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Farm Service Agency **Electronic News Service**

# NEWSLETTER

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## Washington State FSA Newsletter

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### 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](http://www.fsa.usda.gov/wa)

### Important Changes Made to the Market Facilitation Program (MFP) for Alfalfa and Fresh Sweet Cherries

MFP benefits are intended to help offset the impact of trade disruptions. Recent MFP policy changes should help more producers qualify. More acreage of alfalfa and sweet cherries should be eligible under these changes.

#### Alfalfa

When the 2019 MFP was first announced, alfalfa was part of the 28 crops eligible for the county based, per acre payments. Benefits on

**State Executive Director:**

Jon Wyss

**State Committee:**

Maureen Harkcom, Member  
Jesus Limon, Member  
Robyn Meenach, Member  
Bruce Nelson, Member

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

these crops are based on the lesser of 2018 or 2019 reported acreages of all these crops (see below). However, many alfalfa producers do not routinely report their acres to FSA. Since the deadline to submit a “late-file” 2018 acreage report has passed, many alfalfa producers were initially ineligible for 2019 MFP.

The policy has been changed for alfalfa to allow only 2019 acreage to be considered. The lack of a 2018 alfalfa acreage report will no longer make the grower ineligible. Alfalfa producers should contact their local FSA county office for more details. If they did not file a 2019 acreage report by the July 15 deadline, these producers can now submit a 2019 late-filed acreage report to qualify for MFP. There is a fee for this report, typically \$50-\$75 per farm, and the crop must be field-verified by FSA staff.

Fresh Sweet Cherries

To qualify for MFP benefits, sweet cherries must be fruit bearing. When the program was initially announced, sweet cherry trees had to have been planted before January 1, 2013 to be eligible. Washington FSA worked with the National Office to provide more up-to-date information on when cherries go into production. As a result, the policy was revised to provide that acreage planted before January 1, 2016 is now eligible. If you reported cherries planted during or after 2013 and were told they did not qualify for MFP, you should contact FSA again. If those trees were planted before 2016, they should now be eligible for benefits.

General

MFP was created as one of three programs within a trade mitigation package aimed at assisting farmers suffering from financial damage caused by trade disruptions. Payments for “non-specialty” crops are based on the lesser of the total 2018 or 2019 combined acreage for all these crops, which include alfalfa, barley, canola, chickpeas, corn, crambe, dried beans, dry peas, cotton, flaxseed, lentils, millet, mustard seed, oats, peanuts, rapeseed, rice, rye, safflower, sesame seed, sorghum, soybeans, sunflower seed, and wheat.

The non-specialty crop payment rates for Washington are below.

<u>County</u>	<u>Rate Per Acre</u>	<u>County</u>	<u>Rate Per Acre</u>
Adams	\$22	Asotin	\$20
Benton	\$15	Chelan	\$15
Clallam	\$15	Clark	\$15
Columbia	\$26	Cowlitz	\$32
Douglas	\$17	Ferry	\$15
Franklin	\$19	Garfield	\$25
Grant	\$25	Grays Harbor	\$15
Island	\$15	King	\$15
Kittitas	\$16	Klickitat	\$15

Lewis	\$15	Lincoln	\$22
Okanogan	\$15	Pend Oreille	\$15
Pierce	\$15	Skagit	\$19
Snohomish	\$15	Spokane	\$23
Stevens	\$15	Walla Walla	\$28
Whatcom	\$32	Whitman	\$27
Yakima	\$18		

For “specialty” crops, a national payment rate per acre has been established. They are:

<u>Crop</u>	<u>Rate Per Acre</u>
All nuts	\$146
Cranberries	\$641
Ginseng	\$5,700
Sweet cherries	\$1,555
Table grapes	\$625

For dairy, the payments are based on \$0.20 per hundredweight, using the production history established for the new Dairy Margin Coverage program. For hogs, the rate is \$11 per head based on the inventory on a date selected by the producer between April 1 and May 15, 2019.

For more information contact your local county office or visit [www.farmers.gov/mfp](http://www.farmers.gov/mfp).

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## Lentils Eligible for Loan Deficiency Payments

Loan Deficiency Payments (LDP) have triggered national-wide for lentils. LDPs are direct payments made in lieu of a marketing assistance loan when the Credit Commodity Corporation determined value, which is based on the current local price, is below the applicable loan rate. For pulse crops, like lentils, the local prices and loans rates are set regionally. The payment is the difference between the price and loan rate times the eligible quantity. Pulse crop LDP rates are updated on a weekly basis. The current payment rate for lentils is \$0.20 per hundredweight.

For a commodity to be eligible for an LDP the producer must have beneficial interest in the commodity, defined as having title, possession and control of the commodity, and 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.

In order to request an LDP for lentils, producers must complete a CCC-633 EZ Loan Deficiency Payment Agreement and Request form. Page 1 is the agreement which signifies an intent to request

an LDP and must be completed before a producer loses beneficial interest of the eligible commodity. Page 2 is the request for LDP benefits and must be submitted after page 1 is completed. Once signed and approved, page 2 cannot be cancelled and payments cannot be deferred. Payments are processed after page 2 has been submitted and approved.

For more information on LDPs, visit <https://www.fsa.usda.gov/programs-and-services/price-support/index> or visit your local FSA office.

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## ARCPLC ENROLLMENT

The 2018 Farm Bill reauthorized the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC). Elections and enrollment for 2019 ARCPLC will begin **on September 3, 2019**. The 2020 enrollment and yield updates will begin in **October of 2019**.

The 2018 Farm Bill requires, as a condition of base acre payment eligibility for 2019, that all producers on a farm with an interest in the farm's base acres to elect PLC, ARC-CO, or ARC-IC programs. The election made for 2019 will also be effective for 2020. Producers will have the opportunity to reelect thereafter in each year from 2021 through 2023. Elections of PLC or ARC-CO are made on a covered commodity by covered commodity basis. If ARC-IC is elected, then all covered commodity base acres on the farm have elected ARC-IC.

**Failure to make or agree to a unanimous election in 2019** for a covered commodity results in a default program designation of the current election of the covered commodity on the farm from 2018 and prohibits any 2019 payments for the covered commodity. These producers have an option to change the election starting with the 2021 crop year.

**The farm owner can update the PLC program payment yield in 2020 for:**

- **all covered commodities except seed cotton.** Based on 90 percent of the farm's 2013 through 2017 average yield per planted acre, excluding any year that no acreage was planted to the covered commodity, multiplied by a National ratio. If the yield in any of the years 2013 through 2017 is less than 75 percent of the county yield, then 75 percent of the 2013 through 2017 county yield will be substituted for that year.

The 2018 Farm Bill provides that a farm on which all cropland was planted to grass or pasture, including cropland that was idle or fallow, from January 1, 2009 through December 31, 2017 will have all base acres and payment yields maintained, but with no payment for those base acres during the years 2019 through 2023. Farms

that reported all grass, idle, or fallow during that entire period may be eligible for an NRCS program

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## Farm Service Agency Expands Payment Options

The U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) is expanding its payment options to now accept debit cards and Automated Clearing House (ACH) debit. These paperless payment options enable FSA customers to pay farm loan payments, measurement service fees, farm program debt repayments and administrative service fees, as well as to purchase aerial maps.

"Our customers have spoken, and we've listened," said Bill Northey, USDA's Under Secretary for Farm Production and Conservation. "Finding ways to improve customer service and efficiency is important for our farmers, ranchers, producers, and forest landowners who work hard for our nation every day. Now, our customers can make electronic payments instantly by stopping in our offices or calling over the phone."

Previously, only cash, check, money orders and wires were accepted. By using debit cards and ACH debit, transactions are securely processed from the customer's financial institution through [Pay.gov](https://www.pay.gov), the U.S. Treasury's online payment hub.

While traditional collection methods like cash and paper checks will continue, offering the new alternatives will improve effectiveness and convenience to customers while being more cost effective. In 2017, the average cost to manually process checks, a process that included navigating multiple systems, cost USDA more than \$4.6 million. The expanded payment options will cut the time employees take processing payments by 75 percent.

"At USDA, we're focused on modernization to improve customer service," said Northey. "If half of our customers use these new payment options, we'll see a \$1 million savings in one year. These new payment methods are one part of a much larger effort to expand options for our customers, as well as to make our services more effective and efficient."

Today's announcement marks the beginning of a multi-phased roll-out of new payment options for USDA customers. Ultimately, payment option flexibility will be extended to allow farmers and producers to use debit cards and ACH debit payments to make payments for all FSA programs, including farm storage facility loan repayments, farm loan facility fees, marketing assistance loan repayments, Dairy Margin Coverage (DMC) administrative fees and premiums and Noninsured Crop Disaster Assistance Program (NAP) fees.

To learn more, contact your [FSA county office](#), visit [farmers.gov](#), or download the [“Make Your FSA Payments Instantly”](#) fact sheet.

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## Dairy Margin Coverage Signup Ends Soon

The deadline to sign up for 2019 Dairy Margin Coverage (DMC) is approaching. DMC is a voluntary risk management program for dairy producers authorized by the 2018 Farm Bill. This program 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 deadline to enroll in the 2019 DMC program is September 20, 2019.**

The 2019 DMC program provides coverage retroactive back to January 1, 2019, with known payment rates for January 2019 through June 2019. At the time of signup, dairy producers can select a margin from \$4.00 to \$9.50 along with selecting the percentage of covered production history from 5 percent up to 95 percent. The DMC margin calculation of average feed costs now includes a 50% blend of premium and supreme alfalfa hay prices that more closely aligns with hay rations used by many producers. [Learn more about coverage levels and premiums](#). Dairies can use the [DMC decision support tool](#) to evaluate various scenarios using different coverage percentages and margin amounts. The tool currently does not work using Internet Explorer 11 but will work with other browser options, such as Mozilla Firefox, Google Chrome, or Microsoft Edge.

DMC offers catastrophic coverage (\$4.00 at 95%) that costs an annual \$100 administrative fee. Producers can opt for greater coverage levels for a premium cost, in addition to the \$100 administrative fee. Dairy operations owned by limited resource, beginning, socially disadvantaged or veteran farmers and ranchers may be eligible for a waiver on administrative fees. When DMC coverage is selected, dairies can choose to lock in coverage levels until 2023 and receive a 25-percent discount on their DMC premiums. Research your options by visiting the [farmers.gov DMC webpage](#) or make an appointment at your local FSA office today. To locate an office near you, visit [farmers.gov/service-locator](#).

The 2018 Farm Bill also authorized eligible dairies that participated in 2014-2017 MPP-Dairy [to request either a cash repayment or credit for part of the premiums paid into the MPP-Dairy program](#). FSA has been providing premium reimbursements to producers since May and dairies that elect the 75 percent credit option will have that credit applied to their DMC premium costs. **The last day to choose an MPP-Dairy repayment option is September 20, 2019.**

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## NAP Coverage – Protection for 2020 Crops Available

For crops not insurable through your crop insurance agent, Non-insured Crop Disaster Assistance Program (NAP) coverage is a 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 condition.

There are several coverage level options through this program. 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. The 2018 Farm Bill reinstated higher levels of coverage, from 50 to 65 percent of expected production in 5 percent increments, at 100 percent of the approved NAP price. Producers who elect a higher level of coverage must “buy-up” and pay a premium in addition to the service fee. Beginning, limited resource, and targeted underserved farmers or ranchers remain eligible for a NAP premium reduction. Producers with an organic certification can select the organic option when requesting NAP coverage at either CAT or buy-up levels of coverage at 100 percent of the approved organic NAP price. Please note, buy-up coverage is not available for crops intended for grazing.

NAP service fee is \$325 per crop per county, up to \$825 per county, not to exceed \$1,950 per producer with NAP covered crops in multiple counties. A waiver of the NAP service fee is available to beginning, limited resource, and traditionally underserved farmers and ranchers.

NAP coverage for eligible 2020 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:

**September 30, 2019** – Garlic; mint; and biennial/perennial forages, mixed forages and grasses for hay, seed or grazing.

**November 20, 2019** – Asparagus; berries, grapes, honey, hops, tree fruits, nuts, and other perennial crops not listed under the 9/30 category.

**March 15, 2020** – 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.

For a list of the NAP application for coverage deadlines, including those that have already passed, please check the Washington State FSA website at [www.fsa.usda.gov/wa](http://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.

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## Organic Certification Cost Share Program (OCCSP) for Certification Cost Share Reimbursements

Are you an organic producer or handler who received an organic certification from a USDA-accredited certifying agent? If so, you can request cost-share assistance by filing an application with the local USDA-Farm Service Agency (FSA) office. FSA offices are accepting cost-share applications for the 2019 program year for organic certification expenses paid from October 1, 2018 through September 30, 2019. **The deadline to request cost share for 2019 program year expenses is October 31, 2019.**

FSA reimburses organic producers up to 75 percent of the cost of organic certification incurred during the 2019 program year, not to exceed \$750 per scope. Scopes include crops, livestock, wild crops, and processing/handling. Eligible producers include any certified producers or handlers who have paid organic certification fees to a USDA-accredited certifying agent (other than WSDA-Washington State Department of Agriculture). Application fees, inspection costs, fees related to equivalency agreement/ arrangement requirements, travel/per diem for inspectors, user fees, sales assessments, and postage are all eligible for a cost-share reimbursement from USDA.

Producers and handlers certified organic by WSDA-Washington State Department of Agriculture will receive cost-share reimbursement from WSDA and are not eligible to receive duplicate cost-share reimbursement from USDA-FSA. To learn more about organic certification cost-share from USDA-FSA, please visit [www.fsa.usda.gov/organic](http://www.fsa.usda.gov/organic) or contact your county FSA office.

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## Available Marketing Assistance Loans, Loan Deficiency Payments, and Certificates

Harvest has started for 2019 crops which means FSA Marketing Assistance Loans are now available for eligible 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 2019 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 <https://www.fsa.usda.gov/programs-and-services/price-support/Index>.

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.

Starting this year, commodity loan policy now requires that warehouse receipts must include the physical address of the storing warehouse. If the address is not provided on the warehouse receipt, the warehouse may be asked to correct the receipt before it will be accepted for a commodity loan.

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.

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## A Reminder from the National Agricultural Statistics Service (NASS)

As this year's wheat harvest winds down and you prepare to plant next year's crop, please take a minute to reply to USDA – NASS County Ag. Production and September Ag. Surveys. These two surveys will provide data that will be used to set county yields for wheat in 2019 and will be used by FSA to set program payment levels that directly benefit you. Data will be collected from mid-August to early October and follow-up phone calls will be made if no response is received by mail or electronically. For further assistance please contact Chris Mertz, Director, USDA/NASS 360.890.3300.

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## Conservation Reserve Program (CRP) Signups Going Forward

August 23 was the last day to sign a new offer to enroll or re-enroll land in CRP/CREP or to apply for a one-year extension for an expiring contract. If you initiated an offer to enroll or re-enroll by the deadline, you still need to ensure all participants on the contract sign the offer, the conservation plan, and provide all required supporting documents in time for FSA to approve the CRP contract by September 30. Contracts not signed by all participants and approved by FSA by September 30 will not be approved for the time being.

Starting on October 1, FSA will be unable to accept or process any CRP or CREP offers until the new CRP regulations resulting the 2018 Farm Bill are published. Those regulations are expected to be published later this year. A general CRP signup will likely be held at that time.

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## FARM OPERATION CHANGES

Has your farming operation changed? i.e. land purchased/sold, new land leases, entity changes, member share changes, banking information, etc. It is important to review and update your Farm Operating Plan and eligibility documents annually to prevent payment issues and delays.

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## Important Dates and Deadlines:

**September 2, 2019** – Labor Day. USDA Service Centers will be closed.

**September 20, 2019** – Deadline to enroll in 2019 Dairy Margin Coverage (DMC) and select a cash or credit option for 2014-2017 MPP-Dairy premium refunds.

**September 30, 2019** – Deadline to obtain 2020 crop year NAP coverage for garlic; mint; biennial/perennial forages, and mixed forages and grasses for hay, seed or grazing

**October 14, 2019** – Columbus Day. USDA Service Centers will be closed.

**October 31, 2019** – Deadline to apply for the Organic Certification Cost Share Program (OCCSP). Cost share funds available for organic certification expenses paid from October 1, 2018 through September 30, 2019.

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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).