

June 2020



Farm Service Agency **Electronic News Service**

# NEWSLETTER

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## Alabama FSA Newsletter

### Alabama Farm Service Agency

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### USDA Issues First Coronavirus Food Assistance Program Payments

*USDA Announces Details of Direct Assistance to Farmers through the Coronavirus Food Assistance Program*

U.S. Secretary of Agriculture Sonny Perdue today announced the USDA Farm Service Agency (FSA) has already approved more than \$545 million in payments to producers who have applied for the Coronavirus Food Assistance Program. FSA began taking applications May 26, and the agency has received over 86,000 applications for this important relief program.

In the first six days of the application period, FSA has already made payments to more than 35,000 producers. Out of the gate, the top five states for CFAP payments are Illinois, Kansas, Wisconsin, Nebraska, and South Dakota. USDA has released data on application progress and program payments and will release further updates each Monday at 2:00pm ET. The report can be viewed at [farmers.gov/cfap](http://farmers.gov/cfap).

FSA will accept applications through August 28, 2020. Through CFAP, USDA is making available \$16 billion in financial assistance to producers of agricultural commodities who have suffered a five-percent-or-greater price decline due to COVID-19 and face additional significant marketing costs as a result of lower demand, surplus production, and disruptions to shipping patterns and the orderly marketing of commodities.

In order to do this, producers will receive 80 percent of their maximum total payment upon approval of the application. The remaining portion

of the payment, not to exceed the payment limit, will be paid at a later date nationwide, as funds remain available.

### **Getting Help from FSA**

New customers seeking one-on-one support with the CFAP application process can call 877-508-8364 to speak directly with a USDA employee ready to offer general assistance. This is a recommended first step before a producer engages the team at the FSA county office at their local USDA Service Center.

Producers can download the CFAP application and other eligibility forms from [farmers.gov/cfap](https://farmers.gov/cfap). Also, on that webpage, producers can find a payment calculator to help producers identify sales and inventory records needed to apply and calculate potential payments. Producers self-certify their records when applying for CFAP and that documentation is not submitted with the application. However, producers may be asked for their documentation to support the certification of eligible commodities, so producers should retain the information used to complete their application.

Those who use the online calculator tool will be able to print a pre-filled CFAP application, sign it, and submit it to your local FSA office either electronically or via hand delivery through an office drop box. Please contact your local office to determine the preferred delivery method for your local office. Team members at FSA county offices will be able to answer detailed questions and help producers apply quickly and efficiently through phone and online tools. Find contact information for your local office at [farmers.gov/cfap](https://farmers.gov/cfap).

### **Policy Clarifications**

FSA has been working with stakeholder groups to provide further clarification to producers on the CFAP program. For example, the agency has published a matrix of common marketing contracts that impact eligibility for non-specialty crops and has provided a table that crosswalks common livestock terms to CFAP cattle categories. Updated information can be found in the frequently asked questions section of the CFAP website.

### **More Information**

To find the latest information on CFAP, visit [farmers.gov/CFAP](https://farmers.gov/CFAP) or call 877-508-8364.

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**June 30 Last Day to Complete Enrollment for 2020 Agriculture Risk Coverage, Price Loss Coverage Programs**

### *Call Today Regarding 2020 Crop Year Eligibility*

Agricultural producers who have not yet enrolled in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs for 2020 must do so by June 30. Although program elections for the 2020 crop year remain the same as elections made for 2019, all producers need to contact their local USDA Farm Service Agency (FSA) office to sign a 2020 enrollment contract.

To date, more than 1.4 million ARC and PLC contracts have been signed for the 2020 crop year. This represents 89 percent of expected enrollment. FSA will send reminder postcards to producers who, according to agency records, have not yet submitted signed contracts for ARC or PLC for the 2020 crop year.

Producers who do not complete enrollment by close of business local time on Tuesday, June 30 will not be enrolled in ARC or PLC for the 2020 crop year and will be ineligible to receive a payment should one trigger for an eligible crop.

ARC and PLC contracts can be mailed or emailed to producers for signature depending on producer preference. Signed contracts can be mailed or emailed back to FSA or, arrangements can be made in advance with FSA to drop off signed contracts at the FSA county office – call ahead for local drop off and other options available for submitting signed contracts electronically.

Producers are eligible to enroll on farms with base acres for the following commodities: barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium- and short-grain rice, safflower seed, seed cotton, sesame, soybeans, sunflower seed and wheat.

#### **More Information**

For more information on ARC and PLC including web-based decision tools, visit [farmers.gov/arc-plc](https://farmers.gov/arc-plc).

USDA Service Centers, including FSA county offices, are open for business by phone only, and field work will continue with appropriate social distancing. While program delivery staff will continue to come into the office, they will be working with producers by phone and using online tools whenever possible. All Service Center visitors wishing to conduct business with the FSA, Natural Resources Conservation Service or any other Service Center agency are required to call their Service Center to schedule a phone appointment. More information can be found at [farmers.gov/coronavirus](https://farmers.gov/coronavirus).

Visit [offices.usda.gov](https://offices.usda.gov) to find location and contact information for the nearest FSA county office.

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## **FSA Implements Set-Aside Loan Provision for Customers Impacted by COVID-19**

### *Set-Aside Delays Loan Payments for Borrowers*

USDA's Farm Service Agency (FSA) will broaden the use of the Disaster Set-Aside (DSA) loan provision, normally used in the wake of natural disasters, to allow farmers with USDA farm loans who are affected by COVID-19, and are determined eligible, to have their next payment set aside. In some cases, FSA may also set aside a second payment for farmers who have already had one payment set aside because of a prior designated disaster.

FSA direct loan borrowers will receive a letter with the details of the expanded Disaster Set-Aside authorities, which includes the possible set-aside of annual operating loans, as well as explanations of the additional loan servicing options that are available. To discuss or request a loan payment Set-Aside, borrowers should call or email the farm loan staff at their local FSA county office.

The set-aside payment's due date is moved to the final maturity date of the loan or extended up to twelve months in the case of an annual operating loan. Any principal set-aside will continue to accrue interest until it is repaid. This aims to improve the borrower's cashflow in the current production cycle.

FSA previously announced it was relaxing the loan-making process and adding flexibilities for servicing direct and guaranteed loans to provide credit to producers in need. Direct loan applicants and borrowers are encouraged to contact their local FSA county office to discuss loan making and servicing flexibilities and other needs or concerns. Customers participating in FSA's guaranteed loan programs are encouraged to contact their lender. Information on these flexibilities, and office contact information, can be found on [farmers.gov/coronavirus](https://farmers.gov/coronavirus).

FSA will be accepting most forms and applications by facsimile or electronic signature. Some services are also available online to customers with an eAuth account, which provides access to the [farmers.gov](https://farmers.gov) portal where producers can view USDA farm loan information and certain program applications and payments. Customers can track payments, report completed practices, request conservation assistance and electronically sign documents. Customers who do not already have an eAuth account can enroll at [farmers.gov/sign-in](https://farmers.gov/sign-in).

USDA Service Centers are open for business by phone appointment only, and field work will continue with appropriate social distancing. While program delivery staff will continue to come into the office, they will be working with producers by phone and using online tools whenever possible. All Service Center visitors wishing to conduct business with the FSA, Natural Resources Conservation Service or any other Service Center agency are required to call their Service Center to schedule a phone appointment. More information can be found at [farmers.gov/coronavirus](https://farmers.gov/coronavirus).

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## Farmers, Ranchers and Private Forest Landowners Use Conservation to Protect Pollinator Habitat, Boost Crop Production

The next time you snack on almonds, add blueberries to your smoothie or eat pumpkin pie, thank a pollinator and thank farmers, ranchers and private forestland owners who work hard to create and maintain their habitat.

Pollinators, such as honeybees, bumblebees, butterflies, birds, bats, flies and many others, play a critical role in crop production. Without pollinators, we wouldn't have many crops.

During the week of June 22-28, the nation will celebrate these iconic and crucial pollinators during National Pollinator Week. This year's theme is "Pollinators, Plants, People and Planet." Thirteen years ago, the U.S. Senate unanimously designated the third week in June as National Pollinator Week to increase awareness about the importance of pollinators and the challenges many of them face, including serious population declines and habitat losses, often due to land use changes and excessive or improper pesticide use. Nearly 200 species of pollinators are considered threatened or extinct.

Pollination occurs when pollen grains are moved between two flowers of the same species, or within a single flower by wind or insects and animals. Successful pollination results in healthy fruit and fertile seeds, allowing the plants to reproduce.

The extensive and critical world of crop pollinators is a \$20 billion a year industry. About 75 percent of crop plants are pollinated by billions of animals and insects every year.

Many federal, state and local government agencies, non-government organizations and universities have launched extensive efforts to protect pollinators, especially honeybees and the Monarch butterfly. The U.S. Department of Agriculture (USDA) works closely with farmers, forest landowners and other private landowners to increase pollinator habitat in targeted areas nationwide.

The [Environmental Quality Incentives Program](#) (EQIP), through USDA's [Natural Resources Conservation Service](#) (NRCS), offers financial incentives to agricultural producers and private forest landowners who enhance pollinator habitat by voluntarily implementing conservation practices such as cover crops, wildflower and native plantings in buffers and areas not in production.

[Conservation Reserve Program](#) (CRP) also can be used to enhance habitat to protect pollinators. Administered by USDA's [Farm Service Agency](#) (FSA), CRP is a land conservation program in which enrolled landowners remove environmentally sensitive land from agricultural production and plant species that will improve environmental health and quality.

As owners and stewards of the land, many farmers, ranchers and private forest landowners manage their natural resources to work to achieve their production goals, they are protecting the rich and diverse ecology on or near their operations.

When we protect pollinators, we protect our ability to grow food. We thank our farmers, ranchers and private forest landowners for who offer a safe haven for pollinators and grow the products we enjoy.

Whether you are a large commodity producer, a small and diverse organic producer or even a suburban homeowner, you can have an important role in saving pollinators in Alabama.

Do your part to help protect pollinators. By taking action to diversify and beautify your operation or property, you could ensure that many fruits and vegetables are available and plentiful for future generations for many years to come.

For more information about pollinators and what you can do in Alabama, please contact your local [USDA service center](#).

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## USDA Acreage Reporting Deadline for Perennial Forage Changes to July 15

USDA Farm Service Agency (FSA) has established a new acreage reporting deadline for perennial forage for 2019 and subsequent years. Previously set in the fall, the new deadline is July 15 for all states, except for Hawaii and Puerto Rico.

Timely and accurate acreage reports for all crops and land uses, including prevented planting or failed acreage, are the foundation for many FSA program benefits, including disaster programs for livestock owners. Producers must report their acreage to maintain program eligibility.

Producers who have coverage for perennial forage under the Noninsured Crop Disaster Assistance Program (NAP) must report their crop acreage by the earlier of any of the following:

- the established acreage reporting date (July 15)
- 15 calendar days before the onset of harvest or grazing of the specific crop acreage being reported
- the established normal harvest date for the end of the coverage period.

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## Eligibility for Nominations for the 2020 County Committee Elections

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) 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. 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.

All nomination forms for the 2020 election must be postmarked or received in the local USDA Service Center by Aug. 1, 2020 (or next business day). 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: [fsa.usda.gov/elections](https://fsa.usda.gov/elections).

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## USDA Microloans Help Farmers Purchase Farmland and Improve Property

*Producers, Including Beginning and Underserved Farmers, Have a New Option to Gain Access to Land*

The U.S. Department of Agriculture (USDA) is offering farm ownership microloans, creating a new financing avenue for farmers to buy and improve property. These microloans are especially helpful to beginning or underserved farmers, U.S. veterans looking for a career in farming, and those who have small and mid-sized farming operations.

The microloan program has been hugely successful, providing more than 16,800 low-interest loans, totaling over \$373 million to producers across the country. Microloans have helped farmers and ranchers with operating costs, such as feed, fertilizer, tools, fencing, equipment, and living expenses since 2013. Seventy percent of loans have gone to new farmers.

Now, microloans will be available to also help with farm land and building purchases, and soil and water conservation improvements. FSA designed the expanded program to simplify the application process, expand eligibility requirements and expedite smaller real estate loans to help farmers strengthen their operations. Microloans provide up to \$50,000 to qualified producers and can be issued to the applicant directly from the USDA Farm Service Agency (FSA).

To learn more about the FSA microloan program visit [www.fsa.usda.gov/microloans](http://www.fsa.usda.gov/microloans), or contact your local FSA office.

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## 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
- 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.

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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).