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Washington State FSA Office Newsletter - January 1, 2023

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# Election and Enrollment for 2023 ARC/PLC Programs

The 2018 Farm Bill reauthorized the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) program. Elections and enrollment for 2023 ARCPLC began on **October 17**, **2022 and will run through March 15**, **2023**.

The 2018 Farm Bill allows for changes to the farm election for 2023. Any producers wishing to make changes to the farm election must obtain signatures from all producers on the farm with an interest in the farm's cropland acres (excluding CRP) for the new election to be considered valid. Producers may elect to enroll in PLC, ARC-CO, or ARC-IC programs for 2023. Elections to PLC or ARC-CO are made on a covered commodity by covered commodity basis and all covered commodity base acres are elected into ARC-IC if that program is chosen for a farm.

Failure to agree to an election change for 2023 by **March 15, 2023**, will result in the farm defaulting to the election made in the 2022 program year.

The 2018 Farm Bill provides that for farms 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.

## Sign Up for 2023 Dairy Margin Coverage

The U.S. Department of Agriculture (USDA) has extended the deadline for producers to enroll in <u>Dairy Margin Coverage (DMC)</u> and <u>Supplemental Dairy Margin Coverage</u> (SDMC) for program year 2023 to Jan. 31, 2023.

DMC is a voluntary risk management program that offers protection to dairy producers when the difference between the all-milk price and the average feed price (the margin) falls below a certain dollar amount selected by the producer.

Early projections indicate DMC payments are likely to trigger for the first eight months in 2023. Markets fluctuate, sometimes at a moment's notice and sometimes with no warning at all, so now's the time to ensure your operation is covered. Please don't let this second chance slide.

Nearly 18,000 operations that enrolled in DMC for 2022 have received margin payments for August and September for a total of \$76.3 million. At \$0.15 per hundredweight for \$9.50 coverage, risk coverage through DMC is a relatively inexpensive investment.

DMC offers different levels of coverage, even an option that is free to producers, aside from a \$100 administrative fee. Limited resource, beginning, socially disadvantaged, and military veteran farmers and ranchers are exempt from paying the administrative fee, if requested. To determine the appropriate level of DMC coverage for a specific dairy operation, producers can use the online <u>dairy decision tool</u>.

#### Supplemental DMC

Last year, USDA introduced Supplemental DMC, which provided \$42.8 million in payments to better help small- and mid-sized dairy operations that had increased production over the years but were not able to enroll the additional production. Supplemental DMC is also available for 2023. The enrollment period for 2023 Supplemental DMC is also extended to Jan. 31, 2023.

Supplemental DMC coverage is applicable to calendar years 2021, 2022 and 2023. Eligible dairy operations with less than 5 million pounds of established production history may enroll supplemental pounds.

For producers who enrolled in Supplemental DMC in 2022, the supplemental coverage will automatically be added to the 2023 DMC contract that previously established a supplemental production history.

Producers who did not enroll in Supplemental DMC in 2022 can do so now. Producers should complete their Supplemental DMC enrollment before enrolling in 2023 DMC. To

enroll, producers will need to provide their 2019 actual milk marketings, which FSA uses to determine established production history.

### **DMC Payments**

FSA will continue to calculate DMC payments using updated feed and premium hay costs, making the program more reflective of actual dairy producer expenses. These updated feed calculations use 100% premium alfalfa hay rather than 50%.

For more information on DMC, visit the <u>DMC webpage</u> or contact your local <u>USDA Service</u> <u>Center</u>.

### 2022 Crop Production Reporting Deadlines for NAP Covered Honey, Tree Fruits, Berries, and Grapes Approaching

Reporting of actual harvested production from the 2022 crop year is a requirement for producers who obtained Non-Insured Crop Disaster Assistance Program (NAP) coverage. To retain program eligibility for NAP covered crops, participating producers must annually report actual production to keep NAP program benefits and ensure the NAP actual production history (APH) reflects accurate yield data. Producers with 2022 NAP covered honey must report total harvested production by **January 3, 2023** for all honey produced during the 2022 calendar year. Producers of 2022 NAP covered tree fruits (apples, apricots, cherries, nectarines, peaches, pears, plums), nuts, blueberries, cranberries, and grapes must report actual harvested production by **January 16, 2023**.

If actual harvested production for NAP covered crops is not timely submitted to your local county FSA office, NAP benefits for crop losses will not be earned and the NAP yield could begin to drop significantly, affecting your future NAP coverage levels. To report production, complete and sign form CCC-452 obtained from your local FSA county office. If you have any questions about production reporting or NAP payment requirements, contact your county FSA office.

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

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 2022 harvested farmstored 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 payment (LDP) 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 <a href="https://www.fsa.usda.gov/programs-and-services/price-support/Index">https://www.fsa.usda.gov/programs-and-services/price-support/Index</a> .

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. If you are interested, please contact <u>your local FSA county</u> <u>office</u> to learn more about Marketing Assistance Loans.

## **Unauthorized Disposition of Grain**

If loan grain has been disposed of through feeding, selling, or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties for unauthorized dispositions are severe and a producer's name will be placed on a loan violation list for a two-year period. Always contact your local county FSA office before you haul any grain under loan.

## Environmental Review Required Before Project Implementation

The National Environmental Policy Act (NEPA) requires Federal agencies to consider all potential environmental impacts for federally funded projects before a project is approved.

For all FSA programs, an environmental review must be completed before actions, such as site preparation or ground disturbance are approved. These programs include, but are not limited to, the Emergency Conservation Program (ECP), Tree Assistance Program (TAP), Farm Storage Facility Loan (FSFL) program and farm loans.

If project implementation begins before FSA has completed an environmental review, this will result in a denial of the request. There are exceptions regarding the Stafford Act and emergencies. It is important to wait until you receive written approval of your project proposal before starting any actions, including, but not limited to, vegetation clearing, site preparation or ground disturbance.

# Livestock Losses Due to Weather – Apply for the Livestock Indemnity Program (LIP)

Winter weather continues to cover many areas of our state. Eligible livestock producers who believe they have suffered losses due to an eligible adverse weather event must provide a Notice of Loss (NOL) for **each** eligible adverse weather event **within 30 days of when the loss became apparent to the producer**. The NOL is a short simple process that can be taken over the phone, by email, fax, or by visiting an FSA office.

To apply for payment, livestock producers must complete an application for payment within 60 calendar days following the end of the calendar year. As part of the application process, the eligible livestock owner must show documentation and evidence that the eligible adverse weather event was directly responsible for the injury or death of the livestock. Evidence and documentation may include but is not limited to: **photographs** (**preferably dated**), veterinarian statements, rendering truck receipts or certificates, insurance documents, etc. Cellphone cameras make it easy to take photographs for documentation.

Call, email, or visit your local county FSA office for more information and to **file your notice of loss as soon as possible**.

# Reminder for Deadlines to Submit Applications for 2022 Livestock Programs

Deadlines for livestock applications are quickly approaching. Producers must file all supporting documentation and the application for payment by the applicable deadline for each program as mentioned below. Eligible producers under the LIP and ELAP programs must have filed a Notice of Loss within 30 days (15 days for honeybee losses) of when the loss became apparent, and the losses must have been due to an eligible adverse weather event.

- Livestock Forage Program (LFP) January 30th, 2023
- Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP) – January 30<sup>th</sup>, 2023
- Livestock Indemnity Program (LIP) March 1<sup>st</sup>, 2023

Producers should contact their local FSA Office to file all supporting documentation and the final application for payment.

## Additional RMA & NAP Updates Processed for ERP

The Emergency Relief Program (ERP) Phase 1 utilized a streamlined process to provide assistance to producers who received a crop insurance indemnity, a NAP payment, or both.

Producers who received crop insurance indemnities were mailed pre-filled applications using RMA data already on file beginning in May 2022, followed by a subsequent notification process in September 2022. Producers who received NAP payments were mailed pre-filled applications in July 2022 using data already on file with FSA. The deadline for submitting applications from all previous mailings was December 16, 2022.

On December 16, 2022, additional notification letters to RMA insured producers and NAP covered producers. Prefilled applications were not included in this mailing. Producers must contact their County Office to request an application. The County Office will generate the new or updated application for the producer to review, complete and sign. Additions or corrections on the application can be identified in the Pay Unit identifier. This identifier will have the leader of 1D if it has been corrected or added.

Producers applying for ERP must agree to purchase crop insurance or NAP coverage and certify the loss is because of a qualifying event.

The deadline for filing an application related to this final Phase 1 notification is **January 20**, **2023**. Form FSA-520 must be completed by a producer and submitted to their County Office by close of business **January 20**, **2023**.

### **Important Dates and Deadlines**

**January 2**, **2023** – Monday observance of New Year's Day. USDA service centers will be closed.

**January 3, 2023** – 2023 crop acreage reporting deadline for honey. Also the deadline to report 2022 NAP honey production.

**January 16, 2023** – 2023 Perennial Fruit and Nut Acreage Reporting deadline. This includes apples, apricots, blueberries, cherries, cranberries, grapes, nectarines, peaches, pears, and plums. 2022 NAP production is also due for all listed crops.

January 20, 2023 – Deadline to submit ERP Phase 1D applications.

**January 30, 2023** – Deadline to file a 2022 ELAP or LFP Application for Payment and to provide supporting documentation.

February 15, 2023 – Deadline to pay 2022 NAP Premiums

**March 1, 2023** – Deadline to file a 2022 LIP Application for Payment and to provide supporting documentation for the application.

March 15, 2023 – Deadline to elect a program and enroll in 2023 ARC/PLC.

**March 15, 2023** – Deadline to obtain 2023 crop year NAP coverage for artichokes, beets (for seed or fresh), buckwheat, camelina, carrots (for fresh or processing), hemp, 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 (full list of Washington State NAP dates posted here).

**March 31, 2023** – Final date to request a MAL for 2022 wheat, barley, oats, honey, canola, crambe, flaxseed, rapeseed, and sesame seed.

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Jon Wyss State Executive Director	State Committee Bernard "Butch" Ogden, Chair Brett Blankenship, Member Jackie Richter, Member Jose Ramirez, Member
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632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).