March 2019

USDA United States Department of Agriculture

Farm Service Agency Electronic News Service

NEWSLETTER

GovDelivery

Having trouble viewing this email? View it as a Web page.

Table of Contents

Rhode Island FSA Newsletter

Rhode Island Farm Service Agency

60 Quaker Lane Suite 62
Warwick, RI 02886

Phone: 401-828-8232
Fax: 855-924-2345

www.fsa.usda.gov/ri

State Executive Director: W. Michael Sullivan, PhD**.**

State Committee: Doreen Pezza, Kevin Breene, Ellen

USDA Announces January Income over Feed Cost Margin Triggers First 2019 Dairy Safety Net Payment

The U.S. Department of Agriculture's Farm Service Agency (FSA) announced this week that the January 2019 income over feed cost margin was $7.99 per hundredweight, triggering the first payment for eligible dairy producers who purchase the appropriate level of coverage under the new but yet-to-be established Dairy Margin Coverage (DMC) program.

DMC, which replaces the Margin Protection Program for Dairy, is a voluntary risk management program for dairy producers that was authorized by the 2018 Farm Bill. DMC offers protection to dairy producers when the difference between the all milk price and the

Puccetti, David Frerich, Judith Carvalho

The State Committee meets the second Wednesday of every month subject to change.

Rhode Island County Office: 401-828-3120 Option 2.

County Executive Director: Sheryl Michener

County Committee: Kim Coulter, Joseph Polseno, Vincent Confreda, Victor Hoogendoorn, Joseph Silveira

The County Committee meets the first Wednesday of every month subject to change.

Farm Loan Team: 401-828-3120 Option 3.

Farm Loan Officer Trainee: Gene Piskator

average feed cost (the margin) falls below a certain dollar amount selected by the producer.

Agriculture Secretary Sonny Perdue announced last week that sign up for DMC will open by mid-June of this year. At the time of sign up, producers who elect a DMC coverage level between $8.00 and $9.50 would be eligible for a payment for January 2019.

For example, a dairy operation with an established production history of 3 million pounds (30,000 cwt.) that elects the $9.50 coverage level for 50 percent of its production could potentially be eligible to receive $1,887.50 for January.

Sample calculation:

$9.50 - $7.99 margin = $1.51 difference

$1.51 times 50 percent of production times 2,500 cwt. (30,000 cwt./12) = $1,887.50

The calculated annual premium for coverage at $9.50 on 50 percent of a 3-million-pound production history for this example would be $2,250.

Sample calculation:

3,000,000 times 50 percent = 1,500,000/100 = 15,000 cwt. times 0.150 premium fee = $2,250

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.

“Congress created the Dairy Margin Coverage program to provide an important financial safety net for dairy producers, helping them weather shifting milk and feed prices,” FSA Administrator Richard Fordyce said. “This program builds on the previous Margin Protection Program for Dairy, carrying forward many of the program upgrades made last year based on feedback from producers. We’re working diligently to implement the DMC program and other FSA programs authorized by the 2018 Farm Bill.”

Additional details about DMC and other FSA farm bill program changes can be found at farmers.gov/farmbill.

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.

Livestock Losses

The Livestock Indemnity Program (LIP) provides assistance to eligible producers for livestock deaths in excess of normal mortality caused by adverse weather, disease and attacks by animals reintroduced into the wild by the federal government or protected by federal law.

LIP compensates livestock owners and contract growers for livestock death losses in excess of normal mortality due to adverse weather, including losses due to hurricanes, floods, blizzards, wildfires, extreme heat or extreme cold.

For disease losses, FSA county committees can accept veterinarian certifications that livestock deaths were directly related to adverse weather and unpreventable through good animal husbandry and management.

For 2019 livestock losses, eligible livestock owners must file a notice within 30 calendar days of when the loss is first apparent.

Participants must provide the following supporting documentation to their local FSA office no later than 90 calendar days after the end of the calendar year in which the eligible loss condition occurred.

- Proof of death documentation
- Copy of growers contracts
- Proof of normal mortality documentation

In addition to filing a notice of loss, producers must also submit an application for payment by March 1, 2020.

Additional Information about LIP is available at your local FSA office or online at: www.fsa.usda.gov.

USDA Encourages Producers to Consider NAP Risk Protection Coverage before Crop Sales Deadlines

The Farm Service Agency encourages producers to examine available USDA crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the applicable crop sales deadline.

Producers are reminded that crops not covered by insurance may be eligible for NAP. Beginning, underserved and limited resource farmers are now eligible for free catastrophic level coverage.

Federal crop insurance covers crop losses from natural adversities such as drought, hail and excessive moisture. NAP covers losses from natural disasters on crops for which no permanent federal crop insurance program is available, including perennial grass forage and grazing crops, fruits, vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

Producers can determine if crops are eligible for federal crop insurance or NAP by visiting https://webapp.rma.usda.gov/apps/ActuarialInformationBrowser2018/CropCriteria.aspx.

NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production.

Deadlines for coverage vary by state and crop. To learn more about NAP visit www.fsa.usda.gov/nap or contact your local USDA Service Center. To find your local USDA Service Centers go to http://offices.usda.gov.

Federal crop insurance coverage is sold and delivered solely through private insurance agents. Agent lists are available at all USDA Service Centers or at USDA's online Agent Locator: http://prodwebnlb.rma.usda.gov/apps/AgentLocator/#. Producers can use the USDA Cost Estimator, https://ewebapp.rma.usda.gov/apps/costestimator/Default.aspx, to predict insurance premium costs.

FSA Offers Disaster Assistance for Qualifying Tree, Bush and Vine Losses

Orchardists and nursery tree growers who experience losses from natural disasters during calendar year 2018 must submit a TAP application either 90 calendar days after the disaster event or the date when the loss is apparent. TAP provides financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes and vines damaged by natural disasters.

Eligible tree types include trees, bushes or vines that produce an annual crop for commercial purposes. Nursery trees include ornamental, fruit, nut and Christmas trees that are produced for commercial sale. Trees used for pulp or timber are ineligible.

To qualify for TAP, orchardists must suffer a qualifying tree, bush or vine loss in excess of 15 percent mortality from an eligible natural disaster, plus an adjustment for normal mortality. The eligible trees, bushes or vines must have been owned when the natural disaster occurred; however, eligible growers are not required to own the land on which the eligible trees, bushes and vines were planted.

If the TAP application is approved, the eligible trees, bushes and vines must be replaced within 12 months from the date the application is approved. The cumulative total quantity of acres planted to trees, bushes or vines, for which a producer can receive TAP payments, cannot exceed 500 acres annually.
