October 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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www.fsa.usda.gov/wa

October Payment Cycle to Begin

FSA has begun the October payment cycles for CRP and ARCPLC. Processing of payments for older CRP contracts and CRP-TIP contracts will begin on October 2. 2018 ARC-County, ARC-Individual and PLC payment processing for some crops including wheat, barley and oats will begin on October 3. Most CRP contracts approved in 2014 and later will have payments processed starting on October 9. Each payment must be reviewed by FSA staff for accuracy and then signed by two employees. County Offices will attempt to get payments out at the earliest possible date, but depending on the number of payments in the county, the process can still take 1-3 weeks. Payments are direct deposited for most producers, so they should be in your accounts 2-3 days after being signed by FSA staff. Paper transaction statements with data about your payments will be

State Executive Director: Jon Wyss

State Committee: Jesus Limon, Member Maureen Harkcom, Member Bruce Nelson, Member Robyn Meenach, Member

To find contact information for your local office go to www.fsa.usda.gov/wa

mailed to you at the same time. If you have not received your payments by the end of October, please contact your local office to see if we are missing any required paperwork from your farming operation.

2019 and 2020 ARCPLC SIGNUPS

The 2019 ARCPLC Election and Enrollment period began on September 3rd and will run thru March 15, 2020. On October 7th, the 2020 ARCPLC Enrollment period will begin. Producers who have not yet visited the office for the 2019 election and enrollment are able to schedule an appointment to complete both 2019 and 2020 at the same time.

Failing to make an election during the 2019 election period will result in a default election and no payments for 2019. The default election would be effective thru the end of the 2020 program year.

Owners will have a one-time opportunity to update PLC yields during the 2020 crop year. All owners on a farm will need to agree to the yield decision. If owners choose not to update yields, the current PLC yield will remain on the farm.

2018 ARCPLC PAYMENTS

Final Market Year Average (MYA) prices for 2018 have been published for Wheat, Barley, Oats, and Peanuts. The MYA for wheat, barley and peanuts fell below the Statutory Reference Price resulting in a 2018 PLC Payment Rate for those crops. The MYA for oats exceeded the Statutory Reference Price so no payment will be earned under PLC.

The final 2018 PLC payment rate for Wheat is \$0.34 per bushel, Barley is \$0.33 per bushel, and Peanuts is \$0.0525.

Actual county yields have not been announced for the ARC-CO program to determine if ARC-CO payments will be earned.

2019 Chickpeas and Lentils Eligible for Loan Deficiency Payments

Loan Deficiency Payments (LDP) have triggered for chickpeas and lentils. LDP's are direct payments made in lieu of a marketing assistance loan when the Commodity Credit Corporation determined value, which is based on the current local price, is below the applicable loan rate. For chickpeas and lentils, the local prices and loan rates are set at a national level. The payment is the difference between the price and loan rate times the eligible

quantity. Pulse crop LDP rates are updated on a weekly basis. As of September 20, 2019, the LDP rate was \$0.25 per hundredweight for chickpeas and \$1.60 per hundredweight for lentils.

For a commodity to be eligible for an LDP, the producer must have beneficial interest in the commodity, defined as having title, possession and control of the commodity, and 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. Additional eligibility requirements must be met before an LDP payment can be paid. This includes a 2019 FSA-578 acreage report for all crop acres, a CCC-941 Adjusted Gross Income Certification, a CCC-902 Farm Operating Plan, an AD-1026 Highly Erodible Land and Wetland Certification, and a direct deposit form or waiver.

In order to request an LDP for chickpeas or lentils, producers must complete a CCC-633 EZ Loan Deficiency Payment Agreement and Request form. Page 1 is the agreement which signifies an intent to request an LDP and must be completed before a producer loses beneficial interest of the eligible commodity. Page 2 is the request for LDP benefits and must be submitted after page 1 is completed. Once signed and approved, page 2 cannot be cancelled and payments cannot be deferred. Payments are processed after page 2 has been submitted and approved.

For more information on LDPs, visit https://www.fsa.usda.gov/programs-and-services/price-support/Index or visit your local FSA office. To locate your local FSA office, visit farmers.gov/service-locator.

2020 Dairy Margin Coverage Signup Begins October 7

Signup begins October 7 for the 2020 Dairy Margin Coverage (DMC) program. DMC is a voluntary risk management program for dairy producers authorized by the 2018 Farm Bill. This 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 deadline to enroll in the 2020 DMC program is December 13, 2019.**

The 2020 DMC program will provide coverage for the entire 2020 calendar year. 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. Learn more about coverage levels and premiums. Dairies can use the DMC decision

<u>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. Research your options by visiting the farmers.gov DMC webpage or make an appointment at your local FSA office today. To locate an office near you, visit farmers.gov/service-locator.

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

Are you an organic producer or handler who received an organic certification from a USDA-accredited certifying agent? If so, you 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.

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.

NAP Coverage - Protection for 2020 Crops Available

For crops not insurable through your crop insurance agent, Non-insured Crop Disaster Assistance Program (NAP) coverage is a 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. Beginning, limited resource, and targeted underserved farmers or ranchers remain eligible for a NAP premium reduction. 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.

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:

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.

For a list of the NAP application for coverage deadlines, including those that have already passed, please check the Washington State FSA website at 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.

USDA Offers Disaster Assistance for Washington Farmers Hurt by 2018 or 2019 Disasters

Agricultural producers affected by natural disasters in 2018 and 2019 can apply through the Wildfire and Hurricane Indemnity Program Plus (WHIP+). Sign-up for this U.S. Department of Agriculture (USDA) program started September 11, 2019.

"With record amounts of crops prevented from planting nationwide and other devastation, more than \$3 billion is available through this disaster relief package passed by Congress and signed by President Trump in early June."

WHIP+ Eligibility

WHIP+ will be available for eligible producers who have suffered eligible losses of certain crops, trees, bushes or vines in counties with a Presidential Emergency Disaster Declaration or a Secretarial Disaster Designation (primary counties only). Disaster losses must have been a result of hurricanes, floods, tornadoes, typhoons, volcanic activity, snowstorms or wildfires that occurred in 2018 or 2019. Also, producers in counties that did not receive a disaster declaration or designation may still apply for WHIP+ but must provide supporting documentation to establish that the crops were directly affected by a qualifying disaster loss.

A list of counties that received qualifying disaster declarations and designations is available at farmers.gov/recover/whip-plus. Because grazing and livestock losses, other than milk losses, are

covered by other disaster recovery programs offered through FSA, those losses are not eligible for WHIP+.

Eligible crops include those for which federal crop insurance or Noninsured Crop Disaster Assistance Program (NAP) coverage is available, excluding crops intended for grazing. A list of crops covered by crop insurance is available through USDA's Risk Management Agency (RMA) Actuarial Information Browser at webapp.rma.usda.gov/apps/actuarialinformationbrowser.

The WHIP+ payment factor ranges from 75 percent to 95 percent, depending on the level of crop insurance coverage or NAP coverage that a producer obtained for the crop. Producers who did not insure their crops in 2018 or 2019 will receive 70 percent of the expected value of the crop. Insured crops (either crop insurance or NAP coverage) will receive between 75 percent and 95 percent of expected value; those who purchased the highest levels of coverage will receive 95-percent of the expected value.

At the time of sign-up, producers will be asked to provide verifiable and reliable production records. If a producer is unable to provide production records, WHIP+ payments will be determined based on the lower of either the actual loss certified by the producer and determined acceptable by FSA or the county expected yield and county disaster yield. The county disaster yield is the production that a producer would have been expected to make based on the eligible disaster conditions in the county.

WHIP+ payments for 2018 disasters will be eligible for 100 percent of their calculated value. WHIP+ payments for 2019 disasters will be limited to an initial 50 percent of their calculated value, with an opportunity to receive up to the remaining 50 percent after January 1, 2020, if sufficient funding remains.

Both insured and uninsured producers are eligible to apply for WHIP+. But all producers receiving WHIP+ payments will be required to purchase crop insurance or NAP, at the 60 percent coverage level or higher, for the next two available, consecutive crop years after the crop year for which WHIP+ payments were paid. Producers who fail to purchase crop insurance for the next two applicable, consecutive years will be required to pay back the WHIP+ payment.

Additional information about WHIP+ program eligibility and payment limitations can be found at <u>farmers.gov/recover</u> or by contacting your local <u>USDA Service Center</u>.

Additional Loss Coverage

The Milk Loss Program will provide payments to eligible dairy operations for milk that was dumped or removed without compensation from the commercial milk market because of a qualifying 2018 and 2019 natural disaster. Producers who suffered losses of harvested commodities, including hay, stored in on-farm structures in 2018 and 2019 will receive assistance through the On-Farm Storage Loss Program.

Additionally, producers with trees, bushes or vines can receive both cost-share assistance through FSA's Tree Assistance Program (TAP) for the cost of replanting and rehabilitating eligible trees and WHIP+ will provide payments based on the loss value of the tree, bush or vine itself. Therefore, eligible producers may receive both a TAP and a WHIP+ payment for the same acreage. In addition,

Prevented Planting

Agricultural producers faced significant challenges planting crops in 2019 in many parts of the country. All producers with flooding or excess moisture-related prevented planting insurance claims in calendar year 2019 will receive a prevented planting supplemental disaster ("bonus") payment equal to 10 percent of their prevented planting indemnity, plus an additional 5 percent will be provided to those who purchased harvest price option coverage.

As under 2017 WHIP, WHIP+ will provide prevented planting assistance to uninsured producers, NAP producers and producers who may have been prevented from planting an insured crop in the 2018 crop year and those 2019 crops that had a final planting date prior to January 1, 2019.

For more information on FSA disaster assistance programs, please contact your local <u>USDA service</u> <u>center</u> or visit <u>farmers.gov/recover</u>. For all available USDA disaster assistance programs, go to USDA's disaster resources website.

Loan Information on Farmers.gov

Agricultural producers with farm loans through USDA can now view information on current and past loans through a new feature on farmers.gov. Farmers.gov has a portal that provides 24/7 access to loan information, makes it easier for customers to track loan transactions and payments and saves trips to the USDA service center to obtain loan-related information.

My Financial Information

The "My Financial Information" tab on the farmers.gov portal enables individual producers to view:

- loans and financial information;
- interest payments (including year-to-date interest paid for the past five years);
- loan history:
- paid-in-full and restructured loans; and
- account alerts displayed to give borrowers important notifications regarding their loans.

Currently, access is only available for customers doing business as individuals. Access for customers doing business as an entity (such as an LLC or Trust) or on behalf of another individual will be available in the future.

How to Access

To access loan information, visit farmers. gov and sign in to the site's authenticated portal, available on the menu at the top right of the site. To access, you will need a Level 2 USDA eAuthentication account.

If you do not have a Level 2 USDA eAuthentication account, sign up for one today. This account gets you access to your loan information and other self-service features available through the farmers.gov portal. To enroll, you will need to:

- Contact your local service center to ensure you have a USDA customer record on file with a correct email address.
- 2. Register for a Level 2 USDA eAuth Account.
- 3. Complete identity verification by using the online self-service identity verification method or by visiting a local registration authority at a USDA service center office. A local registration

- authority is a USDA employee who verifies the identity of a customer in-person using their official government-issued photo ID.
- 4. Now that you've got an eAuth account, contact your local USDA service center to ensure your account is linked with your USDA customer record.
- 5. You're ready to log in!

More Features to Come

USDA is building farmers.gov – *for farmers, by farmers*. The financial information feature is one of many to come to expand the self-service opportunities available through the farmers.gov portal. Upcoming features will enable entities to view loan information, assist customers with finding the right loan programs that best fit their business goals, and enable customers to submit loan documents to their service center via the farmers.gov portal.

About Farmers.gov

In 2018, USDA released farmers.gov – a dynamic, mobile-friendly public website combined with an authenticated portal where customers can apply for certain programs, process transactions, and manage accounts. The vision of farmers.gov is to provide farmers, ranchers, and forest landowners with online self-service applications, educational materials, engagement opportunities, and business tools.

County Committee Elections are Underway.

FSA county committee members are a critical component of the day-to-day operations of FSA. They help deliver FSA farm programs at the local level. Farmers who serve on committees help decide the kind of programs their counties will offer. They work to make FSA agricultural programs serve the needs of local producers and can settle producer appeals of FSA decisions.

Ballots will be sent to eligible voters starting November 4, 2019. If you do not receive a ballot and believe an error may have been made, contact your county FSA office.

You are encouraged to get to know your committee members and what they do. Vote in the November elections. Contact your county FSA office for more information.

Important Dates and Deadlines

October 14, 2019 - Columbus Day. USDA Service Centers will be closed.

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.

November 11, 2019 – Veterans Day. USDA Service Centers will be closed.

November 20, 2019 – Deadline to obtain 2020 crop year NAP coverage for asparagus, berries, grapes, honey, hops, tree fruits, nuts, and other perennial crops not listed under the 9/30 category.

November 28, 2019 - Thanksgiving Day. USDA Service Centers will be closed.

December 2, 2019 – County Committee ballots are due to FSA county offices or postmarked by this date.

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).