



## Farm Service Agency

# What's New: FSA and the 2018 Farm Bill

### Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Programs

- Producers may make a new election to obtain either ARC or PLC for the 2019 crop year, which also will apply for the 2020 crop year.
- Producers may change elections annually during the 2021 through 2023 crop years.
- Producers on farms where the cropland was planted to grass or pasture (including cropland that was idle or fallow) from January 1, 2009, through December 31, 2017, are ineligible for ARC/PLC payments from 2019 through 2023.
- Owners can update the farm's PLC payment yield beginning with the 2020 crop year.

### Dairy Margin Coverage (DMC) Program

- Replaces the Margin Protection Program for Dairy (MPP).
- Operations making a one-time election to participate in DMC through 2023 are eligible to receive a 25 percent discount on the existing margin coverage rates.
- The maximum level for operations with covered production history less than five million pounds is increased to \$9.50.
- A dairy operation enrolled in MPP any year from 2014-2017 may be eligible to receive a refund of premiums if the premium paid exceeds the MPP payments received.
- Producers who enrolled in the Livestock Gross Margin for Dairy Cattle program (LGM) in 2018 may enroll in 2018 MPP retroactively.

### Conservation Reserve Program (CRP)

- The CRP acreage cap gradually increases to 27 million acres by 2023.
- At least 8.6 million acres devoted to continuous practices and 2 million acres to grassland.
- Two pilot programs are authorized: Clean Lakes, Estuaries, and Rivers Initiative (CLEAR 30) and the Soil Health and Income Protection Pilot Program (SHIPP).
- The annual rental payment is limited to 85% of the estimated average county rental rate for general enrollment and 90% of the estimated county rental rate for continuous enrollment.

### Marketing Assistance Loan Programs (Commodity Loans)

- Extends loan authority through 2023 for wheat, corn, grain sorghum, barley, oats, upland cotton, extra-long staple (ELS) cotton, rice, soybean, other oilseeds, dry peas, lentils, chickpeas, graded and nongraded wool, mohair, honey, peanuts, and sugars (beet and cane).
- 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.
- Loan rates increased for all commodities except minor oilseeds, wool, mohair, honey, peanuts, and upland cotton.



## The 2018 Farm Bill – FSA: What Is New and What Has Changed

### Noninsured Crop Disaster Assistance Program (NAP)

- Buy-up NAP coverage is now part of permanent program authorization.
- Basic coverage has a payment limitation of \$125,000 per person and legal entity, while the payment limitation for buy-up coverage is a separate \$300,000.
- Service fees for applications for coverage have increased, while the premium amounts for buy-up NAP coverage are unchanged.

### Farm Loan Programs

- A farmer or rancher may receive both a \$50,000 Farm Ownership Microloan and a \$50,000 Operating Microloan. No longer limited to a combined total of \$50,000 for both microloans.
- The Direct Operating Loan limit increases to \$400,000 and the Guaranteed Operating loan limit increases to \$1,750,000.
- The Direct Farm Ownership Loan 3-year-experience requirement includes more allowable experiences to qualify.
- The Direct Farm Ownership Loan limit increases to \$600,000, and the Guaranteed Farm Ownership loan limit increases to \$1,750,000.
- Equitable relief may be granted on direct farm ownership, operating, or emergency loans to certain farmers or ranchers who failed to comply with the terms of the loan due to an action of, or the advice of, an FSA employee.
- Socially disadvantaged and beginning farmers will receive a guarantee equal to 95 percent, up from 90 percent.
- Allows borrowers who have received a debt write down or restructuring of a farm loan to be eligible for an Emergency Loan.

### Disaster Programs

- The Livestock Indemnity Program (LIP), the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish program (ELAP), the Livestock Forage Disaster Program (LFP), and the Tree Assistance Program (TAP) remain authorized and have minimal changes.
- “Cold” is now considered a LIP covered eligible loss for unweaned livestock without regard to any management practice, vaccination protocol, or lack of vaccination.
- LIP now covers diseases that are caused or transmitted by a vector and are not controlled by vaccination or an acceptable management practice. These diseases were previously covered under ELAP.
- ELAP payments are no longer subject to payment limitation.
- For beginning or veteran farmers or ranchers, the reimbursement costs for TAP increased from 65 percent to 75 percent for replanting lost trees, bushes, and vines; and from 50 percent to 75 percent for the cost of pruning, removal, and other costs incurred for salvaging existing trees, bushes, and vines.

### Other Farm Bill Changes

- The definition of “family member” for farming operation has expanded to include first cousin, niece, and nephew; (great-grandparent or grandparent, parent, child [including legally adopted children and stepchildren] grandchild, great grandchild, sibling of the family members in the farming operation, and spouses of family members). This term is used to identify joint operations that are comprised entirely of family members, which are not subject to the restriction on the number of members that may qualify as actively engaged in farming.