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Farm Service Agency Electronic News Service

NEWSLETTER

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Washington State FSA Newsletter

Washington State Farm Service Agency

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[www.fsa.usda.gov/wa](#)

2019 Crop Production Reporting Deadline for NAP Covered Tree Fruits, Berries, and Grapes Approaching

Producers of 2019 NAP covered tree fruits (apples, apricots, cherries, nectarines, peaches, pears, plums), nuts, blueberries, cranberries, and grapes must report actual harvested production by **January 15, 2020.** To report production, complete and sign form CCC-452 obtained from your local FSA county office. If actual harvested production for NAP covered crops is not timely submitted to your FSA office, NAP benefits for crop losses will not be earned and the NAP yield will begin to drop significantly, which will affect future year NAP coverage levels.

If you have any questions about production reporting or NAP payment requirements, contact your [county FSA office](#).

State Executive Director:
Jon Wyss

State Committee:
Katlenia Vejraska, Chair
Jesus Limon, Member
Maureen Harkcom, Member
Bruce Nelson, Member
Robyn Meenach, Member

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

Unauthorized Disposition of Grain

If loan grain has been disposed of through feeding, selling, or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. If you have a farm stored loan nearing or past maturity, a marketing authorization still needs to be filed before delivery of the loan collateral for sale can take place. If an authorization expires and the loan collateral is moved and sold without a current authorization in place, a review for unauthorized disposition will occur. The financial penalties for unauthorized dispositions are severe and the producer's name will be placed on a loan violation list for a two-year period. Always call and file the appropriate forms with your county FSA office before you haul any grain under loan.

Conservation Reserve Program (CRP) Signup Continues

General and continuous CRP signup are ongoing. The general signup runs through February 28, 2020. Offers to re-enroll expired/expiring continuous CRP contracts, including contracts that expired in 2017, 2018, 2019 or 2020, must be submitted by August 15.

Accepted general signup offers will start October 1, 2020. Continuous CRP offers that expired in 2019, 2018 or 2019 can start on the first of the month after the month FSA approves it, but it must start no later than October 1. Re-enrolled continuous CRP offers from contracts expiring in 2020 must start October 1. Continuous offers of "new" land not previously in CRP can start the first of the month after FSA approval.

Producers who enroll in CRP receive a yearly rental payment for voluntarily establishing long-term, resource-conserving plant species, such as approved grasses, broadleaves or trees (known as "covers") to control soil erosion, improve water quality and develop wildlife habitat on marginally productive agricultural lands.

There are currently 22 million acres enrolled in CRP, although 5 million of those acres are expiring in 2020. That makes room for up to 7.5 million acres to be enrolled under the 24.5-million-acre cap applicable to 2020. The CRP enrollment cap increases 0.5 million acres each year until it reaches 27 million acres in 2023.

The farm bill provides a one-time opportunity for land under CRP contracts that expired in 2017, 2018 or 2019 to be offered for enrollment in 2020. To be eligible, the producer must have maintained the CRP cover from the prior contract since the contract expired, and not had an opportunity to re-enroll it since it expired. These will mostly be expired continuous CRP contracts that reached the 15-year statutory limit and could not be extended in those years.

Don't Delay

The CRP signup running through February 28 is expected to be the biggest in the last 10 years. County Offices will be very busy with this activity along with several other programs being offered at the same time. If you are interested in making a CRP offer, for either an expiring contract or new land, please contact your local office for an appointment soon. This will allow the office to be prepared and better serve you.

Rental Rates

FSA recently posted updated county average and CRP Grassland rental rates for 2020 CRP offers. These rates are posted on the CRP Statistics webpage. Rental rates for 2020 may be lower than under an expiring contract, especially for higher quality soils. Rental rates for the best soils used to be determined using soil “productivity factors” of 1.25 or 1.5. Those factors have now been reduced to 1.0. In addition, the farm bill requires that once the rental rate for the specific soils in the offered acreage have been determined, the rate must be reduced by a factor of 90% of continuous CRP and 85% for general CRP offers. The farm bill specifies that USDA must review and update county average rental rates annually. However, once a producer enrolls land in CRP, the rental rate determined at the time of contract approval will remain in effect for the life of that contract.

Incentive Rates

Rental rate incentives of 10% or 20% that used to apply to some continuous CRP practices like riparian buffers and grass filter strips have been eliminated.

Signing incentive payments (SIP) continue to be available for continuous CRP practices. The SIP is a one-time payment earned at contract approval. The SIP has been changed from a fixed rate set by policy to 32.5% of the annual rental rate. A contract enrolled with a rental rate of $50 will earn $16.25/acre ($50 X 32.5%). SIPs are only offered on land not previously enrolled in CRP.

Practice incentive payments (PIP) also continue to apply to continuous CRP contracts. The PIP provides additional assistance with cover establishment costs, in addition to the 50% cost share provided. PIPs are earned when the final cost share payment is issued. The PIP will equal an addition 5% of the total eligible cover establishment costs, bringing total compensation to 55%. PIPs are generally earned on new continuous CRP offers, but can be earned on re-enrolled offers if additional work is needed to bring the cover up to a newer, higher cover standard.

Maintenance of Current CRP Cover

When land previously enrolled in CRP is offered for re-enrollment under the same practice, the current cover must have been maintained to standards. If participants have failed to maintain the cover as called for in the conservation plan, the land may be ineligible to be re-enrolled. Determinations will be made on a case-by-case basis after a field inspection report is received from NRCS. Under this farm bill, it will be critical for CRP participants to maintain the cover to required standards if they wish to re-enroll in CRP when the current contract expires.

Types of CRP Enrollment Curtailed or Eliminated

Enrollment in the Highly Erodible Land Initiative (HELI) and the State Acres for Wildlife Enhancement (SAFE) are no longer available under the continuous CRP. Land that meets the criteria for these initiatives must now be offered under general CRP provisions, although in many cases this land will receive a high ranking score.

Mid-Contract Management (MCM)

For many years, producers who enrolled land in CRP were required to perform at least one cover management activity during the life of the contract to enhance the cover vigor and diversity. Those requirements continue to apply. Contracts approved in prior years will continue to receive 50% cost sharing for that MCM activity. Under contracts approved from this point forward, the MCM requirement still applies, but participants will not receive cost share assistance. Typical MCM activities include mowing, light harrowing, weed control or tree thinning. The new farm bill provides that livestock grazing may used for MCM and no payment reduction will apply. However, the grazing will include several restrictions and the frequency will be limited to the amount needed to enhance the stand.

Transition Incentive Program (TIP)

TIP continues under the new farm bill. TIP provides the opportunity to lease or sell expiring CRP land to a beginning, socially disadvantaged or veteran farmer to return it to production or grazing and allow the current CRP participants to receive rental payments for 2 more years after the CRP contract expires. Land cannot be leased or sold to a lineal descendent such as son or daughter but would cover land leased or sold to a cousin, niece, nephew or non-family member. If leased, the lease must be for at least 5 years unless it includes an option to purchase.

Report Damage or Loss of NAP Covered Crops Immediately

If winter weather causes damage to or loss of your NAP covered perennial and/or fall planted crops, you must report this to your local FSA county office.

NAP notices of loss must be submitted, in writing, to your local FSA county office for weather related events or adverse natural occurrences that cause damage to or loss of the NAP covered crop. To report crop damage or loss you must complete, sign, and file form CCC-576 with your FSA office by the earlier of either of the following:

- 15 calendar days after the disaster occurrence or date of loss or damage to the crop or commodity first becomes apparent or
- 15 calendar days after the normal harvest date.

As the 2020 crop year progresses, it is imperative that a notice of loss is filed (for all affected NAP covered crops) within the timeframe noted above for each weather-related event or adverse natural occurrence. This will ensure FSA is notified that your NAP covered crop or crops have been damaged or lost.

When a covered crop is lost or damage is significant, replanting is required if feasible and the final planting date has not passed. When you determine that the crop will be destroyed, abandoned, or not taken to harvest as intended, you must report this to your local FSA office so a field visit can be conducted by a certified loss adjuster. Once the crop appraisal has been completed, the loss adjuster will release the field and you can destroy the covered crop acres and replant to a different crop or harvest the acres for a different use.

Remember, failure to timely notify your FSA county office of NAP covered crop damage or loss will result in denial of NAP payment benefits. Destroying NAP covered crop acres or harvesting for a different use without a loss adjuster appraisal will result in those acres being determined ineligible for NAP payment benefits.

If you have any questions about NAP policy requirements, contact your local county FSA office for more information.

MAL and LDP Policy

The 2018 Farm Bill extends loan authority through 2023 for Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs).

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, pulse crops, rice, peanuts, cotton, wool and honey. MALs provide producers interim financing after harvest to help them meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows. A producer who is eligible to obtain a loan, but agrees to forgo the loan, may obtain an LDP if such a payment is available.

FSA is now accepting requests for 2019 MALs and LDPs for all eligible commodities after harvest. Requests for loans and LDPs shall be made on or before the final availability date for the respective commodities.

Commodity certificates are available to loan holders who have outstanding nonrecourse loans for wheat, upland cotton, rice, feed grains, pulse crops (dry peas, lentils, large and small chickpeas), peanuts, wool, soybeans and designated minor oilseeds. These certificates can be purchased at the posted county price (or adjusted world price or national posted price) for the quantity of commodity under loan, and must be immediately exchanged for the collateral, satisfying the loan. MALs redeemed with commodity certificates are not subject to Adjusted Gross Income provisions.

To be considered eligible for an LDP, producers must have form CCC-633EZ, Page 1 on file at their local FSA office before losing beneficial interest in the crop. Pages 2, 3 or 4 of the form must be submitted when payment is requested, depending on the crop.

Marketing loan gains (MLGs) and loan deficiency payments (LDPs) are no longer subject to payment limitations, actively engaged in farming and cash-rent tenant rules.

Adjusted Gross Income (AGI) provisions state that a producer whose total applicable three-year average AGI exceeds $900,000 is not eligible to receive an MLG or LDP. Producers must have a valid CCC-941 on file to earn a market gain of LDP. The AGI does not apply to MALs redeemed with commodity certificate exchange.

For more information and additional eligibility requirements, please contact your local county FSA office.

USDA Offers Targeted Farm Loan Funding for Underserved Groups and Beginning Farmers

The USDA Farm Service Agency (FSA) reminds producers that FSA offers targeted farm ownership and farm operating loans to assist underserved applicants as well as beginning farmers and ranchers.

USDA defines underserved applicants as a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of the group without regard to their individual qualities. For farm loan program purposes, targeted underserved groups are women, African Americans, American Indians and Alaskan Natives, Hispanics and Asians and Pacific Islanders.

Underserved or beginning farmers and ranchers who cannot obtain commercial credit from a bank can apply for either FSA direct loans or guaranteed loans. Direct loans are made to applicants by FSA. Guaranteed loans are made by lending institutions who arrange for FSA to guarantee the loan. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan. The FSA guarantee allows lenders to make agricultural credit available to producers who do not meet the lender's normal underwriting criteria.

The direct and guaranteed loan program provides for two types of loans: farm ownership loans and farm operating loans. In addition to customary farm operating and ownership loans, FSA now offers Microloans through the direct loan program. The focus of Microloans is on the financing needs of small, beginning farmer, niche and non-traditional farm operations. Microloans are available for both ownership and operating finance needs. To learn more about microloans, visit www.fsa.usda.gov/microloans.

To qualify as a beginning producer, the individual or entity must meet the eligibility requirements outlined for direct or guaranteed loans. Additionally, individuals and all entity members must have operated a farm for less than 10 years. Applicants must materially or substantially participate in the operation.

For more information on FSA's farm loan programs and targeted underserved and beginning farmer guidelines, visit www.fsa.usda.gov/farmloans.

FSA is Hiring!

Grant County USDA seeks a temporary employee for up to 9 months, for general office duties. Position located in Ephrata, WA. Min. qualification; U.S. citizenship; high school graduate or equivalent. Health benefits are available.

Apply by email mitzi.stephens@usda.gov; fax 1-855-843-1172 or mail at 316 W Boone Ave., WA 99201. Contact Mitzi Stephens with questions at 509-323-3007. Applications must be received by 4:30 P.M. on January 7, 2020.

USDA is an Equal Opportunity Employer

Important Dates and Deadlines

January 1, 2020 – New Year's Day. USDA Service Centers will be closed.

January 2, 2020 – 2020 crop acreage reporting deadline for honey. 2019 NAP honey production due.

January 15, 2020 – 2020 crop acreage reporting deadline for apples, apricots, blueberries, cherries, cranberries, grapes, nectarines, peaches, pears, and plums. 2019 NAP production due for all listed crops.

January 20, 2020 – Martin Luther King, Jr. Day. USDA Service Centers will be closed.

January 30, 2020 – Deadline to file a 2019 ELAP Application for Payment and supporting documentation.

January 30, 2020 – Deadline to file a 2019 LFP Application for Payment and supporting documentation.

February 1, 2020 – Deadline to file a WHIP Milk Loss Application.

February 15, 2020 – Deadline to pay 2019 NAP Premiums.

February 17, 2020 – Presidents' Day. USDA Service Centers will be closed.

February 28, 2020 – Deadline to sign up for general CRP.

February 29, 2020 – Deadline to file a 2019 LIP Application for Payment and supporting documentation.

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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