USDA Farm Service Agency
U.S. DEPARTMENT OF AGRICULTURE

Kentucky FSA Newsletter - March 13, 2024

In This Issue:

Dairy Producers Can Now Enroll for 2024 Dairy Margin Coverage

Dairy producers can now enroll for 2024 Dairy Margin Coverage (DMC), an important safety net program offered through the U.S. Department of Agriculture (USDA) that provides producers with price support to help offset milk and feed price differences. **This year's DMC signup began Feb. 28, 2024, and ends April 29, 2024**. For those who sign up for 2024 DMC coverage, payments may begin as soon as March for any payments that triggered in January 2024.

USDA's Farm Service Agency (FSA) has revised the regulations for DMC to allow eligible dairy operations to make a one-time adjustment to established production history. This adjustment will be accomplished by combining previously established supplemental production history with DMC production history for those dairy operations that participated in Supplemental Dairy Margin Coverage during a prior coverage year. DMC has also been authorized through calendar year 2024. Congress passed a 2018 Farm Bill extension requiring these regulatory changes to the program.

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. In 2023, Dairy Margin Coverage payments triggered in 11 months including two months, June and July, where the margin fell below the catastrophic level of $4.00 per hundredweight, a first for Dairy Margin Coverage or its predecessor Margin Protection Program.

2024 DMC Coverage and Premium Fees FSA has revised DMC regulations to extend coverage for calendar year 2024, which is retroactive to Jan. 1, 2024, and to provide an adjustment to the production history for dairy operations with less than 5 million pounds of production. In previous years, smaller dairy operations could establish a supplemental production history and receive Supplemental Dairy Margin Coverage. For 2024, dairy producers can establish one adjusted base production history through DMC for each participating dairy operation to better reflect the operation's current production.

For 2024 DMC enrollment, dairy operations that established supplemental production history through Supplemental Dairy Margin Coverage for coverage years 2021 through 2023, will combine the supplemental production history with established production history for one adjusted base production history.

For dairy operations enrolled in 2023 DMC under a multi-year lock-in contract, lock-in eligibility will be extended until Dec. 31, 2024. In addition, dairy operations enrolled in multi-year lock-in contracts are eligible for the discounted DMC premium rate during the 2024 coverage year. To confirm 2024 DMC lock-in coverage or opt out in favor of an annual contract for 2024, dairy operations having lock-in contracts must enroll during the 2024 DMC enrollment period.

DMC offers different levels of coverage, even an option that is free to producers, minus a $100 administrative fee. The administrative fee is waived for dairy producers who are considered limited resource, beginning, socially disadvantaged or a military veteran. To determine the appropriate level of DMC coverage for a specific dairy operation, producers can use the online dairy decision tool.

DMC Payments DMC payments are calculated 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.

More Information USDA also offers other risk management tools for dairy producers, including the Dairy Revenue Protection (DRP) plan that protects against a decline in milk revenue (yield and price) and the Livestock Gross Margin (LGM) plan, which provides protection against the loss of the market value of milk minus the feed costs. Both DRP and

LGM livestock insurance policies are offered through the Risk Management Agency. Producers should contact their local crop insurance agent for more information.

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

USDA Microloans Help Farmers Purchase Farmland and Improve Property

Farmers can use USDA farm ownership microloans to buy and improve property. These microloans are especially helpful to beginning or underserved farmers, U.S. veterans looking for a career in farming, and those who have small and mid-sized farming operations. Microloans have helped farmers and ranchers with operating costs, such as feed, fertilizer, tools, fencing, equipment, and living expenses since 2013.

Microloans can also help with farmland and building purchases and soil and water conservation improvements. FSA designed the expanded program to simplify the application process, expand eligibility requirements and expedite smaller real estate loans to help farmers strengthen their operations. Microloans provide up to $50,000 to qualified producers and can be issued to the applicant directly from the USDA Farm Service Agency (FSA).

To learn more about the FSA microloan program, contact your local USDA Service Center or visit fsa.usda.gov/microloans.

USDA Announces Conservation Reserve Program General Signup for 2024

The U.S. Department of Agriculture (USDA) announced that agricultural producers and private landowners can begin signing up for the general Conservation Reserve Program (CRP) **starting March 4 and running through March 29, 2024**. This conservation opportunity gives producers tools to conserve wildlife habitat while achieving other conservation benefits, including sequestering carbon and improving water quality and soil health.

“The USDA has a long track record of fostering and supporting the vital relationship between agriculture and conservation, and the Conservation Reserve Program helps our producers be good stewards of their lands and boost wildlife populations at the same time,” said Dean Schamore, FSA State Executive Director in Kentucky. “These efforts demonstrate the power of USDA’s Farm Bill conservation programs to conserve wildlife habitat, protect clean water and address climate change in partnership with farmers, ranchers, forest owners and conservation organizations across the country.”

On Nov. 16, 2023, President Biden signed into law H.R. 6363, the Further Continuing Appropriations and Other Extensions Act, 2024 (Pub. L. 118-22), which extended the Agriculture Improvement Act of 2018 (Pub. L. 115-334), more commonly known as the 2018

Farm Bill, through Sept. 30, 2024. This extension allows authorized programs, including CRP, to continue operating.

As one of the largest private lands conservation programs in the United States, CRP offers a range of conservation options to farmers, ranchers, and landowners. It has been an especially strong opportunity for farmers with less productive or marginal cropland, helping them re-establish valuable land cover to help improve water quality, prevent soil erosion, and support wildlife habitat.

Producers and landowners enrolled about 926,000 acres in General CRP in 2023, bringing the total of enrolled acres in General CRP to 7.78 million. This, combined with all other acres in CRP through other enrollment opportunities, such as Grassland and Continuous CRP, bring the current total of enrolled acres to 24.8 million.

General CRP

General CRP helps producers and landowners establish long-term, resource-conserving plant species, such as approved grasses or trees, to control soil erosion, improve water quality and enhance wildlife habitat on cropland. Additionally, General CRP includes a Climate-Smart Practice Incentive to help increase carbon sequestration and reduce greenhouse gas emissions by helping producers and landowners establish trees and permanent grasses, enhance wildlife habitat, and restore wetlands.

General CRP is one of several ways agricultural producers and private landowners can participate in the program.

Other CRP Options

This past January FSA began accepting applications for the Continuous CRP signup. Under this enrollment, producers and landowners can enroll in CRP throughout the year. Offers are automatically accepted provided the producer and land meet the eligibility requirements and the enrollment levels do not exceed the statutory cap.

The USDA also offers financial assistance to producers and landowners enrolled in CRP to improve the health of their forests through the Forest Management Incentive (FMI), which can help participants with forest management practices, such as brush management and prescribed burning.

FSA will announce the dates for Grassland CRP signup in the near future.

Producers with expiring CRP acres can use the Transition Incentives Program (TIP), which incentivizes producers who sell or enter a long-term lease with a beginning, veteran, or socially disadvantaged farmer or rancher who plans to sustainably farm or ranch the land.

How to Sign Up

Landowners and producers interested in CRP should contact their local USDA Service Center to learn more or to apply for the program before their deadlines.

More Information

Signed into law in 1985, CRP is one of the largest voluntary private-lands conservation programs in the United States. It was originally intended to primarily control soil erosion and potentially stabilize commodity prices by taking marginal lands out of production. The program has evolved over the years, providing many conservation and economic benefits.

FSA in Kentucky is Hiring!

The U. S. Department of Agriculture Farm Service Agency (FSA) is accepting applications for County Program Technicians in Kentucky (1 in Burlington, 1 in Mayfield, 1 in Monticello, and 1 in Stanford). **The deadline to apply is March 19, 2024**.

Duties include:

- Carrying out office activities and functions pertaining to one or more of the program areas administered in the county.
- Interpreting and explaining procedures, program regulations and forms to producers and other agency personnel.
- Utilizing various web-based software applications to maintain producer data and processing automated forms.
- Using a high degree of initiative and judgment in planning and carrying out assigned tasks and resolving problems encountered.

If you are interested or know of someone who might be interested, please share this information with them. Here is the direct link to the position with information on how to apply: USAJOBS - Job Announcement.

You must complete this application process and submit all required documents electronically by 11:59 p.m. Eastern Time (ET) on March 19, 2024.

If you have specific questions regarding these positions, contact our Administrative Officer, Clark Sturgeon, at 859-224-7622.

USDA is an equal opportunity provider, employer, and lender.

Agricultural Producers Have Until March 15 to Enroll in USDA’s Key Commodity Safety Net Programs for the 2024 Crop Year

Agricultural producers who have not yet enrolled in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs for the 2024 crop year have until **March 15, 2024**, to revise elections and sign contracts. Both safety net programs, delivered by USDA’s Farm Service Agency (FSA), provide vital income support to farmers who experience substantial declines in crop prices or revenues for the 2024 crop year. In Kentucky, producers have completed 16,736 contracts to date, representing 37% of the more than 44,000 expected contracts.

“Agriculture Risk Coverage or Price Loss Coverage programs provide excellent risk protection, for market declines, at no cost to the producer. While we always hope for strong markets, anyone involved in production agriculture knows, the only thing certain is uncertainty,” said Dean Schamore, State Executive Director for FSA in Kentucky. Many producers may be holding off on making your program elections pending planting decisions or maybe you’re working with a local advisor to consider how changes in the effective reference price might impact your election decisions. Please contact your local FSA county office as soon as possible to set an appointment so you’re on the books well in advance of the March 15 deadline.”

Producers can elect coverage and enroll in ARC-County or PLC, which provide crop-by-crop protection, or ARC-Individual, which protects the entire farm. Although election changes for 2024 are optional, producers must enroll, with a signed contract, each year. If a producer has a multi-year contract on the farm, the contract will continue for 2024 unless an election change is made.

If producers do not submit their election revision by the March 15, 2024, deadline, the election remains the same as their 2023 election for eligible commodities on the farm. Also, producers who do not complete enrollment and sign their contract by the deadline will not be enrolled in ARC or PLC for the 2024 year and will not receive a payment if one is triggered. Farm owners can only enroll in these programs if they have a share interest in the commodity.

Producers are eligible to enroll farms with base acres for the following commodities: barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium and short grain rice, safflower seed, seed cotton, sesame, soybeans, sunflower seed and wheat.

Web-Based Decision Tools

Many universities offer web-based decision tools to help producers make informed, educated decisions using crop data specific to their respective farming operations. Producers are encouraged to use the tool of their choice to support their ARC and PLC elections.

Crop Insurance Considerations

Producers are reminded that enrolling in ARC or PLC programs can impact eligibility for some crop insurance products offered by USDA’s Risk Management Agency (RMA). Producers who elect and enroll in PLC also have the option of purchasing Supplemental Coverage Option (SCO) through their Approved Insurance Provider, but producers of covered commodities who elect ARC are ineligible for SCO on their planted acres.

Unlike SCO, RMA’s Enhanced Coverage Option (ECO) is unaffected by participating in ARC for the same crop, on the same acres. You may elect ECO regardless of your farm program election.

Upland cotton farmers who choose to enroll seed cotton base acres in ARC or PLC are ineligible for the stacked income protection plan, or STAX, on their planted cotton acres.

More Information

For more information on ARC and PLC, producers can visit the [ARC and PLC webpage] or contact their [local USDA Service Center]. Producers can also prepare maps for acreage reporting as well as manage farm loans and view other farm records data and customer information by logging into their farmers.gov account. If you don't have an account, sign up today.

Is the Noninsured Crop Disaster Assistance Program Right for You?

Farmers and ranchers rely on crop insurance to protect themselves from disasters and unforeseen events, but not all crops are insurable through the USDA's Risk Management Agency. The Farm Service Agency's (FSA) Noninsured Crop Disaster Assistance Program (NAP) provides producers another option to obtain coverage against disaster for these crops. NAP provides financial assistance to producers of non-insurable crops impacted by natural disasters that result in lower yields, crop losses, or prevents crop planting.

Commercially produced crops and agricultural commodities for which crop insurance is not available are generally eligible for NAP. Eligible crops include those grown specifically for food, fiber, livestock consumption, biofuel or biobased products, or value loss crops such as aquaculture, Christmas trees, ornamental nursery, and others. Contact your local FSA office to see which crops are eligible in your state and county.

Eligible causes of loss include drought, freeze, hail, excessive moisture, excessive wind or hurricanes, earthquake and flood. These events must occur during the NAP policy coverage period, before or during harvest, and the disaster must directly affect the eligible crop. For guidance on causes of loss not listed, contact your local FSA county office.

Interested producers apply for NAP coverage using FSA form [CCC-471], "Application for Coverage," and pay the applicable service fee at the FSA office where their farm records are maintained. These must be filed by the application closing date, which varies by crop. Contact your local FSA office to verify application closing dates and ensure coverage for eligible NAP crops.

At the time of application, each producer acknowledges they have received the [NAP Basic Provisions], which describes NAP requirements for coverage. NAP participants must report crop acreage shortly after planting and provide verifiable or reliable crop production records when required by FSA.

Producers are required to pay service fees which vary depending on the number of crops and number of counties your operation is located in. The NAP service fee is the lesser of $325 per crop or $825 per producer per administrative county, not to exceed a total of $1,950 for a producer with farming interests in multiple counties. Premiums also apply when producers elect higher levels of coverage with a maximum premium of $15,750 per person or legal entity.

A producer's certification on Form CCC-860 *Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification* may serve as an application for basic NAP coverage for all eligible crops beginning with crop year 2022. These producers will have all NAP-related service fees for basic coverage waived, in addition to a 50 percent premium reduction if higher levels of coverage are elected.

For more detailed information on NAP, download the NAP Fact Sheet. To get started with NAP, we recommend you contact your local USDA service center.

Communication Is Key in Lending

Farm Service Agency (FSA) is committed to providing our farm loan borrowers the tools necessary to be successful. FSA staff will provide guidance and counsel from the loan application process through the borrower's graduation to commercial credit. While it is FSA's commitment to advise borrowers as they identify goals and evaluate progress, it is crucial for borrowers to communicate with their farm loan staff when changes occur. It is the borrower's responsibility to alert FSA to any of the following:

- Any proposed or significant changes in the farming operation
- Any significant changes to family income or expenses
- The development of problem situations
- Any losses or proposed significant changes in security

If a farm loan borrower can't make payments to suppliers, other creditors, or FSA on time, contact your farm loan staff immediately to discuss loan servicing options.

For more information on FSA farm loan programs, contact your local USDA Service Center or visit fsa.usda.gov.

Farm Loans and Farm Programs Interest Rates

Selected Interest Rates for March 2024

Farm Loan Programs

90-Day Treasury Bill	5.500%
Farm Operating Loans - Direct	4.875%
Farm Ownership Loans - Direct	5.250%
Limited Resource Loans	5.000%
Farm Ownership Loans - Direct FO Down Payment	1.500%
Emergency Loans	3.750%

Farm Programs

Farm Storage Facility Loans	3 Year	4.250%
	5 Year	4.125%
	7 Year	4.125%
	10 Year	4.125%
	12 Year	4.250%
Commodity Loans		5.875%
CCC Borrowing Rate		4.875%

Farm Loans and Farm Programs Interest Rates

- See our 2024 Kentucky Guaranteed Lender Newsletter

- See our USDA Farm Service Agency Annual Program and Policy Reminders - March 2023.

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