The 2018 Farm Bill authorized Dairy Margin Coverage (DMC), a voluntary risk management program that offers financial assistance 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 Noninsured Crop Disaster Assistance Program (NACP), 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.

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.

The University of Wisconsin launched the decision support tool in cooperation with FSA and funded by the USDA Office of the Chief Economist. The tool was 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.

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

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 white potatoes will have the ability to 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.

NAP Buy-Up Coverage Option

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 $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 service fee waiver and premium reduction when they file form CCC-860, “Beginning, Limited Resource and Targeted Underserved Farmers or Rancher Certification.”

For application, eligibility and related program information, visit www.fsa.usda.gov 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 that is best for their operation and 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.
**Higher Limits Now Available on USDA Farm Loans**

Higher limits are now available for borrowers interested in USDA farm loans, which help agricultural producers purchase-farm 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. Privately, 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](http://www.fsa.usda.gov) or contact your local USDA service center.

**May 2019 Interest Rates**

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Loan – 3.500%</td>
<td></td>
</tr>
<tr>
<td>Operating Microloan – 3.500%</td>
<td></td>
</tr>
<tr>
<td>Farm Ownership Loan – 4.000%</td>
<td></td>
</tr>
<tr>
<td>Farm Ownership Microloan – 4.000%</td>
<td></td>
</tr>
<tr>
<td>Emergency Loans (Actual Loss) - 3.750%</td>
<td></td>
</tr>
</tbody>
</table>

**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), fish and aquaculture.

For more information or to apply for a FSFL, contact your local FSA Service Center.

**FSFL Rates for May 2019**

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 &amp; 5 year loans</td>
<td>2.250%</td>
</tr>
<tr>
<td>7 year loan</td>
<td>2.375%</td>
</tr>
<tr>
<td>10 &amp; 12 year loans</td>
<td>2.500%</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).