

July 2019



Farm Service Agency **Electronic News Service**

NEWSLETTER

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Vermont FSA Newsletter

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A Message from State Executive Director Wendy Wilton

Our state experienced a difficult spring for planting crops due to excessive rain, yet it appears the crops planted, particularly corn, are catching up fast. Over the next couple of weeks, we will be reviewing crop reports and prevented planting reports, which were due July 15, to assess the impact on our state.

Vermont FSA is well on our way to enrolling dairy operations in Dairy Margin Coverage, which opened June 17, 2019 under the 2018 Farm Bill. The first payments, retroactive for the months of January through May, went out last week. The signup ends September 20, 2019 and there is no provision for late enrollment. Be sure to reach out to your FSA service center if you have not yet enrolled to understand your options under the new program and how it could work for your operation.

Our FSA staff continues to train on the 2018 Farm Bill rollout to best serve our Vermont farmers. Selected staff members

Sally Goodrich - Cabot
Joe Tisbert - Cambridge

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

participate in national training events by subject matter and then provide in-state training to other employees. Vermont FSA has several employees serving on national task force groups--dairy, conservation, and farm loan program—including a national level FSA trainer on the Dairy Task Force. Vermont FSA employees have also been recognized for their efforts on 'jump teams' which have helped states impacted by hurricane damage in 2018 and 2019 to recover.

Many Thanks for all you do for Vermont agriculture,

Wendy L. Wilton Vermont
State Executive Director

Dates to Remember

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

June 17 - September 20, 2019: Signup for Dairy Margin Coverage (DMC)

USDA Offers Producers Options to Re-enroll or Extend Expiring CRP Contracts

Farmers and ranchers with expiring [Conservation Reserve Program](#) (CRP) contracts may now re-enroll in certain CRP continuous signup practices or, if eligible, select a one-year contract extension. USDA's Farm Service Agency (FSA) is also accepting offers from landowners who want to enroll for the first time in one of the country's largest conservation programs. FSA's 52nd signup for CRP runs from June 3 to August 23.

This year's CRP continuous signup includes practices such as grass waterways, filter strips, riparian buffers, wetland restoration and others. [View a full list of practices approved for this signup](#). Continuous signup contracts last for 10 to 15 years. Soil rental rates are set at 90 percent of 2018 rates. Incentive payments are not offered for these practices.

Producers interested in applying for CRP continuous practices, including those under existing CREP agreements, or who want to extend their contract, should contact their USDA service center by August 23.

To locate your local FSA office, visit www.farmers.gov. More information on CRP can be found at www.fsa.usda.gov/crp.

New Dairy Margin Coverage Signup Began June 17

Signup began June 17 for the new [Dairy Margin Coverage](#) (DMC) program, the cornerstone program of the dairy safety net that helps dairy producers manage the volatility of milk and feed prices, operated by the U.S. Department of Agriculture's Farm Service Agency (FSA).

The 2018 Farm Bill allowed USDA to construct the new DMC, which replaces the Margin Protection Program for Dairy (MPP-Dairy). This new 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 program provides coverage retroactive to January 1, 2019, with applicable payments following soon after enrollment. At the time of signup, dairy producers can choose between the \$4.00 to \$9.50 coverage levels. [Learn more about coverage levels and premiums.](#)

The Farm Bill also allows producers who participated in MPP-Dairy from 2014-2017 [to receive a repayment or credit for part of the premiums paid into the program](#). FSA has been providing premium reimbursements to producers since last month and those that elect the 75 percent credit option will now have that credit applied toward 2019 DMC premiums.

The Department has built in a 50 percent blend of premium and supreme alfalfa hay prices with the alfalfa hay price used under the prior dairy program to provide a total feed cost that more closely aligns with hay rations used by many producers. At a milk margin minus feed cost of \$9.50 or less, payments are possible. With the 50 percent hay blend, FSA's revised April 2019 income over feed cost margin is \$8.82 per hundredweight (cwt). The revised margins for January, February and March are, respectively, \$7.71, \$7.91 and \$8.66 – triggering DMC payments for each month.

DMC payments will be reduced by 6.2 percent in 2019 because of a sequester order required by Congress and issued in accordance with the Balanced Budget and Emergency Deficit Control Act of 1985.

DMC offers catastrophic coverage at no cost to the producer, other than an annual \$100 administrative fee. Producers can opt for greater coverage levels for a premium in addition to the administrative fee. Operations owned by limited resource, beginning, socially disadvantaged or veteran farmers and ranchers may be eligible for a waiver on administrative fees. Producers have the choice to lock in coverage levels until 2023 and receive a 25-percent discount on their DMC premiums.

To assist producers in making coverage elections, USDA partnered with the University of Wisconsin to develop a [DMC decision support tool](#), which can be used to evaluate various scenarios using different coverage levels through DMC.

All dairy operations in the United States are eligible for the DMC program. An operation can be run either by a single producer or multiple producers who commercially produce and market cows' milk.

Eligible dairy operations must have a production history determined by FSA. For most operations, production history is based on the highest milk production in 2011, 2012 and 2013. Newer dairy operations have other options for determining production history. Producers may contact their local FSA office to get their verified production history.

Dairy producers also are reminded that 2018 Farm Bill provisions allow for dairy operation to participate in both FSA's DMC program and the Risk Management Agency's [Livestock Gross](#)

[Margin \(LGM-Dairy\)](#) program. There are also no restrictions from participating in DMC in conjunction with any other RMA insurance products.

For more information, visit farmers.gov DMC webpage or contact your local USDA service center. To locate your local FSA office, visit farmers.gov/service-locator.

Report Changes in the Intended use of a Crop: Grain to Hay – Haying to Grazing – Silage to Hay

Conditions may have changed since you planted and certified the intended use of your crop. Plans may have changed due to lack of precipitation, heat and high winds, lack of irrigation water or because of storm damages such as hail.

If your plans have changed and you're going to graze instead of hay your crop or cut for hay or silage instead of harvesting for grain, then you must report the change of intended use to your local FSA Office. Failure to timely report your decision to change the use of crops can result in the loss of Noninsured Crop Disaster Assistance Program (NAP) benefits. Producers can report the change in intended use of a crop up until the final acreage reporting deadline.

When grass fails to meet your pasture needs, you may consider grazing hay fields rather than harvesting third or fourth cuttings. Changing the use to grazing may require producers to meet with the FSA appraiser and establish representative samples for a fall appraisal.

Crops with NAP coverage that will not be harvested must be inspected by an FSA Loss Adjuster in order to maintain NAP eligibility. Destruction of the crop or allowing deterioration of the crop without an inspection can result in the loss of program eligibility.

Failure to timely report these changes can result in the loss of NAP benefits. All producers considering a change of intended use, destruction of the crop prior to the end of the crop year, or those who may be unsure of their certification should contact your local FSA office. To find a local FSA office, visit <http://offices.usda.gov>.

Eligibility for Nominations for the 2019 County Committee Elections

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) county committees are a critical component of the day-to-day operations of FSA and allow grassroots input and local administration of federal farm programs.

Committees 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.

A county committee is composed of three to 11 elected members from local administrative areas (LAA). Each member serves a three-year term. To be eligible for nomination and hold office as a committee member or alternate, a person must fulfill each of the following requirements: (1) be a

producer with an interest in farming or ranching operations, (2) participate or cooperate in any FSA program provided for by law, (3) be a U.S. citizen, (4) be of legal voting age, (5) meet the basic eligibility requirements, and (6) reside in the county or multi-county jurisdiction in which they will be serving.

All nomination forms for the 2019 election must be postmarked or received in the local USDA service center by Aug. 1, 2019. For more information on FSA county committee elections and appointments, refer to the FSA fact sheet: *Eligibility to Vote and Hold Office as a COC Member* available online at: fsa.usda.gov/elections.

Preauthorized Debit Available for Farm Loan Borrowers

USDA Farm Service Agency (FSA) has implemented pre-authorized debit (PAD) for Farm Loan Program (FLP) borrowers. PAD is a voluntary and alternative method for making weekly, bi-weekly, monthly, quarterly, semi-annual or annual payments on loans.

PAD payments are pre-authorized transactions that allow the National Financial and Accounting Operations Center (NFAOC) to electronically collect loan payments from a customer's account at a financial institution.

PAD may be useful for borrowers who use nonfarm income from regular wages or salary to make payments on loans or adjustment offers or for payments from seasonal produce stands. PAD can only be established for future payments.

To request PAD, customers, along with their financial institution, must fill out form RD 3550-28. This form has no expiration date, but a separate form RD 3550-28 must be completed for each loan to which payments are to be applied. A fillable form can be accessed on the USDA Rural Development (RD) website at <http://www.rd.usda.gov/publications/regulations-guidelines>. Click forms and search for "Form 3550-28."

If you have a "filter" on the account at your financial institution, you will need to provide the financial institution with the following information: Origination ID: 1220040804, Agency Name: USDA RD DCFO.

PAD is offered by FSA at no cost. Check with your financial institution to discuss any potential cost. Preauthorized debit has no expiration date, but you can cancel at any time by submitting a written request to your local FSA office. If a preauthorized debit agreement receives three payment rejections within a three month period, the preauthorized debt agreement will be cancelled by FSA. The payment amount and due date of your loan is not affected by a cancellation of preauthorized debit. You are responsible to ensure your full payment is made by the due date.

For more information about PAD, contact your local FSA office. To find a local FSA office, visit <http://offices.usda.gov>

Selected Interest Rates for July 2019

Loan Type	Current Rate
Farm Ownership	3.875%
Farm Ownership - Down Payment	1.500%

Farm Ownership - Joint Financing	2.500%
Farm Operating	3.250%
Emergency - Amount of Actual Loss	3.750%
Farm Storage Facility Loan - 3-Year Term	1.875%
Farm Storage Facility Loan - 5-Year Term	1.875%
Farm Storage Facility Loan - 7-Year Term	2.000%
Farm Storage Facility Loan - 10-Year Term	2.125%
Farm Storage Facility Loan - 12-Year Term	2.250%
Farm Storage Facility Loan - 15-Year Term	2.250%

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).