#### October 2016



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# **Oregon State FSA Newsletter - October**

# Oregon Farm Service Agency

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# **State Executive Director:** Phil Ward

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#### **Program Chiefs:**

Bob Perry, Farm Loan Chief Dan LoFaro, Chief Administrative Officer Rick Blackwood, Farm Program Chief

# USDA Issues Safety-Net Payments to Oregon Farmers in Response to 2015 Market Downturn

The U.S. Department of Agriculture (USDA) announced that beginning today, many of the 1.7 million farms that enrolled in either the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs will receive safety-net payments due to market downturns during the 2015 crop year.

This fall, USDA will be making more than \$7 billion in payments under the ARC-County and PLC programs to assist participating producers, which will account for over 10 percent of USDA's projected 2016 net farm income. These payments will help provide reassurance to America's farm families, who are standing strong against low commodity prices compounded by unfavorable growing conditions in many parts of the country.

#### **State Committee:**

Sam Asai, Chairman Vernon Frederickson, Member Anna Sullivan, Member Jason Smith, Member

## Next State Committee Meeting:

November 30 - December 1

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

### Selected Interest Rates for October

90 Day Treasury Bill = 0.250 %

Farm Operating Loans - Direct = 2.125 %

Farm Ownership Loans - Direct = 3.125 %

Farm Ownership Loans - Direct Downpayment, Beginning Farmer or Rancher = 1.500 %

Emergency Loans = 3.125 %

**Farm Storage Facility Loans** 

(7 years) = 1.500 % (10 years) = 1.625 % (12 years) = 1.750 %

Commodity Loans = 1.625 %

Unlike the old direct payment program, which issued payments during both weak and strong market conditions, the 2014 Farm Bill authorized the ARC-PLC safety net to trigger and provide financial assistance only when decreases in revenues or crop prices, respectively, occur. The ARC and PLC programs primarily allow producers to continue to produce for the market by making payments on a percentage of historical base production, limiting the impact on production decisions.

Nationwide, producers enrolled 96 percent of soybean base acres, 91 percent of corn base acres and 66 percent of wheat base acres in the ARC-County coverage option. Producers enrolled 99 percent of long grain rice and peanut base acres and 94 percent of medium grain rice base acres in the PLC option. Overall, 76 percent of participating farm base acres are enrolled in ARC-County, 23 percent in PLC and one percent in ARC-Individual. For other program information including frequently asked questions, visit <a href="https://www.fsa.usda.gov/arc-plc">www.fsa.usda.gov/arc-plc</a>.

Payments are made to producers who enrolled base acres of barley, corn, grain sorghum, lentils, oats, peanuts, dry peas, soybeans, wheat and canola. In the upcoming months, payments will be announced after marketing year average prices are published by USDA's National Agricultural Statistics Service for the remaining covered commodities. These include long and medium grain rice (except for temperate Japonica rice), which will be announced in November, remaining oilseeds and chickpeas, which will be announced in December, and temperate Japonica rice, which will be announced in early February 2017. Upland cotton is no longer a covered commodity.

The Budget Control Act of 2011, passed by Congress, requires USDA to reduce 2015 ARC and PLC payments by 6.8 percent. For more information, producers are encouraged to visit their local Farm Service Agency (FSA) office. To find a local FSA office, visit <a href="http://offices.usda.gov">http://offices.usda.gov</a>.

### **Livestock Forage Losses**

Producers in Lake, Harney, Malheur, Grant, Baker, Wallowa, Union, Umatilla and Morrow Counties are eligible to apply for 2016 Livestock Forage Disaster Program (LFP) benefits on small grain, native pasture, improved pasture, annual ryegrass, forage sorghum.

LFP provides compensation to eligible livestock producers who suffer grazing losses for covered livestock due to drought on privately owned or cash leased land or fire on federally managed land.

County committees can only accept LFP applications after notification is received by the National Office of qualifying drought or if a federal agency prohibits producers from grazing normal permitted livestock on federally managed lands due to qualifying fire.

Eligible livestock producers must complete a CCC-853 and the required supporting documentation no later than January 30, 2017 for 2016 losses.

Additional Information about LFP, including eligible livestock and fire criteria, is available at your local FSA office or online at: <a href="https://www.fsa.usda.gov">www.fsa.usda.gov</a>.

# **USDA Announces Safety Net Assistance for Milk Producers Due to Tightening Dairy Margins**

May/June 2016 Average Margins Below \$6

USDA today announced approximately \$11.2 million in financial assistance to American dairy producers enrolled in the 2016 Margin Protection Program for Dairy (MPP-Dairy). The payment rate for May/June 2016 will be the largest since the program began in 2014. The narrowing margin between milk prices and the cost of feed triggered the payments, as provided for by the 2014 Farm Bill.

Dairy producers should evaluate their enrollment options for 2017, as the enrollment period ends Dec. 16, 2016.

Dairy producers who enrolled at the \$6 through \$8 margin trigger coverage level will receive payments. MPP-Dairy payments are triggered when the national average margin (the difference between the price of milk and the cost of feed) falls below a level of coverage selected by the dairy producer, ranging from \$4 to \$8, for a specified consecutive two-month period. All final USDA prices for milk and feed components required to determine the national average margin for May/June 2016 were released on July 29, 2016.

The national average margin for the May/June 2016 two-month consecutive period is \$5.76277 per hundred weight (cwt.).

State specific payment amounts can be found at www.fsa.usda.gov/dairy.

To learn more about the Margin Protection Program for dairy, visit the Farm Service Agency (FSA) online at <a href="www.fsa.usda.gov/dairy">www.fsa.usda.gov/dairy</a> or stop by a local FSA office. Producers may visit <a href="www.fsa.usda.gov/mpptool">www.fsa.usda.gov/mpptool</a> to calculate the best levels of coverage for their dairy operation. To find an FSA office near you, visit <a href="http://offices.usda.gov">http://offices.usda.gov</a>.

# Weather the Storm: FEMA Mobile App Provides Weather Alerts and Safety Tips

USDA offers programs to help producers recover from disasters; FEMA can help you prepare ahead of time.

The Federal Emergency Management Agency (FEMA) recently launched a free mobile app that will instruct the public on what to before, during and after emergencies. The app is available for download for Apple, Android and Blackberry mobile devices.

### Download the app to:

- Receive alerts from the National Weather Service for up to five locations
- Get safety reminders, read tips to survive natural disasters and customize your emergency checklist
- Locate open shelters and where to talk to FEMA in person (or on the phone)
- Upload and share your disaster photos to help first responders.

For more information about the FEMA app, visit <a href="fema.gov/mobile-app">fema.gov/mobile-app</a>. To download the FEMA app from the Apple Store visit <a href="https://itunes.apple.com/us/app/fema/id474807486?mt=8">https://itunes.apple.com/us/app/fema/id474807486?mt=8</a>. To download the FEMA app on Google Play for Android visit:

https://play.google.com/store/apps/details?id=gov.fema.mobile.android&hl=en

### **FSA Offers Improved Program to Limit Losses on Forages**

Reduced forage quality is now considered a production loss for weather disaster assistance coverage under the new buy-up provisions of the Farm Service Agency (FSA) Noninsured Crop Disaster Assistance Program (NAP).

This safety net is important for cattlemen who produce non-insurable forages for feeding livestock. Previously, FSA only considered a decrease in overall forage tonnage produced when determining if the producer suffered a compensable loss after a qualifying weather event. Under FSA's new NAP buy-up provisions, a decrease in forage quality – such as protein content – is also considered.

To receive coverage for the 2017 crop year, producers must enroll their eligible forage in NAP by November 30, 2016. Beginning, limited resource and targeted underserved farmers or ranchers are eligible for a waiver of the NAP service fee and a 50 percent premium reduction in buy-up provisions.

For more information on NAP, visit <a href="www.fsa.usda.gov/nap">www.fsa.usda.gov/nap</a>.

### 2017 Acreage Reporting Dates

In order to comply with FSA program eligibility requirements, all producers are encouraged to visit their local FSA office to file an accurate crop certification report by the applicable deadline.

Acreage reporting dates vary by crop and by county so please contact your local FSA office for a list of county-specific deadlines.

The following exceptions apply to acreage reporting dates:

- If the crop has not been planted by the applicable acreage reporting date, then the acreage must be reported no later than 15 calendar days after planting is completed.
- If a producer acquires additional acreage after the applicable acreage reporting date, then the acreage must be reported no later than 30 calendars days after purchase or acquiring the lease. Appropriate documentation must be provided to the county office.
- If a perennial forage crop is reported with the intended use of "cover only," "green manure," "left standing," or "seed," then the acreage must be reported by July 15th.

Noninsured Crop Disaster Assistance Program (NAP) policy holders should note that the acreage reporting date for NAP covered crops is the earlier of the applicable dates or 15 calendar days before grazing or harvesting of the crop begins. For questions regarding crop certification and crop loss reports, please contact your local FSA office.

### Farm Storage Facility Loans

FSA's Farm Storage Facility Loan (FSFL) program provides low-interest financing to producers to build or upgrade storage facilities.

The low-interest funds can be used to build or upgrade permanent facilities to store commodities. Eligible commodities include corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley, minor oilseeds harvested as whole grain, pulse crops (lentils, chickpeas and dry peas), hay, honey, renewable biomass, fruits, nuts and vegetables for cold storage facilities, floriculture, hops, maple sap, rye, milk, cheese, butter, yogurt, meat and poultry (unprocessed), eggs, and aquaculture (excluding systems that maintain live animals through uptake and discharge of water). Qualified facilities include grain bins, hay barns and cold storage facilities for eligible commodities.

Loans up to \$50,000 can be secured by a promissory note/security agreement and some loans between \$50,000 and \$100,000 will no longer require additional security.

Producers do not need to demonstrate the lack of commercial credit availability to apply. The loans are designed to assist a diverse range of farming operations, including small and mid-sized businesses, new farmers, operations supplying local food and farmers markets, non-traditional farm products, and underserved producers.

To learn more about the FSA Farm Storage Facility Loan, visit <a href="www.fsa.usda.gov/pricesupport">www.fsa.usda.gov/pricesupport</a> or contact your local FSA county office. To find your local FSA county office, visit <a href="http://offices.usda.gov">http://offices.usda.gov</a>.

### **Youth Loans**

The Farm Service Agency makes loans to youth to establish and operate agricultural income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5000.

### Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Comply with FSA's general eligibility requirements
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor.<span style="mso-spacerun: yes"> </span>The project supervisor must recommend the youth loan applicant, along with providing adequate supervision.

Stop by the county office for help preparing and processing the application forms.

### **Important Dates and Deadlines**

**November 30** - Deadline to Enroll Eligible Forage in the NAP program.

**December 5** - Deadline for County Committee Elections Voted Ballots to be Returned to the County Office or Postmarked.

**December 16 -** Deadline for Registration and Annual Election in the Margin Protection Program (MPP) for 2017 Dairy Producers.

**January 30, 2017** - Deadline for Lake County Producers to File a Livestock Forage Program (LFP) Application

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).