

April 2020



Farm Service Agency **Electronic News Service**

NEWSLETTER

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SED's Comments

The Nation is going through some challenging times with the current Pandemic. I would like to express my heartfelt sympathy for all that have been directly or indirectly affected by COVID-19. American Agriculture is vitally essential to the Nation and the World; it is imperative that we keep our employees and customers healthy to ensure a safe and stable food supply.

For your safety and ours, USDA Service Centers throughout Hawaii and the Pacific Basin continue to be open for business by phone appointment only and field work will continue with appropriate social distancing. While our program delivery staff continue to come into the office, they will be working with our producers by phone, email, mail and fax, using online tools whenever possible. Producers wishing to conduct business with FSA are required to call or email their Service Center to schedule a phone appointment; we anxiously await your calls and emails so we can provide you the best possible service.

Web proficient producers with reliable internet connections are encouraged to request video/audio appointments via Microsoft Teams when making your appointment by phone or email. A subscription to Teams is not needed, our staff will provide you a link for conducting the interactive meetings, which can be much more productive and supportive for our valued producers.

FSA staff continue to receive questions from customers about the Coronavirus Aid, Relief and Economic Security (CARES) Act. This includes requests for information on the Paycheck Protection Program (PPP), which is being implemented by the Small Business Administration. Information on USDA's COVID-19 response, as well as links to information about the PPP, can be found at these resources:

FSA: farmers.gov/coronavirus
USDA: usda.gov/coronavirus
SBA: [SBA Paycheck Protection Program](https://www.sba.gov/paycheck-protection-program)

AL Frenzel, State Executive Director
USDA Farm Service Agency Hawaii & Pacific Basin

Hawaii & Pacific Basin FSA State Office

State Executive Director:
AL Frenzel

Chief Program Specialist:
Patrick Lewis

Chief, Farm Loan Program:
Theresa Correa

Upcoming County Committee Meetings:

Hawaii County Committee
May 8, 2020 at 8:30 am

Honolulu County Committee
April 23, 2020 at 3:30 pm

Maui County Committee
April 16, 2020 at 8:30 am

Kauai County Committee
April 15, 2020 at 9:00 am

Guam County Committee
July 14, 2020 at 10:00 am

Contact the County Office to confirm meeting date and time, as budget constraints may limit the County Committee's ability to meet each month.

[Click here for a list of County Offices, contact numbers and addresses.](#)

Website for Hawaii and Pacific Basin FSA:

www.fsa.usda.gov/hi

PJJK Federal Building
P.O. Box 50065

Small Business Administration's Paycheck Protection Program

The Paycheck Protection Program (PPP) is a guaranteed loan program administered by the Small Business Administration (SBA). The purpose of the program is to support small businesses and help support their payroll during the coronavirus situation.

Agricultural producers, farmers, and ranchers with 500 or fewer employees whose principal place of residence is in the United States are eligible.

Farms are eligible if: (i) the farm has 500 or less employees, **OR** (ii) it fits within the revenue-based sized standard, which is on average annual receipts of \$1M.

Additionally, farms can qualify for PPP if it meets SBA's "alternative size standard." The "alternative size standard" is currently: (1) a maximum net worth of the business not more than \$15 million, **AND** (2) the average net income Federal income taxes of the business for the two full fiscal years before the date of the application be not more than \$5 million.

Small agricultural cooperatives may receive PPP loans as long as other eligibility requirements are met. Other forms of cooperatives may be eligible provided they comply with all other Loan Program Requirements (as defined in 13 CFR 120.10).

In regard to H-2A or H-2B workers on payroll, only employees with a principal place of residence in the U.S. count toward eligibility and calculation of the PPP loan amount.

SBA requires sole proprietors, independent contractors, and other eligible self-employed individuals to provide documentation to its lender that the business was in operation as of February 15, 2020. This documentation may include payroll processor records, payroll tax filings, or Form 1099-MISC, or income and expenses from a sole proprietorship. For borrowers that do not have any such documentation, the borrower must provide other supporting documentation to its lender, such as bank records, sufficient to demonstrate the qualifying payroll amount.

Documentation options for payroll tax filings include the following:

IRS Form 941 (quarterly wages); IRS Form 944 (calendar year wages); State income, payroll and unemployment insurance filings; QuickBooks; bank repository accounts; and/or internally generated profit and loss statements. However:

300 Ala Moana Blvd, Rm 5-108
Honolulu, HI 96850

Phone: 808-541-2600 x 2
FAX: 855-356-9493

- Nonprofit organizations must include IRS Form 990;
- Sole proprietors must include IRS Form 1040 Schedule C;
- Any entity that filed IRS Form 1099-MISC must include this form;
- Seasonal employers must document the period beginning February 15, 2019 through June 30, 2019

More extensive FAQs can be found at the Treasury Department's [CARES Act website](#).

New Farmers.gov Feature Helps Producers Find Farm Loans that Fit Their Operation

A new online tool can help farmers and ranchers find information on U.S. Department of Agriculture (USDA) farm loans that may best fit their operations. USDA has launched the new *Farm Loan Discovery Tool* as the newest feature on farmers.gov, the Department's self-service website for farmers.

USDA's Farm Service Agency (FSA) offers a variety of loan options to help farmers finance their operations. From buying land to financing the purchase of equipment, FSA loans can help. Compared to this time last year, FSA has seen an 18 percent increase in the amount it has obligated for direct farm ownership loans, and through the 2018 Farm Bill, has [increased the limits](#) for several loan products.

USDA conducted field research in eight states, gathering input from farmers and FSA farm loan staff to better understand their needs and challenges.

How the Tool Works

Farmers who are looking for financing options to operate a farm or buy land can answer a few simple questions about what they are looking to fund and how much money they need to borrow. After submitting their answers, farmers will be provided information on farm loans that best fit their specific needs. The loan application and additional resources also will be provided.

Farmers can download application quick guides that outline what to expect from preparing an application to receiving a loan decision. There are four guides that cover loans to individuals, entities, and youth, as well as information on microloans. The guides include general eligibility requirements and a list of required forms and documentation for each type of loan. These guides can help farmers prepare before their first USDA service center visit with a loan officer.

Farmers can access the *Farm Loan Discovery Tool* by visiting farmers.gov/fund and clicking the "Start" button. Follow the prompts and answer five simple questions to receive loan information that is applicable to your agricultural operation. The tool is built to run on any modern browser like Chrome, Edge, Firefox, or the Safari browser, and is fully functional on mobile devices. It does not work in Internet Explorer.

About Farmers.gov

In 2018, USDA unveiled farmers.gov, a dynamic, mobile-friendly public website combined with an authenticated portal where farmers will be able to apply for programs, process transactions, and manage accounts.

The *Farm Loan Discovery Tool* is one of many resources on farmers.gov to help connect farmers to information that can help their operations. Earlier this year, USDA launched the *My Financial*

Information feature, which enables farmers to view their loan information, history, payments, and alerts by logging into the website.

USDA is building farmers.gov for farmers, by farmers. In addition to the interactive farm loan features, the site also offers a Disaster Assistance Discovery Tool. Farmers can visit farmers.gov/recover/disaster-assistance-tool#step-1 to find disaster assistance programs that can help their operation recover from natural disasters.

With feedback from customers and field employees who serve those customers, farmers.gov delivers farmer-focused features through an agile, iterative process to deliver the greatest immediate value to America's agricultural producers – helping farmers and ranchers do right, and feed everyone.

For more information or to locate your USDA Service Center, visit farmers.gov.

USDA Stands Up New Team to Better Serve Beginning Farmers and Ranchers

The U.S. Department of Agriculture (USDA) is standing up a new team of U.S. Department of Agriculture (USDA) staff that will lead a department-wide effort focused on serving beginning farmers and ranchers.

To institutionalize support for beginning farmers and ranchers and to build upon prior agency work, the 2018 Farm Bill directed USDA to create a national coordinator position in the agency and state-level coordinators for four of its agencies – Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS), Risk Management Agency (RMA), and Rural Development (RD).

Sarah Campbell was selected as the national coordinator to lead USDA's efforts. A beginning farmer herself, Campbell held previous positions with USDA and has a wealth of experience working on issues impacting beginning farmers and ranchers. She recently served as acting director of customer experience for the Farm Production and Conservation Business Center, where she led the piloting of innovative, customer-centric initiatives.

In her new role, she will work closely with the state coordinators to develop goals and create plans to increase beginning farmer participation and access to programs while coordinating nationwide efforts on beginning farmers and ranchers.

Each state coordinator will receive training and develop tailored beginning farmer outreach plans for their state. Coordinators will help field employees better reach and serve beginning farmers and ranchers and will also be available to assist beginning farmers who need help navigating the variety of resources USDA has to offer.

More on Beginning Farmers

Twenty seven percent of farmers were categorized as new and beginning producers, with 10 years or less of experience in agriculture, according to the 2017 Census of Agriculture.

USDA offers a variety of farm loan, risk management, disaster assistance, and conservation programs to support farmers, including beginning farmers and ranchers. Additionally, a number of these programs have provisions specifically for beginning farmers, including targeted funding for loans and conservation programs as well as waivers and exemptions.

More Information

Learn more about USDA's resources for beginning farmers as well as more information on the national and state-level coordinators at newfarmers.usda.gov and farmers.gov. For more information on available programs in your area, contact your local [USDA service center](#).

Communication is Key in Lending

Farm Service Agency (FSA) is committed to providing our farm loan borrowers the tools necessary to be a success. A part of ensuring this success is providing guidance and counsel from the loan application process through the borrower's graduation to commercial lending institutions. While it is FSA's commitment to advise borrowers as they identify goals and evaluate progress, it is crucial for borrowers to communicate with their farm loan staff when changes occur. It is the borrower's responsibility to alert FSA to any of the following:

- Any proposed or significant changes in the farming operation;
- Any significant changes to family income or expenses;
- The development of problem situations;
- Any losses or proposed significant changes in security

In addition, if a farm loan borrower cannot make payments to suppliers, other creditors, or FSA on time, contact your farm loan staff immediately to discuss loan servicing options.

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

April 2020 Interest Rates

Farm Operating Loans 2.375%

Farm Operating Microloans 2.375%

Farm Ownership Loans 3.000%

Farm Ownership Microloans 3.000%

Farm Ownership Loans Direct Down Payment for Beginning Farmer or Rancher 1.500%

Emergency Loans 3.375%

Sign Up Today for Text Alerts from FSA

Subscribers Can Receive Important Program Reminders and Updates

USDA Farm Service Agency (FSA) farmers and ranchers now can receive notifications from their county office through text messages on their cell phone.

Whether producers are in the field, on a tractor or even on horseback, this service enables FSA customers and stakeholders to receive notifications while on the go. Producers will receive text messages regarding important program deadlines, reporting requirements, outreach events and updates.

Producers can text the **short codes** below to FSANOW (372-669) to subscribe to text message alerts from their respective counties. Standard text messaging rates apply. Contact your wireless carrier for details associated with your particular data plan. Participants may unsubscribe at any time.

Hawaii County : **HPBHawaii**

Honolulu County: **HPBHonolulu**

Kauai County: **HPBKauai**

Maui County: **HPBMaui**

Please contact your [local FSA office](#) if you have questions regarding FSA's email news service or the text message option.

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Maui County: **HPBMaui**

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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).

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