Washington State FSA Newsletter - November 1, 2022

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Dairy Producers Can Now Enroll for 2023 Signup for Dairy Margin Coverage

Protect Your Operation from Ups and Downs in the Market

Dairy producers can now enroll for 2023 coverage through the Dairy Margin Coverage (DMC) Program, an important safety net program from the U.S. Department of Agriculture (USDA) that helps producers manage changes in milk and feed prices. Last year, USDA's Farm Service Agency (FSA) took steps to improve coverage, especially for small- and mid-sized dairies, including offering a new Supplemental DMC program and updating its feed cost formula to better address retroactive, current and future feed costs. These changes continue to support producers through this year's signup, which begins today and ends Dec. 9, 2022.

DMC is a voluntary risk management program that offers protection to dairy producers when the difference between the all-milk price and the average feed price (the margin) falls below a certain dollar amount selected by the producer.

So far in 2022, DMC payments to more than 17,000 dairy operations have triggered for August for more than \$47.9 million. According to DMC margin projections, an indemnity payment is projected for September as well. At \$0.15 per hundredweight for \$9.50 coverage, risk coverage through DMC is a relatively inexpensive investment.

DMC offers different levels of coverage, even an option that is free to producers, aside from a \$100 administrative fee. Limited resource, beginning, socially disadvantaged or a military veteran farmers or ranchers are exempt from paying the administrative fee, if requested. To determine the appropriate level of DMC coverage for a specific dairy operation, producers can use the online dairy decision tool.

Supplemental DMC

Last year, USDA introduced Supplemental DMC, which provided \$42.8 million in payments to better help small- and mid-sized dairy operations that had increased production over the years but were not able to enroll the additional production. Supplemental DMC is also available for 2023.

Supplemental DMC coverage is applicable to calendar years 2021, 2022 and 2023. Eligible dairy operations with less than 5 million pounds of established production history may enroll supplemental pounds.

For producers who enrolled in Supplemental DMC in 2022, the supplemental coverage will automatically be added to the 2023 DMC contract that previously established a supplemental production history.

Producers who did not enroll in Supplemental DMC in 2022 can do so now. Producers should complete their Supplemental DMC enrollment before enrolling in 2023 DMC. To enroll, producers will need to provide their 2019 actual milk marketings, which FSA uses to determine established production history.

DMC Payments

Additionally, FSA will continue to calculate DMC payments using updated feed and premium hay costs, making the program more reflective of actual dairy producer expenses. These updated feed calculations use 100% premium alfalfa hay rather than 50%. The benefits of these feed cost adjustments were realized in the recent August 2022 margin payment as current high feed and premium hay costs were considered in payment calculations.

More Information

In addition to DMC, USDA offers other risk management tools for dairy producers, including the <u>Dairy Revenue Protection (DRP)</u> plan that protects against a decline in milk revenue (yield and price) and the <u>Livestock Gross Margin (LGM)</u> plan, which provides protection against the loss of the market value of livestock minus the feed costs. Both DRP and LGM livestock insurance policies are offered through the Risk Management Agency. Producers should contact their local <u>crop insurance agent</u> for more information.

For more information on DMC, visit the <u>DMC webpage</u> or contact your local <u>USDA Service</u> Center.

FSA is Accepting CRP Continuous Enrollment Offers

The Farm Service Agency (FSA) is accepting offers for specific conservation practices under the Conservation Reserve Program (CRP) Continuous Signup.

In exchange for a yearly rental payment, producers enrolled in the program agree to remove environmentally sensitive land from agricultural production and to plant species that will improve environmental health and quality. The program's long-term goal is to re-establish valuable land cover to improve water quality, prevent soil erosion, and reduce loss of wildlife habitat. Contracts for land enrolled in Continuous CRP are 10-15 years in length.

Under continuous CRP signup, environmentally sensitive land devoted to certain conservation practices can be enrolled in CRP at any time. Offers for continuous enrollment are not subject to competitive bidding during specific periods. Instead, they are automatically accepted provided the land and producer meet certain eligibility requirements and the enrollment levels do not exceed the statutory cap.

For more information, including a list of acceptable practices, contact your County USDA Service Center or visit www.fsa.usda.gov/crp.

Register for the Food Safety Certification for Specialty Crops Webinar

Expanding Market Access: Financial Assistance through USDA's FSCSC Program

The USDA Farm Service Agency (FSA) and partners are hosting a webinar for stakeholders and producers that focuses on the new Food Safety Certification for Specialty Crops (FSCSC) program. FSCSC will provide up to \$200 million in assistance for specialty crop producers who incur eligible on-farm food safety program expenses to obtain or renew a food safety certification in calendar years 2022 or 2023.

The webinar will be held on Thursday, Nov. 3, 2022, from 2:00 to 3:00 p.m. eastern and will be recorded. Please register in advance of the webinar at www.zoomgov.com/webinar/register/WN_v4FQsCFLROmC8ZvuZ73VrA.

Webinar topics include:

- FSCSC overview and eligibility requirements
- Overview of Food Safety Certification Requirements for Specialty Crops by USDA's Agricultural Marketing Service and Toolkit Overview for GAP and Food Safety Plan Quality Management Systems by the National Association of State Departments of Agriculture
- Additional resources

The FSCSC application period for 2022 runs through January 31, 2023, and the application period for 2023 will be announced at a later date.

Producers can visit <u>farmers.gov/food-safety</u> for additional program details, eligibility information and forms needed to apply.

Timely Acreage Reporting for 2023 Crops

FSA programs require producer to timely report their crop acreages timely. The Risk Management Agency (RMA) along with FSA in recent years worked to establish common reporting dates in an effort to lessen the burden on you the producer. With these changes, we are seeing a high increase in the number of producers reporting after the established deadlines. When reports are not timely filed, it requires you to pay a fee, and an FSA employee is tasked with making a field visit to your farm to verify the crop before the County Committee can consider your report of acreage as timely filed.

December 15th is our first of five (5) acreage reporting dates for the 2023 crop year. Growers who have fall planted small grains, canola, mint, onions, or dry peas and lentils have until December 15, 2022 to provide a timely filed acreage report to FSA. As fall planting is completed, please contact your local FSA office and make arrangement to file your acreage data ahead of this deadline.

The second reporting date to be aware of is **January 15, 2023**. Perennial fruit crops like apples, apricots, blueberries, cherries, cranberries, grapes, nectarines, peaches, pears, and plums are the identified crops with this deadline date. If you are participating in FSA programs and are a grower of these crops, you are required to timely file each year you have an active application. This included growers who may participate in the Tree Assistance Program (TAP). As you prepare to enter the winter months, taking the time to update your crop acreages with us helps ensure we have accurate data when it comes time to process your cost shares earned on your lost trees.

A change in policy requires producers with Conservation Reserve Program (CRP) to timely report their contracted acreage annually. Producers with CRP contracts can report acreage now and beat the deadline of **July 15**, **2023** when the County Offices are busy with high workload.

Producers with questions regarding acreage reporting requirements are encouraged to contact their local offices and set up an appoint to provide their annual acreage report.

NAP Coverage – Consider Protecting 2023 Crops Now.

For crops that are not insurable with catastrophic level coverage (CAT) 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. Higher levels of coverage are available to cover 50 to 65 percent of expected crop year, set in 5 percent increments, based on 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. Buy-up coverage is not available for crops intended for grazing.

Premium costs 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, or
- 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 2023 crops should be purchased at least 1 day 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, 2022 – 2023 asparagus, berries, grapes, hops, tree fruits, nuts, and other perennial crops not listed under the 9/30 category.

December 31, 2022 – 2023 honey.

March 15, 2023– 2023 artichokes, beets (for seed or fresh), buckwheat, camelina, carrots (for fresh or processing), hemp, 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 Washington State FSA website located here. 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.

2022 NAP Crop Production Reporting Deadline Approaching

Reporting of actual harvested production from the 2022 crop year is a requirement for producers who obtained Non-Insured Crop Disaster Assistance Program (NAP) coverage. To retain program eligibility for NAP covered crops, participating producers must annually report actual production to keep NAP program benefits and ensure the NAP actual production history (APH) reflects accurate yield data.

Producers of 2022 NAP covered fall-seeded crops, such as fall canola, fall mint, fall peas, fall lentils, and fall seeded small grains, must report actual harvested production by no later than **December 15, 2022. By this deadline, producers must also sign a CCC-452 APH form and file a CCC-576 NAP Application for Payment form** for those crops that have an approved NAP Notice of Loss on file. As seed producers may not have their harvested seed cleaned yet, we encourage you to report your total dirt weight immediately in order to meet the deadlines for reporting production, filing your actual production history, and filing any application for payment forms on your 2022 crop. Once the seed has been cleaned, please provide the final cleaned seed pounds to your county office for use in your APH and to calculate your NAP benefit. Remember, a NAP benefit will only be calculated if an approved notice of loss was filed.

Producers of 2022 NAP covered honey must provide total harvested production by January 3, 2023 for all honey produced during the 2022 calendar year. 2022 NAP covered tree fruits (apples, apricots, cherries, nectarines, peaches, pears, plums) and nuts, blueberries, cranberries and grapes must report actual harvested production by January 18, 2023 along with signing the CCC-452 APH form and the application for payment. An application for payment will only be processed if an approved notice of loss was filed for the NAP covered crops.

If actual harvested production for NAP covered crops is not timely submitted to your local county FSA office, NAP benefits for crop losses will not be earned and the NAP yield will begin to drop significantly, affecting your future NAP coverage levels. If you have any questions about production reporting or NAP payment requirements, contact your county FSA office.

Marketing Assistance Loans, Loan Deficiency Payments, and Certificates Available

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 2022 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 payment (LDP) 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 non-graded wool, mohair, and honey. Unshorn pelts are available for an LDP only. If you are interested, please contact <u>your local FSA county office</u> to learn more about Marketing Assistance Loans.

Election and Enrollment for 2023 ARC/PLC Program

The 2018 Farm Bill reauthorized the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) program. Elections and enrollment for 2023 ARCPLC began on **October 17**, **2022 and will run through March 15**, **2023**.

The 2018 Farm Bill allows for changes to the farm election for 2023. Any producers wishing to make changes to the farm election must obtain signatures from all producers on the farm with an interest in the farm's cropland acres (excluding CRP) for the new election to be considered valid. Producers may elect to enroll in PLC, ARC-CO, or ARC-IC programs for 2023. Elections to PLC or ARC-CO are made on a covered commodity by covered commodity basis and all covered commodity base acres are elected into ARC-IC if that program is chosen for a farm.

Failure to agree to an election change for 2023 by **March 15, 2023** will result in the farm defaulting to the election made in the 2022 program year.

The 2018 Farm Bill provides that for farms on which all cropland was planted to grass or pasture, including cropland that was idle or fallow, from January 1, 2009 through December 31, 2017 will have all base acres and payment yields maintained, but with no payment for those base acres during the years 2019 through 2023. Farms that reported all grass, idle, or fallow during that entire period may be eligible for an NRCS program.

USDA Offers Farm Loans for Underserved and Beginning Farmers

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) reminds producers that FSA offers farm ownership and farm operating loans to underserved applicants as well as beginning farmers and ranchers. Underserved or beginning farmers and ranchers who cannot obtain commercial credit from a bank can apply for FSA direct or guaranteed loans.

"Farming and ranching is a capital-intensive business and FSA is committed to helping producers start and maintain their agricultural operations," said Jon Wyss, FSA State Executive Director in Washington State. "FSA loans are designed to make sure that everyone has access to credit including underserved and beginning farmers and ranchers. Last year, FSA in Washington obligated \$44.5 million in loans to underserved borrowers and beginning farmers and ranchers."

USDA defines underserved applicants as a group whose members have been subjected to racial, ethnic or gender prejudice because of their identity as members of the group without regard to their individual qualities. For farm loan program purposes, underserved groups are American Indians or Alaskan Natives, Asians, Blacks or African Americans, Native Hawaiians or other Pacific Islanders, Hispanics, and women.

In order to qualify as a beginning farmer, the individual or entity must meet the eligibility requirements outlined for direct or guaranteed loans. Additionally, individuals and all entity members must have operated a farm for less than 10 years. Applicants must materially or substantially participate in the operation. For farm ownership purposes, the applicant must not own a farm greater than 30 percent of the average size farm in the county at the time of application. All direct farm ownership applicants must have participated in the business operations of a farm for at least three years out of the last 10 years prior to the date the application is submitted to FSA. Substitutions for as much as the full three years of experience may be made based on education, business management experience, military experience, participation with a <u>qualified</u> mentor, and farm management experience as a hired laborer. Your local FSA office will be able to provide more details on acceptable substitutions.

If the applicant is an entity, all members must be related by blood or marriage and all entity members must be eligible beginning farmers. At least one of the members must have three years or more experience in the business operations of a farm prior to the date the application is submitted.

Direct loans are made to applicants by FSA. Guaranteed loans are made by lending institutions who arrange for FSA to guarantee the loan. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan. The FSA guarantee allows lenders to make agricultural credit available to producers who do not meet the lender's normal underwriting criteria.

The direct and guaranteed loan program offers two types of loans: farm ownership loans and farm operating loans.

Farm ownership loan funds may be used to purchase or enlarge a farm or ranch; purchase easements or rights of way needed in the farm's operation; build or improve buildings such as a dwelling or barn; promote soil and water conservation and development; and pay closing costs.

Farm operating loan funds may be used to purchase livestock, poultry, farm equipment, fertilizer, and other materials necessary to operate a farm. Operating loan funds can also be used for family living expenses; refinancing debts under certain conditions; paying salaries for hired farm laborers; installing or improving water systems for home, livestock or irrigation use; and other similar improvements.

Repayment terms for direct operating loans are scheduled from one to seven years. Financing for direct farm ownership loans cannot exceed 40 years. Interest rates for direct loans are set periodically according to the government's cost of borrowing. Guaranteed loan terms and interest rates are set by the lender.

For more information on FSA's farm loan programs and underserved and beginning farmer guidelines, please contact your local FSA office or visit farmers.gov.

FSA Encourages Farmers and Ranchers to Vote in County Committee Elections

The 2022 Farm Service Agency County Committee Elections will begin on Nov. 7, 2022, when ballots are mailed to eligible voters. The deadline to return ballots to local FSA offices, or to be postmarked, is Dec. 5, 2022.

County committee members are an important component of the operations of FSA and provide a link between the agricultural community and USDA. Farmers and ranchers elected to county committees help deliver FSA programs at the local level, applying their knowledge and judgment to make decisions on commodity price support programs, conservation programs, incentive indemnity and disaster programs for some commodities, emergency programs and eligibility. FSA committees operate within official regulations designed to carry out federal laws.

To be an eligible voter, farmers and ranchers must participate or cooperate in an FSA program. A person who is not of legal voting age but supervises and conducts the farming operations of an entire farm, may also be eligible to vote.

Eligible voters in local administrative areas, who do not receive a ballot can obtain one from their local USDA Service Center.

Newly elected committee members will take office Jan. 1, 2023.

The Local Administrative Areas in this year's election can be found at: https://www.fsa.usda.gov/state-offices/Washington/index

More information on county committees, such as the new 2022 fact sheet, can be found on the FSA website at: https://www.fsa.usda.gov/news-room/county-committee-elections/index

or at a local USDA Service Center.

FSA Looking for Part-time Assistance in Various Locations

Washington State Farm Service Agency (FSA) is hiring part-time, Temporary Program Technician (PT), positions in **Grant County**, **Skagit County**, **Spokane County**, **and Yakima County**. This is a great opportunity for students or those that can only commit to a part-time schedule.

Duties include general office activities supporting FSA programs administered at the field level. Successful applicants must be reliable, have a professional attitude, enjoy working with the public. The Spokane position will require a valid driver's license for day travel to local offices in Lincoln, Adams, and Whitman counties. The hourly rate depends on education and experience and ranges from \$15.47 to \$30.76.

Applicant closing dates will vary by location. If you are interested or know of someone who might be interested, please share this information with them. To apply please submit a copy

of your resume to the following. You may also contact the number listed for specific questions regarding the position:

- Grant County jensvold@usda.gov 509-717-3247
- Skagit County chamberlain@usda.gov 360-488-4814
- Spokane County <u>martin@usda.gov</u> 509-323-3036
- Yakima County delamora@usda.gov and geremy.nelson@usda.gov 509-367-8540

Spokane County - Farm Loan Program Technician

The Farm Service Agency office located in Spokane Valley, WA is accepting applications for a Full-Time Permanent Farm Loan Program Technician position. Duties include carrying out office activities related to farm loan programs. The full vacancy announcement which includes qualifications and eligibility requirements will be posted on at www.usajobs.gov. The salary ranges from \$36,118 to \$58,158 per year.

Whitman County - Program Technicians

The Farm Service Agency office located in Colfax, WA is accepting applications for 2 Full-Time Permanent Program Technician positions. Duties include carrying out office activities related to farm programs. The full vacancy announcement which includes qualifications, eligibility requirements, and closing date are posted on USA Jobs at www.usajobs.gov. The salary ranges from \$33,221 to \$58,158 per year. Candidates may qualify for a 15% recruitment incentive for this position.

Lincoln County - Program Technician

The Farm Service Agency office located in Davenport, WA is accepting applications for a Full-Time Permanent Program Technician position. Duties include carrying out office activities related to farm programs. The full vacancy announcement which includes qualifications, eligibility requirements, and closing date will be posted on USA Jobs at www.usajobs.gov in November.

USDA is an Equal Opportunity Provider, Employer and Lender.

Important Dates and Deadlines

October 31, 2022 – Deadline to apply for the Organic Certification Cost Share Program (OCCSP). Cost share funds available for organic certification expenses paid from October 1, 2021 through September 30, 2022.

November 1, 2022 – County Committee election ballots mailed to eligible voters.

November 11, 2022 – Veterans Day. USDA service centers will be closed.

November 20, 2022 – Deadline to obtain 2022 crop year NAP coverage for asparagus, berries, grapes, hops, tree fruits, nuts, and other perennial crops not listed under the 9/30 category (full list of Washington State NAP dates posted here).

November 24, 2022 – Thanksgiving Day. USDA service centers will be closed.

December 5, 2022 – County Committee ballots are due to FSA county offices or postmarked by this date.

December 15, 2022 – Fall Acreage Reporting Deadline

December 15, 2022 – 2022 crop acreage reporting deadline for fall-seeded crops. This includes fall-planted alfalfa, canola, lentils, mint, onions, peas, and small grains. 2022 NAP production reports due for all listed crops.

December 26, 2022 - Observance of Christmas Day, USDA service centers will be closed.

December 31, 2022 – 2022 crop acreage reporting deadline for honey.

December 31, 2022 – Deadline to obtain 2023 crop year NAP coverage for honey.

January 2, 2023 - Observance of New Year's Day, USDA service centers will be closed.

January 3, 2023 – 2023 crop acreage reporting deadline for honey.

January 3, 2023 – Deadline to report 2022 NAP honey production.

January 15, 2023 - Perennial Fruit and Nut Acreage Reporting Deadline

January 16, 2023 – 2023 Perennial Fruit and Nut Acreage Reporting deadline. This includes apples, apricots, blueberries, cherries, cranberries, grapes, nectarines, peaches, pears, and plums.

January 16, 2023 – 2022 NAP production is also due for all listed crops.

January 30, **2023** – Deadline to file a 2022 ELAP or LFP Application for Payment and provide supporting documentation.

July 15, 2023 - Acreage Reporting Deadline for Spring Planted Crops and CRP