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Farm Service Agency **Electronic News Service**

NEWSLETTER

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Pennsylvania Farm Service Agency

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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,

Barron (Boots) Hetherington

producers who elect a DMC coverage level between \$8.00 and \$9.50 would be eligible for a payment for January 2019.

Bill Hoover

Division Chiefs:
Rebecca Csutoras
Farm Programs

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.

David Poorbaugh:
Farm Loan Programs

Sample calculation:

$\$9.50 - \$7.99 \text{ margin} = \$1.51 \text{ difference}$

Please contact your local FSA Office for questions specific to your operation or county. For local FSA service center contact information, please visit: <http://offices.usda.gov>

$\$1.51 \text{ times } 50 \text{ percent of production times } 2,500 \text{ cwt. (30,000 cwt./12)} = \$1,887.50$

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:

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

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.

Additional details about DMC and other FSA farm bill program changes can be found at farmers.gov/farmbill.

Update Your Records

FSA is cleaning up our producer record database. If you have any unreported changes of address, zip code, phone number, email address or an incorrect name or business name on file they need to be reported to our office. Changes in your farm operation, like the addition of a farm by lease or purchase, need to be reported to our office as well. Producers participating in FSA and NRCS programs are required to timely report changes in their farming operation to the County Committee in writing and update their CCC-902 Farm Operating Plan.

If you have any updates or corrections, please call your local FSA office to update your records.

USDA Makes it Easier to Transfer Land to the Next Generation of Farmers and Ranchers

Allows for Transfer of Certain Conservation Reserve Program Land to New Farmers; Provides Priority Enrollment in Working Lands Conservation Programs

U.S. Department of Agriculture (USDA) is offering an early termination opportunity for certain Conservation Reserve Program (CRP) contracts, making it easier to transfer property to the next generation of farmers and ranchers, including family members. The land that is eligible for the early termination is among the least environmentally sensitive land enrolled in CRP.

Normally if a landowner terminates a CRP contract early, they are required to repay all previous payments plus interest. The new policy waives this repayment if the land is transferred to a beginning farmer or rancher through a sale or lease with an option to buy. With CRP enrollment close to the Congressionally-mandated cap of 24 million acres, the early termination will also allow USDA to enroll other land with higher conservation value elsewhere.

Acres terminated early from CRP under these land tenure provisions will be eligible for priority enrollment consideration into the CRP Grasslands, if eligible; or the Conservation Stewardship Program or Environmental Quality Incentives Program, as determined by the Natural Resources Conservation Service.

According to the Tenure, Ownership and Transition of Agricultural Land survey, conducted by USDA in 2014, U.S. farmland owners expect to transfer 93 million acres to new ownership during 2015-2019. This represents 10 percent of all farmland across the nation. Details on the early termination opportunity will be available starting on Jan. 9, 2017, at local USDA service centers. For more information about CRP and to find out if your acreage is eligible for early contract termination, contact your local Farm Service Agency (FSA) office or go online at www.fsa.usda.gov/crp.

USDA Encourages Producers to Consider NAP Risk Protection Coverage before Crop Sales Deadlines

The Farm Service Agency encourages producers to examine available USDA crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the applicable crop sales deadline.

Producers are reminded that crops not covered by insurance may be eligible for NAP. Beginning, underserved and limited resource farmers are now eligible for free catastrophic level coverage.

Federal crop insurance covers crop losses from natural adversities such as drought, hail and excessive moisture. NAP covers losses from natural disasters on crops for which no permanent federal crop insurance program is available, including perennial grass forage and grazing crops, fruits, vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

Producers can determine if crops are eligible for federal crop insurance or NAP by visiting <https://webapp.rma.usda.gov/apps/ActuarialInformationBrowser2018/CropCriteria.aspx>.

NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production.

Deadlines for coverage vary by state and crop. To learn more about NAP visit www.fsa.usda.gov/nap or contact your local USDA Service Center. To find your local USDA Service Centers go to <http://offices.usda.gov>.

Federal crop insurance coverage is sold and delivered solely through private insurance agents. Agent lists are available at all USDA Service Centers or at USDA's online Agent Locator: <http://prodwebnlb.rma.usda.gov/apps/AgentLocator/#>. Producers can use the USDA Cost Estimator, <https://ewebapp.rma.usda.gov/apps/costestimator/Default.aspx>, to predict insurance premium costs.

Producers are Encouraged to Report Prevented Planting and Failed Acres

USDA Farm Service Agency (FSA) reminds producers to report prevented planting and failed acres in order to establish or retain FSA program eligibility for some programs.

Producers should report crop acreage they intended to plant, but due to natural disaster, were prevented from planting. Prevented planting acreage must be reported on form *CCC-576, Notice of Loss*, no later than 15 calendar days after the final planting date as established by FSA and Risk Management Agency (RMA).

Contact your local FSA office for a list of final planting dates by crop.

If a producer is unable to report the prevented planting acreage within the 15 calendar days following the final planting date, a late-filed report can be submitted. Late-filed reports will only be accepted if FSA conducts a farm visit to assess the eligible disaster condition that prevented the crop from being planted. A measurement service fee will be charged.

Additionally, producers with failed acres should also use form *CCC-576, Notice of Loss*, to report failed acres.

Producers of hand-harvested crops must notify FSA of damage or loss through the administrative County Office within 72 hours of the date of damage or loss first becomes apparent. This notification can be provided by filing a *CCC-576*, email, fax or phone. Producers who notify the County Office by any method other than by filing the *CCC-576* are still required to file a *CCC-576, Notice of Loss*, within the required 15 calendar days.

For losses on crops covered by the Non-Insured Crop Disaster Assistance Program (NAP), producers must file a *Notice of Loss* within 15 days of the occurrence of the disaster or when losses become apparent. Producers must timely file a *Notice of Loss* for failed acres on all crops including grasses.

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](#).

March 2019 Interest Rates

Farm Operating Loans - Direct:	3.500 %
Farm Operating Loans - Microloan:	3.500 %
Farm Ownership Loans	
Direct:	4.000 %
Microloan:	4.000 %
Joint Financing:	2.500 %
Direct Down Payment, Beginning Farmer or Rancher:	1.500 %
Emergency Loans:	3.750 %

Farm Storage Facility Loans

Farm Storage Facility Loans (3 Year Term):	2.500 %
Farm Storage Facility Loans (5 Year Term):	2.500 %
Farm Storage Facility Loans (7 Year Term):	2.625 %
Farm Storage Facility Loans (10 Year Term):	2.750 %

Farm Storage Facility Loans (12 Year Term): 2.750 %

Commodity Loans 3.625 %

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).

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