

Opportunities For Your Farm

Summarized by the Pennsylvania Farm Bureau



State Programs

Page 2

Dairy Assistance

Page 4

Farm Credit and Banking

Page 5

USDA

Page 6

A note to the reader: The following programs are those only listed with current deadlines or open deadlines. Those past were not included as of August 18, 2009. Please contact the respective organization or more details on additional opportunities.

State Programs

Center for Farm Transitions

The Center for Farm Transitions is staffed by personnel who have knowledge and experience in many aspects of issues faced by a farmer in transition. The Center can assist: beginning farmers; next generation family farmers; retiring farmers; relocating farmers; and farmers wishing to expand, develop new areas of their operation or convert to another type of farm. If your situation is unique, the Center's staff will research your situation and work with you to develop a plan of action. Contact by phone: 1-877-475-2686 or visit their website www.iplantofarm.com

PAgrows

PAgrows provides access to grants and low interest loans (from state and federal programs) which help to compliment private and local lender funding. PAgrows tailors their suggestions based on your farm operation and your needs.

For more information, call 1-888- 724-7697 or visit www.agriculture.state.pa.us/pagrows.

Alternative Energy Production Tax Credit

The Department of Environmental Protection (Department), Bureau of Energy, Innovations and Technology Deployment announces an opportunity to apply for an Alternative Energy Production Tax Credit provided for in the Alternative Energy Investment Act of 2008. This program provides a Tax Credit of 15% of the net cost of alternative energy

production projects located in the Commonwealth.

There is a limit of \$1,000,000 per taxpayer and \$5,000,000 for the program year 2009.

Eligible projects could include projects which: produce or distribute alternative energy, manufacture or produce products which provide alternative energy or alternative fuels, improve energy efficiency or conserve energy, research and develop technology to provide alternative energy sources or alternative fuels, develop or enhance the transportation of alternative fuels by means as rail, developing new more efficient locomotives or enhancing the efficiency of existing locomotives.

Eligible applicants include Pennsylvania taxpayers who completed a qualifying project in this Commonwealth between July 9, 2008 and December 31, 2008, in the preceding tax year.



The application package including guidance, instructions and application forms is available electronically on the Department's web site at <http://www.dep.state.pa.us>, key word "Alternative Energy Tax Credit." The application package is also available by contacting the Department of Environmental Protection, Office of Energy and Technology Deployment, 15th Floor, Rachel Carson State Office Building, 400 Market Street, P. O. Box 8772, Harrisburg, PA 17105-8772, (717) 783-8411.

Applications for projects must be received or postmarked by September 15, 2009. E-mails or faxes will not be accepted. Use staples only, no binding or cover pages.

Agricultural Rural and Youth Grant Program

The Agricultural Rural and Youth Grant Program is a competitive program that seeks projects to increase the knowledge and awareness of agricultural and rural issues among the youth in Pennsylvania.

Now in its thirteenth year, the Program offers eligible organizations the opportunity to apply for a matching grant up to \$10,000 and a direct grant up to \$2,500. Organizations comprised of persons eighteen (18) years of age or younger and are organized and recognized within the Commonwealth of Pennsylvania to promote development of agriculture, rural community leadership, vocational training or peer fellowship are considered eligible applicants. Since 1992, the Department has awarded 355 Direct Grants and 50 Matching Grants totaling \$1,229,709.74 to FFA, 4-H, agricultural extension, and agricultural educational organizations statewide. For More Information: Contact Kristi Rooker at krooker@state.pa.us, telephone 717-787-5342

REAP*

The Resource Enhancement and Protection (REAP) Program allows farmers and businesses to earn tax credits in exchange for "Best Management Practices" (BMPs) on agricultural operations that will enhance farm production and protect natural resources. The program is administered by the State Conservation Commission (Commission) and the tax credits are awarded by the Pennsylvania Department of Revenue. Eligible applicants may receive between 50% and 75% of project costs as state tax credits for up to \$150,000 per agricultural operation. The amount of tax credit available to a recipient is dependent on the type of BMP implemented.

What do farmers need to do in order to be eligible for REAP?

1. Current Plans - Agricultural operations must have a current :

- conservation plan (or an NRCS approved grazing (528) plan.
- an agricultural erosion and sedimentation control plan (An Ag E&S plan is part of a properly written conservation plan).
- a nutrient management plan, if required (for a CAO or CAFO).
The cost of developing and implementing these plans may be included to qualify for the tax credit.

2. Properly Protected Barnyards - An agricultural operation with an animal concentration area (ACA) such as a barnyard or loafing area, must have implemented the Best Management Practices (BMPs) to abate storm water runoff, loss of sediment and nutrients, and runoff of other pollutants from the ACA, or the implementation of these BMPs must be included in the application for a tax credit.

3. Fully Implemented Crop Field and NM BMPs - An agricultural operation with uncompleted BMPs required in an Ag E&S plan and/or a nutrient management plan must first include the remaining BMPs included in these plans in the application for a tax credit.

Applications will be accepted by the State Conservation Commission on a first-come, first-served basis beginning August 3, 2009 during the normal business hours of 8:00 am through 4:00 pm, Monday through Friday. Applications may be delivered in person, via US Postal Service, or via a private carrier to the Commission office at the following address: Resource Enhancement and Protection (REAP) Program, State Conservation Commission, Room 407, 2301 North Cameron Street, Harrisburg, PA 17110. Any applications received by the Commission which are postmarked prior to July 30, 2009 will be returned. The Commission will not accept any applications delivered in person prior to August 3, 2009 at 8:00 am. Applications will be accepted until the fiscal year 2009-2010 appropriation has been committed to eligible projects.

For more information contact Mary Bender, REAP Administrator, State Conservation Commission, at 717-787-8821 or e-mail mabender@state.pa.us

* Please note as of publication it is unknown how long the application period will be open.

Dairy Assistance



Cash Flow Analysis Grants –Forty \$1,500 grants are available to assist dairy farms struggling to manage cash flow in a cash-negative milk sales environment. Grants are available on a first-come, first-serve basis, pending approval of applicant. Find out more information at 717-346-0849 or by visiting <http://www.centerfordairyexcellence.org/index.php/business-budgeting-grants.html>.

Profit Teams—Three variations of the Profit Team concept are available to dairy producers interested in enrolling in the program. Producers enrolled in the program have \$3,500 in funding available, along with additional resources, to support their team. For more information, call 717-346-0849 or visit the below websites.

Dairy Profit Teams—help producers realize higher production, improved reproduction, better herd health and greater profits: <http://www.centerfordairyexcellence.org/index.php/traditional.html>.

Target Profit Teams—complements the existing Dairy Profit Team program to help producers solve a specific operational bottleneck or develop a specific new initiative: <http://www.centerfordairyexcellence.org/index.php/target.html>.

Succession Planning Teams—focuses on helping dairy producers transition their farm to the next generation: <http://www.centerfordairyexcellence.org/index.php/succession.htm>

Farm Credit and Banking

Ag Choice Farm Credit

AgChoice Farm Credit's primary focus is on loans and services for agriculture but also offers country home loans, forest product loans, agri-business loans and small farm loans in rural communities. You can locate your local branch at <http://www.agchoice.com/locate/> or by calling 1-800-349-3568.



Mid-Atlantic Farm Credit

MidAtlantic Farm Credit makes farm and country home loans, loans for equipment and buildings, land loans, construction loans, improvement loans and production/operating loans. You can locate your local branch at <http://midatlantic-farmcredit.com/loans-branch.asp?mapage=locations> or by calling 1-800-442-7334.

Local Banks

Be sure to visit or call your local bank or branch office and ask if they have agriculture lending departments or specialists.

USDA

Farm Service Agency

The following list summarizes some of the loans available from the Farm Service Agency (FSA). For a complete listing and more details, including rates and terms, please contact your local FSA office or visit their website at www.fsa.usda.gov.



The Direct Farm Ownership Program offers maximum loans of up to \$300,000 or use in purchasing farm, constructing buildings or other improvements, soil and water conservation and for the payment of closing costs.

The Down Payment Program offers at least 45 percent of the purchase price or the appraised value or \$225,000 to purchase farms.

Direct Operating Loans are available for up to \$300,000 for the purchase of livestock, poultry, equipment, feed, seed, farm chemicals and supplies, soil and water conservation and refinancing indebtedness with certain limitations.

Direct Emergency Loans are available for 100 percent of actual or physical losses up to a \$500,000 maximum program indebtedness for the use in restoration or replacement of essential property, to pay all or part of production costs associated with the disaster year, to pay essential family living expenses, reorganize the farming operation or for refinancing indebtedness with certain limitations.

Guaranteed Operating Loans are available for up to \$1.094 million (amount adjusted annually for inflation) and may be used for the same purposes as Direct Operating Loans, except the loan may also be used to refinance debts.

Guaranteed Farm Ownership Loans are available for up to \$1.094 million and may be used for the same purposes as Direct Farm Ownership Loans, except the loan may also be used to refinance debts.

Emergency Loans to help producers recover from production and physical losses due to drought, flooding, other natural disasters, or quarantine. Emergency loan funds may be used to: Restore or replace essential property; Pay all or part of production costs associated with the disaster year; Pay essential family living expenses; Reorganize the farming operation; and Refinance certain debts.

Direct and guaranteed loans to beginning farmers and ranchers who are unable to obtain financing from commercial credit sources. Each fiscal year, the Agency targets a portion of its direct and guaranteed farm ownership (FO) and operating loan (OL) funds

to beginning farmers and ranchers. A beginning farmer or rancher is an individual or entity who (1) has not operated a farm or ranch for more than 10 years; (2) meets the loan eligibility requirements of the program to which he/she is applying; (3) substantially participates in the operation; and, (4) for FO loan purposes, does not own a farm greater than 30 percent of the median size farm in the county. (Note: all applicants for direct FO loans must have participated in business operation of a farm for at least 3 years.) If the applicant is an entity, all members must be related by blood or marriage, and all stockholders in a corporation must be eligible beginning farmers.

Loans to approved socially disadvantaged farmers and ranchers

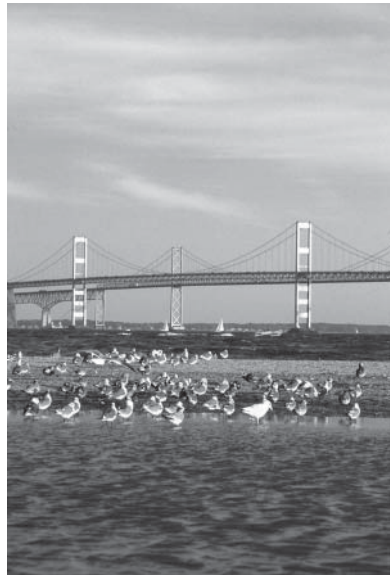
applicants are available to buy and operate family-size farms and ranches. A socially disadvantaged (SDA) farmer, rancher, or agricultural producer is one of a group whose members have been subjected to racial, ethnic, or gender prejudice because of his or her identity as a member of the group without regard to his or her individual qualities. SDA groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders.

Farm Storage Facility Loan program (FSFL) applications will be accepted beginning August 17. New facility types will be eligible for the FSFL program, including fruit and vegetable cold storage facilities, and hay and renewable biomass facilities. FSFL's will be available in 10 and 12 year terms with maximum FSFL amounts are increased to \$500,000. Borrowers will be allowed to increase the down payment from 15 percent to 20 percent to negate the requirement for a severance agreement.

Conservation

Unique Conservation Reserve Enhancement Program (CREP) state and federal partnerships allow you to receive incentive payments for installing specific conservation practices that help protect environmentally sensitive land, decrease erosion, restore wildlife habitat, and safeguard ground and surface water.

USDA Farm Service Agency's (FSA) Emergency Conservation Program (ECP) provides emergency funding and technical assistance for farmers and ranchers to rehabilitate farmland damaged by natural disasters and for carrying out emergency water conservation measures in periods of severe drought.



The Farmable Wetlands Program (FWP) reduces downstream flood damage, improves surface and groundwater quality, and recharges groundwater supplies by restoring wetlands.

The Grassland Reserve Program (GRP) helps landowners restore and protect grassland, rangeland, pastureland, and shrubland and provides assistance for rehabilitating grasslands.

The Source Water Protection Program is designed to help prevent source water pollution through voluntary practices installed by producers at local levels. Source water is surface and ground water that is consumed by rural residents.

Biomass Crop Assistance Program (BCAP) provides financial assistance to producers or entities that deliver eligible biomass material to designated biomass conversion facilities for use as heat, power, biobased products or biofuels. Initial assistance will be for the collection, harvest, storage and transportation costs associated with the delivery of eligible materials. Producers or entities will be eligible for up to a dollar per dollar match, up to \$45 per dry ton, for the value of the biomass that is delivered to a designated biomass conversion facility. Producers will be eligible for up to two years of payments.

NRCS

The following list summarizes some of the programs available from the Natural Resources and Conservation Service. For a complete listing and more details, please contact your local NRCS Service Center or visit their website at www.nrcs.usda.gov

The Conservation Reserve Program (CRP) provides technical and financial assistance to eligible farmers and ranchers to address soil, water, and related natural resource concerns on their lands in an environmentally beneficial and cost-effective manner. The program provides assistance to farmers and ranchers in complying with Federal, State, and tribal environmental laws, and encourages environmental enhancement. The program is funded through the Commodity Credit Corporation (CCC). CRP is administered by the Farm Service Agency, with NRCS providing technical land eligibility determinations, conservation planning and practice implementation.

The Conservation Reserve Program reduces soil erosion, protects the Nation's ability to produce food and fiber, reduces sedimentation in streams and lakes, improves water quality, establishes wildlife habitat, and enhances forest and wetland resources. It encourages farmers to convert highly erodible cropland or other environmentally sensitive acreage to vegetative cover, such as tame or native grasses, wildlife plantings, trees, filterstrips, or riparian buffers. Farmers receive an annual rental payment for the term of the multi-year contract. Cost sharing is provided to establish the vegetative cover practices.

Conservation Technical Assistance Program (CTA). CTA is available to any group or individual interested in conserving our natural resources and sustaining agricultural production in this country. Conservation technical assistance is the help NRCS and its partners provide to land users to address opportunities, concerns, and problems related to the use of natural resources and to help land users make sound natural resource management decisions on private, tribal, and other non-federal lands. The CTA program functions through a national network of locally-based, professional conservationists located in nearly every county of the United States.

Although the CTA program does not include financial or cost-share assistance, clients may develop conservation plans, which may serve as a springboard for those interested in participating in USDA financial assistance programs. CTA planning can also serve as a door to financial assistance and easement conservation programs provided by other Federal, State, and local programs.

Agricultural Management Assistance (AMA) provides cost share assistance to agricultural producers to voluntarily address issues such as water management, water quality, and erosion control by incorporating conservation into their farming operations. Producers may construct or improve water management structures or irrigation structures; plant trees for windbreaks or to improve water quality; and mitigate risk through production diversification or resource conservation practices, including soil erosion control, integrated pest management, or transition to organic farming.

The **Environmental Quality Incentives Program (EQIP)** offers financial and technical help to assist eligible participants install or implement structural and management practices on eligible agricultural land.

EQIP offers contracts with a minimum term that ends one year after the implementation of the last scheduled practices and a maximum term of ten years. These contracts provide financial assistance to implement conservation practices. Owners of land in agricultural production or persons who are engaged in livestock or agricultural production on eligible land may participate in the EQIP program. Program practices and activities are carried out according to an EQIP program plan of operations developed in conjunction with the producer that identifies the appropriate conservation practice or measures needed to address the resource concerns. The practices are subject to NRCS technical standards adapted for local conditions.

EQIP provides payments up to 75 percent of the incurred costs and income foregone of certain conservation practices and activities. However certain historically underserved producers (limited resource farmers/ranchers, beginning farmers/ranchers, socially disadvantaged producers) may be eligible for payments up to 90 percent of the estimated incurred costs and income foregone. Farmers and ranchers may elect to use a certified Technical Service Provider (TSP) for technical assistance needed for certain eligible activities and services. The new Farm Bill established a new payment limitation for individuals or legal entity participants who may not receive, directly or indirectly,

payments that, in the aggregate, exceed \$300,000 for all program contracts entered during any six year period. Projects determined as having special environmental significance may, with approval of the NRCS Chief, have the payment limitation raised to a maximum of \$450,000.

The Wildlife Habitat Incentive Program (WHIP)

is a voluntary program for conservation-minded landowners who want to develop and improve wildlife habitat on agricultural land, nonindustrial private forest land, and Indian land. WHIP provides both technical assistance and up to 75 percent cost-share assistance to establish and improve fish and wildlife habitat. WHIP cost-share agreements between NRCS and the participant generally last from one year after the last conservation practice is implemented but not more than 10 years from the date the agreement is signed.



Conservation Security Program (CSP) is a voluntary program that provides financial and technical assistance to promote the conservation and improvement of soil, water, air, energy, plant and animal life, and other conservation purposes on Tribal and private working lands. Working lands include cropland, grassland, prairie land, improved pasture, and range land, as well as forested land that is an incidental part of an agriculture operation. The program is available in all 50 States, the Caribbean Area and the Pacific Basin area. The program provides equitable access to benefits to all producers, regardless of size of operation, crops produced, or geographic location.

Conservation Stewardship Program (CSP) provides financial and technical assistance to eligible producers to conserve and enhance soil, water, air, and related natural resources on their land. CSP encourages land stewards to improve their conservation performance by installing and adopting additional activities, and improving, maintaining, and managing existing activities on agricultural land and nonindustrial private forest land. The entire agricultural operation must be enrolled and must include all agricultural land that will be under the applicant's control for the term of the proposed contract that is operated substantially separate from other operations.

CSP offers participants two possible types of payments:

Annual payment for installing and adopting additional activities, and improving, maintaining, and managing existing activities. Supplemental payment for the adoption of resource-conserving crop rotations

RURAL DEVELOPMENT

The following list summarizes some of the programs available from USDA Rural Development. For a complete listing and more details please contact your local Rural Development Service Center or visit their website at www.rurdev.usda.gov



The Business and Industry Guarantee Loans (B&I) Program is to improve, develop, or finance business, industry, and employment and improve the economic and environmental climate in rural communities. This purpose is achieved by bolstering the existing private credit structure through the guarantee of quality loans which will provide lasting community benefits. It is not intended that the guarantee authority will be used for marginal or substandard loans or for relief of lenders having such loans.

The Rural Business Enterprise Grants (RBEG) program provides grants for rural projects that finance and facilitate development of small and emerging rural businesses help fund distance learning networks, and help fund employment related adult education programs. To assist with business development, RBEGs may fund a broad array of activities.

The Small Farm Success Project is a unique collaboration of nonprofits, the USDA, and land grant universities in the mid-Atlantic region whose stated goal is helping farmers improve their financial success. They offer a business plan workbook for a small fee, and free fact sheets on finances, budgeting, leadership and management. The materials look thorough and impressive and a great resource for anyone working on designing a business plan and recordkeeping systems for their farm.

Whether you're just beginning to farm, still dreaming about buying your place, or many years into farming, it's always a good idea to revisit your business practices and see if they can be improved, and to take a moment before launching full-on into this season's work to assess what your ultimate goals are. And there's always room for improvement and new ideas that make recordkeeping go more smoothly. Visit www.smallfarmsuccess.info or Contact John Berry at jwb15@psu.edu or 610 391 0683 for more information.

**For updates and information about other programs,
visit the Pennsylvania Farm Bureau's website at
www.pfb.com**

