

June 2019



Farm Service Agency **Electronic News Service**

# NEWSLETTER

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## Alaska State FSA Newsletter

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### Alaska State Farm Service Agency

800 W Evergreen, Ste 216  
Palmer, AK 99645  
[www.fsa.usda.gov/ak](http://www.fsa.usda.gov/ak)

### State Executive Director

Bryan J. Scoresby  
907-761-7750  
Cell: 907-707-4819  
Email:  
[bryan.scoresby@usda.gov](mailto:bryan.scoresby@usda.gov)

### Alaska FSA State Director News

What a summer we are having! The last several days here in Palmer were about as beautiful and glorious as a day can get. Spring planting is mostly done with weeds trying their hardest to get ahead of the farmers and gardeners. Hay farmers are getting equipment ready for the cutting and baling. Peony growers are actively working their plants and getting ready to harvest buds. Alaska summers are short, even with long days, and still lots of work to be done. Throw in some recreation and it seems that end of summer is coming quick.

Our Alaska Governor issued a proclamation last month designating May 7, 2019 as Agriculture Day in Alaska. The purpose is to draw attention to the importance of agriculture in the state and promote local agriculture products to the residents. Alaska Grown promotion

**Northern County Office**  
PO Box 585  
Delta Junction, AK 99737

**County Executive  
Director/Farm Loan  
Manager** Lloyd Wilhelm  
907-895-4242 ext 150  
Fax: 855-711-9095  
Email:  
[lloyd.wilhelm@usda.gov](mailto:lloyd.wilhelm@usda.gov)

**Southern County Office**  
800 W Evergreen, Ste 216  
Palmer, AK 99645

**County Executive  
Director/Farm Loan  
Manager** Erin Sturdivant  
907-761-7754  
Fax: 907-761-7789  
Email:  
[erin.sturdivant@usda.gov](mailto:erin.sturdivant@usda.gov)

Hours Monday-Friday  
8:00 a.m. - 4:30 p.m.

Committee Meetings:  
Northern Co TBA  
Southern Co July 9, 9:00 am

Please contact your local FSA  
Office for questions specific to  
your operation or county

has now been around for more than 30 years. It has become a recognizable brand that farmers use in promoting their produce everywhere and we see it as people wear it on sweatshirts, shirts and hats. A very successful promotion from years past that keeps on giving.

We have a lot to look forward to as the summer comes on. Gardeners are actively growing quality food for summer eating. Nothing satisfies the taste better than fresh picked local produce. Farmers markets are already up and running with local produce in abundance. Check out your local farmers market in the next week or two.

Farm Service Agency is working on details for a Market Facilitation Program round 2. This new program is in response to trade disruptions and the disastrous weather in several areas of the country. We are ready to push this program out to our farmers as soon as allowed.

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## Every Season is #scamseason

Remember to discuss your USDA Farm Service Agency (FSA) account information only with people you recognize and trust.

If you have questions about your FSA accounts, contact the Northern County FSA Office at (907) 895-4242 and the Southern County FSA Office at (907) 761-7754.

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## Nominations Opened June 15 for the 2019 County Committee Elections

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) encourages all farmers, ranchers, and FSA program participants to take part in the Northern and Southern County Committee election nomination process which opens June 15.

FSA's 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. One-third of the seats on these committees are open for election each year. 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. County committees may have one or more appointed advisors to further represent the local interests of underserved farmers and ranchers. Underserved producers are beginning, women and other minority farmers and ranchers and land owners and/or operators who have limited resources. Other minority groups including Native American and Alaska Natives; persons under the poverty level, and persons that have disabilities are also considered underserved.

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: [www.fsa.usda.gov/elections](http://www.fsa.usda.gov/elections) or [www.fsa.usda.gov/ak](http://www.fsa.usda.gov/ak).

**This year, nominations and elections will be held in the following Alaska LAAs: Northern County LAA-1**

LAA-1 Includes the area that encompasses the following areas: North Slope, Northwest Arctic, Yukon-Koyukuk and Nome Census areas, as well as the Denali and Fairbanks North Star Borough.

**Southern County LAA -2**

LAA-2 Includes the municipality of Anchorage, Valdez/Cordova Census area south of Chugach Mtns. Kenai Peninsula Borough north of Kasilof River.

For more information about county committees, please contact the Northern County FSA office at 907-895-4242 and the Southern County FSA office at 907-761-7754 or visit [www.fsa.usda.gov/elections](http://www.fsa.usda.gov/elections) or [www.fsa.usda.gov/ak](http://www.fsa.usda.gov/ak).

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## Update Your Records

FSA is cleaning up our producer record database. If you have any unreported changes of address, zip code, phone number, email address or an incorrect name or business name on file they need to be reported to our office. Changes in your farm operation, like the addition of a farm by lease or purchase, need to be reported to our office as well. Producers participating in FSA and NRCS programs are required to timely report changes in their farming operation to the County Committee in writing and update their CCC-902 Farm Operating Plan.

If you have any updates or corrections, please call your local FSA office to update your records.

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## 2019 Acreage Reporting Dates

In order to comply with FSA program eligibility requirements, all producers are encouraged to visit the County FSA office to file an accurate crop certification report by the applicable deadline.

The following acreage reporting dates are applicable for all Alaska:

### For 2019 crop year

July 15, 2019          All other crops, CRP, Perennial Forage

### For 2020 crop year

September 30, 2019   Value-loss crops and controlled environment crops

(except Nursery)

December 15, 2019   Fall-Seeded Small Grains

January 2, 2020        Honey

May 31, 2020          Nursery

The following exceptions apply to the above acreage reporting dates:

- If the crop has not been planted by the above acreage reporting date, then the acreage must be reported no later than 15 calendar days after planting is completed.
- If a producer acquires additional acreage after the above acreage reporting date, then the acreage must be reported no later than 30 calendar days after purchase or acquiring the lease. Appropriate documentation must be provided to the county office.
- If a perennial forage crop is reported with the intended use of “cover only,” “green manure,” “left standing,” or “seed,” then the acreage must be reported by July 15th.

Noninsured Crop Disaster Assistance Program (NAP) policy holders should note that the acreage reporting date for NAP covered crops is the earlier of the dates listed above or 15 calendar days before grazing or harvesting of the crop begins.

For questions regarding crop certification and crop loss reports, please contact your local County FSA office.

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## USDA Reopens Continuous CRP Signup

USDA's Farm Service Agency (FSA) will accept applications beginning June 3, 2019, for certain practices under the continuous Conservation Reserve Program (CRP) signup and will offer extensions for expiring CRP contracts. The 2018 Farm Bill reauthorized CRP, one of the country's largest conservation programs.

FSA stopped accepting applications last fall for the continuous CRP signup when 2014 Farm Bill authority expired. Since passage of the 2018 Farm Bill last December, Fordyce said FSA has carefully analyzed the language and determined that a limited signup prioritizing water-quality practices furthers conservation goals and makes sense for producers as FSA works to fully implement the program.

### **Continuous CRP Signup**

This year's signup will include such practices as grassed waterways, filter strips, riparian buffers, wetland restoration and others. [View a full list of practices approved for this program.](#)

Continuous signup enrollment contracts are 10 to 15 years in duration. Soil rental rates will be set at 90 percent of the existing rates. Incentive payments will not be offered for these contracts.

### **Conservation Reserve Enhancement Program Signup**

FSA will also reopen signup for existing Conservation Reserve Enhancement Program (CREP) agreements. Fact sheets on current CREP agreements are available on [this webpage](#).

### **Other CRP Signup Options**

FSA will open a CRP general signup in December 2019 and a CRP Grasslands signup later.

### **CRP Contract Extensions**

A one-year extension will be offered to existing CRP participants who have expiring CRP contracts of 14 years or less. Producers eligible for an extension will receive a letter describing their options.

Alternatively, producers with expiring contracts may have the option to enroll in the Transition Incentives Program, which provides two additional annual rental payments on the condition the land is sold or rented to a beginning farmer or rancher or a member of a socially disadvantaged group.

### **More Information**

Producers interested in applying for continuous CRP practices, including those under existing CREP agreements, or who need an extension, should contact their USDA service center beginning June 3. To locate your local FSA office, visit [www.farmers.gov](http://www.farmers.gov). More information on CRP can be found at [www.fsa.usda.gov/crp](http://www.fsa.usda.gov/crp)

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## **Environmental Review Required Before Project Implementation**

The National Environmental Policy Act (NEPA) requires Federal agencies to consider all potential environmental impacts for federally-funded projects before the project is approved.

For all Farm Service Agency (FSA) programs, an environmental review must be completed before actions are approved, such as site preparation or ground disturbance. These programs include, **but are not limited to**, the Emergency Conservation Program (ECP), Farm Storage Facility Loan (FSFL) program and farm loans. If project implementation begins before FSA has completed an

environmental review, this will result in a denial of the request. There are exceptions regarding the Stafford Act and emergencies. It is important to wait until you receive written approval of your project proposal before starting any actions, including, but not limited to, vegetation clearing, site preparation or ground disturbance.

Remember to contact your local FSA office early in your planning process to determine what level of environmental review is required for your program application so that it can be completed timely.

Applications cannot be approved contingent upon the completion of an environmental review. FSA must have copies of all permits and plans before an application can be approved.

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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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## Farm Loan Graduation Reminder

FSA Direct Loans are considered a temporary source of credit that is available to producers who do not meet normal underwriting criteria for commercial banks.

FSA periodically conducts Direct Loan graduation reviews to determine a borrower's ability to graduate to commercial credit. If the borrower's financial condition has improved to a point where they can refinance their debt with commercial credit, they will be asked to obtain other financing and partially or fully pay off their FSA debt.

By the end of a producer's operating cycle, the Agency will send a letter requesting a current balance sheet, actual financial performance and a projected farm budget. The borrower has 30 days to return the required financial documents. This information will be used to evaluate the borrower's potential for refinancing to commercial credit.

If a borrower meets local underwriting criteria, FSA will send the borrower's name, loan type, balance sheet and projected cash flow to commercial lenders. The borrower will be notified when loan information is sent to local lenders.

If any lenders are interested in refinancing the borrower's loan, FSA will send the borrower a letter with a list of lenders that are interested in refinancing the loan. The borrower must contact the lenders and complete an application for commercial credit within 30 calendar days.

If a commercial lender rejects the borrower, the borrower must obtain written evidence that specifies the reasons for rejection and submit to their local FSA farm loan office.

If a borrower fails to provide the requested financial information or to graduate, FSA will notify the borrower of noncompliance, FSA's intent to accelerate the loan, and appeal rights.

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## New Dairy Margin Coverage Signup Begins June 17

Signup begins 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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All Alaska State and County FSA Offices will be closed on Thursday, July 4, 2019.

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Persons with disabilities who require accommodations to attend or participate in these meetings and/or events should contact Lloyd Wilhelm, Northern CED, at (907) 895-4242, Erin Sturdivant, Southern CED, at (907) 761-7754 or Federal Relay Service at 1-800-877-8339.

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