August 2018

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Farm Service Agency Electronic News Service

NEWSLETTER

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- From the State Executive Director
- Aug 17 Deadline Approaches for Continuous Conservation Reserve Program Enrollment
- Nearly \$2 Billion Now Available for Eligible Producers Affected by 2017 Hurricanes and Wildfires
- 2019 NAP: USDA Encourages Producers to Consider Risk Protection Coverage: Oct. 1, 2018 Deadline
- USDA Reopens Application Period for Producers Recovering from Cattle Loss, Other Disasters
- Document the Drought: USDA U.S. Drought Monitor Offers Producers a Voice to Report Drought Impacts
- Requesting Emergency Conservation Program Assistance for Flood Damage
- Emergency Loans Available in Montana Disaster Areas
- Direct Loans
- Guaranteed Loan Program
- Upcoming Dates and Deadlines
- Online Resource Links

Montana FSA: August 2018 Newsletter

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From the State Executive Director

It has been a whirlwind summer with the completion of 2018 crop certification, various program trainings and ARC/PLC sign up ending August 1.

This newsletter issue includes reminders on the Continuous Conservation Reserve Program (CRP), the 2017 Wildfires and Hurricanes Indemnity Program (WHIP), 2019 Noninsured Crop Disaster Assistance Program (NAP), 2017 and 2018 Livestock Disaster Programs, Emergency Conservation Program and Farm Loan Options.

We will be providing more details on the recent national announcement in the weeks ahead.

For more information about FSA programs, please reach out to your local FSA office for assistance. Enjoy the rest of the summer!

Sincerely, Mike Foster

Directories:

Online Directory of FSA Offices in Montana

PDF of Montana FSA Directory

PDF of Montana USDA Directory

Special Accommodations:

Special accommodations will be made upon request for individuals with disabilities, vision impairment or hearing impairment. If accommodations are required, individuals should contact the county FSA office directly or by phone or the Federal Relay Service at 1-800-877-8339. Alternatively, you may contact Montana FSA Civil Rights Coordinator Jennifer Cole at (406) 654.1333, ext. 117 or jennifer.cole@mt.usda.gov.

Aug 17 Deadline Approaches for Continuous Conservation Reserve Program Enrollment

Producers Must File by August 17 One-Year Extension Available to Holders of Many Expiring Contracts

The deadline to sign up for enrollment in the Conservation Reserve Program (CRP) is Friday, Aug. 17, 2018.

In return for enrolling land in CRP, FSA provides participants with annual rental payments and cost-share assistance to remove sensitive lands from production and plant certain grasses, shrubs and trees that improve water quality, prevent soil erosion and increase wildlife habitat. Landowners enter into contracts that last between 10 and 15 years.

For this year's signup, limited priority practices are available for continuous enrollment. These include grassed waterways, filter strips, riparian buffers, wetland restoration and others. <u>View a full list of practices.</u>

FSA will use <u>updated soil rental rates</u> to make annual rental payments, reflecting current values. It will not offer incentive payments as part of the new signup.

USDA will not open a general signup this year, however, a one-year extension will be offered to existing CRP participants with expiring CRP contracts of 14 years or less.

Additionally, FSA established new <u>ranking criteria</u> for CRP grasslands. To guarantee all CRP grasslands offers are treated equally, applicants who previously applied (prior to the current sign-up period) will be asked to reapply using the new ranking criteria.

Producers wanting to apply for the CRP continuous signup or CRP grasslands should contact their USDA service center. To locate your local FSA office, visit https://www.farmers.gov. More information on CRP can be found at www.fsa.usda.gov/crp.

Nearly \$2 Billion Now Available for Eligible Producers Affected by 2017 Hurricanes and Wildfires

2017 WHIP Signup: July 16, 2018 to Nov. 16, 2018

Agricultural producers affected by hurricanes and wildfires in 2017 now may apply for assistance to help recover and rebuild their farming operations. Signup began July 16, 2018, and continues through Nov. 16, 2018.

Hurricanes and wildfires caused billions of dollars in losses to America's farmers last year. Our objective is to get relief funds into the hands of eligible producers as quickly as possible. We are making immediate, initial payments of up to 50 percent of the calculated assistance so producers can pay their bills.

Additional payments will be issued, if funds remain available, later in the year.

The program, known as the 2017 Wildfires and Hurricanes Indemnity Program (2017 WHIP) was authorized by Congress earlier this year by the Bipartisan Budget Act of 2018.

Eligible crops, trees, bushes, or vines, located in a county declared in a Presidential Emergency Disaster Declaration or Secretarial Disaster Designation as a primary county are eligible for assistance if the producer

suffered a loss as a result of a 2017 hurricane. Also, losses located in a county not designated as a primary county may be eligible if the producer provides documentation showing that the loss was due to a hurricane or wildfire in 2017. A list of counties that received qualifying hurricane declarations and designations is available at https://www.fsa.usda.gov/programs-and-services/disaster-assistance-program/wildfires-and-hurricanes-indemnity-program/index. Eligibility is determined by Farm Service Agency (FSA) county committees.

Agricultural production losses due to conditions caused by last year's wildfires and hurricanes, including excessive rain, high winds, flooding, mudslides, fire, and heavy smoke, could qualify for assistance through the program. Typically, 2017 WHIP is only designed to provide assistance for production losses, however, if quality was taken into consideration under the insurance or Noninsured Crop Disaster Assistance Program (NAP) policy, where production was further adjusted, the adjusted production will be used in calculating assistance under this program.

Eligible crops include those for which federal crop insurance or NAP coverage is available, excluding crops intended for grazing. A list of crops covered by crop insurance is available through the U.S. Department of Agriculture's (USDA) Actuarial Information Browser at https://webapp.rma.usda.gov/apps/actuarialinformationbrowser.

Eligibility will be determined for each producer based on the size of the loss and the level of insurance coverage elected by the producer. A WHIP factor will be determined for each crop based on the producer's coverage level. Producers who elected higher coverage levels will receive a higher WHIP factor.

The 2017 WHIP payment factor ranges from 65 percent to 95 percent, depending upon the level of crop insurance coverage or NAP coverage that a producer obtained for the crop. Producers who did not insure their crops in 2017 will receive 65 percent of the expected value of the crop. Insured producers will receive between 70 percent and 95 percent of expected value; those who purchased the highest levels of coverage will receive 95-percent coverage.

Each eligible producer requesting 2017 WHIP benefits will be subject to a payment limitation of either \$125,000 or \$900,000, depending upon their average adjusted gross income, which will be verified. The payment limit is \$125,000 if less than 75 percent of the person or legal entity's average adjusted gross income is average adjusted gross farm income. The payment limit is \$900,000, if 75 percent or more of the average adjusted gross income of the person or legal entity is average adjusted gross farm income.

Both insured and uninsured producers are eligible to apply for 2017 WHIP. However, all producers receiving 2017 WHIP payments will be required to purchase crop insurance and/or NAP, at the 60 percent coverage level or higher, for the next two available crop years to meet statutory requirements. Producers who fail to purchase crop insurance for the next two applicable years will be required to pay back the 2017 WHIP payment.

To help expedite payments, a producer who does not have records established at the <u>local USDA service center</u> are encouraged to do so early in the process. To establish a record for a farm, a producer needs:

- Proof of identity: driver's license and Social Security number/card;
- Copy of recorder deed, survey plat, rental, or lease agreement of the land. A producer does not have to own property to participate in FSA programs;
- Corporation, estate, or trust documents, if applicable

Once signup begins, a producer will be asked to provide verifiable and reliable production records. If a producer is unable to provide production records, USDA will calculate the yield based on the county average yield. A producer with this information on file does not need to provide the information again.

For more information on FSA disaster assistance programs, please contact your local USDA service center or visit https://www.farmers.gov/recover/whip.

2019 NAP: USDA Encourages Producers to Consider Risk Protection Coverage: Oct. 1, 2018 Deadline

Montana producers have until **Oct. 1, 2018** to sign-up for FSA's Noninsurable Crop Disaster Assistance Program (NAP) coverage for all 2019 Annual Fall-Seeded Crops, Perennial Forage and Grazing, Mixed Forage Crops (includes Spring Seeded Annual Types of Mixed Forage), Rye, Speltz, Triticale, Wheat and Garlic.

NAP provides a catastrophic level (CAT) coverage based on the amount of loss that exceeds 50 percent of the expected production at 55 percent of the average market price for the crop.

In order to meet eligibility requirements for NAP, crops must be noninsurable, commercially-produced agricultural commodity crops for which the catastrophic risk protection level of crop insurance is not available. If the Risk Management Agency (RMA) offers coverage for a crop in the county, NAP coverage is not available for that crop. For questions regarding insurability of a crop, please contact your local crop insurance agent. For information on whether a crop is eligible for NAP coverage, please contact your local FSA office.

The NAP service fee for all coverage levels is the lesser of \$250 per crop or \$750 per producer per administrative county, not to exceed a total of \$1,875 for a producer with farming interest in multiple counties. FSA will waive NAP service fees for underserved, limited resource, and beginning farmers. For questions regarding how to calculate the premium, please contact your local FSA office.

For more information, visit the national NAP page at: http://www.fsa.usda.gov/nap.

NAP Program Factsheet (pdf)

USDA Reopens Application Period for Producers Recovering from Cattle Loss, Other Disasters

Signup Began June 4 for Livestock Indemnity Program and Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish

USDA began accepting disaster assistance program applications on June 4 from agricultural producers who suffered livestock, honeybees, farm-raised fish and other losses due to natural disasters.

USDA's <u>Farm Service Agency</u> (FSA) reopened the application period for two disaster assistance programs in response to statutory changes made by Congress earlier this year.

Beginning June 4, FSA will accept new applications for losses for calendar year 2017 or 2018 filed under the <u>Livestock Indemnity Program</u> (LIP) or <u>Emergency Assistance for Livestock, Honey Bees, and Farm-raised Fish Program</u> (ELAP). Producers who already submitted applications and received decisions on their applications for these years do not need to file again, but they can reapply if they have additional losses or their application was disapproved because it was filed late.

In February, Congress passed the Bipartisan Budget Act of 2018, which made several changes to these two disaster programs, including:

- Removing ELAP's \$20 million fiscal year funding cap, enabling FSA to pay producers' 2017 applications in full and their 2018 applications as soon as they are approved.
- Removing the per-person and legal entity annual program payment limitation of \$125,000 for LIP for 2017 and future years. (The income limitation applies as it did before, meaning producers with an adjusted gross income of more than \$900,000 are not eligible.)
- Changing LIP to allow producers to receive a payment for injured livestock that are sold for a reduced
 price due to an eligible event. Previously, the program only covered financial loss for livestock death
 above normal mortality.

Producers interested in LIP or ELAP should contact their <u>local USDA service center</u>. To apply, producers will need to provide verifiable and reliable production records and other information about their operation.

Various disasters continue to impact farmers and ranchers, and LIP and ELAP are two of many programs available through USDA to help producers recover. Learn more at https://www.usda.gov/disaster.

Document the Drought: USDA U.S. Drought Monitor Offers Producers a Voice to Report Drought Impacts

The U.S. Drought Monitor's reporting feature offers producers an opportunity to submit drought impact and condition reports. The USDA, in partnership with the National Oceanic and Atmospheric Administration and the University of Nebraska in Lincoln, produced the U.S. Drought Monitor to include a reporting feature that allows producers to report local drought impacts and conditions.

The report allows producers to:

- Provide a written description of drought impacts on livelihood, activities, etc.;
- Select categories to show losses and gains as a result of the drought;
- Report on the duration of drought event;
- Select Affected Places geographic areas ranging from an entire state to a small area within a state;
- Submit images that document the drought and its impact;
- Provide contact information (includes an option to keep information confidential).

The reporting tool for producers to record the effects of the drought can be accessed at the following link: http://droughtreporter.unl.edu/submitreport/.

More information including state specific drought impact maps can be found on the U. S. Drought Monitor page: http://droughtmonitor.unl.edu/CurrentMap/StateDroughtMonitor.aspx?MT.

Requesting Emergency Conservation Program Assistance for Flood Damage

Farmers and ranchers suffering severe damage from flooding can request assistance through FSA's Emergency Conservation Program (ECP). Affected producers can request ECP assistance through their local FSA office.

The types of ECP practices that can be available under this program include:

- removing debris from farmland
- grading, shaping, or releveling severely damaged farmland
- restoring permanent fences
- restoring conservation structures and other similar installations

ECP is administered by FSA to assist producers with the cost of recovery activities required to restore the agricultural land to pre-disaster conditions. Producers who sustained damage from this disaster event are encouraged to submit their request for assistance prior to beginning reconstructive work. Submitting a request after completing qualified reconstructive work may result in forfeiture of program eligibility.

Producers can submit ECP applications through the FSA county office. FSA county committees will complete an evaluation of submitted requests and will request national funding based on an on-site inspection of the damaged land, taking into consideration the type and extent of the eligible damage. Completion of the on-site inspection does not guarantee that cost-share funding will be allocated. The use of obligated funds is limited to return the land to the relative pre-disaster condition. Conservation concerns that were present on the land prior to the disaster are not eligible for ECP assistance. Approved ECP applicants may receive up to 75 percent of the cost of completing the approved restoration activity.

Emergency Loans Available in Montana Disaster Areas

FSA's Emergency Loan Program is available for agricultural producers in counties designated as primary or contiguous natural disaster areas. See map below of current Disaster Designations in Montana. Contact your local FSA office for specific designations in your area and time frames to apply. Eligible producers have **eight months** from the date of the disaster designation to apply for low-interest emergency loans to 1.) restore or replace essential property; 2.) pay all or part of production costs associated with the disaster year; 3.) pay essential family living expenses; or 4.) refinance certain debts, excluding real estate. Producers interested in applying for an emergency loan, or other FLP loans, should contact their local FSA office to set up an appointment with the Farm Loan Program staff serving your area.

<u>Current Disaster Designations in Montana</u> - (by county) <u>Emergency Loan Factsheet</u> (pdf)

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.

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 \$1,399,000. 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.

Upcoming Dates and Deadlines

Below are upcoming program dates and deadlines. Contact your local FSA office for assistance.

Now through and Aug. 17, 2018: Continuous Conservation Reserve Program (CRP) Signup Period and 1-year Extensions on contracts expiring September 30, 2018

Now through Oct. 1, 2018: 2019 Noninsured Crop Disaster Assistance Program Application Period for Annual Fall-Seeded Crops, Perennial Forage and Grazing, Mixed Forage Crops (including spring seeded annual types of mixed forage), Rye, Speltz, Triticale, Wheat and Garlic

Now through Nov. 16, 2018: 2017 Wildfires and Hurricanes Indemnity Program (2017 WHIP) Signup

- Aug. 17: Last day of Continuous Conservation Reserve Program (CRP) Signup Period and 1-year Extensions on Expiring Contracts
- Sept. 4: 2019 Noninsured Crop Disaster Assistance Program Application Closing Date (NAP) Value-Loss Crops such as Nursery, Christmas Trees, Grass Sod, Ginseng, Aquaculture, Floriculture, Root Stock Sets and Mushrooms
- Sept. 4: First day of Market Facilitation Program Signup
- Sept. 13: 2018 CRP Summer/Fall Grazing Period Ends
- Sept. 30: 2018 CRP Managed Harvesting Period Ends
- Oct. 1: 2019 NAP Application Closing Date for Annual Fall-Seeded Crops, Perennial Forage and Grazing, Mixed Forage Crops (including spring seeded annual types of mixed forage), Rye, Speltz, Triticale, Wheat and Garlic
- **Nov. 1:** 2018 Emergency Assistance for Livestock, Honeybees & Farm-Raised Fish Program (ELAP) Application for Payment Deadline
- Nov. 5: County Committee Election Ballots will be mailed to Eligible Voters
- Nov. 12: All Hay Bales Must be Removed from Managed CRP
- Nov. 15: 2019 Acreage Reporting Deadline for Apiculture, Perennial Forage, Pasture, Rangeland, Forage (PRF) including Native Grass, Fall Wheat (Hard Red Winter), and all other Fall-Seeded Small Grains. Please note that this is the final date that FSA can accept late-filed 2018 reports for these crops.
- Nov. 16: Last day of 2017 Wildfires and Hurricanes Indemnity Program (2017 WHIP) Signup
- Dec. 1: 2019 NAP Application Closing Date for Honey Producers
- Dec. 3: Last Day to Return Voted County Committee Election Ballots to local FSA Offices

Online Resource Links

- FSA Factsheets
- FSA Disaster Programs
- FSA Farm Loan Programs
- FSA Conservation Programs
- FSA Price Support Programs
- FSA ARC-PLC Programs
- FSA Organic Certification Cost-Share Program
- FSA Energy Programs
- Montana NRCS
- Montana RD
- USDA New Farmers
- Intertribal Agriculture Council Technical Assistance Center
- Montana Department of Agriculture's Hay Hotline

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