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Farm Service Agency **Electronic News Service**

# NEWSLETTER

**GovDelivery**

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## New Hampshire FSA Newsletter

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### New Hampshire Farm Service Agency

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**State Executive Director:**  
Jeffrey Holmes

### 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

**State Committee:**

Kathy Sherman, Chair  
Madison Hardy  
Gary LeClair  
Scott Mason  
Kirk Scamman

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

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

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## 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 margin = \$0.65 difference

\$0.65 x 95 percent of production x 2,500 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:

$3,000,000 \times 95 \text{ percent} = 2,850,000/100 = 28,500 \text{ cwt.} \times 0.150$   
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](https://farmers.gov/service-locator).

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## **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**

Today's 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](http://usda.gov/organic).

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## **Higher Limits Now Available on USDA Farm Loans**

Higher limits are now available for borrowers interested in USDA's farm loans, which help agricultural producers purchase farms or cover operating expenses. The 2018 Farm Bill increased the amount that producers can borrow through direct and guaranteed loans available through USDA's Farm Service Agency (FSA) and made changes to other loans, such as microloans and emergency loans.

Key changes include:

- The Direct Operating Loan limit increased from \$300,000 to \$400,000, and the Guaranteed Operating Loan limit increased from \$ 1.429 million to \$1.75 million. Operating loans help producers pay for normal operating expenses, including machinery and equipment, seed, livestock feed, and more.
- The Direct Farm Ownership Loan limit increased from \$300,000 to \$600,000, and the Guaranteed Farm Ownership Loan limit increased from \$1.429 million to \$1.75 million. Farm ownership loans help producers become owner-operators of family farms as well as improve and expand current operations.

- Producers can now receive both a \$50,000 Farm Ownership Microloan and a \$50,000 Operating Microloan. Previously, microloans were limited to a combined \$50,000. Microloans provide flexible access to credit for small, beginning, niche, and non-traditional farm operations.
- Producers who previously received debt forgiveness as part of an approved FSA restructuring plan are now eligible to apply for emergency loans. Previously, these producers were ineligible.
- Beginning and socially disadvantaged producers can now receive up to a 95 percent guarantee against the loss of principal and interest on a loan, up from 90 percent.

### **About Farm Loans**

Direct farm loans, which include microloans and emergency loans, are financed and serviced by FSA, while guaranteed farm loans are financed and serviced by commercial lenders. For guaranteed loans, FSA provides a guarantee against possible financial loss of principal and interest.

For more information on FSA farm loans, visit [www.fsa.usda.gov](http://www.fsa.usda.gov) or contact your [local USDA service center](#).

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## **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.

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## **USDA Microloans Help Farmers Purchase Farmland and Improve Property**

*Producers, Including Beginning and Underserved Farmers, Have a New Option to Gain Access to Land*

The U.S. Department of Agriculture (USDA) is offering farm ownership microloans, creating a new financing avenue for farmers 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.

The microloan program has been hugely successful, providing more than 16,800 low-interest loans, totaling over \$373 million to producers across the country. Microloans have helped farmers and ranchers with operating costs, such as feed, fertilizer, tools, fencing, equipment, and living expenses since 2013. Seventy percent of loans have gone to new farmers.

Now, microloans will be available to also help with farm land 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 visit [www.fsa.usda.gov/microloans](http://www.fsa.usda.gov/microloans), or contact your local FSA office.

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