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Farm Service Agency **Electronic News Service**

NEWSLETTER

GovDelivery

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Pennsylvania State FSA Newsletter

Pennsylvania Farm Service Agency

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Gary H. Groves

State Committee:

Farmers and Ranchers in PENNSYLVANIA 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

Bonnie Wenger, Chair

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.

George Greig

Doug Graybill

Barron (Boots) Hetherington

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

Bill Hoover

Division Chiefs:

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.

Rebecca Csutoras

Farm Programs

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.

David Poorbaugh

Farm Loan Programs

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.

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

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 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.

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

5 Steps to Complete After Spring Planting

With #Plant2020 in the rear-view mirror, it's time to think about next steps on your farm.

Your USDA team understands that the real work continues after planting. We know the rest of spring and summer will be spent scouting crops, irrigating or waiting for timely rains for your non-irrigated fields, and monitoring weed and insect pressure.

Before you get too busy, [there are five things to keep in mind after planting](#).

USDA Reports Record Enrollment in Key Farm Safety-Net Programs

Producers signed a record 1.77 million contracts for the U.S. Department of Agriculture's Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs for the 2019 crop year, which is more than 107 percent of the total contracts signed compared with a 5-year average. USDA also reminds producers that June 30 is the deadline to enroll in ARC and PLC for the 2020 crop year.

Producers interested in enrolling for 2020 should contact their FSA county office. Producers must enroll by June 30 and make their one-time update to PLC payment yields by September 30.

FSA attributes the significant participation in the 2019 crop year ARC and PLC programs to increased producer interest in the programs under the 2018 Farm Bill and to an increase in eligible farms because of the selling and buying of farms and new opportunities for beginning farmers and military veterans with farms having 10 or fewer base acres. Enrollment for 2019 ended March 16.

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.

For more information on ARC and PLC, download the [program fact sheet](#) or the [2014-2018 farm bills comparison fact sheet](#). Online ARC and PLC election decision tools are available at www.fsa.usda.gov/arc-plc. To locate the nearest USDA Service Center, visit farmers.gov/service-center-locator.

Small Business Administration's Agricultural Assistance

The new Paycheck Protection Program and Health Care Enhancement Act provides additional resources for both the Small Business Administration's (SBA) Paycheck Protection Program (PPP) and the Economic Injury Disaster Loan (EIDL) program. Participation in SBA's PPP or EIDL program does not impact producer eligibility for USDA's forthcoming CFAP. There is no linkage

between the two programs. Likewise, participation in SBA's PPP or EIDL program does not impact producer eligibility for any USDA farm program. The PPP duplicate benefit provision does not have an impact on FSA farm programs or farm loan programs.

Paycheck Protection Program

The PPP is a guaranteed loan program administered by the 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:

the farm has 500 or less employees, OR
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:

a maximum net worth of the business not more than \$15 million, AND
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.
Some additional notes include:

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.

Economic Injury Disaster Loan Program

In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states, Washington D.C., and territories are eligible to apply for an EIDL advance of up to \$10,000 and borrow up to \$2 million. This advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue. Loan advances will not have to be repaid.

SBA's EIDL application portal reopened on May 4, 2020, as a result of funding authorized by Congress through the Paycheck Protection Program and Healthcare Enhancement Act.

For the first time, agricultural enterprises are now eligible for the disaster assistance from EIDL. As a result of the unprecedented legislation, American farmers, ranchers and other agricultural businesses will now have access to emergency working capital.

These low-interest, long-term loans will help keep agricultural businesses viable while bringing stability to the nation's vitally important food supply chains.

Agricultural businesses include businesses engaged in the legal production of food and fiber, ranching, and raising of livestock, aquaculture, and all other farming and agricultural related industries (as defined by section 18(b) of the Small Business Act (15 U.S.C. 647(b)). Eligible agricultural businesses must have 500 or fewer employees.

In order to help facilitate this important change to EIDL Loan and EIDL Advance assistance eligibility, SBA is re-opening the Loan and Advance application portal to agricultural enterprises only. For agricultural producers that submitted an EIDL loan application through the streamlined application portal prior to the legislative change, SBA will move forward and process these applications without the need for re-applying. All other EIDL loan applications that were submitted prior to April 15 will be processed on a first-in, first-out basis.

For more information, visit sba.gov.

Farm Storage Facility Loans

FSA's Farm Storage Facility Loan (FSFL) program provides low-interest financing to producers to build or upgrade storage facilities and to purchase portable (new or used) structures, equipment and storage and handling trucks.

The low-interest funds can be used to build or upgrade permanent facilities to store commodities. Eligible commodities include corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley, minor oilseeds harvested as whole grain, pulse crops (lentils, chickpeas and dry peas), hay, honey, renewable biomass, fruits, nuts and vegetables for cold storage facilities, floriculture, hops, maple sap, rye, milk, cheese, butter, yogurt, meat and poultry (unprocessed), eggs, and aquaculture (excluding systems that maintain live animals through uptake and discharge of water). Qualified facilities include grain bins, hay barns and cold storage facilities for eligible commodities.

Loans up to \$100,000 can be secured by a promissory note/security agreement. Loans exceeding \$100,000 require additional security.

Producers do not need to demonstrate the lack of commercial credit availability to apply. The loans are designed to assist a diverse range of farming operations, including small and mid-sized businesses, new farmers, operations supplying local food and farmers markets, non-traditional farm products, and underserved producers.

To learn more about the FSA Farm Storage Facility Loan, visit fsa.usda.gov/pricesupport or contact your local FSA county office. To find your local FSA office, visit offices.usda.gov.

USDA Offers Targeted Farm Loan Funding for Underserved Groups and Beginning Farmers

The USDA Farm Service Agency (FSA) reminds producers that FSA offers targeted farm ownership and farm operating loans to assist underserved applicants as well as beginning farmers and ranchers.

USDA defines underserved applicants as a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of the group without regard to their individual qualities. For farm loan program purposes, targeted underserved groups are women, African Americans, American Indians and Alaskan Natives, Hispanics and Asians and Pacific Islanders.

Underserved or beginning farmers and ranchers who cannot obtain commercial credit from a bank can apply for either FSA direct loans or guaranteed loans. Direct loans are made to applicants by FSA. Guaranteed loans are made by lending institutions who arrange for FSA to guarantee the loan. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan. The FSA guarantee allows lenders to make agricultural credit available to producers who do not meet the lender's normal underwriting criteria.

The direct and guaranteed loan program provides for two types of loans: farm ownership loans and farm operating loans. In addition to customary farm operating and ownership loans, FSA now offers Microloans through the direct loan program. The focus of Microloans is on the financing needs of small, beginning farmer, niche and non-traditional farm operations. Microloans are available for both ownership and operating finance needs. To learn more about microloans, visit fsa.usda.gov/microloans.

To qualify as a beginning producer, the individual or entity must meet the eligibility requirements outlined for direct or guaranteed loans. Additionally, individuals and all entity members must have operated a farm for less than 10 years. Applicants must materially or substantially participate in the operation.

For more information on FSA's farm loan programs and targeted underserved and beginning farmer guidelines, visit fsa.usda.gov/farmloans.

June 2020 Interest Rates

Farm Operating Loans

Farm Operating Loans - Direct	1.375 %
Farm Operating Loans - Microloan	1.375 %

Farm Ownership Loans

Direct	2.250 %
Microloan	2.250 %
Joint Financing	2.500 %

Direct Down Payment, Beginning Farmer or Rancher 1.500 %

Emergency Loans 2.375 %

Farm Storage Facility Loans

Farm Storage Facility Loans (3 Year Term) 0.250 %

Farm Storage Facility Loans (5 Year Term) 0.375 %

Farm Storage Facility Loans (7 Year Term) 0.500 %

Farm Storage Facility Loans (10 Year Term) 0.625 %

Farm Storage Facility Loans (12 Year Term) 0.750 %

Commodity Loans 1.125 %

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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