December 2019





Farm Service Agency Electronic News Service

NEWSLETTER

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Wisconsin FSA Newsletter

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A Message from the SED

There's no question that Wisconsin producers are happy to see 2019 come to an end. Let's hope that 2020 is a return to normal!

Friday, December 20 is the last day to sign up for two important programs -- the Market Facilitation Program and 2020 Dairy Margin Coverage. FSA offices made \$10.65 billion in MFP payments in the first two rounds of payments, with Wisconsin producers receiving about \$250 million. A third round of payments is scheduled for January if warranted, and we expect to hear soon about whether those payments will be released. If you haven't signed up for MFP, call your local FSA office now for an appointment.

FSA is now scheduling meetings on Agriculture Risk Coverage and Price Loss Coverage (ARC/PLC), so watch for a date in your area. These meetings will be held jointly with UW-Extension. Producers are strongly encouraged to contact their local FSA county office to start the ARC/PLC election and enrollment process early. Producers can make changes before the election and enrollment deadlines.

Our offices are also busy with the sign-up period for the Conservation Reserve Program. It's the first general signup since 2015, so interest is high. The general signup is now an annual competitive opportunity, and the 2020 deadline is February 28. The continuous signup is noncompetitive and ongoing, and it targets high priority conservation practices like those that provide water quality benefits.

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On behalf of all the employees of Wisconsin FSA, have a wonderful Christmas and holiday season.

Sandy Chalmers State Executive Director

Dates to Remember

December 20, 2019: Extended deadline to sign up for 2019 Market Facilitation Program (MFP) and 2020 Dairy Margin Coverage (DMC) Program

December 25, 2019: USDA Service Centers Closed

January 1, 2020: USDA Service Centers Closed

January 2, 2020: Acreage Reporting Deadline for honeybee colonies

January 15, 2020: <u>Acreage Reporting Deadline for 2020 crops including apples, caneberries, cherries, cranberries, currants, hops, huckleberries, pears, and strawberries</u>

January 20, 2020: USDA Service Centers Closed

January 30, 2020: Deadline for producers to file an application for payment and provide supporting documentation for 2019 Emergency Livestock Assistance Program (ELAP) losses.

February 1, 2020: Acreage Reporting Deadline for 2020 maple sap

USDA Extends Deadlines for Dairy Margin Coverage Program and Market Facilitation Program to Dec. 20, 2019.

Due to the prolonged and extensive impacts of weather events this year, the U.S. Department of Agriculture (USDA) today extended the deadline to December 20 for producers to enroll in the <u>Dairy Margin Coverage</u> (DMC) program for the 2020 calendar year. The deadline had been December 13. USDA announced is also continuing to accept applications for the <u>Market Facilitation Program</u> through December 20.

2019 has challenged the country's ag sector – prevented or late planting followed by a delayed harvest has been further complicated by wet and cold weather. Because many producers are still in the field, time to conduct business at the local USDA office is at a premium. USDA hopes this deadline extension will allow producers the opportunity to participate in these important programs.

Authorized by the 2018 Farm Bill and available through USDA's Farm Service Agency (FSA), the 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 Market Facilitation Program is part of a relief strategy to support American agricultural producers while the Administration continues to work on free, fair, and reciprocal trade deals to open more markets to help American farmers compete globally. MFP payments are aimed at assisting farmers suffering from damage due to unjustified trade retaliation by foreign nations.

For more information, visit the <u>DMC webpage</u>, the <u>MFP webpage</u> or your local <u>USDA service center</u>. To locate your local FSA office, visit <u>farmers.gov/service-locator</u>.

USDA Announces Signup Open for Conservation Reserve Program

USDA has now opened signup for the Conservation Reserve Program (CRP). The deadline for agricultural producers to sign up for general CRP is February 28, 2020, while signup for continuous CRP is ongoing.

Farmers and ranchers who enroll in CRP receive a yearly rental payment for voluntarily establishing long-term, resource-conserving plant species, such as approved grasses or trees (known as "covers") to control soil erosion, improve water quality and develop wildlife habitat on marginally productive agricultural lands.

CRP has 22 million acres enrolled, but the 2018 Farm Bill lifted the cap to 27 million acres. This means farmers and ranchers have a chance to enroll in CRP for the first time or continue their participation for another term.

By enrolling in CRP, producers are improving water quality, reducing soil erosion, and restoring habitat for wildlife. This in turn spurs hunting, fishing, recreation, tourism, and other economic development across rural America.

CRP Enrollment Options

General Signup

CRP general signup will be held annually. The competitive general signup will now include increased opportunities for enrollment of wildlife habitat through the State Acres For Wildlife Enhancement (SAFE) initiative.

Continuous Signup

While some practices under SAFE will remain available through continuous signup, CRP continuous signup will focus primarily on water quality with the Clean Lakes, Estuaries, and Rivers (CLEAR) Initiative. The 2018 Farm Bill prioritizes water quality practices such as contour grass strips, filter strips, riparian buffers, wetlands and a new prairie strip.

USDA will also be working with Conservation Reserve Enhancement Program (CREP) partners to relaunch CREP continuous options in each state under new statutory provisions. CREP will continue to target high-priority local, state or regional conservation concerns.

Grasslands Signups

CRP Grasslands signup helps landowners and operators protect grassland, including rangeland, and pastureland and certain other lands while maintaining the areas as grazing lands. A separate CRP Grasslands signup will be offered each year following general signup.

Pilot Programs

Later in 2020, (FSA will roll out pilot programs within CRP: CLEAR 30, which allows contracts expiring with CLEAR practices to be reenrolled in 30-year contracts and in the Soil Health and Income Protection Program (SHIPP) in the prairie pothole region. More information on these programs will be announced in the new year.

Land Transition

The CRP Transition Incentives Program (TIP) is an option for producers interested in transitioning land to a beginning farmer or rancher or a member of a socially disadvantaged group to return land to production for sustainable grazing or crop production. CRP contract holders no longer need to be a retired or retiring owner or operator to transition their land. TIP participants may have a lease less than five years with an option to purchase, and they have two years before the end of the CRP contract to make conservation and land improvements.

Previously Expired Land

USDA Announces Signup Open for Conservation Reserve Program (continued)

Land enrolled in CRP under a 15-year contract that expired in September 2017, 2018 or 2019, may be eligible for enrollment if there was no opportunity for re-enrollment and the practice under the expired contract has been maintained.

CRP Rates and Payments

FSA recently posted updated soil rental rates for CRP. County average rates are posted on the CRP Statistics webpage. Soil rental rates are statutorily prorated at 90 percent for continuous signup and 85 percent for general signup. The rental rates will be assessed annually. Under continuous signup, producers also receive incentives, including a signup incentive payment and a practice incentive payment.

To enroll in CRP, contact your local FSA county office or visit <u>fsa.usda.gov/crp</u>. To locate your local FSA office, visit <u>farmers.gov/service-locator</u>.

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Financial Hardship and Loan Servicing

Many farm loan borrowers' payments are due on Jan. 1. FSA expects and encourages prompt payment. However, for borrowers who cannot make their payments due to adversity such as a natural disaster or production difficulties beyond their control, FSA is committed to providing our farm loan borrowers with the tools necessary to be successful. A part of ensuring this success is providing guidance and counsel from loan or loan servicing application, through the term of your loan, and after. For FSA to help, you must alert your local FSA office to any of the following:

- Any proposed or significant changes in the farming operation
- Any significant changes to family income or expenses
- The development of problem situations
- · Any losses or proposed significant changes in security

There are options for FSA loan customers during financial stress. If you are a borrower who is unable to make payments on a loan, contact your local FSA Service Center to learn about the options available to you.

If past due on payments, FSA will notify you of your options with a Notice of Availability of Loan Servicing. Please pay special attention to this notice as it provides you with your options for FSA servicing programs and outlines specific deadlines that you must meet. Failure to meet these statutory deadlines may significantly limit your options and FSA's ability to help address your farm's financial difficulties.

For more information on FSA farm loan programs, visit www.fsa.usda.gov. Please contact your local FSA Service Center if you have any questions or would like to schedule an appointment to meet with the loan staff to discuss your options.

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FSA Can Help with On-Farm Storage

Winter months in Wisconsin can be long and cold. For several years, farmers have faced propane storage shortages. FSA's Farm Storage Facility Loan (FSFL) program provides funding for on-farm liquified petroleum tanks.

FSFL low-interest financing can be used to build or upgrade storage facilities and to purchase portable (new or used) structures, equipment, storage and handling trucks. Liquified petroleum tanks are covered for eligible commodities for the use of fuel for grain dryer equipment.

Loans up to \$50,000 can be secured by a promissory note/security agreement. Loans exceeding \$100,000 require additional security.

Producers do not need to demonstrate the lack of commercial credit availability to apply. The loans are designed to assist a diverse range of farming operations, including conventional operations, small and mid-sized businesses, new farmers, operations supplying local food and farmers markets, non-traditional farm products, and underserved producers.

To learn more about FSFLs and how these loans can help with your on-site propane tank storage needs, contact your local FSA county office.

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USDA Safety Net Program Enrollment Open 2019 and 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.

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.

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 <u>ARC and PLC webpage</u>.

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LUW-Madison Division of Extension Program to Help Farmers Explore Business Decisions

The University of Wisconsin-Madison Division of Extension's *Farm Pulse Continuum* is a new program for farmers interested in learning how to use farm financials to explore their farm business decisions.

Introductory workshops offered in four regional locations will outline the program and provide examples of the value of using farm financial analysis to make informed management decisions.

The introductory workshops will build awareness of 'Why Financial Management' and how enrolling in the full *Farm Pulse Program* will help Wisconsin farmers evaluate their finances and take the pulse of their business and goals for the future. Other topics in the introductory workshop include an overview of the financial model and the purpose and value of the basic financial statements: Balance Sheet, Income Statement and Statement of Cash Flow. At the end of the workshop, participants will learn how they can enroll in the *Farm Pulse Continuum Program*.

The following Division of Extension county offices will be hosting the introductory workshops, registration fee of \$20 per person or \$30 per farm (2 people sharing materials). The workshop will also be offered via a web-based platform (\$10 per farm). For additional information and to register contact one of the Extension offices below or please visit: https://farms.extension.wisc.edu/programs/farm-pulse/

Jan. 14, 2020: 10 a.m. Baldwin, St. Croix County Agriculture Services and Education Center. 1960 8th Avenue, Suite 140. Information and registration: Extension St. Croix County. Ryan.Sterry@wisc.edu (715) 531-1950.

Jan. 15, 2020: 10 a.m. Abbotsford City Hall, 203 N. 1st Street, Abbotsford. Information and registration: Extension Marathon County (715) 261-1239.

Jan. 21, 2020: 10 a.m. Darlington, Multi-purpose Building, 11974 Ames Road. Information and registration: Josh Kamps, Extension Lafayette County Agriculture Educator, joshua.kamps@wisc.edu or (608) 776-4820.

Jan. 22, 2020: 6:30 p.m. Live, on-line webinar. More information and registration for the live webinar: https://farms.extension.wisc.edu/programs/farm-pulse/ or contact Agriculture Educator Stephanie.Plaster@wisc.edu (262) 335-4477.

Persons with disabilities who require accommodations to attend or participate in any of these meetings should contact the name listed next to the specific meeting or 2 or Federal Relay Service at 1-800-877-8339 by January 13, 2020.

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December 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	DECEMBER 2019
Farm Operating- Direct	2.5000%
Farm Operating- Microloan	2.500%
Farm Ownership- Direct	3.125%
Farm Ownership- Microloan	3.125%
Farm Ownership- Direct, Joint Financing	2.500%
Farm Ownership- Down Payment	1.500%
Emergency Loan- Amount of Actual Loss	3.500%

Farm Storage Facility Loans (FSFL)	DECEMBER 2019
3-year FSFL	1.625%
5-year FSFL	1.625%
7-year FSFL	1.750%
10-year FSFL	1.875%
12-year FSFL	1.875%

9-Month Commodity Loans **DECEMBER 2019**

Marketing Assistance Loan 2.625%

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