Opportunity to Request a Referendum: Soybean Promotion, Research, and Information Program

The USDA Agricultural Marketing Service (AMS) announced that soybean producers may request a referendum on the Soybean Promotion and Research Order, as authorized under the Soybean Promotion, Research, and Consumer Information Act. Participation in the Request for Referendum is voluntary, and producers should only participate if they wish to request a referendum on the program.

The results of the Request for Referendum will be published in a notice in the Federal Register. If at least 10 percent of eligible producers, as determined by USDA, participate in the Request for Referendum, a referendum will be held within one year from that determination.

Interested soybean producers may request a referendum during a four-week period beginning on May 6 and ending May 31, 2019. Form LS-51-1, Soybean Promotion and Research Order Request
To find contact information for your local office go to www.fsa.usda.gov/vt.

Completed forms and supporting documentation must be returned to the appropriate county FSA office by fax or in person no later than close of business May 31, 2019, or if returned by mail, must be postmarked by midnight May 31, 2019, and received in the county FSA office by close of business on June 6, 2019.

For detailed information, including eligibility, read the full AMS announcement. To find your local office, visit www.farmers.gov.

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**USDA Announces New Decision Tool for New Dairy Margin Coverage Program**

USDA announced 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.

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**USDA Announces March Income over Feed Cost Margin Triggers Third 2019 Dairy Safety Net Payment**

Dairy Margin Coverage Program Sign-Up Begins June 17

USDA’s Farm Service Agency (FSA) announced this week that the March 2019 income over feed cost margin was $8.85 per hundredweight (cwt.), triggering the third payment for dairy producers
who purchase the appropriate level of coverage under the new Dairy Margin Coverage (DMC) program.

DMC, which replaces the Margin Protection Program for Dairy (MPP-Dairy), 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.

The signup period for DMC opens June 17, 2019. Dairy producers who elect a DMC coverage level between $9 and $9.50 would be eligible for a payment for January, February and March 2019.

For example, a dairy operation that chooses to enroll an established production history of 3 million pounds (30,000 cwt.) and elects the $9.50 coverage level on 95 percent of production would receive $1,543.75 for March.

Sample calculation:
$9.50 - $8.85 margin = $0.65 difference
$0.65 x 95 percent of production x 2,500 cwt. (30,000 cwt./12) = $1,543.75

DMC premiums are paid annually. The calculated annual premium for coverage at $9.50 on 95 percent of a 3-million-pound production history for this example would be $4,275.

Sample calculation:
3,000,000 x 95 percent = 2,850,000/100 = 28,500 cwt. x 0.150 premium fee = $4,275

The dairy operation in the example calculation will pay $4,275 in total premium payments for all of 2019 and receive $8,170 in DMC payments for January, February and March combined. Additional payments will be made if calculated margins remain below the $9.50/cwt level.

All participants are also required to pay an annual $100 administrative fee in addition to any premium, and payments will be subject to a 6.2 percent reduction to account for federal sequestration.

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. For the example above, this would reduce the annual premium by $1,068.75.

About DMC

On December 20, 2018, President Trump signed into law the 2018 Farm Bill, which provides support, certainty and stability to our nation’s farmers, ranchers and land stewards by enhancing farm support programs, improving crop insurance, maintaining disaster programs and promoting and supporting voluntary conservation. FSA is committed to implementing these changes as quickly and effectively as possible, and today’s updates are part of meeting that goal.

Recently, FSA announced the availability of the DMC decision support tool as well as repayment options for producers who were enrolled in MPP-Dairy.

For DMC signup, eligibility and related dairy program information, visit the DMC webpage or contact your local USDA service center. To locate your local FSA office, visit farmers.gov/service-locator.
USDA Accepting Applications to Help Cover Producers’ Costs for Organic Certification

USDA’s Farm Service Agency (FSA) announced that organic producers and handlers can apply for federal funds to assist with the cost of receiving and maintaining organic certification through the Organic Certification Cost Share Program (OCCSP). Applications for fiscal 2019 funding are due Oct. 31, 2019.

OCCSP received continued support through the 2018 Farm Bill. It provides cost-share assistance to producers and handlers of agricultural products for the costs of obtaining or maintaining organic certification under the USDA’s National Organic Program. Eligible producers include any certified producers or handlers who have paid organic certification fees to a USDA-accredited certifying agent. Eligible expenses for cost-share reimbursement include application fees, inspection costs, fees related to equivalency agreement and arrangement requirements, travel expenses for inspectors, user fees, sales assessments and postage.

Certified producers and handlers are eligible to receive reimbursement for up to 75 percent of certification costs each year, up to a maximum of $750 per certification scope, including crops, livestock, wild crops, handling and state organic program fees.

Opportunities for State Agencies

Today’s announcement also includes the opportunity for state agencies to apply for grant agreements to administer the OCCSP program in fiscal 2019. State agencies that establish agreements for fiscal year 2019 may be able to extend their agreements and receive additional funds to administer the program in future years.

FSA will accept applications from state agencies for fiscal year 2019 funding for cost-share assistance through May 29, 2019.

More Information

To learn more about organic certification cost share, please visit the OCCSP webpage, view the notice of funds availability on the Federal Register, or contact your FSA county office. To learn more about USDA support for organic agriculture, visit usda.gov/organic.

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.

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).