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Farm Service Agency **Electronic News Service**

NEWSLETTER

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Arizona FSA Newsletter

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2018 Livestock Forage Losses

Producers in Apache, Cochise, Coconino, Gila, Graham, Greenlee, Maricopa, Mohave, Navajo, Pima, Pinal, and Santa Cruz County are eligible to apply for 2018 Livestock Forage Disaster Program (LFP) benefits on small grain, native pasture, improved pasture, annual ryegrass, forage sorghum.

LFP provides compensation to eligible livestock producers who suffer grazing losses for covered livestock due to drought on privately owned or cash leased land or fire on federally managed land.

County committees can only accept LFP applications after notification is received by the National Office of qualifying drought or if a federal agency prohibits producers from grazing normal permitted livestock on federally managed lands due to qualifying fire.

Eligible livestock producers must complete a CCC-853 and the required supporting documentation no later than Jan. 30, 2019 for 2018 losses.

Dave Lamoreaux

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**To find contact information
for your local office go to**
www.fsa.usda.gov/az

Additional Information about LFP, including eligible livestock and fire criteria, is available at your local FSA office or online at: www.fsa.usda.gov.

2018 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 2018, eligible losses must occur on or after Jan. 1, 2018, and no later than 60 calendar days from the ending date of the applicable adverse weather event or attack. A notice of loss must be filed with FSA within 30 days of when the loss of livestock is 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

USDA has established normal mortality rates for each type and weight range of eligible livestock, i.e. Adult Beef Cow = 1.5% and Non-Adult Beef Cattle (less than 400 pounds) = 3%. These established percentages reflect losses that are considered expected or typical under "normal" conditions. Producers who suffer livestock losses in 2018 must file both of the following:

- A notice of loss the earlier of 30 calendar days of when the loss was apparent
- An application for payment by March 31, 2019.

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

USDA Reopens Enrollment for Improved Dairy Safety Net Tool

USDA's Farm Service Agency encourages dairy producers to consider enrolling in the new and improved [Margin Protection Program for Dairy](#) (MPP-Dairy), which will provide better protections for dairy producers from shifting milk and feed prices. With changes authorized under the Bipartisan Budget Act of 2018, the U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) has set the enrollment period to run from April 9, 2018 to June 1, 2018.

About the Program: The program protects dairy producers by paying them when the difference between the national all-milk price and the national average feed cost (the margin) falls below a certain dollar amount elected by the producer.

Changes include:

- Calculations of the margin period is monthly rather than bi-monthly.
- Covered production is increased to 5 million pounds on the Tier 1 premium schedule, and premium rates for Tier 1 are substantially lowered.
- An exemption from paying an administrative fee for limited resource, beginning, veteran, and disadvantaged producers. Dairy operators enrolled in the previous 2018 enrollment period that qualify for this exemption under the new provisions may request a refund.

Dairy operations must make a new coverage election for 2018, even if you enrolled during the previous 2018 signup period. Coverage elections made for 2018 will be retroactive to January 1, 2018. All dairy operations desiring coverage must sign up during the enrollment period and submit an appropriate form (CCC-782) and dairy operations may still "opt out" by not submitting a form. All outstanding balances for 2017 and prior years must be paid in full before 2018 coverage is approved.

Dairy producers can participate in FSA's MPP-Dairy or the Risk Management Agency's Livestock Gross Margin Insurance Plan for Dairy Cattle (LGM-Dairy), but not both. During the 2018 enrollment period, only producers with an active LGM-Dairy policy who have targeted marketings insured in 2018 months will be allowed to enroll in MPP-Dairy by June 1, 2018; however, their coverage will start only after active target marketings conclude under LGM-Dairy.

USDA has a web tool to help producers determine the level of coverage under the MPP-Dairy that will provide them with the strongest safety net under a variety of conditions. The online resource, which will be updated and available by April 9 at www.fsa.usda.gov/mpptool, allows dairy farmers to quickly and easily combine unique operation data and other key variables to calculate their coverage needs based on price projections. Producers can also review historical data or estimate future coverage based on data projections. The secure site can be accessed via computer, smartphone, tablet or any other platform.

USDA is mailing postcards advising dairy producers of the changes. For more information, visit www.fsa.usda.gov/dairy or contact your [local USDA service center](#).

USDA Helps Cotton Producers Maintain, Expand Domestic Market

The U.S. Department of Agriculture (USDA) is taking action to assist cotton producers through a Cotton Ginning Cost Share (CGCS) program in order to expand and maintain the domestic marketing of cotton. The sign-up period for the CGCS program runs from March 12, 2018, to

May 11, 2018. Under the program, which is administered by the Farm Service Agency (FSA), cotton producers may receive a cost share payment, which is based on a producer's 2016 cotton acres reported to FSA multiplied by 20 percent of the average ginning cost for each production region.

The CGCS payment rates for each region of the country are:

Region	States	Cost of Ginning Per Acre	CGCS Payment Rate
Southeast	Alabama, Florida, Georgia		
	N. Carolina, S. Carolina, Virginia	\$116.05	\$23.21
Mid-South	Arkansas, Illinois, Kentucky, Louisiana		
	Missouri, Mississippi, Tennessee	\$151.97	\$30.39
Southwest	Kansas, Oklahoma, Texas	\$98.26	\$19.65
West	Arizona, California, New Mexico	\$240.10	\$48.02

CGCS payments are capped at \$40,000 per producer. To qualify for the program, cotton producers must meet conservation compliance provisions, be actively engaged in farming and have adjusted gross incomes not exceeding \$900,000. FSA will mail letters and pre-filled applications to all eligible cotton producers. The program was established under the statutory authority of the Commodity Credit Corporation Charter Act. To learn more about the CGCS program, visit www.fsa.usda.gov/cgcs or contact a local FSA county office. To find your local FSA county office, visit the USDA's new website: <https://www.farmers.gov/>.

Maintaining Good Credit History

Farm Service Agency (FSA) Farm Loan programs require that applicants have a satisfactory credit history. A credit report is requested for all FSA direct farm loan applicants. These reports are reviewed to verify outstanding debts, if bills are paid timely and to determine the impact on cash flow. Information found on a customer's credit report is strictly confidential and is used only as an aid in conducting FSA business.

Our farm loan staff will discuss options with you if you have an unfavorable credit report and will provide a copy of your report. If you dispute the accuracy of the information on the credit report, it is up to you to contact the issuing credit report company to resolve any errors or inaccuracies.

There are multiple ways to remedy an unfavorable credit score.

Make sure to pay bills on time. Setting up automatic payments or automated reminders can be an effective way to remember payment due dates.

- Pay down existing debt.
- Keep your credit card balances low.
- Avoid suddenly opening or closing existing credit accounts.

FSA's farm loan staff will guide you through the process, which may require you to reapply for a loan after improving or correcting your credit report.

For more information on FSA farm loan programs, visit www.fsa.usda.gov.

Preauthorized Debit Available for Farm Loan Borrowers

USDA Farm Service Agency (FSA) has implemented pre-authorized debit (PAD) for Farm Loan Program (FLP) borrowers. PAD is a voluntary and alternative method for making weekly, bi-weekly, monthly, quarterly, semi-annual or annual payments on loans.

PAD payments are pre authorized transactions that allow the National Financial and Accounting Operations Center (NFAOC) to electronically collect loan payments from a customer's account at a financial institution.

PAD may be useful for borrowers who use nonfarm income from regular wages or salary to make payments on loans or adjustment offers or for payments from seasonal produce stands. PAD can only be established for future payments.

To request PAD, customers, along with their financial institution, must fill out form RD 3550-28. This form has no expiration date, but a separate form RD 3550-28 must be completed for each loan to which payments are to be applied. A fillable form can be accessed on the USDA Rural Development (RD) website at <http://www.rd.usda.gov/publications/regulations-guidelines>. Click forms and search for "Form 3550-28."

If you have a "filter" on the account at your financial institution, you will need to provide the financial institution with the following information: Origination ID: 1220040804, Agency Name: USDA RD DCFO.

PAD is offered by FSA at no cost. Check with your financial institution to discuss any potential cost. Preauthorized debit has no expiration date, but you can cancel at any time by submitting a written request to your local FSA office. If a preauthorized debit agreement receives three payment rejections within a three month period, the preauthorized debt agreement will be cancelled by FSA. The payment amount and due date of your loan is not affected by a cancellation of preauthorized debit. You are responsible to ensure your full payment is made by the due date.

For more information about PAD, contact your local FSA office. To find a local FSA office, visit <http://offices.usda.gov>

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).