

October 2020



Farm Service Agency **Electronic News Service**

# NEWSLETTER

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## Topics for October

### South Carolina Farm Service Agency

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**State Executive Director:**  
Boone Peeler

**State Committee:**  
Anthony Grant, Chairperson

### Dairy Margin Coverage Program Enrollment for 2021 Opens Oct. 13

The U.S. Department of Agriculture (USDA) will begin accepting applications for the [Dairy Margin Coverage](#) (DMC) program on Tuesday, October 13, 2020 for 2021 enrollment.

Signup runs through Dec. 11, 2020. 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. DMC payments triggered for seven months in 2019 and three months so far in 2020. More than 23,000 operations enrolled in DMC in 2019, and more than 13,000 in 2020.

Robert Battle  
Bill Sarratt  
Landy Weathers  
Beth White

**Administrative Officer:**

Kenn Jameson

**Farm Programs Chief:**

Evelyn Whitesides

**Farm Loan Programs Chief:**

William Shelley

Producers can contact their [local FSA office](#) for more information or to schedule an appointment.

**Important Dates and Deadlines:**

**Oct. 13:** DMC Signup Begins

**Oct. 30:** WHIP+ Signup Ends

To determine the appropriate level of coverage for a specific dairy operation, producers can utilize the recently updated online dairy decision tool. The decision tool is designed to assist producers with calculating total premium costs and administrative fees associated with participation in DMC. An informational video is available, too.

Improvements to the decision tool, made in cooperation with representatives from the University of Minnesota and University of Wisconsin, include historical analysis that illustrates what DMC indemnity payments might have been had the program been available over the previous two decades. The analysis indicates that over the course of time, DMC payments made to producers exceed premiums paid. These decision tool enhancements provide a more comprehensive decision support experience for producers considering DMC.

In addition to DMC, USDA offers a variety of programs that have helped dairy producers, including insurance, disaster assistance, and conservation programs. Most recently, the Coronavirus Food Assistance Program 1 provided \$1.75 billion in direct relief to dairy producers who faced price declines and additional marketing costs due to COVID-19 in early 2020. Now, signup is underway for the Coronavirus Food Assistance Program 2, which provides another round of assistance for dairy producers and many other eligible producers.

For more information, visit [farmers.gov](https://www.fsa.usda.gov) DMC webpage <https://www.fsa.usda.gov/programs-and-services/farm-bill/farm-safety-net/dairy-programs/index>, or contact your local USDA Service Center. To locate your local FSA office, visit [farmers.gov/service-center-locator](https://www.farmers.gov/service-center-locator).

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## USDA Announces Oct. 30 Deadline to Submit Wildfire, Hurricane Disaster Assistance Applications

The U.S. Department of Agriculture (USDA) today announced Friday, Oct. 30, 2020, as the deadline to submit applications for the Wildfire and Hurricane Indemnity Program – Plus (WHIP+) for 2018 and 2019 losses. USDA did not originally specify a deadline when the program was announced.

WHIP+ compensates producers for losses due to hurricanes, floods, snowstorms, tornadoes, typhoons, volcanic activity, drought, excessive moisture, and wildfires occurring in calendar years 2018 and 2019. Drought and excessive moisture were added as eligible losses for the program in March 2020. To date, FSA has received more than 133,000 applications for WHIP+ disaster assistance and paid out nearly \$1.4 billion in WHIP+ benefits.

Next week, FSA will launch a new tool on the [farmers.gov WHIP+ webpage](#) to help producers understand eligibility for the program and whether they had possible losses in 2018 and 2019. The tool will also allow producers an opportunity to provide information for FSA staff to reach out to them.

FSA will announce soon the details for producers who experienced quality loss from 2018 and 2019 natural disaster events authorized in appropriations legislation. There will be a separate signup period for producers reporting quality loss.

For more information or application assistance, visit [farmers.gov WHIP+ webpage](https://farmers.gov/WHIP+), or contact your local USDA Service Center. To locate your local FSA office, visit [farmers.gov/service-center-locator](https://farmers.gov/service-center-locator).

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## New to Farming Because of the Pandemic? USDA Can Help

Are you new to farming because of the pandemic? USDA can help you get started – everything from helping you register your farm to getting financial assistance and advice. Our team members, based at USDA Service Centers across the country, are hearing from people who are interested in more space and working the land, and we want to let you know we can help.

### Get Started with USDA

First, you want to make sure your farm is registered. If you purchased land, it might already be established with USDA's Farm Service Agency (FSA) with a farm number on file. If not, FSA can help you register your farm.

To obtain a farm number, you'll bring an official tax ID (Social Security number or an employer ID) and a property deed. If you do not own the land, bring a lease agreement to show you have control of the property to your FSA representative. If your operation is incorporated or an entity, you may also need to provide proof that you have signature authority and the legal ability to enter contracts with USDA.

### Access to Capital

USDA can provide access to capital through its farm loans, which is a great resource when producers aren't able to get a loan from a traditional lender. Loans can help with purchasing land or equipment or with operating costs, and FSA even offers microloans, which are especially popular among producers with smaller farms. For more information, [check out our Farm Loan Discovery Tool](#).

### Conservation Practices

We can help you make conservation improvements to your farm, which are good for your bottom line and your operation. We'll help you develop a conservation plan as well as apply for financial assistance that'll cover the bulk of the costs for implementing. To learn more about some of the conservation practices that we help producers with, [check out our Conservation at Work Video Series](#).

If you purchase land, and you don't want to farm all of it, you can look at either a conservation easement or managing for native shrubs and grasses through either the Agricultural Conservation Easement Program or Conservation Reserve Program (CRP). Easements are long-term, while a CRP contract is 10-15 years. These are good options for lands with land that is not optimal for production or sensitive lands like wetlands and grasslands.

## Additional Resources

Depending on your farm, you may want to look at crop insurance. The USDA's Risk Management Agency provides crop insurance to help you manage risks on your farm. There are [many types of insurance products available](#) for a wide variety of production practices, including organic and sustainable agriculture.

Your local communities also have great resources for farmers including conservation districts, Rural Development, cooperative extensions, and different farming groups. To get started with USDA, contact your [local USDA service](#) center.

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## FSA Encourages Farmers and Ranchers to Vote in County Committee Elections

The 2020 Farm Service Agency County Committee Elections will begin on Nov. 2, 2020, when ballots are mailed to eligible voters. The deadline to return ballots to local FSA offices, or to be postmarked, is Dec. 7, 2020.

County committee members are an important component of the operations of FSA and provide a link between the agricultural community and USDA. Farmers and ranchers elected to county committees help deliver FSA programs at the local level, applying their knowledge and judgment to make decisions on commodity price support programs, conservation programs, incentive indemnity and disaster programs for some commodities, emergency programs and eligibility. FSA committees operate within official regulations designed to carry out federal laws.

To be an eligible voter, farmers and ranchers must participate or cooperate in an FSA program. A person who is not of legal voting age but supervises and conducts the farming operations of an entire farm, may also be eligible to vote.

Eligible voters who do not receive a ballot can obtain one from their [local USDA Service Center](#).

Newly elected committee members will take office Jan. 1, 2021.

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## USDA Accepting Applications to Help Cover 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 eligible certification expenses paid between Oct. 1, 2019, and Sept. 30, 2020, are due Oct. 31, 2020.

OCCSP 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.

## Changes in Reimbursement

Due to expected participation levels for fiscal year 2020, FSA revised the reimbursement amount through fiscal year 2023. Certified producers and handlers are now eligible to receive reimbursement for up to 50 percent of the certified organic operation's eligible expenses, up to a maximum of \$500 per scope.

This change is due to the limited amount of funding available and will allow a larger number of certified organic operations to receive assistance. If additional funding is authorized later, FSA may provide additional assistance to certified operations that have applied for OCCSP, not to exceed 75 percent of their eligible costs, up to \$750 per scope.

The changes to the payment calculation and maximum payment amount are applicable to all certified organic operations, regardless of whether they apply through an FSA county office or a participating state agency. State agencies that are interested in overseeing reimbursements to producers and handlers in their states must establish new agreements with FSA for fiscal 2020.

### 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 the [FSA county office](#) at your local USDA Service Center.

To learn more about USDA support for organic agriculture, visit [usda.gov/organic](https://usda.gov/organic).

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## FSA Offers Loan Servicing Options

There are options for Farm Service Agency (FSA) loan customers during financial stress. If you are a borrower who is unable to make payments on a loan, contact your local FSA Farm Loan Manager to learn about your options.

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## Making 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 and all 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.

For questions on your farm reconstitution, contact your [local USDA Service Center](#).

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## Applying for FSA Direct Loans

FSA offers direct farm ownership and direct farm operating loans to producers who want to establish, maintain, or strengthen their farm or ranch. Direct loans are processed, approved and serviced by FSA loan officers.

Direct farm operating loans can be used to purchase livestock and feed, farm equipment, fuel, farm chemicals, insurance, and other costs including family living expenses. Operating loans can also be used to finance minor improvements or repairs to buildings and to refinance some farm-related debts, excluding real estate.

Direct farm ownership loans can be used to purchase farmland, enlarge an existing farm, construct and repair buildings, and to make farm improvements.

The maximum loan amount for direct farm ownership loans is \$600,000 and the maximum loan amount for direct operating loans is \$400,000 and a down payment is not required. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

Please contact your [local FSA office](#) for more information or to apply for a direct farm ownership or operating loan.

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## Farmers Help America Keep Soil Healthy

Our lives are dependent on healthy soil. Healthy soil gives us clean air and water, bountiful crops and forests, productive grazing lands, diverse wildlife and beautiful landscapes. It's the reason why USDA's Natural Resources Conservation Service experts are in your community and across the nation.

Soil is composed of air, water, organic matter and minerals. A community of organisms – functioning as a soil food web – lives all or parts of their lives in soil. More individual organisms are in a teaspoon of soil than there are people on earth. Increasing soil organic matter typically improves soil health, since organic matter improves several critical functions of soil.

To improve the health of their soil, more and more farmers and ranchers are keeping soil covered, reducing disturbance activities such as tilling, keeping plants growing throughout the year, and diversifying the crops they're planting in a rotation. Taking these steps allow farmers and ranchers to help reduce erosion while increasing the soil's ability to provide nutrients and water to the plant at critical times during the growing season.

When producers focus on improving soil health, they often have larger harvests, lower input costs, optimized nutrient use, and improved crop resilience during drought years like last year. In heavy rainfall years, healthy soil holds more water, reducing runoff that helps avert flooding downstream.

And because healthy soil allows for greater water infiltration and less erosion, nutrients and pesticides stay on the farm where they benefit crops, and are far less likely to be carried off the farm into streams and lakes where they can cause harm.

NRCS helps farmers install conservation practices such as cover crops to maintain and improve soil health – all of which can lead to productive, profitable and sustainable farming and ranching operations for generations to come.

For more information, visit [nrcs.usda.gov](https://nrcs.usda.gov).

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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).

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