

March 2021



Farm Service Agency **Electronic News Service**

NEWSLETTER

GovDelivery

Alabama FSA Newsletter

Alabama Farm Service Agency

4121 Carmichael Rd.,
Suite 600
Montgomery, AL 36106

Phone: 334-279-3500
Fax: 855-747-0599

www.fsa.usda.gov/al

Acting State Executive Director:

E. Nicole Cleggs-Burns

State Committee:

Monica Carroll, Chairperson
Andy Lavender, Member
Rodney Moon, Member
Steve Penry, Member
Doug Trantham, Member

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

USDA Extends Application Deadline for the Quality Loss Adjustment Program

Signup extended to April 9, 2021

The U.S. Department of Agriculture (USDA) is extending the deadline from March 5 to April 9 for agricultural producers to apply for the Quality Loss Adjustment (QLA) Program because of recent winter storms and some clarifications to program rules. This program assists producers who suffered crop quality losses due to qualifying 2018 and 2019 natural disasters.

The QLA program assists producers whose eligible crops suffered quality losses due to qualifying drought, excessive moisture, flooding, hurricanes, snowstorms, tornadoes, typhoons, volcanic activity, or wildfires.

Eligible crops include those for which federal crop insurance or Noninsured Crop Disaster Assistance Program (NAP) coverage is available, except for grazed crops and value loss crops, such as honey, maple sap, aquaculture, floriculture, mushrooms, ginseng root, ornamental nursery, Christmas trees, and turfgrass sod. Additionally, crops that were sold or fed to livestock or that are in storage may be eligible.

Assistance is available in counties that received a Presidential Emergency Disaster Declaration or Secretarial Disaster Designation, or for drought, a county rated by the U.S. Drought monitor as having a D3 (extreme drought) or higher. Producers in counties that did not receive

a qualifying declaration or designation may still apply but must also provide supporting documentation.

FSA will issue payments once the application period ends. If the total amount of calculated QLA payments exceeds available program funding, payments will be prorated.

More Information

FSA began accepting applications on January 6 and has received more than 8,100 applications so far.

To apply, contact your local [USDA Service Center](#). Additional information is also available at farmers.gov/quality-loss. Producers can also obtain one-on-one support with applications by calling 877-508-8364.

While USDA offices are currently closed to visitors because of the pandemic, Service Center staff continue to work with agricultural producers via phone, email, and other digital tools. To conduct business, please contact your local [USDA Service Center](#). Additionally, more information related to USDA's response and relief for producers can be found at farmers.gov/coronavirus.

USDA Encourages Completion of Cash Rents and Leases Survey

You may have received a *Cash Rents and Leases* survey from the U.S. Department of Agriculture's National Agricultural Statistics Service (NASS). This survey provides the basis for estimates of the current year's cash rents paid for irrigated cropland, non-irrigated cropland, and permanent pasture. Please complete your Cash Rents and Leases survey by June 21. This survey can be completed and returned by mail, over the phone, or at agcounts.usda.gov.

Information from this survey is used in the Farm Service Agency (FSA) Conservation Reserve Program (CRP) as an alternative soil rental rate prior to finalizing new rates each year. Survey responses from as many localities as possible help calculate more accurate rental rates. Completion of the survey ensures cash rental rates accurately represent your locality. Survey results will also give you a useful tool in negotiating your rental agreements, and financial planning for your agricultural operation.

In accordance with federal law, survey responses are kept confidential. Survey results will be available in aggregate form only to ensure that no individual producer or operation can be identified. NASS will publish the survey results on August 27 at quickstats.nass.usda.gov/.

If you have any questions about this survey, please call 888-424-7828, or visit: [https://www.nass.usda.gov/Surveys/Guide to NASS Surveys/Cash Rents by County/index.php](https://www.nass.usda.gov/Surveys/Guide%20to%20NASS%20Surveys/Cash%20Rents%20by%20County/index.php).

Let USDA Help You Prepare for Tax Season

If you participate in USDA programs, including our farm loan program, it's time to start preparing for tax season. USDA technical assistance is free, but it is important to not overlook USDA payments when calculating your taxes. USDA issues documentation for your taxes, including 1098 forms for USDA farm loans and 1099 forms for farmer payments. Whether you are filing your taxes on your own or working with a professional accountant or tax preparer, you have 24/7 access to your loan information through a new feature on [Farmers.gov](https://farmers.gov).

The "My Financial Information" portal makes it easier for customers to track loan transactions and payments and saves trips to the USDA service center to obtain loan-related information. It enables you to view:

- Loans and financial information.
- Interest payments (including year-to-date interest paid for the past five years).
- Loan history.
- Paid-in-full and restructured loans, and alerts. For example, an account alert will be displayed if a loan is past due.

To access your loan information, visit farmers.gov and sign into the site's authenticated portal, available on the menu at the top right of the site. To use the portal, you will need a Level 2 USDA eAuthentication account. If you do not have a Level 2 USDA eAuthentication account, [you can sign up for one here](#).

Loan information retrieved from the "My Financial Information" portal should be compared to your records and reviewed with your tax preparer if you are working with one. Contact your [local USDA Service Center](#) if you have questions about the information on My Financial Information.

Currently, only producers doing business as an individual can view information. Entities, such as an LLC or Trust, or producers doing business on behalf of another customer cannot access the portal at this time, but access is being planned. Google Chrome, Mozilla Firefox and Microsoft Edge are the recommended browsers to access the feature.

As you are preparing your taxes, here is a checklist of things to do or consider:

- Gather all 1098, 1099 and other tax forms issued by USDA.
- If you have a Farm Loan, visit the self-service website at the top right corner of farmers.gov to view your loan information, history, and payments.
- Crop insurance proceeds must be included in your farm income.
- Farmers can deduct certain conservation-related expenses. According to the IRS, you may deduct up to 25 percent of your gross farm income for conservation expenses.

Keeping good expense records will help you and your tax preparer determine the tax deductions you may claim. Here are some helpful websites to help you compile the record

- <https://www.irs.gov/publications/p225> (Publication 225 (2019), Farmer's Tax Guide)
- <https://newfarmers.usda.gov/taxes> (New farmer resources from USDA)
- <https://ffsc.org> (Record keeping assistance)

The "My Financial Information" portal on [Farmers.gov](https://farmers.gov) is just one of many features designed to help you manage your loans. The USDA team building farmers.gov prioritized this feature based on feedback from USDA field-level staff and customers. Being able to access loan information and payment history

online will help you with this year's taxes, and future features will continue to expand your self-service opportunities.

Be on the Lookout: New Form Required for Some NRCS Customers

If you are a producer or landowner who participates in USDA's Natural Resources Conservation Service (NRCS) conservation programs, the Farm Service Agency (FSA) may be reaching out by mail with information about a form you'll need to fill out.

Starting this year, all producers and landowners participating or applying to participate in certain NRCS conservation programs must complete form CCC-902, Farm Operating Plan. Historically, to participate in these programs, legal entities could file either the CCC-901, Member Information or the CCC-902, while individuals were not specifically required to file the CCC-902 with FSA. Now, to ensure FSA and NRCS are properly determining payment eligibility and maximum payment limitations, all customers must have a CCC-902 on file to establish eligibility.

These changes will not affect participants who already have a Form CCC-902 with a "determined" status recorded with FSA. Customers that do not have a CCC-902 on file with FSA will be sent a letter in the mail in the coming weeks with detailed information on what is needed and how to file the form. The letter requests that the form be completed within 30 days of receiving the letter.

For added convenience, USDA is offering options for remote or in-person submission of the CCC-902. Fiscal year 2021 is considered a transition year to ensure all NRCS program participants can meet this updated filing requirement. Beginning in FY 2022, if form CCC-902 is not on file your payments may be impacted.

We can help: NRCS and FSA staff are available at [USDA Service Centers](#) nationwide to provide information and assistance to walk you through meeting this filing requirement. For more information, see the [NRCS National Bulletin 300-21-7](#) or [FSA Notice PL-293](#).

Loan Maturity for Marketing Assistance Loans

Typically, Marketing Assistance Loans (MALs) mature on demand, but no later than the last day of the 9th calendar month after the month the MAL is disbursed. However, with the passage of the Consolidated Appropriations Act of 2021, agricultural producers now have additional time to repay MALs.

The Consolidated Appropriations Act of 2021 provides an extension of the MAL maturity to 12 months. This extension is applicable to nonrecourse loans for all commodities except seed cotton and sugar. Eligible open loans must be in good standing with a maturity date on or after July 31, 2021. New crop year loans (2021) requested by September 30, 2021, will also be eligible for the twelve-month maturity.

All current, active loans will automatically be extended the additional three months. Producers who prefer a nine-month loan maturity will need to notify their local FSA county office. Loans that are requested after September 30, 2021, will have a nine-month maturity.

MALs have a maximum loan maturity term of 12 months, therefore loans that had the maturity extended through the Coronavirus Aid, Relief, and Economic Stability Act of 2020 (CARES Act) are not eligible for an additional extension.

Eligible commodities include barley, chickpeas (small and large), corn, cotton (upland), dry peas, grain sorghum, honey, lentils, mohair, oats, peanuts, rice (long and medium grain), soybeans, unshorn pelts, wheat, wool (graded and nongraded); and other oilseeds, including canola, crambe, flaxseed, mustard seed, rapeseed, safflower, sunflower seed, and sesame seed. Seed cotton and sugar are not eligible.

For more information on MALs, contact your local County USDA Service Center or visit www.fsa.usda.gov.

Know your Final Planting Dates

All producers are encouraged to contact their local FSA office for more information on the final planting date for specific crops. The final planting dates vary by crop, planting period and county so please contact your local FSA office for a list of county-specific planting deadlines. The timely planting of a crop, by the final planting date, may prevent loss of program benefits.

Report Noninsured Crop Disaster Assistance Program (NAP) Losses

NAP provides financial assistance to you for crops that aren't eligible for crop insurance to protect against lower yields or crops unable to be planted due to natural disasters including freeze, hail, excessive moisture, excessive wind or hurricanes, flood, excessive heat and qualifying drought (includes native grass for grazing), among others.

To receive payment, you had to purchase NAP coverage for 2021 crops and file a notice of loss the earlier of 15 days of the occurrence of the disaster or when losses become apparent or 15 days of the final harvest date.

For hand-harvested crops and certain perishable crops, you must notify FSA within 72 hours of when a loss becomes apparent.

Eligible crops must be commercially produced agricultural commodities for which crop insurance is not available, including perennial grass forage and grazing crops, fruits, vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

For more information on NAP, contact your local County USDA Service Center or visit fsa.usda.gov/nap.

Applying for FSA Direct Loans

FSA offers direct farm ownership and direct farm operating loans to producers who want to establish, maintain, or strengthen their farm or ranch. Direct loans are processed, approved and serviced by FSA loan officers.

Direct farm operating loans can be used to purchase livestock and feed, farm equipment, fuel, farm chemicals, insurance, and other costs including family living expenses. Operating loans can also be used to finance minor improvements or repairs to buildings and to refinance some farm-related debts, excluding real estate.

Direct farm ownership loans can be used to purchase farmland, enlarge an existing farm, construct and repair buildings, and to make farm improvements.

The maximum loan amount for direct farm ownership loans is \$600,000 and the maximum loan amount for direct operating loans is \$400,000 and a down payment is not required. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

Please contact your local FSA office for more information or to apply for a direct farm ownership or operating loan.

Applying for FSA Guaranteed Loans

FSA guaranteed loans allow lenders to provide agricultural credit to farmers who do not meet the lender's normal underwriting criteria. Farmers and ranchers apply for a guaranteed loan through a lender, and the lender arranges for the guarantee. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan. Guaranteed loans can be used for both farm ownership and operating purposes.

Guaranteed farm ownership loans can be used to purchase farmland, construct or repair buildings, develop farmland to promote soil and water conservation or to refinance debt.

Guaranteed operating loans can be used to purchase livestock, farm equipment, feed, seed, fuel, farm chemicals, insurance and other operating expenses.

FSA can guarantee farm ownership and operating loans up to \$1,776,000. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

For more information on guaranteed loans, contact your local County USDA Service Center or visit fsa.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).