### **June 2019**





### Farm Service Agency Electronic News Service

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## Wisconsin FSA Newsletter

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## Wisconsin Farm Service A Message from the State Director

It's another spring with tough conditions, but we're still making progress on planting.

Our Wisconsin FSA offices will be extremely busy for the next couple of months, with acreage reporting and sign-up for the new Dairy Margin Coverage program. FSA is also accepting applications for certain practices under continuous CRP, and we're offering extensions for expiring CRP contracts. Please call ahead to your local FSA office before stopping in. It helps us prepare for your visit, so you can complete your FSA business and be on your way.

An article below explains the March margin of \$8.85 per cwt under the new dairy safety net program. The April margin was also announced at \$8.96 per cwt, which means payments have been triggered every month so far this year for producers that elect \$9.50 coverage.

There are many questions out there about the latest trade assistance program, the disaster bill just signed by the President, and how prevented planting acres and cover crops are treated. Secretary Perdue provided this update on June 10.

Your local FSA offices are continuing to hire program technicians, farm loan trainees, and county office trainees. Watch for email alerts about openings in your area.

Best wishes,

Sandy Chalmers

www.fsa.usda.gov/wi

### **Dates to Remember**

May 15-August 1, 2019: Conservation Reserve Program (CRP) primary nesting season. CRP participants must not engage in any CRP maintenance or management activities without written authorization for exception.

June 3, 2019: Conservation Reserve Program (CRP) Continuous Signup reopens.

June 17, 2019: Dairy Margin Coverage Program signup begins.

**June 15-August 1, 2019:** County Committee Election nomination period for Local Administrative Area up for election. Individuals can nominate themselves or others.

**July 15, 2019:** <u>Acreage Reporting Deadline</u> for spring-seeded crops, including forage seeding, crops intended for cover, green manure, or left standing, and Conservation Reserve Program (CRP) acres.

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## **Producers Reminded to Report Prevented Planting and Failed Acres**

Producers are reminded to report failed acres and prevented planting in order to establish or retain FSA program eligibility.

Failed acreage is acreage that was timely planted with the intent to harvest, but because of disaster related conditions, the crop failed before it could be brought to harvest. Prevented planting is the inability to plant the intended crop acreage with proper equipment by the final planting date for the crop type because of a natural disaster.

For losses on crops covered by the Noninsured Crop Disaster Assistance Program (NAP) or crop insurance, producers must file a notice of loss within 15 days of the occurrence of the disaster or when losses become apparent. Producers must file a timely notice of loss on form FSA-576, Notice of Loss, for failed or prevented plant acreage.

To be approved as failed acreage, the acreage must have been reported as failed acreage before the disposition of the crop. Risk Management Agency (RMA) data may be used for failed acreage when reported after the disposition of the crop, if the failed acreage was reported timely to RMA and supports the failed acreage information reported on the FSA-578, Report of Acreage. Prevented planting acreage must be reported on form FSA-576, Notice of Loss, no later than 15 calendar days after the final planting date as established by FSA and the Risk Management Agency.

The final planting dates for crops vary by crop and location. To find final planting dates for insurable crops use the RMA Website: rma.usda.gov. For final plant dates for non-insurable crops (NAP) please contact your local county office.

Please contact your local FSA office to schedule an appointment to file a Notice of Loss. To find your local FSA office, visit <a href="http://offices.usda.gov.">http://offices.usda.gov.</a>

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

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 <u>Dairy Margin Coverage</u> (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 \times 95 \text{ percent of production } \times 2,500 \text{ cwt.} (30,000 \text{ 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 lbs x 95 percent = 2,850,000 lbs/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 <u>DMC decision support tool</u> as well as <u>repayment options</u> for producers who were enrolled in MPP-Dairy.

For DMC signup, eligibility and related dairy program information, visit the <u>DMC webpage</u> or contact your local USDA service center. To locate your local FSA office, visit <u>farmers.gov/service-locator.</u>

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# **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 <u>OCCSP webpage</u>, view the <u>notice of funds</u> <u>availability on the Federal Register</u>, or contact your <u>FSA county office</u>. To learn more about USDA support for organic agriculture, visit usda.gov/organic.

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## **USDA Reopens CRP Continuous Signup**

USDA's Farm Service Agency (FSA) will accept applications beginning June 3, 2019, for certain practices under the continuous Conservation Reserve Program (CRP) signup and will offer extensions for expiring CRP contracts. The 2018 Farm Bill reauthorized CRP, one of the country's largest conservation programs. Offers may be accepted through August 23, 2019.

FSA stopped accepting applications last fall for the continuous CRP signup when 2014 Farm Bill authority expired. Since passage of the 2018 Farm Bill last December, Fordyce said FSA has carefully analyzed the language and determined that a limited signup prioritizing water-quality practices furthers conservation goals and makes sense for producers as FSA works to fully implement the program.

### **Continuous CRP Signup**

This year's signup will include such practices as grassed waterways, filter strips, riparian buffers, wetland restoration and others. <u>View a full list of practices approved for this program</u>.

Continuous signup enrollment contracts are 10 to 15 years in duration. Soil rental rates will be set at 90 percent of the existing rates. Incentive payments will not be offered for these contracts.

### **Conservation Reserve Enhancement Program Signup**

FSA will also reopen signup for existing Conservation Reserve Enhancement Program (CREP) agreements. Fact sheets on current CREP agreements are available on <a href="mailto:this webpage">this webpage</a>.

### **Other CRP Signup Options**

FSA will open a CRP general signup in December 2019 and a CRP Grasslands signup later.

### **CRP Contract Extensions**

A one-year extension will be offered to existing CRP participants who have expiring CRP contracts of 14 years or less. Producers eligible for an extension will receive a letter describing their options.

Alternatively, producers with expiring contracts may have the option to enroll in the Transition Incentives Program, which provides two additional annual rental payments on the condition the land is sold or rented to a beginning farmer or rancher or a member of a socially disadvantaged group.

### More Information

Producers interested in applying for continuous CRP practices, including those under existing CREP agreements, or who need an extension, should contact their USDA service center beginning June 3. To locate your local FSA office, visit <a href="https://www.farmers.gov">www.farmers.gov</a>. More information on CRP can be found at <a href="https://www.fsa.usda.gov/crp">www.fsa.usda.gov/crp</a>.

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## **FSA Farm Loan Website Provides Variety of Resources**

If you are looking for information about farm loans, you can find it on the Farm Loan Programs Page.

This site allows the public to click links such as: <u>Farm Operating Loans</u>, <u>Microloans</u>, <u>Youth Loans</u>, <u>Minority and Women Farmers</u>, <u>Beginning Farmer Loans</u>, <u>Emergency Loans</u> and, more importantly, the sites provide links to the application forms for each subject.

In addition to application forms, the site provides information regarding loan purposes, maximum loan limitations, repayment terms, interest rates and eligibility criteria. The Farm Loan Program website also offers a <u>Lender Tool Kit</u> for our partners in ag lending using the <u>Guarantee Loan Program</u>. The tool kit provides the most frequently used forms for loan making and servicing and describes how lenders obtain the status of Standard Eligible Lender, Certified Lender, or Preferred Lender.

To access the Farm Loan Programs Site visit: http://www.fsa.usda.gov/programs-and-services/farm-loan-programs/index

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### **Current Interest Rates**

Click here to find notification of current FSFL and commodity loan interest rates

### Click here to view current Farm Loan interest rates

| Farm Loan Interest Rates                     | JUNE 2019 |
|--|-----------|
| Farm Operating- Direct                       | 3.250%    |
| Farm Operating- Microloan                    | 3.250%    |
| Farm Ownership- Direct                       | 3.875%    |
| Farm Ownership- Microloan                    | 3.875%    |
| Farm Ownership- Direct, Joint Financing      | 2.500%    |
| Farm Ownership- Down Payment                 | 1.500%    |
| <b>Emergency Loan- Amount of Actual Loss</b> | 3.750%    |

<sup>\*</sup>Interest rates are announced at the beginning of each month.

 Farm Storage Facility Loans (FSFL)
 JUNE 2019

 3-year FSFL
 2.250%

 5-year FSFL
 2.250%

 7-year FSFL
 2.375%

 10-year FSFL
 2.500%

 12-year FSFL
 2.500%

**9-Month Commodity Loans**Marketing Assistance Loan
3.375%

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