

November 2019



Farm Service Agency **Electronic News Service**

NEWSLETTER

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Topics for November

South Carolina Farm Service Agency

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State Committee:
Anthony Grant, Chairperson
Robert Battle
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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.

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

Administrative Officer:

Kenn Jameson

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

Farm Programs Chief:

Amy Turner

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

Farm Loan Programs Chief:

William Shelley

More Information

The 2018 Farm Bill created DMC, improving on the previous safety net for dairy producers. DMC is one of many programs that FSA and other USDA agencies are implementing to support America's farmers.

Producers can contact their [local FSA Office](#) for more information or to schedule an appointment.

For more information on enrolling in DMC and taking advantage of an online dairy decision tool that assists producers in selecting coverage for 2020, visit the [DMC webpage](#).

Important Dates and Deadlines:

For additional questions and assistance, contact your local USDA service center. To locate your local FSA office, visit farmers.gov/service-locator.

November 28, 2019 - Offices closed for Thanksgiving Day

December 15, 2019 - NAP Application Closing Date for Artichokes, Asparagus, Beets, Broccoli, Brussel Sprouts, Cabbage, Carrots, Cauliflower, Greens (All), Herbs (All), Kohlrabi, Leeks, Lettuce, Green Onions, Peas (All), Potatoes, Radishes, Rutabagas, Turnips.

Voting is Underway for 2019 Farm Service Agency County Committee Elections

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

County committee members play a key role at FSA. Over 7,000 members nationwide provide their valuable knowledge and judgment on decisions made about FSA services, including disaster and emergency programs.

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

Noninsured Crop Coverage Policies for Crop Year 2020

Buy-up levels of coverage will be offered for Crop Year 2020 through the Noninsured Crop Disaster Assistance Program (NAP), a popular safety net program. 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.

Buy-up coverage is not available for crops intended for grazing.

NAP Service Fees

For all coverage levels, the 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. An additional premium payment is required for buy-up coverage levels.

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.

2019 Livestock Forage Losses

Producers in Abbeville, Aiken, Allendale, Anderson, Bamberg, Barnwell, Calhoun, Cherokee, Chester, Greenville, Hampton, Kershaw, Lancaster, Laurens, Lexington, Oconee, Orangeburg, Pickens, Richland, Spartanburg, Union, and York Counties are eligible to apply for 2019 Livestock Forage Disaster Program (LFP) benefits on native pasture, improved pasture, annual ryegrass, forage sorghum.

LFP provides compensation to eligible livestock producers who suffer grazing losses for covered livestock due to drought on privately owned or cash leased land or fire on federally managed land.

County committees can only accept LFP applications after notification is received by the National Office of qualifying drought or if a federal agency prohibits producers from grazing normal permitted livestock on federally managed lands due to qualifying fire.

Eligible livestock producers must complete a CCC-853 and the required supporting documentation no later than January 30, 2020, for 2019 losses.

Additional Information about LFP, including eligible livestock and fire criteria, is available at your local FSA office or online at: 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.

2018 Crop Year ARC and PLC Payments

FSA began processing payments last week for 2018 ARC-County (ARC-CO) and PLC on covered commodities that met payment triggers on enrolled farms in the 2018 crop year. In addition to the \$1.5 billion now in process, FSA anticipates it will issue another \$1 billion in November once USDA's National Agricultural Statistics Service publishes additional commodity prices for the 2018 crop.

Producers who had 2018 covered commodities enrolled in ARC-CO can visit www.fsa.usda.gov/arc-plc for payment rates applicable to their county and each covered commodity. For farms and covered

commodities enrolled in 2018 PLC, the following crops met payment triggers: barley, canola, corn, dry peas, grain sorghum, lentils, peanuts, and wheat.

Oats and soybeans did not meet 2018 PLC payment triggers.

2018 PLC payment rates for the following covered commodities have not been determined: crambe, flaxseed, large and small chickpeas, long and medium grain rice, mustard seed, rapeseed, safflower, seed cotton, sesame seed, sunflower seed and temperate Japonica rice.

More Information

For more information on ARC and PLC including two online decision tools that assist producers in making enrollment and election decisions specific to their operations, visit the [ARC and PLC webpage](#).

Farm Storage Facility Loans

FSA's Farm Storage Facility Loan (FSFL) program provides low-interest financing to producers to build or upgrade storage facilities and to purchase portable (new or used) structures, equipment and storage and handling trucks.

The low-interest funds can be used to build or upgrade permanent facilities to store commodities. Eligible commodities include corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley, minor oilseeds harvested as whole grain, pulse crops (lentils, chickpeas and dry peas), hay, honey, renewable biomass, fruits, nuts and vegetables for cold storage facilities, floriculture, hops, maple sap, rye, milk, cheese, butter, yogurt, meat and poultry (unprocessed), eggs, and aquaculture (excluding systems that maintain live animals through uptake and discharge of water). Qualified facilities include grain bins, hay barns and cold storage facilities for eligible commodities.

Loans up to \$50,000 can be secured by a promissory note/security agreement. Loans exceeding \$100,000 require additional security.

Producers do not need to demonstrate the lack of commercial credit availability to apply. The loans are designed to assist a diverse range of farming operations, including small and mid-sized businesses, new farmers, operations supplying local food and farmers markets, non-traditional farm products, and underserved producers.

To learn more about the FSA Farm Storage Facility Loan, visit www.fsa.usda.gov/pricesupport, or contact your local FSA county office. To find your local FSA county office, visit <http://offices.usda.gov>.

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.

Carolina Hemp Conference part of SC AgriBiz & Farm Expo

The 8th annual SC AgriBiz & Farm Expo is set for Wednesday and Thursday, Jan. 15 – 16 at the Florence Center in Florence, S.C. For the first time, The SC AgriBiz & Farm Expo will include a two-day Carolina Hemp Conference to address all facets of this burgeoning new crop for the Carolinas. In addition to hemp production, the 2020 expo will focus on various ways of handling challenges on the farm as well as numerous means and methods to address diversity in today's farming operation.

In keeping with the expo's theme of "thriving through innovation," the Carolina Hemp Conference is designed to answer all questions current or would be hemp producers may have. Hemp presentation topics will include subjects relative to production, diseases, crop insurance, processing, packaging, marketing and how this new commodity will be regulated.

The expo will kick off with a Farmer Appreciation Breakfast at 8:30AM on Wednesday, January 15th followed by an informative general session; educational classes and trade show beginning at 10 a.m.

The Taste of SC will conclude the Wednesday evening activities and run from 6:15 to 8:30 at the Florence Center. Tickets are \$25. "This is an outstanding opportunity to network and visit with ag leaders and agribusiness supporters," says show coordinator Miriam Pflug.

On Thursday, January 16, South Carolina Commissioner of Agriculture Hugh Weathers will kick off the day with the annual Commissioner's Breakfast at 8 a.m. Commissioner Weathers will bring ag news from around the state and address changes and the future of agriculture in South Carolina.

For more information, go to the expo website at www.scagribizexpo.com.

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