

September 2017



Farm Service Agency **Electronic News Service**

# NEWSLETTER

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## Washington State FSA Newsletter

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### Washington State Farm Service Agency

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**State Executive Director:**  
Vacant

### Dairy Producers Can Enroll for 2018 Coverage

Secretary Allows Producers to Opt Out

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) announced that starting Sept. 1, 2017, dairy producers can enroll for 2018 coverage in the Margin Protection Program (MPP-Dairy). Secretary Sonny Perdue has utilized additional flexibility this year by providing dairy producers the option of opting out of the program for 2018.

To opt out, a producer should not sign up during the annual registration period. By opting out, a producer would not receive any

**State Committee:**

Don Olmstead J., Chair  
Larry DeHaan, Member  
Jesus Limon, Member  
Sheryl Hagen-Zakarison,  
Member

To find contact information for  
your local office go to  
[www.fsa.usda.gov/wa](http://www.fsa.usda.gov/wa)

MPP-Dairy benefits if payments are triggered for 2018. Full details will be included in a subsequent Federal Register Notice. The decision would be for 2018 only and is not retroactive.

The voluntary program, established by the 2014 Farm Bill, provides financial assistance to participating dairy producers when the margin – the difference between the price of milk and feed costs – falls below the coverage level selected by the producer.

MPP-Dairy gives participating dairy producers the flexibility to select coverage levels best suited for their operation. Enrollment ends on Dec. 15, 2017, for coverage in calendar year 2018. Participating farmers will remain in the program through Dec. 31, 2018, and pay a minimum \$100 administrative fee for 2018 coverage. Producers have the option of selecting a different coverage level from the previous coverage year during open enrollment.

Dairy operations enrolling in the program must meet conservation compliance provisions and cannot participate in the Livestock Gross Margin Dairy Insurance Program. Producers can mail the appropriate form to the producer's administrative county FSA office, along with applicable fees, without necessitating a trip to the local FSA office. If electing higher coverage for 2018, dairy producers can either pay the premium in full at the time of enrollment or pay 100 percent of the premium by Sept. 1, 2018. Premium fees may be paid directly to FSA or producers can work with their milk handlers to remit premiums on their behalf.

USDA has a web tool to help producers determine the level of coverage under the MPP-Dairy that will provide them with the strongest safety net under a variety of conditions. The online resource, available at [www.fsa.usda.gov/mpptool](http://www.fsa.usda.gov/mpptool), allows dairy farmers to quickly and easily combine unique operation data and other key variables to calculate their coverage needs based on price projections. Producers can also review historical data or estimate future coverage based on data projections. The secure site can be accessed via computer, Smartphone, tablet or any other platform, 24 hours a day, seven days a week.

For more information, visit FSA online at [www.fsa.usda.gov/dairy](http://www.fsa.usda.gov/dairy) or stop by a local FSA office to learn more about the MPP-Dairy.

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## **USDA and SCORE Launch Innovative Mentorship Effort to Support New Farmers and Ranchers**

U.S. Agriculture Secretary Sonny Perdue signed a Memorandum of Understanding with officials from SCORE, the nation's largest volunteer network of expert business mentors, to support new and

beginning farmers. The agreement provides new tools to help farmers and ranchers grow and thrive in agri-business.

“Shepherding one generation to the next is our responsibility. We want to help new farmers, veterans, and people transitioning from other industries to agriculture,” said Secretary Perdue. “They need land, equipment, and access to capital, but they also need advice and guidance. That's what SCORE is all about.”

SCORE matches business professionals and entrepreneurs with new business owners to mentor them through the process of starting-up and maintaining a new business. USDA and its partners across rural America are working with SCORE to support new farming and ranching operations, and identify and recruit mentors with a wealth of agricultural experience.

SCORE mentors will partner with USDA and a wide array of groups already hard at work serving new and beginning farmers and ranchers, such as the Future Farmers of America, 4-H, Cooperative Extension and land grant universities, nonprofits, legal aid groups, banks, technical and farm advisors. These partnerships will expand and integrate outreach and technical assistance between current and retired farmers and agri-business experts and new farmers.

This joint initiative leverages SCORE's 10,000 existing volunteer mentors and USDA's expertise and presence in agricultural communities to bring no-cost business mentoring to rural and agricultural entrepreneurs. This initiative will also be another tool to empower the work of many community-based organizations, Cooperative Extension and land grant universities, working with beginning farmers in their communities. SCORE mentorship will also be available to current farmers and ranchers. Anyone interested in being a mentor can get more information and sign up on the USDA New Farmers' website at <https://newfarmers.usda.gov/mentorship>.

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## **2016 PLC Payment Rates and ARC Actual Prices for Wheat, Barley and Oats**

The Agricultural Act of 2014 provides for payments for covered commodities through the Price Loss Coverage (PLC) program when the market year average price is below the reference price. Agriculture Risk Coverage (ARC) program payments are triggered when the actual revenue is below the guarantee established for the program.

The Marketing Year Average (MYA) price for wheat, barley and oats was announced June 29, resulting in a PLC payment rate of \$1.61 per bushel for 2016 wheat and \$0.34 per bushel for 2016 oats. There is no PLC payment on 2016 barley.

For Agriculture Loss Coverage – County (ARC-CO), actual crop revenue is calculated by multiplying the actual average yield for

your county times the higher of the MYA price or the national loan rate. For 2016, the following prices have been set – wheat at \$3.89 per bushel; barley at \$4.96 per bushel; and oats at \$2.06 per bushel. 2016 county yields will not be available until this fall.

Agriculture Loss Coverage–Individual Option (ARC-IC) will utilize the same prices as ARC-CO, however the actual crop revenue cannot be calculated until participating producers report all production for all covered commodities planted on the farm and all MYA prices for all covered commodities planted on the farm are known. Both of these items are necessary to calculate the ARC-IC actual revenue for the farm.

All 2016 ARC and PLC payments cannot be made until after Oct. 1, 2017, or the announcement of the final 2016 MYA price for the applicable covered commodity.

For information on release dates for MYA prices, ARC-CO yields and projected and final PLC payment rates, visit [www.fsa.usda.gov/arc-plc](http://www.fsa.usda.gov/arc-plc) and click on the “ARC/PLC Program Data” link.

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## **FSA Urges Producers to Confirm ARC/PLC Paperwork**

Although August 1 was the deadline to enroll in the 2017 Agriculture Risk Coverage (ARC) & Price Loss Coverage (PLC) programs, FSA encourages producers to verify **all** 2017 paperwork is completed for eligibility and all farms are correctly enrolled. FSA will not be able to make changes on contracts after September 30, 2017. Contact your [local FSA office](#) if your farm operation has had changes.

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## **Farm Service Agency Delivers a Variety of Financing Options**

FSA offers many different types of farm loans. If you are interested in an operating line of credit, a term loan of up to 7 years, or a long term loan to purchase land, visit our FSA farm loan website at:

<https://www.fsa.usda.gov/programs-and-services/farm-loan-programs/index>

This will be a great starting point for information concerning farm loans. The site lists our different types of loans, our targeted areas, our specialty loans, success stories, and our partnership with SCORE, a volunteer network of expert business mentors to support new and beginning farmers.

The site also includes a guidebook that simplifies the information on the types of farm loans available, how to apply for a loan, what to expect once you submit an application, and explains your rights and responsibilities when you become an FSA customer.

If you have any questions concerning farm loans, please feel free to contact your [local FSA office](#).

For more information on FSA farm loan programs, visit [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## Marketing Assistance Loans and Loan Deficiency Payments Available

FSA Marketing Assistance Loans can help producers meet cash flow needs without selling commodities when market prices are at harvest-time lows. In the current marketing environment for many commodities it may be a good time to contact your local FSA office to learn more about marketing loans and loan deficiency payments.

Crop producers who are eligible for marketing loans are also eligible for loan deficiency payments (LDPs) in lieu of obtaining a loan, should the posted county price fall below the county loan rate. You can purchase a commodity certificate that may be exchanged for the outstanding loan collateral. Unlike LDPs, use of commodity certificates does not affect payment limitations. You can check the daily LDP rates online at [www.fsa.usda.gov](http://www.fsa.usda.gov).

For a commodity to be eligible for a loan, loan deficiency payment, or certificate, you must have beneficial interest in the commodity, defined as having title, possession and control of the commodity. You are also responsible for loss of or damage to the commodity. All related application forms must be completed at the local FSA office prior to loss of beneficial interest.

Marketing assistance loans or loan deficiency payments are available for corn, grain sorghum, barley, oats, soybeans and other oilseeds (including sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe and sesame seed), dry peas, lentils, small chickpeas, large chickpeas, graded and non-graded wool, unshorn pelts (LDP only), and honey.

Contact your [county FSA office](#) for more information about Marketing Assistance Loans and LDPs.

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## CRP Contract Revision Paperwork Must Be Submitted to Prevent Payment Problems

If you are in the process of revising a CRP contract, and the County Office is waiting on paperwork or signatures from you, please be sure to submit that as soon as possible. Paperwork returned the last week of September, or after September 30, may result in payments not being issued in a timely manner. Late paperwork can also impact the proper payment of contracts that are not being revised, causing additional problems and possible delays in your rental payments. The timely return of any outstanding paperwork or signatures will help us ensure your payments are timely and accurate in October.

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## FSA Offers Improved Program to Limit Losses on Forages

Reduced forage quality is now considered a production loss for weather disaster assistance coverage under the new buy-up provisions of the Farm Service Agency (FSA) Noninsured Crop Disaster Assistance Program (NAP).

This safety net is important for cattlemen who produce non-insurable forages for feeding livestock. Previously, FSA only considered a decrease in overall forage tonnage produced when determining if the producer suffered a compensable loss after a qualifying weather event. Under FSA's new NAP buy-up provisions, a decrease in forage quality – such as protein content – is also considered and forage tests on the affected production is required.

To receive coverage for the 2018 crop year, producers must enroll their eligible forage in NAP by September 30, 2017. Beginning, limited resource and targeted underserved farmers or ranchers are eligible for a waiver of the NAP service fee and a 50 percent premium reduction in buy-up provisions.

For more information on NAP, visit [www.fsa.usda.gov/nap](http://www.fsa.usda.gov/nap) or contact your [county FSA office](#).

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## Payments to Deceased Producers

In order to claim a Farm Service Agency (FSA) payment on behalf of a deceased producer, all program conditions for the payment must have been met before the applicable producer's date of death.

If a producer earned a FSA payment prior to becoming deceased, the following is the order of precedence of the representatives of the producer:

- administrator or executor of the estate
- the surviving spouse
- surviving sons and daughters, including adopted children
- surviving father and mother
- surviving brothers and sisters
- heirs of the deceased person who would be entitled to payment according to the State law

In order for FSA to release the payment, the legal representative of the deceased producer must file a form FSA-325, to claim the payment for themselves or an estate. The county office will verify and determine that the application, contract, loan agreement, or other similar form requesting payment issuance, was signed by the applicable deadline for such form, by the deceased or a person legally authorized to act on their behalf at that time of application.

If the application, contract or loan agreement form was signed by someone other than the participant who is deceased, FSA will determine whether the person submitting the form has the legal authority to submit the form to compel FSA to pay the deceased participant.

Payments will be issued to the respective representative's name using the deceased program participant's tax identification number. Payments made to representatives are subject to offset regulations for debts owed by the deceased.

FSA is not responsible for advising persons in obtaining legal advice on how to obtain program benefits that may be due to a participant who has died, disappeared or who has been declared incompetent.

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## Payment Limitations by Program

The 2014 Farm Bill established a maximum dollar amount for each program that can be received annually, directly or indirectly, by each person or legal entity. Payment limitations vary by program for 2014 through 2018. Below is an overview of payment limitations by program.

### **Commodity and Price Support Programs**

The annual limitation for the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs, Loan Deficiency Payments (LDPs) and Market Loan Gains is \$125,000 total.

### **Conservation Programs**

The Conservation Reserve Program (CRP) annual rental payment and incentive payment is limited to \$50,000. CRP contracts approved before Oct. 1, 2008, may exceed the limitation, subject to payment limitation rules in effect on the date of contract approval. All forms of payments under CRP except cost shares are subject to this limit. This includes rental payments, signing incentive payments (SIP) and practice incentive payments (PIP). It also includes all forms of CRP such as general, continuous, CREP, SAFE, TIP and HELI.

The Emergency Conservation Program (ECP) has an annual limit of \$200,000 per disaster event. The Emergency Forest Restoration Program (EFRP) has an annual limit of \$500,000 per disaster event.

### **Disaster Assistance Programs**

The annual limitation of \$125,000 applies to the Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP), Livestock Forage Disaster Program (LFP) and Livestock Indemnity Program (LIP). The total payments received under ELAP, LFP and LIP may not exceed \$125,000. A separate limitation of \$125,000 applies to Tree Assistance Program (TAP) payments. There is also a separate \$125,000 payment limit for the Noninsured Crop Disaster Assistance Program (NAP).

Payment limitations also apply to Natural Resources Conservation Service (NRCS) programs. Contact your local NRCS office more information.

For more information on FSA payment limitations by program, visit

[https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdafiles/FactSheets/2015/payment\\_eligibility\\_payment\\_limitations.pdf](https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdafiles/FactSheets/2015/payment_eligibility_payment_limitations.pdf).

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## **Approval Required Before Starting FSA-Funded Projects**

Producers are reminded that federal agencies are required by law to conduct an environmental review for projects requiring federal funding prior to their implementation. This means you must wait for the review to be completed before starting a project funded under programs such as Emergency Conservation Program (ECP), Conservation Reserve Enhancement Program (CREP), Farm Storage Facility Loans (FSFL) and Farm Loan Programs (FLP). Failure to complete the environmental review prior to project implementation could result in the loss of program eligibility. Wait until your project proposal is approved before starting any actions, including, but not limited to, vegetation clearing or ground disturbances. If such implementation occurs, FSA's environmental review cannot be completed, which jeopardizes our ability to approve funding. For this reason, it is

important that you contact your local your [county FSA office](#) before project commencement if using federal funds.

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## Learn About FSA Loans at Young Farmers' Workshop

The National Young Farmers' Coalition is partnering with the USDA's Farm Service Agency to increase awareness about federal loan programs that can benefit young farmers. This national organization for young farmers has chosen Everett, WA to conduct one of its handful of workshops in the nation. The workshop will be 6 -8:30 p.m. on Monday, September 18 in the WSU Cougar Auditorium, 600 128TH Street SE, Everett, WA.

This workshop will feature a panel of farmers with experience getting FSA loans, a presentation by an FSA loan official, an overview of the SCORE program and its new affiliation with FSA, and a Q and A where you can ask about how these programs might work for you. For questions, special accommodations or further information, contact [caitlin@youngfarmers.org](mailto:caitlin@youngfarmers.org).

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## Important Dates and Deadlines

**September 30, 2017** – Deadline to obtain 2018 crop year NAP coverage for garlic; mint; perennial grazing, forage, mixed forage and forage seed crops.

**September 30, 2017** – Final date to revise 2017 ARC/PLC contracts due to land sales, deaths, etc.

For previous issues of the FSA Washington newsletter and a list of annual program **reminders**, check the [newsletter page](#) on the FSA Washington website.

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