USDA Outlines Eligibility for 2019 Supplemental Coverage Option Regarding Elections for Agriculture Risk Coverage and Price Loss Coverage

The U.S. Department of Agriculture’s Risk Management Agency (RMA) announced that producers who purchased or plan to purchase the 2019 Supplemental Coverage Option (SCO) policy should report Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) election intentions to their crop insurance agent by March 15, 2019, or the acreage reporting date, whichever is later.

Producers have the option to elect either ARC or PLC through the Farm Service Agency (FSA) to receive benefits. The 2018 Farm Bill allows producers to make an election in 2019, which covers the 2019 and 2020 crop years.
The Federal Crop Insurance Act prohibits producers from having SCO on farms where they elect ARC. Because of the timing of the Farm Bill, FSA’s ARC/PLC election period will not occur until after the SCO sales closing dates and acreage reporting dates.

Producers who purchased SCO policies with sales closing dates of Feb. 28, 2019, or earlier may cancel their SCO policy by March 15, 2019. This allows producers, particularly those who intend to elect ARC for all their acres, to no longer incur crop insurance costs for coverage for which they will not be eligible.

Producers with SCO coverage now have the option to file an ARC/PLC acreage intention report with their crop insurance agent by the later of the acreage reporting date or March 15, 2019. This report will adjust the acreage report by specifying the intended ARC or PLC election by FSA Farm Number. The number of eligible acres on farms with an intention of PLC will be the number of acres insured for SCO regardless of any actual elections made with FSA. If a producer does not file an ARC/PLC acreage intention report, SCO will cover all acres as though the producer elected PLC.

The existing penalties for misreporting eligible acreage on the SCO endorsement will not apply in 2019.

Additional details about SCO can be found at www.rma.usda.gov.

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

USDA’s Farm Service Agency (FSA) today 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.

“When other insurance coverage is not an option, NAP is a valuable risk mitigation tool for farmers and ranchers,” said FSA Administrator Richard Fordyce. “In agriculture, losses from natural disasters are a matter of when, not if, and having a NAP policy provides a little peace of mind.”

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 Announces January Income over Feed Cost Margin Triggers First 2019 Dairy Safety Net Payment**

The U.S. Department of Agriculture’s Farm Service Agency (FSA) announced that the January 2019 income over feed cost margin was $7.99 per hundredweight, triggering the first payment for eligible dairy producers who purchase the appropriate level of coverage under the new but yet-to-be established Dairy Margin Coverage (DMC) program.

DMC, which replaces the Margin Protection Program for Dairy, is a voluntary risk management program for dairy producers that was authorized by the 2018 Farm Bill. DMC 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.

Agriculture Secretary Sonny Perdue announced that sign up for DMC will open by mid-June of this year. At the time of sign up, producers who elect a DMC coverage level between $8.00 and $9.50 would be eligible for a payment for January 2019.

For example, a dairy operation with an established production history of 3 million pounds (30,000 cwt.) that elects the $9.50 coverage level for 50 percent of its production could potentially be eligible to receive $1,887.50 for January.

Sample calculation:

$9.50 - $7.99 margin = $1.51 difference  
$1.51 times 50 percent of production times 2,500 cwt. (30,000 cwt./12) = $1,887.50

The calculated annual premium for coverage at $9.50 on 50 percent of a 3-million-pound production history for this example would be $2,250.

Sample calculation:

3,000,000 times 50 percent = 1,500,000/100 = 15,000 cwt. times 0.150 premium fee = $2,250

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.
USDA Fruit, Vegetable and Wild Rice Planting Rules Unchanged from Previous Farm Bill

Farm Service Agency (FSA) has announced fruit, vegetable and wild rice provisions that affect producers who intend to participate in certain programs authorized by the Agricultural Act of 2014 as amended by the Agricultural Improvement Act of 2018.

Producers who intend to participate in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs are subject to an acre-for-acre payment reduction when fruits and nuts, vegetables or wild rice are planted on the payment acres of a farm. Payment reductions do not apply to mung beans, dry peas, lentils or chickpeas. Planting fruits, vegetables or wild rice on acres that are not considered payment acres will not result in a payment reduction. Farms that are eligible to participate in ARC/PLC but are not enrolled for a particular year may plant unlimited fruits, vegetables and wild rice for that year but will not receive ARC/PLC payments for that year. Eligibility for succeeding years is not affected.

Planting and harvesting fruits, vegetables and wild rice on ARC/PLC acreage is subject to the acre-for-acre payment reduction when those crops are planted on more than 15 percent of the base acres of a farm enrolled in ARC using the county coverage or PLC, or more than 35 percent of the base acres of a farm enrolled in ARC using the individual coverage.

Fruits, vegetables and wild rice that are planted in a double-cropping practice will not cause a payment reduction if the farm is in a double-cropping region as designated by the USDA’s Commodity Credit Corporation.

Crop Insurance Deadline Nears in Alabama, Florida, Georgia, and South Carolina

Nursery Growers Need to Make Insurance Decisions Soon

USDA’s Risk Management Agency (RMA) reminds Alabama, Florida, Georgia, and South Carolina nursery growers of the upcoming May 1 sales closing date. Current policyholders who wish to make changes to their existing coverage also have until the May 1 sales closing date to do so. Growers applying for the first time may purchase coverage at any time.

Federal crop insurance is critical to the farm safety net. It helps producers and owners manage revenue risks and strengthens the rural economy.

All applications, including those for new or amended coverage, are subject to a 30-day waiting period before coverage begins. Coverage begins 30 days after receipt of a signed application, Plant Inventory Value Report for each insured practice, and two copies of the grower’s most recent wholesale catalog or price list.

Growers are encouraged to visit their crop insurance agent soon to learn specific details for the 2020 crop year. A list of crop insurance agents is available at all USDA Service Centers and online at the RMA Agent Locator. Growers can use the RMA Cost Estimator to get a premium amount estimate of their insurance needs online.
Florida State Technical Committee Meeting

Public, ag producers, natural resource interest groups invited.

Hosted by USDA’s Natural Resources Conservation Service.

May 21, 10 a.m.-12:30 p.m.

Doyle Conner Bldg.
1911 SW 34th ST
Gainesville, Fla.

Contact: Nina Bhattacharyya @ 352-338-9554.

New Improvement to Streamline Crop Reporting

Update Lets Farmers and Ranchers Report Common Acreage Information Once

Farmers and ranchers filing crop acreage reports with the Farm Service Agency (FSA) and participating insurance providers approved by the Risk Management Agency (RMA) now can provide the common information from their acreage reports at one office and the information will be electronically shared with the other location.

This new process is part of the USDA Acreage Crop Reporting Streamlining Initiative (ACRSI). This interagency collaboration also includes participating private crop insurance agents and insurance companies, all working to streamline the information collected from farmers and ranchers who participate in USDA programs.

Once filing at one location, data that’s important to both FSA and RMA will be securely and electronically shared with the other location avoiding redundant and duplicative reporting, as well as saving farmers and ranchers time.

Producers must still visit both their local FSA office and their insurance provider to validate and sign acreage reports, complete maps, or provide program-specific information, including reporting uninsured crops to FSA. The common data from the first-filed acreage report will now be available to pre-populate and accelerate completion of the second report.

USDA has been working to streamline the crop reporting process for agricultural producers, who have expressed concerns with providing the same basic common information for multiple locations. In 2013, USDA consolidated the deadlines to 15 dates for submitting these reports, down from the previous 54 dates at RMA and 17 dates for FSA. USDA representatives believe farmers and ranchers will experience a notable improvement in the coming weeks as they approach the peak season for crop reporting later this summer.

More than 93 percent of all annual reported acres to FSA and RMA now are eligible for the common data reporting, and USDA is exploring adding more crops. Plans are underway at USDA to continue building upon the framework with additional efficiencies at a future date.
Farmers and ranchers are also reminded that they can now access their FSA farm information from the convenience of their home computer. Producers can see field boundaries, images of the farm, conservation status, operator and owner information and much more.

The new customer self-service portal, known as FSAFarm+, gives farmers and ranchers online access to securely view, print or export their personal farm data. To enroll in the online service, producers are encouraged to contact their local FSA office for details. To find a local FSA office in your area, visit http://offices.usda.gov.

Reminder to FSA Direct and Guaranteed Borrowers with Real Estate Security

Farm Service Agency would like to remind farm loan borrowers who have pledged real estate as security for their loans, of key items for maintaining loan collateral. It is required that borrowers must obtain prior consent, or approval, by either FSA, for direct loans, or by a guaranteed lender, for any transaction affecting real estate security. Examples of these transactions include, but are not limited to:

- Leases of any kind;
- Easements of any kind;
- Subordinations;
- Partial releases, and
- Sales

Failure to meet or follow the requirements set forth in the loan agreement, promissory note, and other security instruments could lead to nonmonetary default which could jeopardize your current and future loans.

It is critical that borrowers keep an open line of communication with their FSA loan staff or guaranteed lender when it comes to changes in their operation. For more information on borrower responsibilities, read Your FSA Farm Loan Compass.

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.

USDA and SCORE Joining Forces to Find Mentors

If you are a farmer or rancher, or have agricultural or business experience, join us in supporting the next generation and in investing in your local community! Your experiences and knowledge as a business owner, agricultural professional, or farmer can provide vital support to the community you live in.

USDA is collaborating with SCORE – www.score.org - the nation’s largest network of volunteer, expert business mentors in an effort to expand the field of available agricultural mentors and provide free business mentoring to farmers, ranchers, and other agricultural and rural business owners. SCORE is currently looking for volunteers with experience in an agriculture-related field who would like to become a part of an extended field of volunteers. The organization’s Orientation and Mentoring Certification program provides volunteers with everything needed to be a successful volunteer. Training includes background about SCORE’s mission and services, as well as guidance on how to be a business mentor, including enhancement of listening, interviewing and problem-solving skills.

Current SCORE volunteer mentors have backgrounds in finance, accounting, marketing, operations, business and financial planning. The mentors provide local expertise and free one-on-one business mentoring to new and existing farmers and business owners. Together they work through the process of starting up or maintaining agricultural and rural businesses. No matter what stage a business is in, SCORE volunteer mentors can help in developing business plans, navigating financing and legal issues, identifying new markets, and other topics, in order to help their clients succeed. FSA invites you to learn more and sign up to become a mentor today at https://newfarmers.usda.gov/mentorship.

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).