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Farm Service Agency **Electronic News Service**

NEWSLETTER

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Arizona FSA Newsletter

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FSA Encourages Farmers and Ranchers to Vote in County Committee Elections

The 2019 Farm Service Agency County Committee Elections began on Nov. 4, when ballots were mailed to eligible voters. The deadline to return the ballots to local FSA offices, or to be postmarked, is Dec. 2, 2019.

County committee members are an important component of the operations of FSA and provide a link between the agricultural community and USDA. Farmers and ranchers elected to county committees help deliver FSA programs at the local level, applying their knowledge and judgment to make decisions on commodity price support programs; conservation programs; incentive indemnity and disaster programs for some commodities; emergency programs and eligibility. FSA committees operate within official regulations designed to carry out federal laws.

Stephanie Harvey,
Chris Dobson

To be an eligible voter, farmers and ranchers must participate or cooperate in an FSA program. A person who is not of legal voting age but supervises and conducts the farming operations of an entire farm, may also be eligible to vote.

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

Eligible voters in their local administrative area, who do not receive a ballot can obtain one from their local USDA Service Center.

Newly elected committee members will take office Jan. 1, 2020.

USDA Opens 2020 Enrollment for Dairy Margin Coverage Program; Ends Dec. 13, 2019

Dairy producers can now enroll in the [Dairy Margin Coverage \(DMC\)](#) for calendar year 2020. USDA's Farm Service Agency (FSA) opened signup for the program that helps producers manage economic risk brought on by milk price and feed cost disparities.

The DMC program offers reasonably priced 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 DMC for 2020 is Dec. 13, 2019.

Dairy farmers earned more than \$300 million dollars from the program in 2019 so far. Producers are encouraged to take advantage of this very important risk management tool for 2020.

All producers who want 2020 coverage, even those who took advantage of the 25 percent premium discount by locking in the coverage level for five years of margin protection coverage are required to visit the office during this signup period to pay the annual administrative fee.

Dairy producers should definitely consider coverage for 2020 as even the slightest drop in the margin can trigger payments.

More Information

The 2018 Farm Bill created DMC, improving on the previous safety net for dairy producers. DMC is one of many programs that FSA and other USDA agencies are implementing to support America's farmers.

For more information on enrolling in DMC and taking advantage of an online dairy decision tool that assists producers in selecting coverage for 2020, visit the [DMC webpage](#).

For additional questions and assistance, contact your local USDA service center. To locate your local FSA office, visit farmers.gov/service-locator.

USDA Opens Signup for Market Facilitation Program

Enrollment Open through Dec. 6

Signup is ongoing for the Market Facilitation Program (MFP), a U.S. Department of Agriculture (USDA) program to assist farmers who continue to suffer from damages because of unjustified trade retaliation from foreign nations. Through MFP, USDA will provide up to \$14.5 billion in direct payments to impacted producers, part of a broader trade relief package announced in late July. The sign-up period runs through Dec. 6, 2019.

MFP payments will be made to producers of certain non-specialty and specialty crops as well as dairy and hog producers.

Non-Specialty Crops

MFP payments will be made to producers of alfalfa hay, barley, canola, corn, crambe, dried beans, dry peas, extra-long staple cotton, flaxseed, lentils, long grain and medium grain rice, millet, mustard seed, oats, peanuts, rapeseed, rye, safflower, sesame seed, small and large chickpeas, sorghum, soybeans, sunflower seed, temperate japonica rice, triticale, upland cotton, and wheat.

MFP assistance for 2019 crops is based on a single county payment rate multiplied by a farm's total plantings to the MFP-eligible crops in aggregate in 2019. Those per acre payments are not dependent on which of those crops are planted in 2019. A producer's total payment-eligible plantings cannot exceed total 2018 plantings. [View payment rates by county](#).

Dairy and Hogs

Dairy producers who were in business as of June 1, 2019, will receive a per hundredweight payment on production history, and hog producers will receive a payment based on the number of live hogs owned on a day selected by the producer between April 1 and May 15, 2019.

Specialty Crops

MFP payments will also be made to producers of almonds, cranberries, cultivated ginseng, fresh grapes, fresh sweet cherries, hazelnuts, macadamia nuts, pecans, pistachios, and walnuts. Each specialty crop will receive a payment based on 2019 acres of fruit or nut bearing plants, or in the case of ginseng, based on harvested acres in 2019.

More Information

Payments will be made in up to three tranches, with the second and third tranches evaluated as market conditions and trade opportunities dictate. If conditions warrant, the second and third tranches will be made in November and early January.

MFP payments are limited to a combined \$250,000 for non-specialty crops per person or legal entity. MFP payments are also limited to a combined \$250,000 for dairy and hog producers and a combined \$250,000 for specialty crop producers. However, no applicant can receive more than \$500,000. Eligible applicants must also have an average adjusted gross income (AGI) for tax years 2015, 2016, and 2017 of less than \$900,000, or 75 percent of the person's or legal entity's average AGI for those tax years must have been derived from farming and ranching. Applicants must also comply with the provisions of the Highly Erodible Land and Wetland Conservation regulations.

More information can be found on farmers.gov/mfp, including payment information and a program application.

USDA Fruit, Vegetable and Wild Rice Planting Rules Unchanged from Previous Farm Bill

Farm Service Agency (FSA) has announced fruit, vegetable and wild rice provisions that affect producers who intend to participate in certain programs authorized by the Agricultural Act of 2014 as amended by the Agricultural Improvement Act of 2018.

Producers who intend to participate in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs are subject to an acre-for-acre payment reduction when fruits and nuts, vegetables or wild rice are planted on the payment acres of a farm. Payment reductions do not apply to mung beans, dry peas, lentils or chickpeas. Planting fruits, vegetables or wild rice on acres that are not considered payment acres will not result in a payment reduction. Farms that are eligible to participate in ARC/PLC but are not enrolled for a particular year may plant unlimited fruits, vegetables and wild rice for that year but will not receive ARC/PLC payments for that year. Eligibility for succeeding years is not affected.

Planting and harvesting fruits, vegetables and wild rice on ARC/PLC acreage is subject to the acre-for-acre payment reduction when those crops are planted on more than 15 percent of the base acres of a farm enrolled in ARC using the county coverage or PLC, or more than 35 percent of the base acres of a farm enrolled in ARC using the individual coverage.

Fruits, vegetables and wild rice that are planted in a double-cropping practice will not cause a payment reduction if the farm is in a double-cropping region as designated by the USDA's Commodity Credit Corporation.

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

USDA's Farm Service Agency (FSA) 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.

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.

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.

Supervised Credit

Farm Service Agency (FSA) Farm Loan programs are considered supervised credit. Unlike loans from a commercial lender, FSA loans are intended to be temporary in nature. Therefore, it is our goal to help you graduate to commercial credit, and our farm loan staff is available to help borrowers through training and credit counseling.

The FSA team will help borrowers identify their goals to ensure financial success. Through this process, FSA staff will advise borrowers in developing strategies and a plan to meet your operation’s goals and graduate to commercial credit. Ultimately, the borrower is responsible for the success of the farming operation, but FSA’s staff will help in an advisory role to provide the tools necessary to help you achieve your operational goals and manage your finances.

For more information on FSA farm loan programs, visit www.fsa.usda.gov

