

May 2019



Farm Service Agency Electronic News Service

NEWSLETTER

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Oregon FSA Newsletter

Oregon Farm Service Agency

State Executive Director: Barry Bushue

State Committee:
Anna Sullivan, Chair
Sam Asai, Member
Phil Hassinger, Member
TJ Hansell, Member
Denver Pugh, Member

Administration:
Martin Nguyen, Acting Administrative Officer

Message from our State Executive Director

It looks like Spring has finally arrived. Depending on your location and your crop, the mix of high temperatures followed by rains is at the same time both a blessing or a curse, depending on what you raise. It is hard to complain too much, when our friends in the Midwest are having trouble even getting into their fields because of the continual rains.

I love Spring. It is a time of activity and optimism. Planting and tending to crops are all signs of progress. Tractors in the field, trucks with seed, fertilizer, and other important inputs going to and from farms. Calves are putting on weight and next month some folks will likely start moving cattle to summer grazing areas. First cutting alfalfa is baled and stored in some parts of the state.

Farm Programs:
Wes Jennings, Chief

Farm Loan Programs:
Kathey Brucker, Acting Chief

Next STC Meeting: June 19-20, FSA State Office, Tualatin, Oregon

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

Sign up for important text message alerts from your local county FSA office! To subscribe, text **FSANOW** (372-669).

Oregon is blessed with an incredibly diverse agriculture.

At USDA's Farm Service Agency (FSA), we are working our way through the updates and changes to our programs created in the 2018 Farm Bill. We will complete staff training in the new dairy program and updates to the livestock programs in early June. Our county offices will be fully up to speed in time for signups.

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.

I encourage you to visit your FSA county offices. They are always the best and most informed contact for our programs. Next time you are in town, stop in.

I am pleased to announce that the Clackamas County Office will open full time starting May 28. Eileen Whitcomb will be there from Monday to Friday from 8 am until 4.30 pm. Please feel free to stop in and say hello and learn about what FSA has to offer.

May Interest Rates

90 Day Treasury Bill: 2.500%
Direct Operating Loans: 3.500%
Farm Ownership and Conservation Loans: 4.000%
Farm Ownership Down Payment: 1.500%
Farm Ownership Joint Financing: 2.500%
Emergency Loans Actual Loss: 3.750%
Farm Storage Facility Loan 3 Year: 2.250%
Farm Storage Facility Loan 5 Year: 2.250%
Farm Storage Facility Loan 7 Year: 2.375%
Farm Storage Facility Loan 10 Year: 2.500%
Farm Storage Facility Loan 12 Year: 2.500%

Important Dates

May 24: NAP Application - Producers have a *one-time opportunity until May 24, 2019*, to obtain buy-up coverage for 2019 or 2020 eligible crops for which the NAP application closing date has passed.

May 27: Federal offices are closed for Memorial Day Holiday.

May 29: OSCCP: FSA applications due from state agencies for fiscal year 2019 funding for OSCCP cost-share assistance.

May 31: Market Facilitation Program (MFP) reporting deadline is extended to May 31.

May 31: Deadline to submit a Conservation Innovation Grants (CIG) program, 4 p.m. PST. Applications must be submitted online through grants.gov. Applicants with questions regarding the application process should contact Amy Fischer, CIG Program Manager, at 503-414-3292 or amy.fischer@usda.gov.

Oct. 31: Organic Certification Cost Share Program (OCCSP) applications due for FY 2019.

Within 15 Days – earlier of (A) when a disaster occurred or damage to the crop or commodity becomes apparent or (B) normal harvest date for reporting a Notice of Loss for NAP*

Within 30 Days – when loss is apparent for reporting a Notice of Loss for LIP and ELAP

TAP - Eligible producers should file for TAP assistance by the later of these two dates - 90 days of

the disaster or when damages from the disaster are noticed; or 60 days after the regulation is published on the Federal Register later this summer.

USDA Reopens Continuous CRP 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.

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. [View a full list of practices approved for this program.](#)

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 [this webpage](#).

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 www.farmers.gov. More information on CRP can be found at www.fsa.usda.gov/crp.

USDA Announces Buy-Up Coverage Availability and New Service Fees for Noninsured Crop Coverage Policies

Changes apply beginning April 8, 2019

USDA Announces Buy-Up Coverage Availability and New Service Fees for Noninsured Crop Coverage Policies

USDA's Farm Service Agency (FSA) today announced that higher levels of coverage will be offered through the Noninsured Crop Disaster Assistance Program (NAP), a popular safety net program,

beginning April 8, 2019. The 2018 Farm Bill also increased service fees and made other changes to the program, including service fee waivers for qualified military veterans interested in obtaining NAP coverage.

“When other insurance coverage is not an option, NAP is a valuable risk mitigation tool for farmers and ranchers,” said FSA Administrator Richard Fordyce. “In agriculture, losses from natural disasters are a matter of when, not if, and having a NAP policy provides a little peace of mind.”

NAP provides financial assistance to producers of commercial crops for which insurance coverage is not available in order to protect against natural disasters that result in lower yields or crop losses, or prevent crop planting.

NAP Buy-Up Coverage Option

The 2018 Farm Bill reinstates higher levels of coverage, from 50 to 65 percent of expected production in 5 percent increments, at 100 percent of the average market price. Producers of organics and crops marketed directly to consumers also may exercise the “buy-up” option to obtain NAP coverage of 100 percent of the average market price at the coverage levels of between 50 and 65 percent of expected production. NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production.

Producers have a *one-time opportunity until May 24, 2019*, to obtain buy-up coverage for 2019 or 2020 eligible crops for which the NAP application closing date has passed.

Buy-up coverage is not available for crops intended for grazing.

NAP Service Fees

For all coverage levels, the new NAP service fee is the lesser of \$325 per crop or \$825 per producer per county, not to exceed a total of \$1,950 for a producer with farming interests in multiple counties. These amounts reflect a \$75 service fee increase for crop, county or multi-county coverage. The fee increases apply to obtaining NAP coverage on crops on or after April 8, 2019.

NAP Enhancements for Qualified Military Veterans

The 2018 Farm Bill NAP amendments specify that qualified veteran farmers or ranchers are now eligible for a service fee waiver and premium reduction, if the NAP applicant meets certain eligibility criteria.

Beginning, limited resource and targeted underserved farmers or ranchers remain eligible for a waiver of NAP service fees and premium reduction when they file form CCC-860, “*Socially Disadvantaged, Limited Resource and Beginning Farmer or Rancher Certification*.”

For NAP application, eligibility and related program information, visit www.fsa.usda.gov/nap or contact your local USDA Service Center. To locate your local FSA office, visit www.farmers.gov.

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

The 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 [OCCSP webpage](#), view the [notice of funds availability on the Federal Register](#), or contact your [FSA county office](#). To learn more about USDA support for organic agriculture, visit usda.gov/organic.

Guidance on "My Financial Information" feature on farmers.gov

In April, USDA announced a new tool available on Farmers.gov to agricultural producers to help them better manage FSA farm loans online. The "My Financial Information" feature on the farmers.gov portal enables producers to login to view:

- loan information;
- interest payments for the current calendar year (including year-to-date interest paid for each of the past five years);
- loan advance and payment history;
- paid-in-full and restructured loans; and
- account alerts displayed to give borrowers important notifications regarding their loans. For example, an account alert will be displayed if a loan is past due.

A [USDA news release](#) was posted in April which covers the "My Financial Information" feature plus a new H-2A Visa Checklist Tool.

To find the local FSA office, visit <http://offices.usda.gov>, or for further information visit www.farmers.gov.

USDA Announces New Decision Tool for New Dairy Margin Coverage Program

USDA announced the availability of a new [web-based tool](#) – developed in partnership with the University of Wisconsin – to help dairy producers evaluate various scenarios using different coverage levels through the new [Dairy Margin Coverage](#) (DMC) program.

The 2018 Farm Bill authorized DMC, a voluntary risk management program that offers financial 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. It replaces the program previously known as the Margin Protection Program for Dairy. Sign up for this USDA Farm Service Agency (FSA) program opens on June 17.

The University of Wisconsin launched the decision support tool in cooperation with FSA and funded through a cooperative agreement with the USDA Office of the Chief Economist. The tool was designed to help producers determine the level of coverage under a variety of conditions that will provide them with the strongest financial safety net. It allows farmers to simplify their coverage level selection by combining operation data and other key variables to calculate coverage needs based on price projections.

The decision tool assists producers with calculating total premiums costs and administrative fees associated with participation in DMC. It also forecasts payments that will be made during the coverage year.

For more information, access the tool at fsa.usda.gov/dmc-tool. For DMC sign up, eligibility and related program information, visit fsa.usda.gov or contact your local [USDA Service Center](#).

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

Dairy Margin Coverage Program Sign-Up Begins June 17

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 [Dairy Margin Coverage](#) (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:

$\$9.50 - \$8.85 \text{ margin} = \$0.65 \text{ difference}$

$\$0.65 \times 95 \text{ percent of production} \times 2,500 \text{ cwt. (30,000 cwt./12)} = \$1,543.75$

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:

$3,000,000 \times 95 \text{ percent} = 2,850,000/100 = 28,500 \text{ cwt.} \times 0.150 \text{ premium fee} = \$4,275$

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 [DMC decision support tool](#) as well as [repayment options](#) for producers who were enrolled in MPP-Dairy.

For DMC signup, eligibility and related dairy program information, visit the [DMC webpage](#) or contact your local USDA service center. To locate your local FSA office, visit farmers.gov/service-locator.

Actively Engaged Provisions for Non-Family Joint Operations or Entities

Many Farm Service Agency programs require all program participants, either individuals or legal entities, to be "actively engaged in farming." This means participants provide a significant contribution to the farming operation, whether it is capital, land, equipment, active personal labor and/or management. For entities, each partner, stockholder or member with an ownership interest, must contribute active personal labor and/or management to the operation on a regular basis.

Joint operations comprised of non-family members or partners, stockholders or persons with an ownership in the farming operation must meet additional payment eligibility provisions. Joint operations comprised of family members are exempt from these additional requirements. For 2016 and subsequent crop years, non-family joint operations can have one member that may use a significant contribution of active personal management exclusively to meet the requirements to be determined "actively engaged in farming." The person or member will be defined as the farm manager for the purposes of administering these management provisions.

Non-family joint operations may request to add up to two additional managers for their farming operation based on the size and/or complexity of the operation. If additional farm managers are requested and approved, all members who contribute management are required to complete form CCC-902MR, Management Activity Record. The farm manager should use the form to record management activities including capital, labor and agronomics, which includes crop selection, planting decisions, acquisition of inputs, crop management and marketing decisions. One form should be used for each month and the farm manager should enter the number of hours of time spent for each activity under the date of the month the actions were completed. The farm manager must also document if each management activity was completed on the farm or remotely.

The records and supporting business documentation must be maintained and timely made available for review by the appropriate FSA reviewing authority, if requested.

If the farm manager fails to meet these requirements, their contribution of active personal management to the farming operation for payment eligibility purposes will be disregarded and their payment eligibility status will be re-determined for the applicable program year.

In some instances, additional persons or members of a non-family member joint operation who meet the definition of farm manager may also be allowed to use such a contribution of active personal management to meet the eligibility requirements. However, under no circumstances may the number of farm managers in a non-family joint operation exceed a total of three in any given crop and program year.

NRCS Announces Changes to Strengthen Technical Input in Conservation Programs

USDA's Natural Resources Conservation Service (NRCS) is expanding the membership of its State Technical Committees and making other changes that strengthen technical input in conservation programs. The 2018 Farm Bill made several changes to NRCS programs, including enabling representatives from the State Cooperative Extension Service and land grant universities to serve on the state committee that assists NRCS in guiding locally led conservation.

"NRCS is committed to efficiently and effectively implementing the Farm Bill and delivering on our promise to America's farmers, ranchers and forest landowners," NRCS Chief Matthew Lohr said. "The rule we're issuing today is a step toward strengthening and streamlining the services and programs that help conserve our nation's natural resources on working lands."

May 6, NRCS published an interim final rule in the Federal Register to make the existing regulations consistent with the changes made by the 2018 Farm Bill, including the change related to State Technical Committees. NRCS is accepting comments on this rule through July 5, 2019.

Other Miscellaneous Changes in Notice

The 2018 Farm Bill makes some important improvements to strengthen NRCS's programs, including:

- Waiving the requirement for certain duplicative or unnecessary watershed plans under the Watershed Protection and Flood Prevention Program, which authorizes NRCS to install watershed improvement measures to reduce flooding and advance conservation and proper utilization of land;
- Expanding the purposes of the Healthy Forests Reserve Program to add: protection of at-risk species in conserving forest land, permanent easements as an enrollment option for Tribal lands, and land identified as being in the greatest need to improve the well-being of a species;
- Authorizing that certification of technical service providers be through a qualified non-federal entity; and
- Requiring that \$3 million of the funds to implement the Voluntary Public Access and Habitat Incentive Program be used to encourage public access for hunting and other recreational activities on wetlands enrolled in the Agricultural Conservation Easement Program.

More Information

You may submit comments by any of the following methods through the [Federal eRulemaking Portal](#) on Docket ID USDA-2019-0005. Follow the online instructions for submitting comments.

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. NRCS is committed to implementing these changes as quickly and effectively as possible, and today's updates are part of meeting that goal.

As part of implementing the 2018 Farm Bill, NRCS and other USDA agencies publish interim final rules and other documents available for public viewing and comment on the Federal Register. On March 11, 2019, NRCS published a [notice and request for comment](#) on conservation practice standards. For more information on how USDA is implementing the Farm Bill, [visit farmers.gov/farmbill](#).

Contact:
Media Inquiries
FPAC.BC.Press@usda.gov

Update Your Records

FSA is cleaning up our producer record database. If you have any unreported changes of address, zip code, phone number, email address or an incorrect name or business name on file they need to be reported to our office. Changes in your farm operation, like the addition of a farm by lease or purchase, need to be reported to our office as well. Producers participating in FSA and NRCS programs are required to timely report changes in their farming operation to the County Committee in writing and update their CCC-902 Farm Operating Plan.

If you have any updates or corrections, please call your local FSA office to update your records.

Borrower Training

Borrower training is available for all Farm Service Agency customers. This training is required for all direct loan applicants, unless the applicant has a waiver issued by the agency.

Borrower training includes instruction in production and financial management. The purpose is to help the applicant develop and improve skills that are necessary to successfully operate a farm and build equity in the operation. It aims to help the producer become financially successful. Borrower training is provided, for a fee, by agency approved vendors.

Contact your local FSA Farm Loan Manager for a list of approved vendors. To locate your local FSA office, visit [farmers.gov/service-locator](#).

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).

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