

July 2019



Farm Service Agency **Electronic News Service**

# NEWSLETTER

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## Missouri FSA Newsletter

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### Missouri Farm Service Agency

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[www.fsa.usda.gov/mo](http://www.fsa.usda.gov/mo)

**State Executive Director:**  
Brent Hampy

**State Committee:**  
Julie Hurst - Chair  
Marc Allison  
Cindy Schroeder  
Will Spargo  
Barbara Wilson

To find contact information for your local office go to [www.fsa.usda.gov/mo](http://www.fsa.usda.gov/mo).

[Click here](#) for the Missouri Department of Conservation Covey Headquarters newsletter.

### A Note from Your State Executive Director

*A Final Salute...*

Missouri FSA gives our "Final Salute" to our recently-retired district directors. These individuals, Michelle Motley, Daryl Freeze, and Jim Nance, are well-respected and collectively represent nearly 100 years of FSA experience in serving Missouri agriculture. They are well-decorated in accomplishment awards and will be missed. The long tenure of these individuals indicates our employees can fulfill career goals with FSA, even as positions and responsibilities change. I hope you will share this success story with young people you know.

As a part of change, I am looking forward to welcoming new leaders into the role of district director. This position is one of the more demanding roles in our organization. In part, the challenge of district director is the "do more with less" environment forcing organizational efficiencies. Allocating resources in offices with shared-management county executive directors and 1 program technician certainly is not an ideal workload structure. This is one reason we will continue to maintain our current district director structure upon the recent retirements mentioned earlier.

Our producers are struggling with a changing environment on many fronts as well. FSA stands ready to serve farmers and ranchers with a variety of programs for disaster assistance, price support, conservation, production and farm loans. Our program delivery

must connect producers and programs in an efficient, effective and customer-focused manner. Accomplishment of this task requires great leadership to find new solutions and I look forward to working with our team of district directors to fulfill this goal.

Best Regards,

Brent Hampy  
FSA State Executive Director

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## USDA Extends Deadline to Report Spring-Seeded Crops in Missouri to July 22

USDA is extending the deadline to report acres for agricultural producers in states impacted by flooding and heavy moisture. This new July 22 deadline applies to producers in Missouri for reporting spring-seeded crops to USDA's Farm Service Agency (FSA) county offices and crop insurance agents.

If a crop has not been planted by the final acreage reporting date, then the acreage must be reported no later than 15 calendar days after planting is completed.

Filing a timely crop acreage report is important to maintaining eligibility for USDA conservation, disaster assistance, safety net, crop insurance, and farm loan programs. A crop acreage report documents all crops and their intended uses and is an important part of record-keeping for your farm or ranch.

Producers filing reports with FSA county offices are encouraged to set up an appointment before visiting the office. Producers who set up appointments before the July 22 deadline are considered timely filed, even if the appointment occurs after the deadline.

### Other USDA Efforts to Help Producers

USDA has taken additional steps to help impacted producers, including:

- [Updating the haying and grazing date for producers who have planted cover crops on prevented plant acres;](#)
- [Offering special sign-ups through the Environmental Quality Incentives Program for assistance to plant cover crops; and](#)
- [Extending the deadline to report prevented plant acres in certain places.](#)

For more information, visit our [Prevented or Delayed Planting webpage](#).

### Reporting Cover Crops

The intended use of "cover only" will be used to report cover crops. This year, a policy change will allow cover crops to be hayed, grazed, or cut for silage, haylage or baleage on prevented plant acres on or after September 1.

Cover crop types can be chosen from the following four categories:

- **Cereals and other grasses** - Any cover crop that is classified as a grass plant or cereal grain, and would include, but not be limited to, the following cover crops: cereal rye, wheat, barley, oats, black oats, triticale, annual ryegrass, pearl millet, foxtail millet (also called German, Italian or Hungarian millet), sorghum sudan grass, sorghum and other millets and grasses.
- **Legumes** - Any cover crop that is classified as a legume, including, but not limited to, clovers, vetches, peas, sun hemp, cowpeas, lentils and other legumes.
- **Brassicas and other broadleaves** - Any cover crop that is classified as a non-legume broadleaf, including, but not limited to, Brassicas such as radishes, turnips, canola, rapeseed, oilseed rape, and mustards, as well as other broadleaf plants such as phacelia, flax, sunflower, buckwheat, and safflower.
- **Mixtures** - Mixes of two or more cover crop species planted at the same time, for example, oats and radishes.

Cover crops include grasses, legumes, and forbs, for seasonal cover and other conservation purposes. Cover crops are primarily used for erosion control, soil health improvement, and water quality improvement. The cover crop may be terminated by natural causes, such as frost, or intentionally terminated through chemical application, crimping, rolling, tillage or cutting. The cover crop termination guidelines provide the timeline for terminating cover crops, are based on zones and apply to non-irrigated cropland. To view the zones and additional guidelines visit <https://www.nrcs.usda.gov/wps/portal/nrcs/main/national/landuse/crops/> and click "Cover Crop Termination Guidelines."

#### More Information

To learn more, contact your [FSA county office](#) or visit [fsa.usda.gov](https://fsa.usda.gov) or [farmers.gov/prevented-planting](https://farmers.gov/prevented-planting).

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## Missouri Flood Recovery Assistance Meetings

Representatives of United States Department of Agriculture (USDA) and State of Missouri agencies will participate in public meetings **July 23, 24 and 25** to explain various types of flood-recovery assistance available to landowners and units of government.

#### Locations & Dates

- **Canton (Lewis County, MO);** Tuesday, July 23, 1:30 p.m. until 4:15 p.m.
  - URSA Farmers Coop, 307 Elm Street, Canton, MO 63435
- **Elsberry (Lincoln County, MO);** Wednesday, July 24, 9:00 a.m. until 11:45 a.m.
  - Elsberry Legion Hall, 111 Legion Drive, Elsberry, MO 63343
- **Boonville (Cooper County, MO);** Thursday, July 25, 9:00 a.m. until 11:45 a.m.
  - USFWS Big Muddy Refuge Visitor Center, 18500 Brady Lane, Boonville, MO 65233

#### Topics & Participating Agencies

- Farm Service Agency Assistance Programs

- Natural Resources Conservation Service Assistance Programs
- Risk Management Agency
- Rural Development Assistance Programs
- Missouri Department of Agriculture
- Missouri Department of Natural Resources
- University of Missouri Extension

Persons with disabilities who require accommodations to attend or participate in these functions should contact Jessica Claypole at 573-876-0935 or Federal Relay Service at 1-800-877-8339 at least three days prior to the event.

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## 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](#).

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## 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 52<sup>nd</sup> 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 as soon as possible. All applications must be submitted, a field visit conducted, and offers finalized prior to 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](#).

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## 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 FSA. 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 their local FSA office. To locate your local FSA office, visit [www.farmers.gov](http://www.farmers.gov).

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## Reminder to FSA Direct and Guaranteed Borrowers with Real Estate Security

Farm Service Agency would like to remind farm loan borrowers who have pledged real estate as security for their loans, of key items for maintaining loan collateral. It is required that borrowers must obtain prior consent, or approval, by either FSA, for direct loans, or by a guaranteed lender, for any transaction affecting real estate security. Examples of these transactions include, but are not limited to:

- Leases of any kind;
- Easements of any kind;
- Subordinations;
- Partial releases, and
- Sales

Failure to meet or follow the requirements set forth in the loan agreement, promissory note, and other security instruments could lead to nonmonetary default which could jeopardize your current and future loans.

It is critical that borrowers keep an open line of communication with their FSA loan staff or guaranteed lender when it comes to changes in their operation. For more information on borrower responsibilities, read [Your FSA Farm Loan Compass](#).

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## 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](https://fsa.usda.gov/elections).

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## Farm Reconstitutions

When changes in farm ownership or operation take place, a farm *reconstitution* is necessary. The reconstitution — or recon — is the process of combining or dividing farms or tracts of land based on the farming operation.

To be effective for the current Fiscal Year (FY), farm combinations and farm divisions must be requested by **August 1 of the FY** for farms subject to the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) program. A reconstitution is considered to be requested when all:

- of the required signatures are on FSA-155
- other applicable documentation, such as proof of ownership, is submitted.

Total Conservation Reserve Program (CRP) and non-ARC/PLC farms may be reconstituted at any time.

The following are the different methods used when doing a farm recon:

**Estate Method** — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate;

**Designation of Landowner Method** — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method, the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding;

**DCP Cropland Method** — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract;



**Default Method** — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

## Interest Rates and Dates to Remember

### Selected Interest Rates for July 2019

90-Day Treasury Bill	2.375%
Farm Operating Loans - Direct	3.250%
Farm Ownership Loans - Direct	3.875%
Farm Ownership Loans - Direct Down Payment, Beginning Farmer or Rancher	1.500%
Emergency Loans	3.750%
Farm Storage Facility Loans (3 years)	1.875%
Farm Storage Facility Loans (5 years)	1.875%
Farm Storage Facility Loans (7 years)	2.000%
Farm Storage Facility Loans (10 years)	2.125%
Farm Storage Facility Loans (12 years)	2.250%
Commodity Loans (1996-Present)	3.125%

### Dates to Remember

May 1 - July 15, 2019	Primary nesting season for Missouri. No maintenance (mowing, spraying, burning or disking) on CRP acreage.
July 15, 2019	Final date to report CRP, burley tobacco, corn, cotton, forage, grain sorghum, hay, hybrid corn seed, pasture, popcorn, rice, soybeans and all other crops. NAP crops must be reported by the final reporting date or 15 days before harvest.
August 1, 2019	Final date to request a reconstitution - combining or dividing farms or tracts of land based on the farming operation.
August 1, 2019	Final date to file County Committee nomination forms at the local USDA Service Center.

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).