

June 2020



Farm Service Agency **Electronic News Service**

NEWSLETTER

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SED's Comments

Producers can now apply for USDA's Coronavirus Food Assistance Program, which provides direct payments to farmers to offset impacts from the coronavirus pandemic. Applications will be accepted through August 28, 2020. An application form and a payment calculator are available online on farmers.gov/cfap.

CFAP is structured to ensure the availability of funding for all eligible producers who apply. In order to do this, you will receive 80 percent of your maximum total payment upon approval of your 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. The program supports the following commodities:

Non-specialty commodities include malting barley, canola, corn, upland cotton, millet, oats, soybeans, sorghum, sunflowers, durum wheat, hard red spring wheat, and wool.

Livestock includes cattle, hogs, and sheep (lambs and yearlings only).

Specialty crops include:

- Fruits: apples, avocados, blueberries, cantaloupe, grapefruit, kiwifruit, lemons, oranges, papaya, peaches, pears, raspberries, strawberries, tangerines, tomatoes, watermelons
- Vegetables: artichokes, asparagus, broccoli, cabbage, carrots, cauliflower, celery, sweet corn, cucumbers, eggplant, garlic, iceberg lettuce, romaine lettuce, dry onions, green onions, peppers, potatoes, rhubarb, spinach, squash, sweet potatoes, taro

- Nuts: almonds, pecans, walnuts
- Other: beans, mushrooms

Didn't see a commodity you produce on the list of eligible commodities? USDA has established a process for producers to identify additional commodities for potential inclusion in CFAP. Specifically, USDA is looking for data on agricultural commodities, that are not currently eligible for CFAP, that producers believe to have either:

1. Suffered a five percent-or-greater price decline between mid-January and mid-April as a result of the COVID-19 pandemic,
2. Shipped but subsequently spoiled due to loss of marketing channel, or
3. Not left the farm or remained unharvested as mature crops.

USDA may reconsider the excluded commodities if credible evidence is provided that supports a five percent price decline. USDA will consider additional commodities to be eligible for CFAP by collecting information on potentially eligible commodities. Producers of commodities not included on the original CFAP list who believe they've suffered a five percent-or-greater price decline between January and April 2020, and who face additional marketing costs due to COVID-19, may submit comments to provide information about additional commodities.

USDA is particularly interested in obtaining information with respect to the following specific categories of agricultural commodities:

- Nursery Products
- Aquaculture Products
- Cut Flowers

More information about this process is also available on farmers.gov/cfap or in this fact sheet. Comments may be submitted through either of the following methods by June 22, 2020:

- Federal Rulemaking Portal – Go to [regulations.gov](https://www.regulations.gov) and search for [Docket ID FSA-2020-0004](#). Follow the instructions for submitting comments.
- Mail – Director, SND, FSA, US Department of Agriculture, 1400 Independence Avenue SW, Stop 0522, Washington, DC 20250-0522 Washington, DC 20250-0522.

We know producers are facing a tough time now, and we are making every effort to provide much needed support as quickly as possible. Producers of all eligible commodities can apply through your FSA County office. FSA is available over the phone and virtually to walk you through the application process, whether it's the first time you've worked with us, or if you know us quite well. Offices in Hawaii and American Samoa were recently approved to meet with customers on a limited basis, by appointment; please call before visiting your local office.

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

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

Chief, Farm Loan Program:

Theresa Correa

Upcoming County Committee Meetings:

Hawaii County Committee
July 10, 2020 at 8:30 am

Honolulu County Committee
July 17, 2020 at 3:00 pm

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

Kauai County Committee
July 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: <https://www.fsa.usda.gov/state-offices/Hawaii/service-centers/index>

Website for Hawaii and Pacific Basin FSA:

www.fsa.usda.gov/hi

PJJK Federal Building
P.O. Box 50065
300 Ala Moana Blvd, Rm 5-108
Honolulu, HI 96850

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

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.

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 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.

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.

Some USDA Service Centers are Open for in-office visits, but by Appointment Only

Program Delivery Continues while taking Safety Measures Related to Coronavirus

USDA continues to be open for business and is continuing to provide the best customer service possible while also prioritizing the health of employees, customers, and partners. USDA Service Centers in Hawaii and American Samoa are now open for in-office visitors by appointment only. All Service Center visitors wishing to conduct business should call ahead to confirm the office is able to accept in-person appointments and schedule the visit.

Visitors will be pre-screened based on health concerns or recent travel and must adhere to social distancing guidelines. Visitors may also be required to wear a face covering during their appointment.

To learn more about USDA programs and the Department's response to the Coronavirus visit farmers.gov/coronavirus or www.rd.usda.gov/coronavirus.

To locate your local Service Center, visit farmers.gov/service-locator.

Farmers and Ranchers in Hawaii and the Pacific Basin Can Now Apply for Financial Assistance through USDA's Coronavirus Food Assistance Program

Online Tools and Toll-Free Number Available to Assist Producers

Agricultural producers can now apply for USDA's Coronavirus Food Assistance Program (CFAP), which provides direct payments to offset impacts from the coronavirus pandemic. The application and a payment calculator are now available online, and USDA's Farm Service Agency (FSA) staff members are available via phone, fax and online tools to help producers complete applications. The agency set up a call center in order to simplify how they serve new customers across the nation.

Applications will be accepted through August 28, 2020. Through CFAP, USDA is making available \$16 billion for vital 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.

We also want to remind producers that the program is structured to ensure the availability of funding for all eligible producers who apply.

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.

Producers can download the CFAP application and other eligibility forms from farmers.gov/cfap. Also, on that webpage, producers can find a payment calculator to help identify sales and inventory records needed to apply and calculate potential payments.

Additionally, producers in search of one-on-one support with the CFAP application process can call 877-508-8364 to speak directly with a USDA employee ready to offer assistance. This is a good first step before a producer engages the team at the FSA county office at their local USDA Service Center.

Applying for Assistance

Producers of all eligible commodities will apply through their local FSA office. Those who use the online calculator tool will be able to print off a pre-filled CFAP application, sign, and submit to your local FSA office either electronically or via hand delivery. Please contact your local office to determine the preferred method. Find contact information for your local office at farmers.gov/cfap.

Documentation to support the producer's application and certification may be requested after the application is filed. FSA has streamlined the signup process to not require an acreage report at the time of application and a USDA farm number may not be immediately needed.

Additional Commodities

USDA is also establishing a process for the public to identify additional commodities for potential inclusion in CFAP. Specifically, USDA is looking for data on agricultural commodities, that are not currently eligible for CFAP, that the public believes to have either:

1. suffered a five percent-or-greater price decline between mid-January and mid-April as a result of the COVID-19 pandemic,
2. shipped but subsequently spoiled due to loss of marketing channel, or
3. not left the farm or remained unharvested as mature crops.

More information about this process is available on <http://farmers.gov/cfap>.

More Information

To find the latest information on CFAP, visit farmers.gov/cfap or call 877-508-8364.

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.

Using FSA Direct Farm Ownership Loans for Construction

The USDA Farm Service Agency's (FSA) [Direct Farm Ownership loans](#) are a resource to help farmers and ranchers become owner-operators of family farms, improve and expand current operations, increase agricultural productivity, and assist with land tenure to save farmland for future generations.

Depending on the applicant's needs, there are three types of Direct Farm Ownership Loans: regular, down payment and joint financing. FSA also offers a [Direct Farm Ownership Microloan](#) option for smaller financial needs up to \$50,000.

Amongst other purposes, Direct Farm Ownership Loans can be used to construct, purchase or improve farm dwellings, service buildings or other facilities and improvements essential to an operation.

To do this, applicants must provide FSA with an estimate of the total cost of all planned development that completely describe the work, prior to loan approval and must show proof of sufficient funds to pay for the total cost of all planned development at or before loan closing. In some instances, applicants may be asked to provide certified plans, specifications or contract documents. The applicant cannot incur any debts for materials or labor or make any expenditures

for development purposes prior to loan closing with the expectation of being reimbursed from FSA funds.

Construction and development work may be performed either by the contract method or the borrower method. Under the contract method, construction and development contractors perform work according to a written contract with the applicant or borrower. An applicant for a direct loan to finance a construction project must obtain a surety bond that guarantees both payment and performance in the amount of the construction contract from a construction contractor.

A surety bond is required when a contract exceeds \$100,000, an authorized agency official determines that a surety bond appears advisable to protect the borrower against default of the contractor or a contract provides for partial payments in excess of the amount of 60 percent of the value of the work in place.

Under the borrower method, the applicant or borrower will perform the construction and development work. The borrower method may only be used when the authorized agency official determines, based on information from the applicant, that the applicant possesses or arranges to obtain the necessary skill and managerial ability to complete the work satisfactorily and that such work will not interfere with the applicant's farming operation or work schedule.

Potential applicants should visit with FSA early in the initial project planning process to ensure environmental compliance.

For more eligibility requirements and information about FSA Loan programs, contact your local FSA office or visit fsa.usda.gov. To find your local FSA office, visit offices.usda.gov.

FSA Reminds Producers of Ongoing Disaster Assistance Program Signup

The U.S. Department of Agriculture (USDA) has started making payments through the Wildfire and Hurricane Indemnity Program – Plus (WHIP+) to agricultural producers who suffered eligible losses because of drought or excess moisture in 2018 and 2019. Signup for these causes of loss opened March 23, and producers who suffered losses from drought (in counties designated D3 or above), excess moisture, hurricanes, floods, tornadoes, typhoons, volcanic activity, snowstorms or wildfires can still apply for assistance through WHIP+.

To be eligible for WHIP+, producers must have suffered losses of certain crops, trees, bushes or vines in counties with a Presidential Emergency Disaster Declaration or a Secretarial Disaster Designation (primary counties only) for qualifying natural disaster events that occurred in calendar years 2018 or 2019. Also, losses located in a county not designated by the Secretary as a primary county may be eligible if a producer provides documentation showing that the loss was due to a qualifying natural disaster event.

For losses due to drought, a producer is eligible if any area of the county in which the loss occurred was rated D3, or extreme drought, or higher on the U.S. Drought Monitor during calendar years 2018 or 2019. Producers who suffered losses should contact their FSA county office.

In addition to the recently added eligible losses of drought and excess moisture, FSA will implement a WHIP+ provision for crop quality loss that resulted in price deductions or penalties when marketing crops damaged by eligible disaster events. To ensure an effective program for all impacted farmers, the Agency is currently gathering information on the extent of quality loss from producers and stakeholder organizations.

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 on Service Centers can be found at farmers.gov/coronavirus, and more information on WHIP+ can be found at farmers.gov/whip-plus.

Higher Limits Now Available on USDA Farm Loans

Higher limits are now available for borrowers interested in USDA's farm loans, which help agricultural producers purchase farms or cover operating expenses. The 2018 Farm Bill increased the amount that producers can borrow through direct and guaranteed loans available through USDA's Farm Service Agency (FSA) and made changes to other loans, such as microloans and emergency loans.

Key changes include:

- The Direct Operating Loan limit increased from \$300,000 to \$400,000, and the Guaranteed Operating Loan limit increased from \$ 1.429 million to \$1.75 million. Operating loans help producers pay for normal operating expenses, including machinery and equipment, seed, livestock feed, and more.
- The Direct Farm Ownership Loan limit increased from \$300,000 to \$600,000, and the Guaranteed Farm Ownership Loan limit increased from \$1.429 million to \$1.75 million. Farm ownership loans help producers become owner-operators of family farms as well as improve and expand current operations.
- Producers can now receive both a \$50,000 Farm Ownership Microloan and a \$50,000 Operating Microloan. Previously, microloans were limited to a combined \$50,000. Microloans provide flexible access to credit for small, beginning, niche, and non-traditional farm operations.
- Producers who previously received debt forgiveness as part of an approved FSA restructuring plan are now eligible to apply for emergency loans. Previously, these producers were ineligible.
- Beginning and socially disadvantaged producers can now receive up to a 95 percent guarantee against the loss of principal and interest on a loan, up from 90 percent.

About Farm Loans

Direct farm loans, which include microloans and emergency loans, are financed and serviced by FSA, while guaranteed farm loans are financed and serviced by commercial lenders. For guaranteed loans, FSA provides a guarantee against possible financial loss of principal and interest.

For more information on FSA farm loans, visit www.fsa.usda.gov or contact your [local USDA service center](#).

June 2020 Interest Rates

Farm Operating Loans 1.375%
Farm Operating Microloans 1.375%
Farm Ownership Loans 2.250%
Farm Ownership Microloans 2.250%
Farm Ownership Loans Direct Down Payment for Beginning Farmer or Rancher 1.500%
Emergency Loans 2.375%

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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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.

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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