May 2019

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Colorado State FSA Newsletter

SED Comments

As we get closer to those long summer days and cool summer nights, FSA is hard at work implementing the 2018 Farm Bill. May is shaping up to be busy month preparing for the rollout of a new dairy program and implementing changes to existing livestock disaster programs. As we prepare to deliver these important programs to Colorado farmers and ranchers, we know you are hard at work in the fields planting your spring crops, preparing your spring harvest, and wrapping up yet another calving season. Over the next few months, FSA will continue rolling out programs and changes from the 2018 Farm Bill. It is important as we move forward to ensure we are communicating with our customers and keeping you informed. I strongly urge all producers to contact your local FSA office and verify we have your current contact information so you don’t miss out on important announcements. We look forward to serving you as we implement the 2018 Farm Bill and continue our strong tradition of excellent customer service.

Clarice Navarro
Colorado State Executive Director
Reasonable Accommodations:

People with disabilities who require accommodations to participate in FSA programs should contact the County Executive Director in the FSA Office in your area or Federal Relay Service at 1-800-877-8339. Alternatively, you may also contact Colorado FSA David Nix at 720-544-2879 or david.nix@co.usda.gov

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

USDA Accepting Applications to Help Cover Producers’ Costs for Organic Certification

USDA’s Farm Service Agency (FSA) announced that organic producers and handlers can apply for federal funds to assist with the cost of receiving and maintaining organic certification through the Organic Certification Cost Share Program (OCCSP). Applications for fiscal 2019 funding are due Oct. 31, 2019.

OCCSP received continued support through the 2018 Farm Bill. It provides cost-share assistance to producers and handlers of agricultural products for the costs of obtaining or maintaining organic certification under the USDA’s National Organic Program. Eligible producers include any certified producers or handlers who have paid organic certification fees to a USDA-accredited certifying agent. Eligible expenses for cost-share reimbursement include application fees, inspection costs, fees related to equivalency agreement and arrangement requirements, travel expenses for inspectors, user fees, sales assessments and postage. Certified producers and handlers are eligible to receive reimbursement for up to 75 percent of certification costs each year, up to a maximum of $750 per certification scope, including crops, livestock, wild crops, handling and state organic program fees.

Opportunities for State Agencies

Today’s announcement also includes the opportunity for state agencies to apply for grant agreements to administer the OCCSP program in fiscal 2019. State agencies that establish agreements for fiscal year 2019 may be able to extend their agreements and receive additional funds to administer the program in future years.

FSA will accept applications from state agencies for fiscal year 2019 funding for cost-share assistance through May 29, 2019.

More Information

To learn more about organic certification cost share, please visit the OCCSP webpage, view the notice of funds availability on the Federal Register, or contact your FSA county office. To learn more about USDA support for organic agriculture, visit usda.gov/organic.

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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**USDA Microloans Help Farmers Purchase Farmland and Improve Property**

Producers, Including Beginning and Underserved Farmers, Have a New Option to Gain Access to Land. The U.S. Department of Agriculture (USDA) is offering farm ownership microloans, creating a new financing avenue for farmers to buy and improve property. These microloans are especially helpful to beginning or underserved farmers, U.S. veterans looking for a career in farming, and those who have small and mid-sized farming operations. The microloan program has been hugely successful, providing more than 16,800 low-interest loans, totaling over $373 million to producers across the country. Microloans have helped farmers and ranchers with operating costs, such as feed, fertilizer, tools, fencing, equipment, and living expenses since 2013. Seventy percent of loans have gone to new farmers. Now, microloans will be available to also help with farm land and building purchases, and soil and water conservation improvements. FSA designed the expanded program to simplify the application process, expand eligibility requirements and expedite smaller real estate loans to help farmers strengthen their operations. Microloans provide up to $50,000 to qualified producers and can be issued to the applicant directly from the USDA Farm Service Agency (FSA).

To learn more about the FSA microloan program visit www.fsa.usda.gov/microloans, or contact your local FSA office.

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**USDA Announces March Income over Feed Cost Margin Triggers Third 2019 Dairy Safety Net Payment**

Dairy Margin Coverage Program Sign-Up Begins June 17

USDA’s Farm Service Agency (FSA) announced this week that the March 2019 income over feed cost margin was $8.85 per hundredweight (cwt.), triggering the third payment for dairy producers who purchase the appropriate level of coverage under the new *Dairy Margin Coverage* (DMC) program. DMC, which replaces the Margin Protection Program for Dairy (MPP-Dairy), 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 signup period for DMC opens June 17, 2019. Dairy producers who elect a DMC coverage level between $9 and $9.50 would be eligible for a payment for January, February and March 2019.

For example, a dairy operation that chooses to enroll an established production history of 3 million pounds (30,000 cwt.) and elects the $9.50 coverage level on 95 percent of production would receive $1,543.75 for March.

Sample calculation:

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\$9.50 - \$8.85 \text{ margin} = \$0.65 \text{ difference}
\]

\[
\$0.65 \times 95 \text{ percent of production} \times 2,500 \text{ cwt. (30,000 cwt./12)} = \$1,543.75
\]

DMC premiums are paid annually. The calculated annual premium for coverage at $9.50 on 95 percent of a 3-million-pound production history for this example would be $4,275.

Sample calculation:
The dairy operation in the example calculation will pay $4,275 in total premium payments for all of 2019 and receive $8,170 in DMC payments for January, February and March combined. Additional payments will be made if calculated margins remain below the $9.50/cwt level.

All participants are also required to pay an annual $100 administrative fee in addition to any premium, and payments will be subject to a 6.2 percent reduction to account for federal sequestration. Operations making a one-time election to participate in DMC through 2023 are eligible to receive a 25 percent discount on their premium for the existing margin coverage rates. For the example above, this would reduce the annual premium by $1,068.75.

About DMC

On December 20, 2018, President Trump signed into law the 2018 Farm Bill, which provides support, certainty and stability to our nation’s farmers, ranchers and land stewards by enhancing farm support programs, improving crop insurance, maintaining disaster programs and promoting and supporting voluntary conservation. FSA is committed to implementing these changes as quickly and effectively as possible, and today’s updates are part of meeting that goal. Recently, FSA announced the availability of the DMC decision support tool as well as repayment options for producers who were enrolled in MPP-Dairy.

For DMC signup, eligibility and related dairy program information, visit the DMC webpage or contact your local USDA service center. To locate your local FSA office, visit farmers.gov/service-locator.

Opportunity to Request a Referendum: Soybean Promotion, Research, and Information Program

The USDA Agricultural Marketing Service (AMS) announced that soybean producers may request a referendum on the Soybean Promotion and Research Order, as authorized under the Soybean Promotion, Research, and Consumer Information Act. Participation in the Request for Referendum is voluntary, and producers should only participate if they wish to request a referendum on the program. The results of the Request for Referendum will be published in a notice in the Federal Register. If at least 10 percent of eligible producers, as determined by USDA, participate in the Request for Referendum, a referendum will be held within one year from that determination.

Interested soybean producers may request a referendum during a four-week period beginning on May 6 and ending May 31, 2019. Form LS-51-1, Soybean Promotion and Research Order Request for Referendum, may be downloaded online, or obtained by mail, fax, or in person from Farm Service Agency (FSA) county offices during this time. Completed forms and supporting documentation must be returned to the appropriate county FSA office by fax or in person no later than close of business May 31, 2019, or if returned by mail, must be postmarked by midnight May 31, 2019, and received in the county FSA office by close of business on June 6, 2019.

For detailed information, including eligibility, read the full AMS announcement. To find your local office, visit www.farmers.gov.

USDA Announces Buy-Up Coverage Availability and New Service Fees for Noninsured Crop Coverage Policies

USDA’s Farm Service Agency (FSA) announced that higher levels of coverage will be offered through the Noninsured Crop Disaster Assistance Program (NAP), a popular safety net program, beginning April 8, 2019. The 2018 Farm Bill also increased service fees and made other changes to the program, including service fee waivers for qualified military veterans interested in obtaining NAP coverage. NAP provides financial assistance to producers of commercial crops for which insurance coverage is not available in order to protect against natural disasters that result in lower yields or crop losses, or prevent crop planting.

NAP Buy-Up Coverage Option
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. NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production. Producers have a one-time opportunity until May 24, 2019, to obtain buy-up coverage for 2019 or 2020 eligible crops for which the NAP application closing date has passed.

Buy-up coverage is not available for crops intended for grazing.

**NAP Service Fees**

For all coverage levels, the new NAP service fee is the lesser of $325 per crop or $825 per producer per county, not to exceed a total of $1,950 for a producer with farming interests in multiple counties. These amounts reflect a $75 service fee increase for crop, county or multi-county coverage. The fee increases apply to obtaining NAP coverage on crops on or after April 8, 2019.

**NAP Enhancements for Qualified Military Veterans**

The 2018 Farm Bill NAP amendments specify that qualified veteran farmers or ranchers are now eligible for a service fee waiver and premium reduction, if the NAP applicant meets certain eligibility criteria. Beginning, limited resource and targeted underserved farmers or ranchers remain eligible for a waiver of NAP service fees and premium reduction when they file form CCC-860, "Socially Disadvantaged, Limited Resource and Beginning Farmer or Rancher Certification."

For NAP application, eligibility and related program information, visit [www.fsa.usda.gov/nap](http://www.fsa.usda.gov/nap) or contact your local USDA Service Center. To locate your local FSA office, visit [www.farmers.gov](http://www.farmers.gov).

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).