USDA Opens 2020 Enrollment for Dairy Margin Coverage Program; Ends Dec. 13, 2019

Dairy producers can now enroll in the Dairy Margin Coverage (DMC) 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.

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

Next State Committee Meeting: TBA

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 visit the office during this signup period to pay the annual administrative fee.

Dairy producers should definitely consider coverage for 2020 as even the slightest drop in the margin can trigger payments.

---

**Voting is Underway for 2019 Farm Service Agency County Committee Elections**

The U.S. Department of Agriculture began mailing ballots on Nov. 4 to eligible farmers and ranchers across the country for the Farm Service Agency county committee elections.

“Our county committee members play a key role in our efforts to provide assistance to producers,” said FSA Administrator Richard Fordyce. “We value the local input of the over 7,000 members nationwide who provide their valuable knowledge and judgment as decisions are made about the services we provide, including disaster and emergency programs.”

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

---

**Communication is Key in Lending**

Farm Service Agency (FSA) is committed to providing our farm loan borrowers the tools necessary to be a success. A part of ensuring this success is providing guidance and counsel from the loan application process through the borrower’s graduation to commercial lending institutions. While it is FSA’s commitment to advise borrowers as they identify goals and evaluate progress, it is crucial for borrowers to communicate with their farm loan staff when changes occur. It is the borrower’s responsibility to alert FSA 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

In addition, if a farm loan borrower cannot make payments to suppliers, other creditors, or FSA on time, contact your farm loan staff immediately to discuss loan servicing options. For more information on FSA farm loan programs, visit www.fsa.usda.gov.

**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.

**Maintaining the Quality of Farm-Stored Loan Grain**

Bins are ideally designed to hold a level volume of grain. When bins are overfilled and grain is heaped up, airflow is hindered and the chance of spoilage increases.

Producers who take out marketing assistance loans and use the farm-stored grain as collateral should remember that they are responsible for maintaining the quality of the grain through the term of the loan.

**Unauthorized Disposition of Grain**

If loan grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties for unauthorized dispositions are severe and a producer’s name will be placed on a loan violation list for a two-year period. Always call before you haul any grain under loan.
Higher Limits Now Available on USDA Farm Loans

Higher limits are now available for borrowers interested in USDA’s farm loans, which help agricultural producers purchase farms or cover operating expenses. The 2018 Farm Bill increased the amount that producers can borrow through direct and guaranteed loans available through USDA’s Farm Service Agency (FSA) and made changes to other loans, such as microloans and emergency loans.

Key changes include:

- The Direct Operating Loan limit increased from $300,000 to $400,000, and the Guaranteed Operating Loan limit increased from $1.429 million to $1.75 million. Operating loans help producers pay for normal operating expenses, including machinery and equipment, seed, livestock feed, and more.
- The Direct Farm Ownership Loan limit increased from $300,000 to $600,000, and the Guaranteed Farm Ownership Loan limit increased from $1.429 million to $1.75 million. Farm ownership loans help producers become owner-operators of family farms as well as improve and expand current operations.
- Producers can now receive both a $50,000 Farm Ownership Microloan and a $50,000 Operating Microloan. Previously, microloans were limited to a combined $50,000. Microloans provide flexible access to credit for small, beginning, niche, and non-traditional farm operations.
- Producers who previously received debt forgiveness as part of an approved FSA restructuring plan are now eligible to apply for emergency loans. Previously, these producers were ineligible.
- Beginning and socially disadvantaged producers can now receive up to a 95 percent guarantee against the loss of principal and interest on a loan, up from 90 percent.

Dates to Remember

- November 28, 2019 - FSA offices closed
- December 25, 2019 - FSA offices closed
- January 1, 2020 - FSA offices closed
- January 20, 2020 - FSA offices closed
- February 17, 2020 - FSA offices closed

Selected Interest Rates for November 2019

<table>
<thead>
<tr>
<th>90-Day Treasury Bill</th>
<th>2.000%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm Operating Loans — Direct</td>
<td>2.500%</td>
</tr>
<tr>
<td>Farm Ownership Loans — Direct</td>
<td>3.000%</td>
</tr>
<tr>
<td>Farm Ownership Loans — Direct</td>
<td>3.000%</td>
</tr>
<tr>
<td>Emergency Loans</td>
<td>3.500%</td>
</tr>
<tr>
<td>Farm Ownership Loans — Direct</td>
<td>1.500%</td>
</tr>
<tr>
<td>Down Payment, Beginning Farmer or Rancher</td>
<td>1.500%</td>
</tr>
</tbody>
</table>

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).