

August 2018



Farm Service Agency **Electronic News Service**

NEWSLETTER

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Washington State FSA Newsletter

Washington State Farm Service Agency

316 W. Boone Ave., Ste 568
Spokane, WA 99201

Phone: 509-323-3000

Fax: 855-843-1172

www.fsa.usda.gov/wa

State Executive Director:
Brian Dinsel

State Committee:
Melanie Wyss, Chair
Jesus Limon, Member
Maureen Harkcom, Member

Last Chance to Run for a FSA County Committee

August 1, 2018 is the deadline to submit nominations for FSA County Committee elections. Why should you care? Because the committees provide local input on the administration of federal farm programs. Interest in the positions and the elections shows the agency at the national level that farmers and ranchers want to maintain that local input.

Committee are comprised of locally elected agricultural producers responsible for the fair and equitable administration of FSA farm programs in their counties. Committee members are accountable to the Secretary of Agriculture. If elected, members become part of a local decision making and farm program delivery process. They are paid for their time tending to committee business.

Robyn Meenach, Member
Bruce Nelson, Member

New Programs Announced to Address Market Disruptions

To find contact information for your local office go to www.fsa.usda.gov/wa

Secretary of Agriculture Sonny Perdue recently announced three programs to offset the impacts of market disruptions. The Administration has authorized up to \$12 billion to fund these programs. The programs are:

- The **Market Facilitation Program**, authorized under the Commodity Credit Corporation (CCC) Charter Act and administered by FSA. This program will provide payments incrementally to producers of soybeans, sorghum, corn, wheat, cotton, dairy, and hogs. This support will help farmers manage disrupted markets, deal with surplus commodities, and expand and develop new markets at home and abroad.
- The **Food Purchase and Distribution Program, also authorized under the CCC Charter Act, will be administered** through the Agricultural Marketing Service. Funds for this program will be used to purchase unexpected surplus of affected commodities such as fruits, nuts, rice, legumes, beef, pork and milk for distribution to food banks and other nutrition programs.
- Finally, the CCC will use its Charter Act authority for a **Trade Promotion Program** administered by the Foreign Agriculture Service (FAS) in conjunction with the private sector to assist in developing new export markets for farm products.

Details on these programs are being developed and will be announced later this month. FSA hopes to begin signup on September 4. For the Market Facilitation Program, it is anticipated that producers will be asked to report their 2018 production of soybeans, sorghum, corn, wheat, cotton, dairy, or hogs.

FSA Farm Loan Agreements

As we progress through harvest, there are a few things to remember if you have an FSA Farm Loan. When the loan was closed, and funds were advanced, you would have signed an FSA-2040 form, "Agreement for Use of Proceeds and Security". This form addresses the disposition of the crops or collateral that was used to complete and approve your loan. It is expected that you will follow the plan to repay your loan. Knowingly selling or disposing of FSA loan collateral without FSA approval and then using any money from that sale for something other than paying FSA is a violation of your FSA loan agreement. Please remember to follow the plan for your loan that was agreed to by both you and FSA. When your harvest is complete you will be asked to provide the necessary information to conduct a year end analysis of your operation.

If you have any questions or concerns, please feel free to visit with your local FSA Farm Loan team member.

2017 Wildfires and Hurricanes Indemnity Program (WHIP) Here

The 2017 Wildfires and Hurricanes Indemnity Program (2017 WHIP) is providing disaster payments to agricultural producers to offset losses from hurricanes and wildfires during 2017. The funds – up to \$2.36 billion – are available through the new program. 2017 was a historic year for natural disasters, and Congress appropriated more than \$3 billion in disaster relief through the Bipartisan Budget Act of 2018, which includes this new program.

The 2017 WHIP covers losses of producers impacted by hurricanes and wildfires during 2017.

Wildfire Recovery: FSA will determine eligibility for wildfire losses on an individual basis, factoring in the level of insurance coverage purchased by the producer. Wildfire recovery will also include mudslides and heavy smoke.

Hurricane Recovery: 2017 WHIP for hurricane losses and related conditions, such as excessive rain and flooding, will be available for eligible farms in counties that received a qualifying Presidential Emergency Disaster Declaration or Secretarial Disaster designation.

Losses of Crops, Trees, Bushes and Vines: The program covers both the loss of the crop, tree, and losses of trees, bushes and vines.

Payments: USDA is determining compensation by a producer's individual losses rather than an average of losses in the area. Producers are subject to a \$125,000 payment limitation, meaning a producer can't receive more than \$125,000 for losses. But a producer can receive a higher payment if three-fourths or more of their income is derived from farming or another agricultural-based business. Producers who derived 75 percent of their income in tax years 2013, 2014 and 2015 will be subject to a \$900,000 payment limitation.

Risk Management Requirement: Both insured and uninsured producers are eligible to apply for WHIP. But all producers receiving 2017 WHIP payments will be required to purchase risk management coverage, either crop insurance at the 60 percent coverage level or Noninsured Crop Disaster Assistance Program (NAP) coverage if crop insurance is not available. The program requires producers to have coverage for the next two crop years.

Acreage Reporting Requirements: Producers are required to file acreage reports and report production for the applicable crop years.

USDA is calculating WHIP payments based on the expected value of the lost crop, the value of the crop harvested, insurance coverage, and insurance payments received. USDA is using this formula:

Payment = Expected Value of the Crop x WHIP Factor*

- Value of Crop Harvested - Insurance Indemnity

*The WHIP factor ranges from 65 percent to 95 percent. Producers who did not insure their crops in 2017 will receive 65 percent of the expected value of the crop. Insured producers, or producers who had NAP, will receive between 70 percent and 95 percent of expected value; those purchasing the highest levels of coverage will receive 95 percent coverage.

Signup began, **July 16, 2018** and continues through **December 16, 2018**. Producers must provide verifiable and reliable production records by crop, type, practice, intended use, and acres. Producers with this information on file do not need to provide it again.

Available Marketing Assistance Loans, Loan Deficiency Payments, and Certificates

With the start of 2018 crop harvest, keep in mind that FSA Marketing Assistance Loans are available for harvested commodities. A loan can provide you with interim financing to meet cash flow needs without selling your harvested crop at a time when market prices are at harvest-time lows. Your 2018 harvested farm-stored or warehouse-stored commodity is used as collateral for the loan. Marketing Assistance Loans mature 9 months after the month loan funds are disbursed to you, with repayment due at loan maturity. Before moving farm-stored loan collateral, you must contact the county FSA office and obtain an authorization to move the collateral. Producers who have a commodity pledged as collateral for a marketing assistance loan can purchase a commodity certificate that can be immediately exchanged for the outstanding loan collateral in situations when the loan rate exceeds the exchange rate. Producers who are eligible for marketing assistance loans can obtain a loan deficiency payments (LDPs) in lieu of a loan. LDP's are available when the posted county price for a crop falls below the county loan rate. You can check the daily LDP rates online at 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 which is defined as having title, possession and control of the commodity. The quality of stored collateral must be maintained, and you are responsible for loss or damage to the commodity through the term of the loan. To retain eligibility for an LDP when beneficial interest in your harvested crop will be lost upon delivery, you must file form CCC-633 EZ Page 1 with your local FSA office prior to loss of beneficial interest.

Marketing assistance loans or loan deficiency payments are available for wheat, barley, oats, corn, dry peas, lentils, small chickpeas, large chickpeas, grain sorghum, soybeans, sunflower seed, rapeseed, canola, safflower seed, flaxseed, mustard seed, crambe, sesame seed, graded and non-graded wool, mohair, and honey. Unshorn pelts are available for an LDP only. In the current marketing environment, it may be a good time to contact your local FSA county office to learn more about Marketing Assistance Loans, LDPs, and Certificates.

NAP Coverage – Consider Protecting 2019 Crops Now

For crops not insurable through your crop insurance agent, Non-insured Crop Disaster Assistance Program (NAP) coverage is an available tool to help mitigate financial risk. NAP covers non-insurable crops damaged, lost or prevented from being planted due to a natural weather-related disaster conditions. NAP provides a catastrophic level (CAT) of coverage for losses that exceed 50 percent of the expected yield at 55 percent of the approved NAP price for the crop. With conclusion of the 2014 Farm Bill, buy-up levels of coverage will not be available for 2019 NAP covered crops. But certified organic producers will still have the option to select organic price coverage. NAP service fee is still \$250 per crop per county, up to \$750 per county, not to exceed \$1,875 per producer with NAP covered crops in multiple counties. A waiver of the NAP service fee is still available to beginning, limited resource, and traditionally underserved farmers and ranchers.

NAP coverage for eligible 2019 crops should be purchased at least 30 days before the crop is planted, but no later than the established NAP application for coverage closing date for the crop or crops listed as follows:

August 31, 2018 – Aquaculture; beets (for stecklings); cabbage (for seed or fresh); canola; carrots (for seed); cauliflower (for seed or fresh); Christmas trees; floriculture; mushrooms; onions (for seed,

fresh or processing); rapeseed; rutabaga (for seed or fresh); turf grass sod; turnips (for seed or fresh); and any other fall planted crops not mentioned in other closing dates.

September 30, 2018 – Garlic; mint; and biennial/perennial forages, mixed forages and grasses for hay, seed or grazing.

November 21, 2018 – Asparagus; berries, grapes, honey, hops, tree fruits, nuts, and other perennial crops not listed under the 9/30 category.

March 15, 2019 – Artichokes, beets (for seed or fresh); buckwheat; camelina; carrots (for fresh or processing); mustard; radish (for seed or fresh); small grain forage (wheat, barley, oats, peas); and any other spring planted crops not mentioned in other closing dates.

NAP application for coverage deadlines are also posted on the FSA website www.fsa.usda.gov/wa. Contact your local county FSA office if you are interested in applying for NAP coverage, or if you have any questions regarding NAP availability or application closing dates.

Firearms and Dangerous Weapons Forbidden in Federal Facilities

USDA Service Centers and Farm Service Agency Offices are Off Limits for Firearms

This is an important reminder to all customers and patrons of USDA Farm Service Agency (FSA) offices and USDA Service Centers statewide that **firearms are forbidden (even with a permit/license) in Federal Buildings**. A Federal Building by definition is any building owned, leased or rented by the Federal Government, where Federal employees are regularly present for the purpose of performing their official duties.

The items that are prohibited in Federal facilities include any item prohibited by any applicable Federal, State, local, and tribal law and/or ordinance, as well as firearms, dangerous weapons, explosives, or other destructive devices (including their individual parts or components) designed, redesigned, used, intended for use, or readily converted to cause injury, death, or property damage. Possession of firearms and dangerous weapons in Federal facilities as outlined above is a crime punishable by fines and imprisonment.

Important Dates and Deadlines

August 1, 2018 - Deadline for ARC/PLC enrollment.

August 1, 2018 – Deadline to submit nominees for county committee elections.

August 17, 2018 – Deadline to request CRP contract extension.

August 17, 2018 – Deadline to apply for Continuous CRP.

August 31, 2018 – Deadline to obtain 2019 crop year NAP coverage for aquaculture; beets (for stecklings); cabbage (for seed or fresh); canola; carrots (for seed); cauliflower (for seed or fresh); Christmas trees; floriculture; mushrooms; onions (for seed, fresh or processing); rapeseed; rutabaga (for seed or fresh); turf grass sod; turnips (for seed or fresh); and any other fall planted crops not mentioned in other closing dates.

September 30, 2018 – Garlic; mint; and biennial/perennial forages, mixed forages and grasses for hay, seed or grazing

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

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).