

In This Issue:

- [Just Around the Corner](#)
- [PATHH Webinar Sept. 16](#)
- [Pandemic Livestock Indemnity Program](#)
- [Coronavirus Food Assistance Program 2 Updates](#)
- [Accepting Applications to Help Cover Costs for Organic Certification](#)
- [Linkage Requirements for Payments Received Under WHIP+ and/or QLA](#)
- [Communication is Key in Lending](#)
- [September 2021 Lending Rates](#)

Just Around the Corner

All Commodities

Oct. 12 is the deadline to apply for the [Coronavirus Food Assistance Program 2](#) (CFAP2).

Fall Seeded Grains & Perennial Forages

Sept. 30 is the deadline to enroll perennial forages and fall-seeded small grains, including spring planted barley and oats/pea mix, biannual and perennial grasses for hay and grazing, alfalfa, clover and mixed forages for the 2022 crop year in the [Noninsured Crop Disaster Assistance Program](#) (NAP).

Livestock

Sept. 17 is the deadline to apply for the [Pandemic Livestock Indemnity Program](#).

Organic Crops

Oct. 31 is the deadline to apply for the [Organic Certification Cost Share Program](#).

Timber

Oct. 15 is the deadline to apply for the [Pandemic Assistance for Timber Harvesters and Haulers Program](#) (PATHH).

Value Loss Crops

Sept. 30 is the deadline to submit [acreage reports](#) for value loss crops, such as aquaculture, Christmas trees, ginseng, ornamental nursery, and turfgrass sod, for the 2022 crop year.



PATHH Webinar Sept. 16

Timber harvesters and haulers of Michigan are invited to participate in an informational webinar about USDA's Pandemic Assistance for [Timber Harvesters and Haulers Program \(PATHH\)](#) on Sept. 16, 2021, at 9 a.m. EDT.

Join Us

The webinar will be cohosted by experts from the Michigan Department of Natural Resources (MDNR) and the USDA Farm Service Agency (FSA). Participants can join the meeting by going to <https://bit.ly/3gvV2ci>.



We want to ensure all eligible logging and trucking businesses in Michigan can benefit from the program. During the webinar, experts at FSA and MDNR will be available to discuss PATHH with Michigan timber harvesters and haulers and answer their questions about the program.

About PATHH

The deadline to apply for PATHH is Oct. 15, 2021. The maximum amount that a person or legal entity may receive directly from PATHH is \$125,000.

To be eligible for PATHH payments, individuals or legal entities must be a timber harvesting or timber hauling business where 50% or more of its gross revenue is derived from one or more of the following:

- Cutting timber,
- Transporting timber, and/or
- Processing of wood on-site on the forest land, such as chipping, grinding, converting to biochar, cutting to smaller lengths, etc.

Businesses and individuals can apply for PATHH by completing form [FSA-1118](#), Pandemic Assistance for Timber Harvesters and Haulers Program application, and certifying their gross revenue for 2019 and 2020 on the application. Additional documentation may be required.

More Information

PATHH applications can be submitted to any local FSA office by mail, fax, hand delivery, or electronic means. Local FSA Service Centers can be found at www.farmers.gov/service-center-locator.

Persons with disabilities who require accommodations to participate in the PATHH webinar should contact Savannah Halleaux at 517-324-5111 or the Federal Relay Service at 1-800-877-8339.

Pandemic Livestock Indemnity Program

Livestock and poultry producers who suffered losses during the pandemic due to insufficient access to processing can apply for assistance for those losses and the cost of depopulation and disposal of the animals. The U.S. Department of Agriculture (USDA) Secretary Vilsack announced the [Pandemic Livestock Indemnity Program \(PLIP\)](#) in [recorded] remarks at the National Pork Industry Conference in Wisconsin Dells, WI. The announcement is part of USDA's Pandemic Assistance for Producers initiative. Livestock and poultry producers can apply for assistance through USDA's Farm Service Agency (FSA) July 20 through Sept. 17, 2021.



The Consolidated Appropriations Act, 2021, authorized payments to producers for losses of livestock or poultry depopulated from March 1, 2020 through December 26, 2020, due to insufficient processing access

as a result of the pandemic. PLIP payments will be based on 80% of the fair market value of the livestock and poultry and for the cost of depopulation and disposal of the animal. Eligible livestock and poultry include swine, chickens and turkeys.

PLIP Program Details

Eligible livestock must have been depopulated from March 1, 2020, through December 26, 2020, due to insufficient processing access as a result of the pandemic. Livestock must have been physically located in the U.S. or a territory of the U.S. at the time of depopulation.

Eligible livestock owners include persons or legal entities who, as of the day the eligible livestock was depopulated, had legal ownership of the livestock. Packers, live poultry dealers and contract growers are not eligible for PLIP.

PLIP payments compensate participants for 80% of both the loss of the eligible livestock or poultry and for the cost of depopulation and disposal based on a single payment rate per head. PLIP payments will be calculated by multiplying the number of head of eligible livestock or poultry by the payment rate per head, and then subtracting the amount of any payments the eligible livestock or poultry owner has received for disposal of the livestock or poultry under the Natural Resources Conservation Service (NRCS) Environmental Quality Incentives Program (EQIP) or a state program. The payments will also be reduced by any Coronavirus Food Assistance Program (CFAP 1 and 2) payments paid on the same inventory of swine that were depopulated.

There is no per person or legal entity payment limitation on PLIP payments. To be eligible for payments, a person or legal entity must have an average adjusted gross income (AGI) of less than \$900,000 for tax years 2016, 2017 and 2018.

Applying for Assistance

Eligible livestock and poultry producers can apply for PLIP starting July 20, 2021, by completing the FSA-620, Pandemic Livestock Indemnity Program application, and submitting it to any FSA county office. Additional documentation may be required. Visit farmers.gov/plip for a copy of the Notice of Funding Availability and more information on how to apply.

Applications can be submitted to the FSA office at any USDA Service Center nationwide by mail, fax, hand delivery or via electronic means. To find your local FSA office, visit farmers.gov/service-locator. Livestock and poultry producers can also call 877-508-8364 to speak directly with a USDA employee ready to offer assistance.

Coronavirus Food Assistance Program 2 Updates

USDA updated the Coronavirus Food Assistance Program 2 (CFAP 2) for contract producers of eligible livestock and poultry and producers of specialty crops and other sales-based commodities. CFAP 2, which assists producers who faced market disruptions in 2020 due to COVID-19, is part of USDA's broader Pandemic Assistance for Producers initiative.

Additionally, FSA set an Oct. 12 deadline for all eligible producers to apply for or modify applications for CFAP 2.

Assistance for Contract Producers

The Consolidated Appropriations Act, 2021, provides up to \$1 billion for payments to contract producers of eligible livestock and poultry for revenue losses from Jan. 1, 2020, through Dec. 27, 2020. Contract producers of broilers, pullets, layers, chicken eggs, turkeys, hogs and pigs, ducks, geese, pheasants and quail may be eligible for assistance. This update includes eligible breeding stock and eggs of all eligible poultry types produced under contract.



Payments for contract producers were to be based on a comparison of eligible revenue for the periods of Jan. 1, 2019, through Dec. 27, 2019, and Jan. 1, 2020, through Dec. 27, 2020. Today's changes mean contract producers can now elect to use eligible revenue from the period of Jan. 1, 2018, through Dec. 27, 2018, instead of that date range in 2019 if it is more representative. This change is intended to provide flexibility and make the program more equitable for contract producers who had reduced revenue in 2019 compared to a normal production year. The difference in revenue is then multiplied by 80% to determine a final payment. Payments to contract producers may be factored if total calculated payments exceed the available funding and will be made after the application period closes.

Additional flexibilities have been added to account for increases to operation size in 2020 and situations where a contract producer did not have a full period of revenue from Jan. 1 to Dec. 27 for either 2018 or 2019. Assistance is also available to new contract producers who began their farming operation in 2020.

Updates for Sales-Based Commodities

USDA is amending the CFAP 2 payment calculation for sales-based commodities, which are primarily comprised of specialty crops, to allow producers to substitute 2018 sales for 2019 sales. Previously, payments for producers of sales-based commodities were based only on 2019 sales, with 2019 used as an approximation of the amount the producer would have expected to market in 2020. Giving producers the option to substitute 2018 sales for this approximation, including 2018 crop insurance indemnities and 2018 crop year Noninsured Disaster Assistance Program (NAP) and Wildfire and Hurricane Indemnity Program Plus (WHIP+) payments, provides additional flexibility to producers of sales-based commodities who had reduced sales in 2019.

Grass seed has also been added as an eligible sales commodity for CFAP 2. A complete list of all eligible sales-based commodities can be found at farmers.gov/cfap2/commodities. Producers of sales-based commodities can modify existing applications.

Applying for Assistance

Newly eligible producers who need to submit a CFAP 2 application or producers who need to modify an existing one can do so by contacting their local FSA office. Producers can find their local FSA office by visiting farmers.gov/service-locator. Producers can also obtain one-on-one support with applications by calling 877-508-8364. All new and modified CFAP 2 applications are due by the Oct. 12 deadline.

Accepting Applications to Help Cover Costs for Organic Certification

USDA's Farm Service Agency (FSA) announced that organic producers and handlers can apply for USDA funds to assist with the cost of receiving and maintaining organic certification through the [Organic Certification Cost Share Program](#) (OCCSP). Applications for eligible certification expenses paid between Oct. 1, 2020, and Sept. 30, 2021, are due Nov. 1, 2021.

OCCSP provides cost-share assistance to producers and handlers of agricultural products for the costs of obtaining or maintaining organic certification under the USDA's National Organic Program. Eligible producers include any certified producers or handlers who have paid organic certification fees to a USDA-accredited certifying agent. Producers can be reimbursed for expenses including application fees, inspection costs, fees related to equivalency agreement and arrangement requirements, travel expenses for inspectors, user fees, sales assessments and postage.

For 2021, OCCSP will reimburse 50 percent of a certified operation's allowable certification costs, up to a maximum of \$500 for each of the following categories or "scopes:"



- crops
- wild crops
- livestock
- processing/handling
- State organic program fees.

Organic farmers and ranchers may apply through an FSA county office or a participating state agency.

More Information

To learn more about organic certification cost share, please visit the [OCCSP webpage](#), visit usda.gov/organic, or contact your [local USDA Service Center](#).

Linkage Requirements for Payments Received Under WHIP+ and/or QLA

If you received a payment under the Wildfires and Hurricanes Indemnity Program+ (WHIP+) or the Quality Loss Adjustment Program (QLA) for crop production and/or quality losses occurring in 2018, 2019, or 2020 crop years, you are required to meet linkage requirements by obtaining federal crop insurance or Non-Insured Crop Disaster Assistance Program (NAP) coverage at the 60/100 level, or higher, for both the 2022 and 2023 crop years.



When applying for WHIP+ or QLA, form FSA-895 (Crop Insurance and/or NAP Coverage Agreement) was submitted acknowledging the requirement to obtain federal crop insurance, if available, or NAP coverage if federal crop insurance is not available. The coverage requirement is applicable to the physical location county of the crop that received WHIP+ and/or QLA benefits.

Producers should not delay contacting their federal crop insurance agent or local county FSA Office to inquire about coverage options, as **failure to obtain the applicable coverage by the sales/application closing date will result in the required refund of WHIP+ benefits received on the applicable crop, plus interest.** You can determine if crops are eligible for federal crop insurance or NAP by [visiting the RMA website](#).

For more information, contact your [local USDA Service Center](#) or visit fsa.usda.gov.

Communication is Key in Lending

FSA is committed to providing our farm loan borrowers the tools necessary to be successful. FSA staff will provide guidance and counsel from the loan application process through the borrower's graduation to commercial credit.

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

If a farm loan borrower can't 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, contact your [local USDA Service Center](#) or visit fsa.usda.gov.

September 2021 Lending Rates

FSA loans provide important access to capital to help agricultural producers start or expand their farming operation, purchase equipment and storage structures, or meet cash flow needs.



Operating, Ownership and Emergency Loans

FSA offers farm ownership and operating loans with favorable interest rates and terms to help eligible agricultural producers, whether multi-generational, long-time or new to the industry, obtain financing needed to start, expand or maintain a family agricultural operation. FSA also offers emergency loans to help producers recover from production and physical losses due to drought, flooding, other natural disasters or quarantine. For many loan options, FSA sets aside funding for historically underserved producers, including veterans, beginning producers, women, American Indian or Alaskan Native, Asian, Black or African American, Native Hawaiian or Pacific Islander, and Hispanic farmers and ranchers.

Interest rates for Operating and Ownership loans for September 2021 are as follows:

- [Farm Operating Loans](#) (Direct): 1.875%
- [Farm Ownership Loans](#) (Direct): 3.000%
- [Farm Ownership Loans](#) (Direct, Joint Financing): 2.500%
- [Farm Ownership Loans](#) (Down Payment): 1.500%
- [Emergency Loan](#) (Amount of Actual Loss): 2.875%

FSA also offers guaranteed loans through commercial lenders at rates set by those lenders.

You can find out which of these loans may be right for you by using our [Farm Loan Discovery Tool](#).

Commodity and Storage Facility Loans

Additionally, FSA provides low-interest financing to producers to build or upgrade on-farm storage facilities and purchase handling equipment and loans that provide interim financing to help producers meet cash flow needs without having to sell their commodities when market prices are low. Funds for these loans are provided through the Commodity Credit Corporation (CCC) and are administered by FSA.

- [Commodity Loans](#) (less than one year disbursed): 1.125%
- [Farm Storage Facility Loans](#):
 - Three-year loan terms: 0.375%
 - Five-year loan terms: 0.750%

- Seven-year loan terms: 1.000%
- Ten-year loan terms: 1.250%
- Twelve-year loan terms: 1.375%
- [Sugar Storage Facility Loans](#) (15 years): 1.625%

Pandemic Support

FSA's Disaster Set-Aside provision is available to direct loan borrowers who have been impacted by the pandemic. This enables an upcoming annual installment to be set aside for the year and added to the final installment. For annual operating loans, the loan maturity date may be extended up to twelve months in order to set aside the installment. This provision is normally used in the wake of natural disasters, and a second Disaster Set-Aside may be available for direct loan borrowers who already have a DSA in place on a loan due to another designated natural disaster.

More Information

Producers can explore available options on all FSA loan options at fsa.usda.gov or by contacting your [local USDA Service Center](#).

Michigan Farm Service Agency

3001 Coolidge Road, Suite 350
 East Lansing, MI 48823
 517-324-5110

State Executive Director

David P. Russ (acting)

Farm Loan Programs Chief

David P. Russ

Price Support Programs Chief

Ken Schapman

Conservation Programs Chief

Dale Allen

Production Adjustment Programs Chief

Kyle Knapp

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).