August 2019





Farm Service Agency Electronic News Service

NEWSLETTER

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Washington State FSA Newsletter

Washington State Farm Service Agency

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2019 Market Facilitation Program Signups

The USDA has announced details on the 2019 Market Facilitation Program (MFP). MFP was created as one of three programs within a trade mitigation package aimed at assisting farmers suffering from financial damage caused by trade disruptions. For details on all three programs, click here. MFP is the only program to be administered through the Farm Service Agency.

MFP signups began on Monday, July 29 and runs through Friday, December 6, 2019. Payments will be based on three agriculture categories: non-specialty crops, specialty crops, and livestock.

State Committee:

Chair, Vacant Jesus Limon, Member Maureen Harkcom, Member Robyn Meenach, Member Bruce Nelson, Member

To find contact information for your local office go to www.fsa.usda.gov/wa Non-specialty crops include alfalfa hay, barley, canola, corn, crambe, dried beans, dry peas, extra-long staple cotton, flaxseed, lentils, long grain and medium grain rice, millet, mustard seed, oats, peanuts, rapeseed, rye, safflower, sesame seed, small and large chickpeas, sorghum, soybeans, sunflower seed, temperate japonica rice, triticale, upland cotton, and wheat. These crops must be planted by August 1, 2019 to be considered eligible for MFP payments. MFP assistance for those non-specialty crops is based on a single county payment rate multiplied by a farm's total plantings of MFP-eligible crops in 2019. Those per-acre payments are not dependent on which of those crops are planted in 2019. A producer's total payment-eligible plantings cannot exceed total 2018 plantings. County payment rates range from \$15 to \$150 per acre, depending on the impact of trade disruptions in that county.

For the state of Washington, non-specialty crop payments will be based on the following county rates:

County	2019 County Per Acre Payment Rate
Adams	\$22
Asotin	\$20
Benton	\$15
Chelan	\$15
Clallam	\$15
Clark	\$15
Columbia	\$26
Cowlitz	\$32
Douglas	\$17
Ferry	\$15
Franklin	\$19
Garfield	\$25
Grant	\$25
Grays Harbor	\$15
Island	\$15
Kittitas	\$16

Klickitat	\$15
Lewis	\$15
Lincoln	\$22
Okanogan	\$15
Pend Oreille	\$15
Pierce	\$15
Skagit	\$19
Snohomish-North King	g\$15
South King	\$15
Spokane	\$23
Stevens	\$15
Walla Walla	\$28
Whatcom	\$32
Whitman	\$27
Yakima	\$18

Specialty crops include almonds, cranberries, cultivated ginseng, fresh grapes, fresh sweet cherries, hazelnuts, macadamia nuts, pecans, pistachios, and walnuts. Each specialty crop will receive a payment based on 2019 acres of fruit or nut bearing plants in 2019.

Specialty crop payment rates include:

Specialty Crop	Rate Per Acre
Nuts	\$146
Cranberries	\$641
Ginseng	\$5,700
Sweet cherries (fresh)	\$1,555
Table grapes	\$625

Eligible livestock include dairy animals (based on milk production) and hogs. Dairy producers who were in business as of June 1, 2019, will receive a per hundredweight payment on production history. Production history will be based on production utilized in the Dairy Margin Coverage program (DMC) or the 2018 Margin Protection Program for Dairy (MPP-Dairy). For dairy operations that have not participated in either dairy program, the same calculation process will be used to establish production. Hog producers will receive a payment based on the number of live hogs owned on a day selected by the producer between April 1 and May 15, 2019.

Livestock payment rate include:

Livestock Type Payment Rate	
Dairy (milk)	\$0.20 per hundredweight
Hogs	\$11 per head

MFP payments will be made in up-to three payment segments, with the second and third portions dependent on market conditions and trade developments. The first segment will be comprised of the higher of either 50 percent of a producer's calculated payment or \$15 per acre, which may reduce potential payments to be made in the second and third payment periods. For example, if a producer in Adams County grew 100 acres of wheat, 100 acres of canola, and 50 acres of alfalfa, their total potential earnings would be \$5,500 (250 acres X \$22) and the first payment would be \$3,750 (250 acres X \$15). USDA will begin making first round of payments in mid-to-late August. If conditions warrant, the second and third sets of payments will be made in November and early January, respectively.

MFP payments will be limited by each payment type. For non-specialty crops, payments are limited to \$250,000 per person or legal entity, for dairy and hog producers, payments are limited to \$250,000, and for specialty crop producer, payments are limited to \$250,000. No applicant can receive more than a total of \$500,000. Eligible applicants must also have an average adjusted gross income (AGI) certification based on tax years 2015, 2016, and 2017 of less than \$900,000 or, eligible applicants must be able to verify 75 percent or more of their average AGI for those same tax years was derived from farming, ranching, or forestry operations. Applicants must also comply with the provisions of the Highly Erodible Land and Wetland Conservation regulations.

To be eligible for all crop payments, applicants must have filed a 2019 acreage report with FSA or their crop insurance provider to determine the acres produced this year. For a payment on non-specialty crops, producers must have also submitted a 2018 acreage report, which will be used to ensure payment acres do not exceed total 2018 plantings. Producers who failed to file a 2019

acreage report can still do so by paying a late-filing fee and having FSA confirm the crops. Late 2018 acreage reports can no longer be accepted as the deadlines for 2018 have all passed.

Through H.R. 2157, the Additional Supplemental Appropriations for Disaster Relief Act, changes have also been made to 2018 MFP. Producers previously deemed ineligible for MFP in 2018 because they had an average AGI higher than \$900,000 may now be eligible for 2018 MFP benefits. Those producers must be able to verify 75 percent or more of their average AGI was derived from farming, ranching, or forestry operations to qualify. To be eligible for the program, producers must have already reported their 2018 crops through FSA or through a federal crop insurance agent. Late-filed acreage reports for 2018 will not be accepted as all crop deadlines have now passed. The 2018 MFP signup period will run parallel to the 2019 MFP signup, from July 29 through December 6, 2019.

For more information on the MFP, visit www.farmers.gov/mfp or contact your local FSA office, which can be found at www.farmers.gov.

2018 Farm Bill Changes to ARC/PLC

The 2018 Farm Bill includes a provision that farms with <u>all</u> cropland planted to grass or pasture, including cropland that was idle or fallow, in each year during the period beginning on January 1, 2009, and ending on December 31, 2017, will:

- not receive Agricultural Risk Coverage/Price Loss Coverage (ARC/PLC) payments for crop years 2019 through 2023
- maintain all base acres and payment yields on the farm
- be ineligible to change the election on the farm
- not be reconstituted to void or change the treatment of base acres
- be automatically eligible for the Grassland Conservation Initiative (GCI) through NRCS

If a farm was reported with a minimum of .01 acre to a crop other than grass, idle, or fallow on the farm between January 1, 2009, and December 31, 2017, the farm will be eligible for ARC/PLC enrollment. Grass includes all types of grass and certain types of mixed forage. Late-filed acreage reports cannot be accepted for any of the applicable years from 2009-2017. Any farm that was not certified in any year during this time period, or was certified in 1 or more years during 2009-2017, but not all years, remains eligible for ARC/PLC; however, the farm is ineligible for GCI.

Letters have already been mailed to owners and operators of farms that filed acreages reports for all years from 2019-2017 with all acres reported as grass, idle, or fallow. The letter contained information about GCI established under the Conservation Stewardship Program (CSP). These producers could use this 1-time opportunity to enroll in GCI if they applied with NRCS by July 19, 2019. Learn more about the Grassland Conservation Initiative here.

The next set of letters will be mailed soon to producers on farms with acreage reports filed for some, but not all, of the years 2009 through 2017 reporting grass, idle, or fallow. The letters will explain that the farms are not eligible for GCI, but will remain eligible for ARC/PLC. Producers will have 30

days from the receipt of the letter to notify their local county FSA office if they believe their acreage report information for 2009-2017 is incorrect and/or incomplete.

Producers who do not receive either type of letter will retain their eligibility for ARC/PLC. For more information on ARC/PLC, please click here or contact your local FSA office.

CRP Extensions and Other Options End August 23

August 23, 2019 is the deadline to apply for the 1-year extensions being offered on CRP contracts set to expire this September 30. All signatories to the current contract must sign the extension request. Provisions of the current contract, including the rental rate, will remain in effect. This option is available for all general CRP and continuous CRP where the contract will be 14 years old or less on September 30, 2019. By law, CRP contracts can never exceed 15 years. If desired, producers can request the extension on only part of the land if they want to remove a portion from CRP after September 30, 2019. No penalties or refunds would apply on the land excluded from the extension. One-year extensions are not available on expiring CREP contracts.

August 23 is also the deadline to sign up to re-enroll land in CRP that expires this fall, and is not eligible for an extension. This is also the deadline to enroll "new land" in several continuous CRP practices like filter strips, riparian buffers, wetland restoration and contour grass strips. But keep in mind NRCS must make a field visit before you can actually sign the offer, so don't wait until the last minute. Apply early enough to allow for the NRCS field visit and then FSA enough time to generate the application software. Please do not wait until the last minute.

New CREP offers can also be submitted at this time, as well as offers to re-enroll land in an expiring CREP contract. As with the continuous CRP, please don't wait until August 23 if you are interested in applying.

FSA is using authority provided in the 2018 Farm Bill to process these CRP actions under provisions of the old farm bill. That authority will end on September 30, 2019. After that, FSA will not be able to accept any form new CRP offers until the provision of the 2018 Farm Bill are implemented, probably late in 2019.

Signup for Dairy Margin Coverage Ending Soon

Dairy Margin Coverage (DMC) is a voluntary risk management program for dairy producers authorized by the 2018 Farm Bill. This new program offers protection to dairy producers when the difference between the all-milk price and the average feed cost (the margin) falls below a certain dollar amount selected by the producer.

The 2018 Farm Bill also authorized eligible dairies that participated in 2014-2017 MPP-Dairy to request either a cash repayment or credit for part of the premiums paid into the MPP-Dairy program. FSA has been providing premium reimbursements to producers since May and dairies that elect the 75 percent credit option will have that credit applied to their DMC premium costs.

The 2019 DMC program provides coverage retroactive back to January 1, 2019, with known payment rates for January 2019 through May 2019. At the time of signup, dairy producers can select a margin from \$4.00 to \$9.50 along with selecting the percentage of covered production history from 5 percent up to 95 percent. The DMC margin calculation of average feed costs now includes a 50% blend of premium and supreme alfalfa hay prices that more closely aligns with hay

rations used by many producers. <u>Learn more about coverage levels and premiums</u>. Dairies can use the <u>DMC decision support tool</u> to evaluate various scenarios using different coverage percentages and margin amounts. The tool currently does not work using Internet Explorer 11 but will work with other browser options, such as Mozilla Firefox, Google Chrome, or Microsoft Edge.

DMC offers catastrophic coverage (\$4.00 at 95%) that costs an annual \$100 administrative fee. Producers can opt for greater coverage levels for a premium cost, in addition to the \$100 administrative fee. Dairy operations owned by limited resource, beginning, socially disadvantaged or veteran farmers and ranchers may be eligible for a waiver of administrative fees. When DMC coverage is selected, dairies can choose to lock in coverage levels until 2023 and receive a 25-percent discount on their DMC premiums.

The deadline to select an MPP-Dairy repayment option and enroll in the 2019 DMC program is September 20, 2019. Research your options by visiting the <u>farmers.gov DMC webpage</u> or make an appointment at your local FSA office today. To locate an office near you, visit farmers.gov/service-locator.

NAP Coverage – Consider Protecting 2020 Crops Now

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 non-insurable crops damaged, lost or prevented from being planted due to a natural weather-related disaster condition.

There are several coverage level options through this program. NAP provides a catastrophic level (CAT) of coverage for losses that exceed 50 percent of the expected yield at 55 percent of the approved NAP price for the crop. The 2018 Farm Bill reinstated higher levels of coverage, from 50 to 65 percent of expected production in 5 percent increments, at 100 percent of the approved NAP price. Producers who elect a higher level of coverage must "buy-up" and pay a premium in addition to the service fee. Producers with an organic certification can select the organic option when requesting NAP coverage at either CAT or buy-up levels of coverage at 100 percent of the approved organic NAP price. Please note, buy-up coverage is not available for crops intended for grazing.

Premium cost for buy-up coverage on yield-based crops will be calculated based <u>on the lesser of</u> either of the following:

- The applicable payment limitation (\$300,000 for buy-up) X 5.25% premium fee = \$15,750 maximum premium per individual or legal entity
- The sum of acres X APH yield X share X coverage level X NAP price X 5.25% premium fee for each NAP crop with buy-up coverage selected.

NAP payment limitation for basic coverage remains at \$125,000 per individual or legal entity. Beginning, limited resource, and targeted underserved farmers or ranchers remain eligible for a NAP premium reduction.

NAP service fee is \$325 per crop per county, up to \$825 per county, not to exceed \$1,950 per producer with NAP covered crops in multiple counties. A waiver of the NAP service fee is available to beginning, limited resource, and traditionally underserved farmers and ranchers.

NAP coverage for eligible 2020 crops should be purchased at least 30 days before the crop is planted, but no later than the established NAP application for coverage closing date for the crop or crops listed as follows:

August 31, 2019 – 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 30, 2019 – Garlic; mint; and biennial/perennial forages, mixed forages and grasses for hay, seed or grazing.

November 20, 2019 – Asparagus; berries, grapes, honey, hops, tree fruits, nuts, and other perennial crops not listed under the 9/30 category.

March 15, 2020 – Artichokes, beets (for seed or fresh); buckwheat; camelina; carrots (for fresh or processing); mustard; radish (for seed or fresh); small grain forage (wheat, barley, oats, peas); and any other spring planted crops not mentioned in other closing dates.

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

Organic Certification Cost Share Program (OCCSP) for Certification Cost Share Reimbursements

Organic producers and handlers that receive organic certification from a USDA-accredited certifying agent can request cost-share assistance by filing an application with the local USDA-Farm Service Agency (FSA) office. FSA offices are accepting cost-share applications for the 2019 program year for organic certification expenses paid from October 1, 2018 through September 30, 2019. The deadline to request cost share for 2019 program year expenses is **October 31, 2019**.

USDA-FSA reimburses organic producers up to 75 percent of the cost of organic certification incurred during the 2019 program year, not to exceed \$750 per scope. Scopes include crops, livestock, wild crops, and processing/handling. Eligible producers include any certified producers or handlers who have paid organic certification fees to a USDA-accredited certifying agent (other than WSDA-Washington State Department of Agriculture). Application fees, inspection costs, fees related to equivalency agreement/ arrangement requirements, travel/per diem for inspectors, user fees, sales assessments, and postage are all eligible for a cost-share reimbursement from USDA.

Producers and handlers certified organic by WSDA-Washington State Department of Agriculture will receive cost-share reimbursement from WSDA and are not eligible to receive duplicate cost-share reimbursement from USDA-FSA. To learn more about organic certification cost-share from USDA-FSA, please visit www.fsa.usda.gov/organic or contact your county FSA office.

ARC/PLC Signups Anticipated

Although an official announcement has not yet been made, 2019/2020 ARC/PLC signups are expected to occur later this summer or early fall. Details about the ARC/PLC signup will be

announced as they become available. With the changes to ARC/PLC under the 2018 Farm Bill, farms that reported all cropland planted to grass, idle, or fallow in each year during the period beginning on January 1, 2009 and ending on December 31, 2017 will not be eligible for ARC/PLC. See article above for more details on this change.

Available Marketing Assistance Loans, Loan Deficiency Payments, and Certificates

With the start of 2019 crop harvest, keep in mind that FSA Marketing Assistance Loans are available for harvested commodities. A loan can provide you with interim financing to meet cash flow needs without selling your harvested crop at a time when market prices are at harvest-time lows. Your 2019 harvested farm-stored or warehouse-stored commodity is used as collateral for the loan. Marketing Assistance Loans mature 9 months after the month loan funds are disbursed to you, with repayment due at loan maturity. Before moving farm-stored loan collateral, you must contact the county FSA office and obtain an authorization to move the collateral. Producers who have a commodity pledged as collateral for a marketing assistance loan can purchase a commodity certificate that can be immediately exchanged for the outstanding loan collateral in situations when the loan rate exceeds the exchange rate. Producers who are eligible for marketing assistance loans can obtain a loan deficiency payments (LDPs) in lieu of a loan. LDP's are available when the posted county price for a crop falls below the county loan rate. You can check the daily LDP rates online at https://www.fsa.usda.gov/programs-and-services/price-support/Index.

For a commodity to be eligible for a loan, loan deficiency payment, or certificate, you must have beneficial interest in the commodity which is defined as having title, possession and control of the commodity. The quality of stored collateral must be maintained, and you are responsible for loss or damage to the commodity through the term of the loan. To retain eligibility for an LDP when beneficial interest in your harvested crop will be lost upon delivery, you must file form CCC-633 EZ Page 1 with your local FSA office prior to loss of beneficial interest.

Marketing assistance loans or loan deficiency payments are available for wheat, barley, oats, corn, dry peas, lentils, small chickpeas, large chickpeas, grain sorghum, soybeans, sunflower seed, rapeseed, canola, safflower seed, flaxseed, mustard seed, crambe, sesame seed, graded and nongraded wool, mohair, and honey. Unshorn pelts are available for an LDP only. In the current marketing environment, it may be a good time to contact your local FSA county office to learn more about Marketing Assistance Loans, LDPs, and Certificates.

Today is the day to Run for an FSA County Committee Position

August 1, 2019 is the deadline to submit nominations for FSA County Committee elections. Why should you care? Because the committees provide local input on the administration of federal farm programs. Interest in the positions and the elections shows the agency at the national level that farmers and ranchers want to maintain that local input.

Committee are comprised of locally elected agricultural producers responsible for the fair and equitable administration of FSA farm programs in their counties. Committee members are accountable to the Secretary of Agriculture. If elected, members become part of a local decision making and farm program delivery process. They are paid for their time tending to committee business.

Hear from FSA committee members in Washington state about their experiences by viewing a 3-minute video.

Contact your county office for a map of LAAs open for this election. You may submit a nomination, including a self-nomination, at your county FSA office. For more information on FSA county committee elections and appointments, refer to the FSA fact sheet: Eligibility to Vote and Hold Office as a COC Member available online at: https://www.fsa.usda.gov/news-room/county-committee-elections/index

FSA is Hiring

The Benton County Farm Service Agency seeks a full-time permanent Program Technician, performing general office functions related to FSA programs. Position is located in Prosser, Washington. Salary range \$27,030 to \$54,670. Qualifications include U.S. citizenship; high school graduate or equivalent; one-year general office work experience or equal background in operation of farm or ranch, or two years qualifying education above high school level.

To apply, applicants are required to follow the instructions and submit their application package through the following link: https://www.usajobs.gov/GetJob/ViewDetails/537648000

Please contact CED Victoria Barth, at (509) 786-2313 ext. 2 or FSA Office located at 415 Wine Country Rd. Prosser, WA 99350 with any questions. Applications must be electronically submitted through USAJobs no later than 9 p.m. on the closing date **Monday August 5, 2019.**

More Washington state FSA positions will open shortly. Please keep an eye on USAJOBs.gov or contact Mitzi Stephens, HR Specialist, with questions. Mitzi can be reached at (509) 323-3007 or mitzi.stephens@usda.gov.

The Federal Government is an Equal Opportunity Employer.

Important Dates and Deadlines:

August 1, 2019 - 2019 Nominations for County Committee Members are do in our county offices.

August 23, 2019 – Deadline to request a CRP extension, re-enroll CRP land, or offer new land for CCRP or CREP.

August 31, 2019 – Deadline to obtain 2020 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 2, 2019 – Labor Day. USDA Service Centers will be closed.

September 20, 2019 – Deadline to enroll in 2019 Dairy Margin Coverage (DMC) and select a cash or credit option for 2014-2017 MPP-Dairy premium refunds.

September 30, 2019 – Deadline to obtain 2020 crop year NAP coverage for garlic; mint; biennial/perennial forages, and mixed forages and grasses for hay, seed or grazing

October 31, 2019 – Deadline to apply for the Organic Certification Cost Share Program (OCCSP). Cost share funds available for organic certification expenses paid from October 1, 2018 through September 30, 2019.

USDA is an equal opportunity provider, employer and lender. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).





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