Farm Program
Section

34 employees to implement the Farm Loan Section

Administrative costs: 3.0% of program
allocations.

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Still located in 29 counties.
Appropriations Committees
Authorization to reduce any office to
below one FTE is required.



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US Agriculture Economy?

US – 2016 Projected Farm Income 30% 

RECESSION?
NO!

RESET?
YES!

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US Agriculture Economy?

Majority of Balance Sheets are Improved

Banks are Better Positioned to Make Loans

Land Prices projected to increase 5% in 2016

Concerns:
Strong Dollar will restrict exports
New Farmer's Balance Sheets

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2015 Idaho Agriculture Economy?

Persistent Drought

Quality of Wheat for Export Market

Quality of Barley for Malting

Loss of Forage

Quality of Hay

Fires

Soda Fire

Kamiah Fire

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IDAHO Agriculture Economy?

2015 Cash receipt ↓ 8% after four years of ↑
\$7.9 Billion in 2015 (U of I)
\$8.6 Billion in 2014 (U of I)

Livestock projected down 13%

Milk projected down 27%

Crops down 2% (wheat down 15%)

Potatoes will stay flat

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Nearby Cash Prices at Export Location(s)

Weekly Values for Jun 1, 2015 - Feb 5, 2016



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Agriculture Act of 2014

Signed into law February 7, 2014

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Agriculture Act of 2014

The goal of this farm bill is to allow the men and women who feed millions around the world to invest confidently in the future.

- Provides additional support to communities
- Builds on the historic gains in rural America over the past 6 years
- Supports the continued global leadership of our farmers and ranchers

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Changes in the 2014 Farm Bill

Direct, Counter-cyclical and Actual Crop Revenue Election payments are eliminated

Payment Limitations are Reduced (\$125,000)

Adjusted Gross Income (AGI) is Reduced (\$900,000)

Improves “safety net” for Veterans, Beginning Farmers, Ranchers and Socially Disadvantaged

Recognizes the potential of new and expanding markets for the agriculture industry

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Changes in the 2014 Farm Bill

Additional support for food hubs, farmers markets and on-farm businesses

Increased reliance on Crop Insurance

Reduced Conservation Reserve Program to 24 million Acres

Tied Conservation Compliance to all programs

Increased Loan Opportunities



Agriculture Act of 2014

LIVESTOCK

NONINSURED CROP DISASTER ASSISTANCE

DAIRY

ARC/PLC REVENUE PROTECTION

CONSERVATION

FARM LOAN PROGRAM





Agriculture Act of 2014 LIVESTOCK

Livestock Indemnity Program (LIP)

Livestock Forage Disaster Program (LFP)

Emergency Livestock Assistance Program (ELAP)

All Retroactive to October 1, 2011

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Agriculture Act of 2014 NONINSURED CROP DISASTER ASSISTANCE

Those crops not insured by RMA

**Buy-up to 100% of Price
Yield Coverage 50/55/60/65%
Basic – 50% yield, 55% price**

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Agriculture Act of 2014

NONINSURED CROP DISASTER ASSISTANCE

\$250 admin fee per crop
(Max \$750 per county or \$1875 total per producer)
Buy-up premium based on producer yield,
acres and level selected
Maximum premium is \$6563

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Agriculture Act of 2014

NONINSURED CROP DISASTER ASSISTANCE

Underserved, Beginning Farmer or Limited Resource Producer

Admin Fee Waived
Buy-up premium is reduced 50%
Payment Limitation and AGI apply

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Agriculture Act of 2014
DAIRY
MARGIN PROTECTION PROGRAM

Risk Management Against Falling Margins
National All-Milk Price – National Average Feed Price
Catastrophic coverage at no cost
Annual Administrative Fee (\$100)
Varying Margins: \$4.00 to \$8.00 (Buy-up Fees at \$4.50)

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Agriculture Act of 2014
DAIRY
MARGIN PROTECTION PROGRAM

December, 2014 Sign-up:
360 of 550 Enrolled (60% of Production)
December, 2015 Sign-up:
334 of 550 Enrolled (57% of Production)

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Agriculture Act of 2014
Agricultural Risk Coverage (ARC)
Price Loss Coverage (PLC)

No longer Revenue “Guarantee”

Revenue “Protection”

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Agriculture Act of 2014

ARC/PLC

One time opportunity:

Update yields based on 2008-12 yield history (owners)

Reallocate base to crops planted on the farm in 2009-2012 (owners)

Choose between ARC or PLC (producers) for life of Farm Bill

A new crop insurance option (SCO) for PLC participants

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Agriculture Act of 2014

ARC/PLC

21 Covered Commodities		
Barley	Canola	Corn
Crambe	Flaxseed	Garbanzo, Large
Garbanzo, Small	Grain Sorghum	Lentils
Mustard Seed	Oats	Peanuts
Peas, Dry	Rapeseed	Rice, Long Grain
Rice, Medium Grain	Safflowers	Sesame Seed
Soybeans	Sunflower Seed	Wheat

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Agriculture Act of 2014

ARC/PLC PAYMENT LIMITATIONS

\$125,000 per person payment limits for (ARC, PLC, LDPs and marketing loan gains) combined

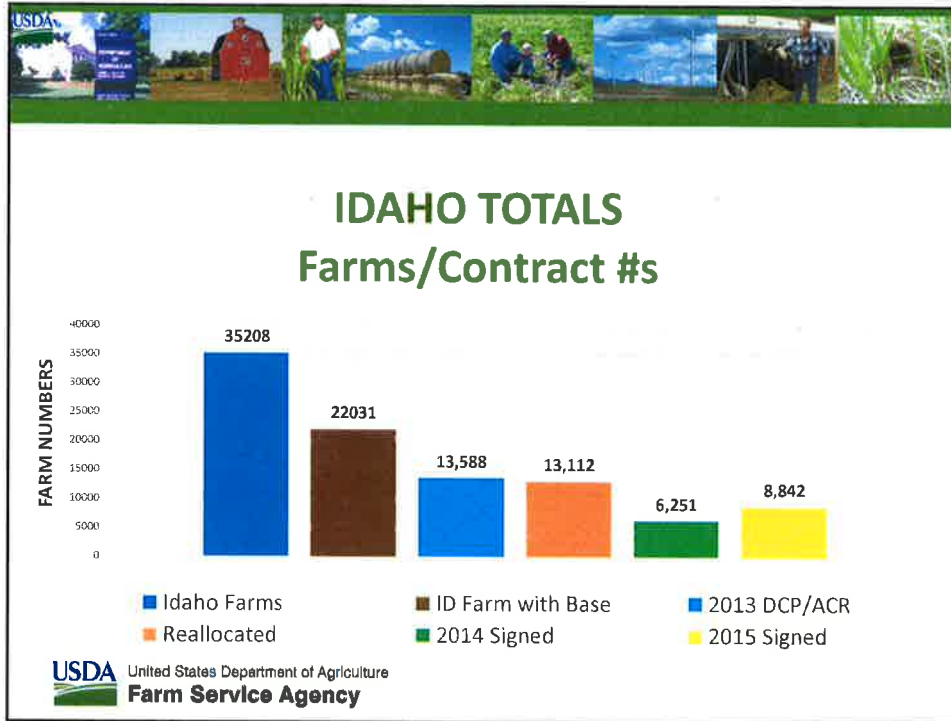
\$900,000 3 year average adjusted gross income (AGI) on commodity and conservation programs

Actively Engaged Provisions

Directs the USDA Secretary to conduct a rulemaking to define the term "significant contribution of active personal management" and determine if a limit on the number of individuals in an entity qualifying using "management" is necessary.

Potential changes will not apply to individuals or to entities that are made up solely of family members.

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Idaho Enrollment by Program

Commodity	Price Loss Coverage (PLC)		Agriculture Risk Coverage-County (ARC-CO)		Agriculture Risk Coverage-Individual (ARC-IC)		All ARC/PLC Programs	
	Farms	Base Acres	Farms	Base Acres	Farms	Base Acres	Farms	Base Acres
CANOLA	421	22038.5	17	294.03	23	1054.05	461	23,385
CORN	1,681	98416.37	1,447	102484.69	14	584.96	3,142	201,466
DRY PEAS	346	8453.54	505	20720.44	69	5819.74	920	34,994
FLAX	20	209.41	9	100.97			29	310
GRAIN SORGHUM	24	340.26	6	21.51			30	362
LENTILS	164	8881.14	453	26502.4	48	1890.53	665	37,274
LARGE CHICKPEAS	63	2911.08	257	19547.38	42	2698.25	362	25,157
MUSTARD	26	1146.94	21	399.9	3	108.6	50	1,655
OATS	1,397	16368.7	742	11565.66	29	326.6	2,168	28,261
RAPESEED	19	288.19	29	760.5	3	45	51	1,092
SAFFLOWER	31	2284.05	13	918.04			44	3,200
SMALL CHICKPEAS	30	1748.43	128	9526.02	22	1024.91	180	12,299
SOYBEANS	4	10.81	1	3.47	1	2.95	6	17
SUNFLOWERS	1	9.02	2	77.29			3	86
WHEAT	6,694	947977.16	3,414	563963.17	201	60150.1	10,309	1,572,090
% of Base Acres		60%		36%		4%		100%

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Agriculture Act of 2014 CONSERVATION

Conservation Reserve Program (CRP)

State Acres for Wildlife Enhancement (SAFE)

Conservation Reserve Enhancement Program (CREP)

Highly Erodible Land Initiative (HELI)

Payment Limit = \$50,000; AGI < \$900,000

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Agriculture Act of 2014 CRP

562,000 Total Acres (January, 2016)

New Sign-up ends February 26, 2016

SAFE

105,580 Acres Enrolled

11,000 Additional Acres to Enroll

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Agriculture Act of 2014

CREP

**State and Federal Program to Restore water to
Eastern Snake Plan Aquifer**

21 Counties Eligible

17,000 Enrolled Acres

GRASSLANDS CRP

**September 1, 2015 – November 20, 2015 Enrollment
(with continuous sign-up)**

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FARM LOANS

**Consistently Achieve Goals Set by
National Office**

No Backlogs of approved applications
Delinquencies on Direct Loans at 1.8%
**Delinquencies on Guaranteed Loans at
0.79%**

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FARM LOANS

Portfolio is turning over rapidly!

Borrowers in 2000 Portfolio:

18% Remain in 2016

Premier Lender of Choice for Beginning
Farmers, Underserved and Veterans

Lender of First Opportunity!



FARM LOANS

Guaranteed

Direct

Micro

Farm Storage Facility

Lender of First Opportunity!





FARM LOANS

Guaranteed Loans

Partner with 31 Financial Institution

Producers can work directly with lenders of choice

Assist Partner Institutions to meet regulatory requirements

Processing time is 5 days

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FARM LOANS

Direct Loans

Assistance to Producers unable to obtain Guaranteed Loans

Farm Management Training is Required

Targeted at Beginning Farmers (50%),
Veterans and Underserved

Processing time is 23 days

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FARM LOANS

MICROLOANS

Limit Increased to \$50,000

Streamlined Process

Annual Operating or Term Operating
Expenses and in 2016 for Farm Ownership

Excellent for Start-up Operations

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FARM LOANS

MICROLOANS

FILL A NEED!

Marketing and Distribution

Seed, Fertilizer, Rent, Living Expenses,

Purchase of Livestock, Equipment,

Wells and Irrigation

Farm Ownership in 2016

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Farm Storage Facility

Continues to expand
 Funding to build or upgrade farm storage
 and handling facilities.
 Expanded to multiple crops but producer
 managed
 Family-sized farm test not a requirement
 Credit test not a requirement

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History of FSA Investment in Idaho Agriculture

Program (\$ Mill)	2013	2014	2015
Total Payments	485.8	430.0	423.8
Farm Loans	76.9	119.3	107.3
Guaranteed OL	24	34.8	37.3
Guaranteed FO	27.5	41.6	22.3
Direct OL	20.4	22.1	25.1
Direct FO	5.0	18.6	16.9
Micro DOL	0	2.0	5.2
Emergency	0	.198	.480

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History of FSA Investment in Idaho Agriculture

Program (\$ Mill)	2013	2014	2015
Total Payments	485.8	430.0	423.8
Disaster	5.5	5.1	23.8
SURE	4.20	.008	0
ELAP	0	0	2.3
LFP	0	3.4	20.6
LIP	0	.30	.143
TAP		.012	.05
NAP	1.3	1.3	.70



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History of FSA Investment in Idaho Agriculture

Program (\$ Mill)	2013	2014	2015
Total Payments	485.8	430.0	423.8
Commodities	309.6	216.2	255.6
DCP/ACRE	53.2	48.7	.578
Marketing Loans	301.6	211.4	253.5
Dairy	6.7	.06	.004
Facility Loans	2.7	.98	1.6



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History of FSA Investment in Idaho Agriculture


Program (\$ Mill)	2013	2014	2015
Total Payments	485.8	430.0	423.8
Conservation	40.1	44.5	37.1
Reserve Program	34.9	35.6	34.6
Grassland Reserve	5.2	8.6	2.2
Emergency	.011	.246	.192
Biomass		.030	.075

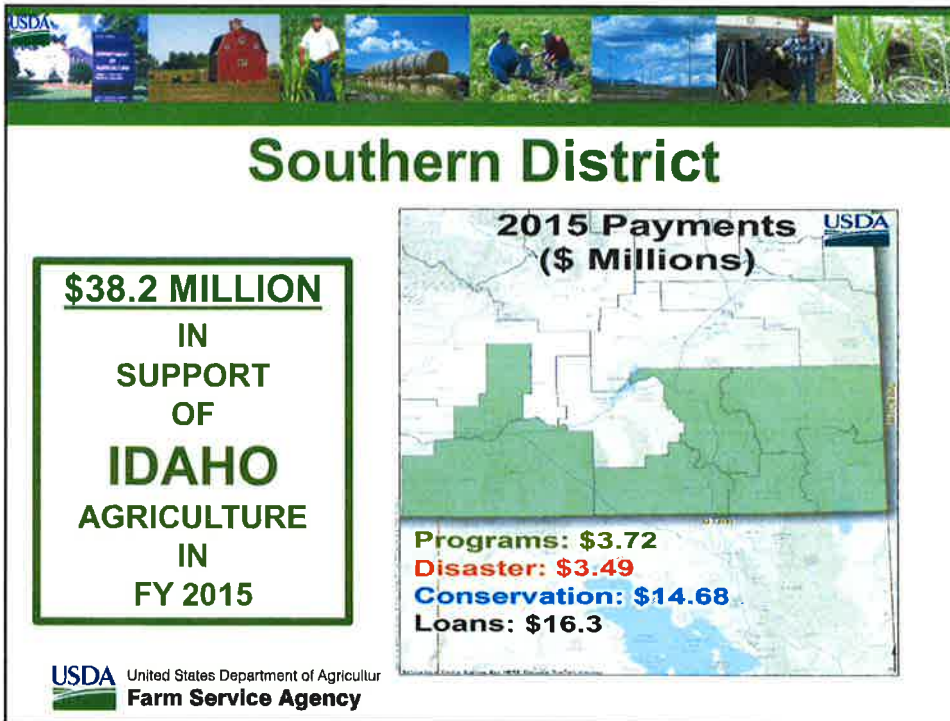
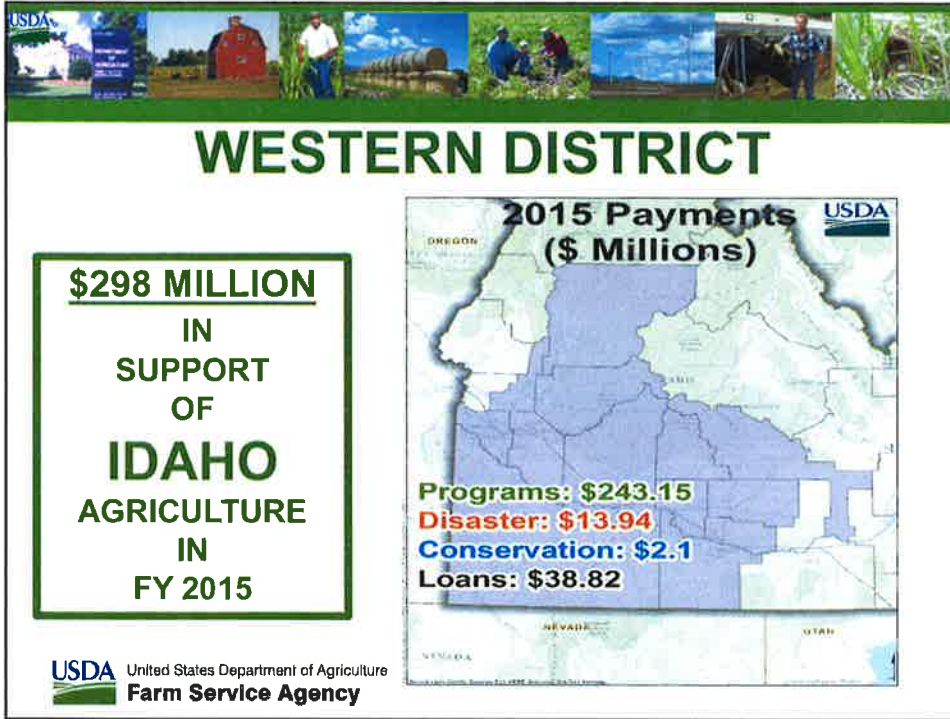

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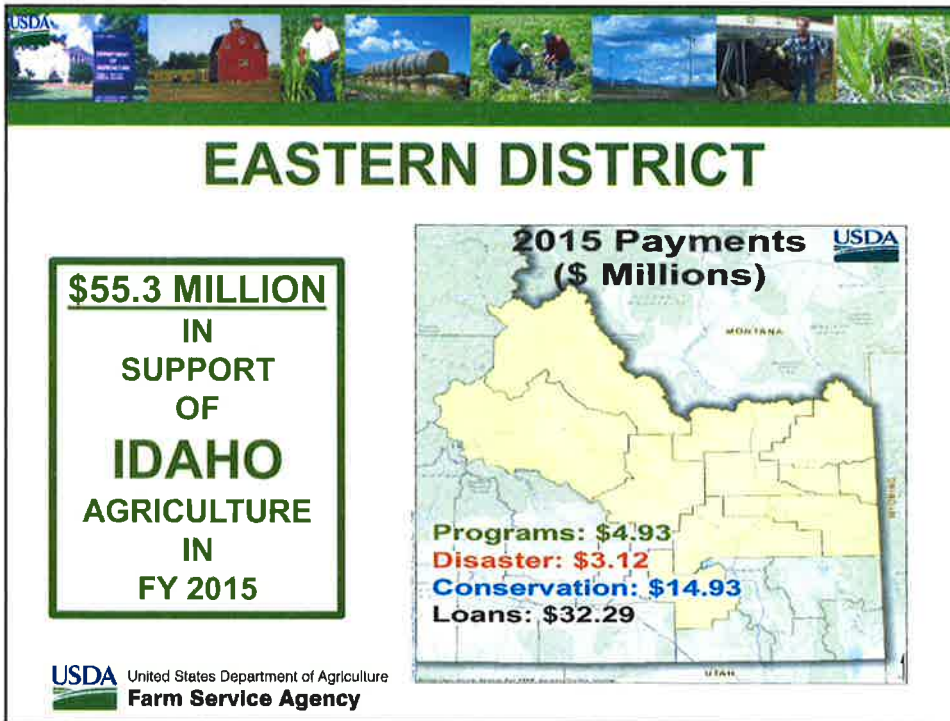
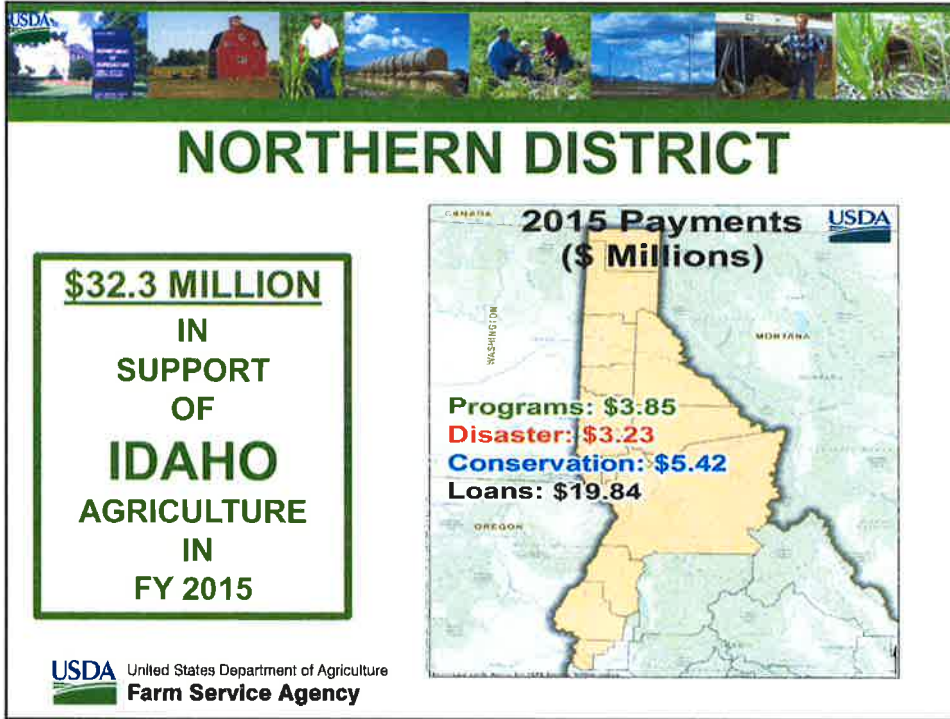


History of FSA Investment in Idaho Agriculture

Program (\$ Mill)	2013	2014	2015
Total Payments	485.8	430.0	423.8
Commodities	363.3	216.2	255.6
Disaster	5.5	5.1	23.8
Conservation	40.1	35.9	37.1
Total Farm Loans	76.9	119.3	107.2


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AVAILABLE NOW!

RURAL ENERGY ASSISTANT PROGRAM (REAP)

Grants, Loans for Energy Assistance on
Farm and in Rural Communities

FSA Farm +

Farm Information (CLU and related
information) available electronically!

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CONCLUSION

USDA/FSA delivered \$424 million in federal
program benefits to Idaho farmers and
ranchers in FY 2015

Revenue Protection or Risk Management
was small – as expected!

Disaster Assistance Increased

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\$ Benefits in 2016?

Increase in Disaster Payments
Increase in ARC/PLC Payments
Increase in Loan Activity

Provide Revenue Support and Financial Stability

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Thank You!

Please visit our web site at
www.fsa.usda.gov/id

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