#### November 2019







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# Wisconsin FSA Newsletter

# Wisconsin Farm Service Dates to Remember Agency

8030 Excelsior Dr.

Suite 100

Madison, WI 53717

Phone: 608-662-4422 Fax: 855-758-0755

**State Executive Director:** 

Sandy Chalmers

Farm Loan Chief: Tom Brandt

Farm Program Chiefs:

Greg Biba John Palmer

State Committee: Lisa Condon, Chair Thomas Gillis David Heideman Kevin Hover

Tom McClellan

www.fsa.usda.gov/wi

November 15, 2019: Acreage reporting deadline (Annual Reporting Date) for 2020

fall mint and fall-seeded small grains

November 20, 2019: Noninsured Crop Disaster Assistance Program

(NAP) application deadline for 2020 crops including apples, asparagus, blueberries, caneberries, cherries, cranberries, currants, grapes, honey, hops, maple sap, pears,

and strawberries

November 28, 2019: USDA Service Centers Closed

December 2, 2019: Final Date for County Committee election ballots to be returned

to the county office or postmarked

December 6, 2019: Deadline to sign up for the 2019 Market Facilitation

Program (MFP)

**December 13, 2019**: Election period deadline for 2020 <u>Dairy Margin Coverage</u>

(DMC) Program

December 25, 2019: USDA Service Centers Closed

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## **Voting Open for 2019 Farm Service Agency County Committee Elections**

The U.S. Department of Agriculture (USDA) mailed ballots on November 4 to eligible farmers and ranchers across the country for the Farm Service Agency (FSA) county committee elections.

County committee members play a key role at FSA. Over 7,000 members nationwide provide their valuable knowledge and judgment on decisions made about FSA services, including disaster and emergency programs.

To be counted, ballots must be returned to the local FSA county office or postmarked by December 2.

Each committee has three to 11 elected members who serve three-year terms of office. One-third of county committee seats are up for election each year. Newly elected committee members will take office January 1, 2020. County committee members help FSA make important decisions on its commodity support programs, conservation programs, indemnity and disaster programs, and emergency programs and eligibility.

Producers must participate or cooperate in an FSA program to be eligible to vote in the county committee election. Producers who supervise and conduct the farming operations of an entire farm, but are not of legal voting age, also may be eligible to vote.

Producers can find out if their local administrative area is up for election and if they are eligible to vote by contacting their local FSA county office. Eligible voters who did not receive a ballot in the mail can pick one up at their local FSA county office. Visit fsa.usda.gov/elections for more information.

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# **Enrollment for Dairy Margin Coverage Program Ends Dec. 13, 2019**

Dairy producers can now enroll in the <u>Dairy Margin Coverage (DMC)</u> for calendar year 2020. USDA's Farm Service Agency (FSA) opened signup for the program that helps producers manage economic risk brought on by milk price and feed cost disparities.

The DMC program offers reasonably priced 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 DMC for 2020 is Dec. 13, 2019.

DMC provided an option during the 2019 coverage election period to make a 1-time election of coverage level and percentage of coverage, locking-in those elections for a 5-year period beginning January 2019 and ending December 2023. All dairy operations that elected the lock-in option are subject to full participation in the DMC program at the same elected premium coverage levels. DMC participating dairy operations locking in elections for the 5-year period received a premium discount of 25 percent.

New dairy operations (formed within the last 60 days) who apply in 2020, 2021, and 2022 have the option to lock-in coverage elections through the remainder of the program and receive a premium discount of 25%

Existing producers who did not elect a 5-year lock in can change their coverage level on an annual basis **before** the end of the annual coverage election period. After the close of the annual coverage election period, the coverage elections made by the dairy operation **cannot** be changed until the next calendar year during the next annual coverage election period.

All producers who want 2020 coverage, even those who took advantage of the 25 percent premium discount by locking in the coverage level for five years of margin protection coverage are required to complete the <a href="CCC-801">CCC-801</a>, <a href="Dairy Margin Coverage">Dairy Margin Coverage</a> (DMC) Contract and Annual Coverage Election, annually.

### Enrollment for Dairy Margin Coverage Program Ends Dec. 13, 2019 (continued)

Dairy farmers earned more than \$300 million dollars from the program in 2019 so far. Producers are encouraged to take advantage of this very important risk management tool for 2020.

#### **More Information**

The 2018 Farm Bill created DMC, improving on the previous safety net for dairy producers. DMC is one of many programs that FSA and other USDA agencies are implementing to support America's farmers.

For more information on enrolling in DMC and taking advantage of an online dairy decision tool that assists producers in selecting coverage for 2020, visit the <u>DMC webpage</u>.

For additional questions and assistance, contact your local USDA service center. To locate your local FSA office, visit farmers.gov/service-locator.

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# **FSA Offers Safety Net for Honeybee Producers**

The Farm Service Agency (FSA) administers two programs that have specific safety net benefits for producers of honeybees and honey. The <u>Noninsured Crop Disaster Assistance Program (NAP)</u> and the <u>Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP)</u> assist producers when disasters impact honey production or damage or destroy colonies, hives or honeybee feed.

NAP is designed to reduce financial losses when natural disasters result in lower yields or crop losses, including honey. NAP coverage is equivalent to catastrophic insurance, meaning it covers up to 50 percent of a producer's normal yield (must have at least a 50 percent loss) at 55 percent of the average market price. The 2018 Farm Bill reinstates higher levels of coverage, from 50 to 65 percent of expected production in 5 percent increments, at 100 percent of the average market price. Producers of organics and crops marketed directly to consumers also may exercise the "buy-up" option to obtain NAP coverage of 100 percent of the average market price at the coverage levels of between 50 and 65 percent of expected production.

The NAP service fee is the lesser of \$325 per crop or \$825 per producer per administrative county, not to exceed a total of \$1,950 for a producer with farming interests in multiple counties. Eligible causes of loss include drought, freeze, hail, excessive moisture, excessive wind, hurricanes, earthquake, flood, and conditions related to damaging weather such as excessive heat, plant disease, volcanic smog or insect infestation.

**Producers must apply for NAP coverage by November 20th** prior to the year for which they are seeking coverage.

ELAP covers colony losses, hive losses and the loss of purchased feed intended for honeybees. For colony losses, producers must have losses in excess of normal mortality (normal mortality is 22 percent) as a direct result of an eligible adverse weather event or loss condition. For hive losses, the hive must have been damaged or destroyed as a result of an eligible adverse weather event or loss condition. Eligible adverse weather or loss conditions include Colony Collapse Disorder (for colony losses only), earthquake, eligible winter storm (colony loss only), excessive wind, flood, hurricane, lighting, tornado, volcanic eruption and wildfire. For purchased feed, the program covers feed purchased above normal quantities to sustain bees during an eligible adverse weather event or loss condition. Under ELAP the producer must provide documentation that best management practices are being followed.

Both the NAP and ELAP programs require producers to report the number of colonies they have in production to FSA by Jan. 2, 2020. Honeybee producers must notify FSA within 30 calendar days of changes in the total number of colonies or when honeybees are moved to another county.

### FSA Offers Safety Net for Honeybee Producers (continued)

For ELAP, producers must notify FSA within 30 calendar days of when a loss occurs or from when the loss is apparent. Producers with NAP coverage must file a Notice of Loss within 15 days of the occurrence of the disaster or when losses become apparent.

To learn more about programs for honey and honeybee producers, contact your local FSA office.

## **USDA Safety Net Program Enrollment Opens for 2020**

Agricultural producers now can enroll in the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs – two U.S. Department of Agriculture (USDA) safety net programs – for the 2020 crop year. Meanwhile, producers who enrolled farms for the 2018 crop year have started receiving more than \$1.5 billion for covered commodities for which payments were triggered under such programs.

ARC provides income support payments on historical base acres when actual crop revenue declines below a specified guaranteed level. PLC provides income support payments on historical base acres when the effective price for a covered commodity falls below its reference price. The 2018 Farm Bill reauthorized and updated both programs.

Signup for the 2020 crop year closes June 30, 2020, while signup for the 2019 crop year closes March 15, 2020. Producers who have not yet enrolled for 2019 can enroll for both 2019 and 2020 during the same visit to an FSA county office.

ARC and PLC have options for the farm operator who is actively farming the land as well as the owner of the land. Farm owners also have a one-time opportunity to update PLC payment yields beginning with crop year 2020. If the farm owner and producer visit the FSA county office together, FSA can also update yield information during that visit.

Covered commodities include barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium and short grain rice, safflower seed, seed cotton, sesame, soybeans, sunflower seed and wheat.

#### 2018 Crop Year ARC and PLC Payments

FSA began processing payments last week for 2018 ARC-County (ARC-CO) and PLC on covered commodities that met payment triggers on enrolled farms in the 2018 crop year. In addition to the \$1.5 billion now in process, FSA anticipates it will issue another \$1 billion in November once USDA's National Agricultural Statistics Service publishes additional commodity prices for the 2018 crop.

Producers who had 2018 covered commodities enrolled in ARC-CO can visit <a href="www.fsa.usda.gov/arc-plc">www.fsa.usda.gov/arc-plc</a> for payment rates applicable to their county and each covered commodity. For farms and covered commodities enrolled in 2018 PLC, the following crops met payment triggers: barley, canola, corn, dry peas, grain sorghum, lentils, peanuts, and wheat.

Oats and soybeans did not meet 2018 PLC payment triggers.

2018 PLC payment rates for the following covered commodities have not been determined: crambe, flaxseed, large and small chickpeas, long and medium grain rice, mustard seed, rapeseed, safflower, seed cotton, sesame seed, sunflower seed and temperate Japonica rice.

#### **More Information**

For more information on ARC and PLC including two online decision tools that assist producers in making enrollment and election decisions specific to their operations, visit the ARC and PLC webpage.

# USDA Signup for Market Facilitation Program Runs Through Dec. 6

Signup is ongoing for the Market Facilitation Program (MFP), a U.S. Department of Agriculture (USDA) program to assist farmers who continue to suffer from damages because of unjustified trade retaliation from foreign nations. Through MFP, USDA will provide up to \$14.5 billion in direct payments to impacted producers, part of a broader trade relief package announced in late July. The sign-up period runs through Dec. 6, 2019.

MFP payments will be made to producers of certain non-specialty and specialty crops as well as dairy and hog producers.

### **Non-Specialty Crops**

MFP payments will be made to producers of alfalfa hay, barley, canola, corn, crambe, dried beans, dry peas, extralong 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.

MFP assistance for 2019 crops is based on a single county payment rate multiplied by a farm's total plantings to the MFP-eligible crops in aggregate 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. View payment rates by county.

### **Dairy and Hogs**

Dairy producers who were in business as of June 1, 2019, will receive a per hundredweight payment on production history, and 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.

### **Specialty Crops**

MFP payments will also be made to producers of 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, or in the case of ginseng, based on harvested acres in 2019.

#### More Information

Payments will be made in up to three tranches, with the second and third tranches evaluated as market conditions and trade opportunities dictate. If conditions warrant, the second and third tranches will be made in November and early January.

MFP payments are limited to a combined \$250,000 for non-specialty crops per person or legal entity. MFP payments are also limited to a combined \$250,000 for dairy and hog producers and a combined \$250,000 for specialty crop producers. However, no applicant can receive more than \$500,000. Eligible applicants must also have an average adjusted gross income (AGI) for tax years 2015, 2016, and 2017 of less than \$900,000, or 75 percent of the person's or legal entity's average AGI for those tax years must have been derived from farming and ranching. Applicants must also comply with the provisions of the Highly Erodible Land and Wetland Conservation regulations.

More information can be found on farmers.gov/mfp, including payment information and a program application.

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# **Maintaining Good Credit History**

Farm Service Agency (FSA) Farm Loan programs require that applicants have a satisfactory credit history. A credit report is requested for all FSA direct farm loan applicants. These reports are reviewed to verify outstanding debts, if bills are paid timely and to determine the impact on cash flow.

Information found on a customer's credit report is strictly confidential and is used only as an aid in conducting FSA business.

Our farm loan staff will discuss options with you if you have an unfavorable credit report and will provide a copy of your report. If you dispute the accuracy of the information on the credit report, it is up to you to contact the issuing credit report company to resolve any errors or inaccuracies.

There are multiple ways to remedy an unfavorable credit score.

- Make sure to pay bills on time. Setting up automatic payments or automated reminders can be an effective way to remember payment due dates.
- Pay down existing debt.
- · Keep your credit card balances low.
- Avoid suddenly opening or closing existing credit accounts.

FSA's farm loan staff will guide you through the process, which may require you to reapply for a loan after improving or correcting your credit report.

For more information on FSA farm loan programs, visit www.fsa.usda.gov.

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### **November Interest Rates**

\*Interest rates are announced at the beginning of each month.

Click here to find notification of current FSFL and commodity loan interest rates

### Click here to view current Farm Loan interest rates

Farm Loan Interest Rates	NOVEMBER 2019
Farma Omaratina Direct	2 50000/

Farm Operating- Direct 2.5000%
Farm Operating- Microloan 2.500%
Farm Ownership- Direct 3.000%
Farm Ownership- Microloan 3.000%
Farm Ownership- Direct, Joint Financing 2.500%
Farm Ownership- Down Payment 1.500%
Emergency Loan- Amount of Actual 3.500%

Loss

### Farm Storage Facility Loans (FSFL) NOVEMBER 2019

 3-year FSFL
 1.500%

 5-year FSFL
 1.500%

 7-year FSFL
 1.625%

 10-year FSFL
 1.625%

 12-year FSFL
 1.750%

#### 9-Month Commodity Loans NOVEMBER 2019

Marketing Assistance Loan 2.625%

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