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Washington State FSA Newsletter

Washington State Farm Service Agency

316 W. Boone, Ste. 568 Spokane, WA 99201-2350

www.fsa.usda.gov/wa

State Committee:

Don Olmstead, Jr., Chair Larry DeHaan, Member Steve Hair, Member Jesus Limon, Member Sheryl Hagen-Zakarison, Member

State Executive Director: Judy Olson

Division Chiefs:

Mike Mandere, Administration

MPP-Dairy Payment Rates Announced

Dairy Margin Protection Program (MPP-Dairy) payments are triggered when the price of milk and cost of feed falls below the producer selected margin, ranging from \$4.00 to \$8.00. The margin for May/June 2016 was announced at \$5.76277 per hundredweight (cwt). So eligible dairy producers will receive a payment based on the amount of covered production history elected for calendar year 2016 if the selected margin was elected at \$6.00 through \$8.00.

County offices will be processing and disbursing earned payments to dairy producers in the next few weeks. If you have any questions, contact your county office for more information.

Marketing Assistance Loans and Loan Deficiency Payment Reminder

FSA Marketing Assistance Loans can help grain producers meet cash flow needs without selling commodities when market prices are at harvest-time lows. In the current marketing environment for

Rod Hamilton, Programs Mike Mykines, Loans

Please contact your <u>local FSA</u> <u>office</u> for questions specific to your operation or county.

wheat, it may be a good time to contact your local FSA office to learn more about marketing loans and loan deficiency payments.

Wheat producers who are eligible for marketing loans are also eligible for loan deficiency payments (LDPs) should the posted county price fall below the county loan rate. You can purchase a commodity certificate that may be exchanged for the outstanding loan collateral. Unlike LDPs, use of commodity certificates does not affect payment limitations. You can check the daily LDP rates online at www.fsa.usda.gov.

For a commodity to be eligible for a loan, loan deficiency payment, or certificate, you must have beneficial interest in the commodity, defined as having title, possession and control of the commodity, and be responsible for loss of or damage to the commodity. All related application forms must be completed at the local FSA office prior to loss of beneficial interest. Other eligibility requirements may apply; consult your local FSA county office for more information.

Marketing assistance loans are also available for other commodities, such as corn, grain sorghum, barley, oats, upland cotton, extra-long staple cotton, long grain rice, medium grain rice, soybeans and other oilseeds (including sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe and sesame seed), dry peas, lentils, small chickpeas, large chickpeas, grade and non-graded wool, unshorn pelts, honey and peanuts.

Payment Options for Grazed Grain Crops

Graze-out payments are payments made to eligible producers who, although eligible to obtain a marketing assistance loan (MAL) or loan deficiency payment (LDP), elect to use acreage planted with barley, oats, triticale, or wheat for livestock grazing. To be eligible for a graze-out payment, you must agree to forgo any mechanical harvesting of the commodity on this acreage during the applicable crop year.

Land must be classified as cropland, be reported on FSA-578, and the intended use must be for "grazing." The crop must have been planted, certified, and would have been harvested if it went to a grain stage. Owners allowing subleases on the cropland are not eligible for graze-out payments.

The payment rate will be determined by the amount the applicable commodity loan rate exceeds the CCC-determined value of the commodity in the county where the farm is located. It is equal to the LDP rate. The graze-out payment yield is the yield in effect for the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs with respect to that commodity on the farm. In the case where no payment yield is established for the commodity on the farm, an appropriate yield will be established by the county committee.

FSA will accept applications for graze-out payments on the 2016 crop until March 31, 2017. You must retain beneficial interest in the crop through the date the crop is grazed. FSA cannot make graze-out payments on the crop if you have received a Federal Crop Insurance indemnity or Non-insured Crop Disaster Assistance (NAP) indemnity on the crop. Contact your Farm Service Agency county office if you have questions or would like an appointment.

Educational Webinar to Feature Farm Storage Facility Loan Program

The FSA Outreach and Education Division August webinar covers the Farm Storage Facility Loan Program, which has expanded this year. Each month, FSA will offer educational webinars to inform producers about FSA programs and initiatives. To register for webinars, visit www.fsa.usda.gov/outreach and click on "Outreach Webinars."

Aug. 9 @ 2 p.m. EDT

Need Commodity Storage? The Farm Storage Facility Loan (FSFL) Can Help

The Farm Storage Facility Loan Program provides low-interest financing so producers can build or upgrade permanent or portable facilities to store commodities. Learn how this program may be able to help your operation.

Persons with disabilities who require accommodations to attend or participate in these webinars should contact Tanya Brown at 202-690-1700 or Federal Relay Service at 1-800-877-8339 at least three business days prior to the webinar.

The webinars will be recorded for future viewing and can be accessed on www.fsa.usda.gov/outreach.

Conservation Reserve Program (CRP) Payments Depend on Completed Contracts

Producers who had Conservation Reserve Program (CRP) bids accepted in the CRP General Signup 49 are reminded to complete your conservation plan by **September 9, 2016**. If you have not yet made an appointment to work with USDA's Natural Resources Conservation Service (NRCS) to develop a conservation plan, please contact your local NRCS office. Completed plans must include all signatures by the deadline in order for FSA to approve contracts timely. FSA can make CRP payments only on completed contracts. Contact your Farm Service Agency county office if you have questions.

Consider Protecting 2017 Crops Now

Non-Insurable Crop Coverage Available for 2017 Crop Year

For crops not insurable through your crop insurance agent, Non-insured Crop Disaster Assistance Program (NAP) coverage is an available tool to help mitigate financial risk. NAP covers uninsurable crops damaged, lost or prevented from being planted due to a natural weather related

disaster conditions. The first NAP application deadline for 2017 crops is August 31, 2016. A list of crops and corresponding dates can be found at the end of this article.

NAP provides catastrophic level (CAT) of coverage for losses that exceed 50 percent of the expected yield at 55 percent of the average market price for the crop; as well as additional buy-up levels of coverage ranging from 50 to 65 percent of production, in 5 percent increments, at 100 percent of the average market price. You can request organic or direct market price options, if available and applicable, and a historical marketing percentage option for multiple marketed crops. Buy-up coverage will include a premium cost in addition to the administrative fee. Beginning, limited resource, and traditionally underserved farmers can request a waiver of the service fee and a 50 percent premium cost reduction.

To apply for NAP, submit an application for coverage and pay the administrative fee by the application closing date for the crop. The NAP administrative fee is \$250 per crop, up to a \$750 cap per county. The maximum fee for multiple crops in multiple counties is \$1,875 per crop year. Producers who select buy-up coverage will be billed for the premium amount due, which is based on 5.25 percent of the coverage value based on the level of coverage selected for your share of the acres planted to the covered crop. An online NAP premium calculator is available to help you determine what level of coverage will work best for you and what the associated premium cost will be. The NAP premium calculator can be accessed by clicking on the link: http://fsa.usapas.com/NAP.aspx

To be eligible for NAP benefits, production loss must be attributed to an approved weather-related disaster condition. Losses must be reported to FSA within 15 days after the adverse weather event or when the loss becomes evident. For hand-harvested crops, you must report the loss within 72 hours of when the damage or loss first becomes apparent. You may receive a NAP payment if all eligibility requirements have been met and the crop suffers a weather-related loss exceeding the level of coverage selected.

Some of the basic eligibility requirements for NAP benefits include annual reporting of crop acreages; timely reporting damage, loss or prevented planting as it occurs; providing actual production evidence on a yearly basis; and obtaining a loss adjustor appraisal if the damaged crop will be destroyed or left unharvested.

NAP coverage for the 2017 crop year should be purchased at least 30 days before the crop is planted, but no later than the established NAP application for coverage closing date listed as follows:

8/31/16 – Aquaculture; beets (for stecklings); cabbage (for seed or fresh); canola; carrots (for seed); cauliflower (for seed or fresh); Christmas trees; floriculture; mushrooms; onions (for seed, fresh or processing); rapeseed; rutabaga (for seed or fresh); turf grass sod; turnips (for seed or fresh); and any other fall planted crops not mentioned in other closing dates.

9/30/16 - Garlic; mint; perennial grazing, forage, mixed forage and forage seed crops.

11/21/16 – All perennial crops not listed under the 9/30 category; asparagus; berries; grapes; honey; hops; tree fruits and nuts.

3/15/17 – Artichokes, beets (for seed or fresh); buckwheat; camelina; carrots (for fresh or processing); mustard; radish (for seed or fresh); small grain forages (wheat, barley, oats, peas); and any other spring planted crops not mentioned in other closing dates.

NAP closing dates are also posted on the FSA website www.fsa.usda.gov/wa. Contact your local county office if you are interested in applying for NAP coverage, or if you have any questions regarding NAP availability or application closing dates.

How FSA Farm Loans Are Funded - Or Why the Wait?

Each year Congress appropriates money for FSA farm loans as part of the USDA budget. This is the amount FSA has to make loans between October 1 of one year and September 30 of the following year. Sometimes the amount is not enough to meet the demand and FSA may run out of money for some loan programs.

When funds in a loan program start to run low and many states are out of money, FSA will usually pool funds. By pooling, FSA is able to move money from areas where it is not being used to areas where it is needed. Pooling of unused loan funds most commonly happens in the spring. FSA allocates money to states based upon the number of farmers in each state, the value of farm assets, and net farm income. The biggest factor in dividing the money among the states is the number of farmers in each state. The loan volumes of previous years are sometimes considered as well.

FSA reserves loan money for two specific categories: under-represented groups and beginning farmers. The law requires FSA to reserve or target a portion of its direct and guaranteed operating and farm ownership loan funds for use exclusively by socially disadvantaged applicants (SDA). SDAs are classified in one or more of the following categories: women, African Americans, Native Americans, Alaskan Natives, Hispanics, Asians, and Pacific Islanders.

The law also requires FSA to reserve or target loan funds for exclusive use by beginning farmers. Funds remain targeted for beginning farmers in the guaranteed programs until April 1 of each fiscal year. In the direct programs, funds are targeted for beginning farmers until September 1 of each fiscal year.

Even when money has run out for a loan program, FSA still accepts, processes, and approves loan applications. Approved loans are held until money becomes available. Loans are funded in date order, based on the date that the application was received. Submitting an application sets your place in the waiting line for funds, so it is to your advantage to apply for a loan even when there is no money available.

Please contact your FSA <u>county office</u> for more information or to apply for a direct farm ownership or operating loan.

Agriculture Secretary Vilsack Proclaims August 7-13 "National Farmers Market Week"

Agriculture Secretary Tom Vilsack signed a <u>proclamation</u> declaring Aug. 7-13, 2016, as "National Farmers Market Week." This year marks the 17th annual National Farmers Market Week to honor and celebrate the important role that farmers markets play in local economies.

Throughout the week, USDA officials will celebrate at farmers market locations across the country. On Saturday, Aug. 6, Elanor Starmer, the Administrator of USDA's Agricultural Marketing Service (AMS) – which conducts research, provides technical assistance, and awards grants to support

local and regional food systems – will kick off the week visiting a farmers market and wrap up the week at USDA's own farmers market in Washington, D.C., on Friday, Aug. 12.

To help farmers market managers across the country promote and celebrate National Farmers Market Week, USDA is sharing online free farmers market related graphics that market managers and others can use to customize posters, emails, websites and other promotional materials. The graphics, along with a short demonstration video, can be found at: www.ams.usda.gov/resources/NFMW.

Over the course of the Obama Administration, USDA has invested close to \$1 billion in 40,000 local food businesses and infrastructure projects. Farmers markets provide consumers with fresh, affordable, convenient, and healthy products from local producers. With support from USDA, more farmers markets offer customers the opportunity to make purchases with the Supplemental Nutrition Assistance Program; the Women, Infants, and Children Nutrition Program; and the Senior Farmers' Market Nutrition Programs.

Supporting farmers markets is a part of the USDA's Know Your Farmer, Know Your Food (KYF2) Initiative, which coordinates the Department's work to develop strong local and regional food systems. USDA is committed to helping farmers, ranchers, and businesses access the growing market for local and regional foods, which was valued at \$12 billion in 2014 according to industry estimates. You can also find local and regional supply chain resources on the newly-revamped KYF2 website and use the KYF2 Compass to locate USDA investments in your community.

More information on how USDA investments are connecting producers with consumers and expanding rural economic opportunities is available in Chapter IV of USDA Results on Medium.

Important Dates and Deadlines

August 1, 2016 - Deadline to submit nominations for county committee elections.

August 1, 2016 - Deadline to enroll in 2016 ARC/PLC.

August 31, 2016 - Deadline to obtain 2017 crop year NAP coverage for aquaculture; beets (for stecklings); cabbage (for seed or fresh); canola; carrots (for seed); cauliflower (for seed or fresh); Christmas trees; floriculture; mushrooms; onions (for seed, fresh or processing); rapeseed; rutabaga (for seed or fresh); turf grass sod; turnips (for seed or fresh); and any other fall planted crops not mentioned in other closing dates.

September 9, 2016 - Deadline to complete and sign conservation plan for Signup 49 CRP contracts.

September 30, 2016 - Deadline to enroll in MPP-Dairy.

For previous issues of the FSA Washington newsletter and a list of annual program **reminders**, check the <u>newsletter page</u> on the FSA Washington website.

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