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Farm Service Agency Electronic News Service

NEWSLETTER

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New Jersey State FSA Newsletter

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Visit the
New Jersey FSA
website for more
information at
www.fsa.usda.gov/nj

See all our program deadlines here:
<https://www.fsa.usda.gov/state-offices/New-Jersey/state-events/index>

NAP Buy-Up Payment Limitation Increased to \$300,000, Sign Up Ends May 24th

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. 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 as well as wholesale 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. In all cases an additional premium for buy-up coverage will be charged based on the farmer's specific plan but will never exceed \$15,750 for all crops.

Click [here](#) to see an example of a premium calculation.

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.

Make sure to ask your office if you qualify for the Direct Market Price (DMP) option.

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 or contact your local USDA Service Center. To locate your local FSA office, visit www.farmers.gov.

USDA Announces New Decision Tool for New Dairy Margin Coverage Program

USDA announced today the availability of a new [web-based tool](#) – developed in partnership with the University of Wisconsin – to help dairy producers evaluate various scenarios using different coverage levels through the new [Dairy Margin Coverage](#) (DMC) program.

The 2018 Farm Bill authorized DMC, a voluntary risk management program that offers financial 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. It replaces the program previously known as the Margin Protection Program for Dairy. Sign up for this USDA Farm Service Agency (FSA) program opens on June 17.

The University of Wisconsin launched the decision support tool in cooperation with FSA and funded through a cooperative agreement with the USDA Office of the Chief Economist. The tool was designed to help producers determine the level of coverage under a variety of conditions that will provide them with the strongest financial safety net. It allows farmers to simplify their coverage level selection by combining operation data and other key variables to calculate coverage needs based on price projections.

The decision tool assists producers with calculating total premiums costs and administrative fees associated with participation in DMC. It also forecasts payments that will be made during the coverage year.

For more information, access the tool at fsa.usda.gov/dmc-tool. For DMC sign up, eligibility and related program information, visit fsa.usda.gov or contact your local [USDA Service Center](#).

Tree Assistance Program (TAP) Sign-up

Orchardists and nursery tree growers who experienced losses from natural disasters during calendar year 2019 must submit a TAP application either 90 calendar days after the disaster event or the date when the loss is apparent.

TAP provides financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes and vines damaged by natural disasters.

Eligible tree types include trees, bushes or vines that produce an annual crop for commercial purposes. Nursery trees include ornamental, fruit, nut and Christmas trees that are produced for commercial sale. Trees used for pulp or timber are ineligible.

To qualify for TAP, orchardists must suffer a qualifying tree, bush or vine loss in excess of 15 percent mortality from an eligible natural disaster, plus an adjustment for normal mortality. The eligible trees, bushes or vines must have been owned when the natural disaster occurred; however, eligible growers are not required to own the land on which the eligible trees, bushes and vines were planted.

If the TAP application is approved, the eligible trees, bushes and vines must be replaced within 12 months from the date the application is approved. The cumulative total quantity of acres planted to trees, bushes or vines, for which a producer can receive TAP payments, cannot exceed 1,000 acres annually.

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.

About Farm Loans

Direct farm loans, which include microloans and emergency loans, are financed and serviced by FSA, while guaranteed farm loans are financed and serviced by commercial lenders. For guaranteed loans, FSA provides a guarantee against possible financial loss of principal and interest.

For more information on FSA farm loans, visit www.fsa.usda.gov or contact your [local USDA service center](#).

May 2019 Interest Rates

- [Operating Loan](#) – 3.500%
- [Operating Microloan](#) – 3.500%
- [Farm Ownership Loan](#) – 4.000%
- [Farm Ownership Microloan](#) – 4.000%
- [Emergency Loans](#) (Actual Loss) - 3.750%.

Loans from 2.25 % on Storage and Handling Trucks

Farm Storage Facility Loans (FSFL) provide low-interest financing so producers can build or upgrade facilities to store commodities. Some storage and handling trucks are eligible for the FSFL. These include:

- **Cold Storage Trucks**-A van or truck designed to carry perishable freight at specific temperatures. Cold storage trucks can be ice-cooled or equipped with any variety of mechanical refrigeration systems.
- **Flatbed Trucks**-Truck with an open body in the form of a platform with no side walls for easy loading and unloading. These trucks can be categorized into different sizes which range from light, medium, or heavy duty, compact or full-size, or short and expandable beds.
- **Grain Trucks**-A piece of farm equipment specially made to accommodate grain products and are traditionally truck chassis units with a mounted grain "dump" body where grain commodities are transported from a field to either a grain elevator or a storage bin.
- **Storage Trucks with a Chassis Unit**-Commonly referred to as a box truck, box van or straight truck, is a truck with a cargo body mounted on the same chassis with the engine and cab.

To be eligible for FSFL, the storage and handling truck must be less than 15 years old and have a maximum of four axles with a gross weight rating of 60,000 pounds or less. Pick-up trucks, semi-trucks, dump trucks, and simple insulated and ventilated vans are ineligible for FSFL.

FSFL for storage and handling trucks must be \$100,000 or less. FSFL-financed storage and handling trucks must be used for the purpose for which they were acquired for the entire FSFL term.

Eligible commodities include grains, oilseeds, pulse crops, hay, honey, renewable biomass commodities, fruits and vegetables, floriculture, hops, maple sap, milk, cheese, yogurt, butter, eggs, meat/poultry (unprocessed), rye and aquaculture.

For more information or to apply for a [FSFL](#), contact your local [FSA Service Center](#).

FSFL Rates for May 2019

- 3 & 5 year loans – 2.250% (Available for new or used storage and handling trucks)
- 7 year loan – 2.375% (Only available for new storage and handling trucks)
- 10 & 12 year loans – 2.500% (**Not** available for storage and handling trucks)

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).