

September 2020



Farm Service Agency **Electronic News Service**

# NEWSLETTER

**GovDelivery**

- [USDA Announces More Eligible Commodities for CFAP](#)
- [FSA Reminds Producers of Ongoing Disaster Assistance Program Signup](#)
- [USDA Offers Annual Installment Deferral Option for Farm Storage Facility Loan Borrowers](#)
- [USDA Accepting Applications to Help Cover Costs for Organic Certification](#)
- [New USDA Survey to Measure Areas for Improvement](#)
- [USDA Extends Deadlines, Defers Interest Accrual Due to COVID-19](#)
- [FSA Implements Set-Aside Loan Provision for Customers Impacted by COVID-19](#)
- [September 2020 Interest Rates](#)

## Pennsylvania State FSA Newsletter

### Pennsylvania Farm Service Agency

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#### **State Executive Director:**

Gary H. Groves

#### **State Committee:**

Bonnie Wenger, Chair

### USDA Announces More Eligible Commodities for CFAP

Application Deadline Extended to Sept. 11, and Producers Who Have Approved Applications to Receive Final Payments

USDA announced today that additional commodities are covered by the Coronavirus Food Assistance Program (CFAP) in response to public comments and data. Additionally, the U.S. Department of Agriculture (USDA) is extending the deadline to apply for the program to September 11th, and producers with approved applications will receive their final payment. After reviewing over 1,700 responses, even more farmers and ranchers will have the opportunity for assistance to help keep operations afloat during these tough times.

#### **Background:**

USDA collected comments and supporting data for consideration of

George Greig

additional commodities through June 22, 2020. The following additional commodities are now eligible for CFAP:

Doug Graybill

Barron (Boots) Hetherington

Bill Hoover

**Division Chiefs:**

Rebecca

Csutoras

**Farm**

**Programs**

David

Poorbaugh

**Farm**

**Loan Programs**

• **Specialty Crops** - aloe leaves, bananas, batatas, bok choy, carambola (star fruit), cherimoya, chervil (french parsley), citron, curry leaves, daikon, dates, dill, donqua (winter melon), dragon fruit (red pitaya), endive, escarole, filberts, frisee, horseradish, kohlrabi, kumquats, leeks, mamey sapote, maple sap (for maple syrup), mesculin mix, microgreens, nectarines, parsley, persimmons, plantains, pomegranates, pummelos, pumpkins, rutabagas, shallots, tangelos, turnips/celeriac, turmeric, upland/winter cress, water cress, yautia/malanga, and yuca/cassava.

• **Non-Specialty Crops and Livestock** - liquid eggs, frozen eggs and all sheep. Only lambs and yearlings (sheep less than two years old) were previously eligible.

• **Aquaculture** - catfish, crawfish, largemouth bass and carp sold live as foodfish, hybrid striped bass, red drum, salmon, sturgeon, tilapia, trout, ornamental/tropical fish, and recreational sportfish.

• **Nursery Crops and Flowers** - nursery crops and cut flowers.

To find contact information for your local office go to [www.fsa.usda.gov/pa](http://www.fsa.usda.gov/pa)

Other changes to CFAP include:

• Seven commodities – onions (green), pistachios, peppermint, spearmint, walnuts and watermelons – are now eligible for Coronavirus Aid, Relief, and Economic Stability (CARES) Act funding for sales losses. Originally, these commodities were only eligible for payments on marketing adjustments.

• Correcting payment rates for onions (green), pistachios, peppermint, spearmint, walnuts, and watermelons.

Additional details can be found in the Federal Register in the [Notice of Funding Availability](#) and [Final Rule Correction](#) and at [www.farmers.gov/cfap](http://www.farmers.gov/cfap).

**Producers Who Have Applied:**

To ensure availability of funding, producers with approved applications initially received 80 percent of their payments. The Farm Service Agency (FSA) will automatically issue the remaining 20 percent of the calculated payment to eligible producers. Going forward, producers who apply for CFAP will receive 100 percent of their total payment, not to exceed the payment limit, when their applications are approved.

**Applying for CFAP:**

Producers, especially those who have not worked with FSA previously, are recommended to call 877-508-8364 to begin the application process. An FSA staff member can help producers start their application during the phone call.

On [farmers.gov/cfap](https://farmers.gov/cfap), producers can:

- Download the AD-3114 application form and manually complete the form to submit to their local USDA Service Center by mail, electronically or by hand delivery to their local office or office drop box.
- Complete the application form using the CFAP Application Generator and Payment Calculator. This Excel workbook allows customers to input information specific to their operation to determine estimated payments and populate the application form, which can be printed, then signed and submitted to their local USDA Service Center.
- If producers have login credentials known as eAuthentication, they can use the online CFAP Application Portal to certify eligible commodities online, digitally sign applications and submit directly to the local USDA Service Center.

All other eligibility forms, such as those related to adjusted gross income and payment information, can be downloaded from [farmers.gov/cfap](https://farmers.gov/cfap). For existing FSA customers, these documents are likely already on file.

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## FSA Reminds Producers of Ongoing Disaster Assistance Program Signup

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 were 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](https://farmers.gov/coronavirus), and more information on WHIP+ can be found at [farmers.gov/whip-plus](https://farmers.gov/whip-plus).

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## USDA Offers Annual Installment Deferral Option for Farm Storage Facility Loan Borrowers

To assist Farm Storage Facility Loan (FSFL) borrowers experiencing financial hardship from the pandemic and other challenges in production agriculture, USDA's Farm Service Agency (FSA) is offering a one-time annual installment payment deferral option. No fees or prepayment penalties apply for borrowers who choose this FSFL loan flexibility option.

Eligible borrowers can request a one-time only annual installment payment deferral for loans having terms of three, five, seven or ten years. The installment deferral option is not available for 12-year term loans.

The FSFL installment payments will remain the same, except for the last year. The original loan interest rate and annual payment due date will remain the same. However, because the installment payment deferral is a one-year loan term extension, the final payment will be higher due to additional accrued interest.

Borrowers interested in exercising the one-time annual installment deferral option should contact FSA to make the request and to obtain, complete and sign required forms. FSFLs provide low-interest financing for producers to store, handle and transport eligible commodities

### More Information

In addition to offering flexibilities for FSFLs, FSA has also made other flexibilities to help producers impacted by the pandemic, including relaxing the loan-making process for farm operating and ownership loans and implementing the Disaster Set-Aside provision that enables an upcoming installment on a direct loan to be set aside for the year. More information on these flexibilities can be found at [farmers.gov/coronavirus](https://farmers.gov/coronavirus).

All USDA Service Centers are open for business, including some that are open to visitors to conduct business in person by appointment only. All Service Center visitors wishing to conduct business with the FSA, Natural Resources Conservation Service or any other Service Center agency should call ahead and schedule an appointment. Service Centers that are open for appointments will pre-screen visitors based on health concerns or recent travel, and visitors must adhere to social distancing guidelines. Visitors may also be required to wear a face covering during their appointment. Field work will continue with appropriate social distancing. Our program delivery staff will be in the office, and they will be working with our producers in office, by phone and using online tools. More information can be found at [farmers.gov/coronavirus](https://farmers.gov/coronavirus).

For more information, contact your local USDA Service Center. To locate your local FSA office, visit [farmers.gov/service-center-locator](https://farmers.gov/service-center-locator).

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## USDA Accepting Applications to Help Cover Costs for Organic Certification

USDA's Farm Service Agency (FSA) announced that organic producers and handlers can apply for federal 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, 2019, and Sept. 30, 2020, are due Oct. 31, 2020.

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. Eligible expenses for cost-share reimbursement include application fees, inspection costs, fees related to equivalency agreement and arrangement requirements, travel expenses for inspectors, user fees, sales assessments and postage.

### **Changes in Reimbursement**

Due to expected participation levels for fiscal year 2020, FSA revised the reimbursement amount through fiscal year 2023. Certified producers and handlers are now eligible to receive reimbursement for up to 50 percent of the certified organic operation's eligible expenses, up to a maximum of \$500 per scope.

This change is due to the limited amount of funding available and will allow a larger number of certified organic operations to receive assistance. If additional funding is authorized later, FSA may provide additional assistance to certified operations that have applied for OCCSP, not to exceed 75 percent of their eligible costs, up to \$750 per scope.

The changes to the payment calculation and maximum payment amount are applicable to all certified organic operations, regardless of whether they apply through an FSA county office or a participating state agency. State agencies that are interested in overseeing reimbursements to producers and handlers in their states must establish new agreements with FSA for fiscal 2020.

### **Opportunities for State Agencies**

Today's announcement also includes the opportunity for state agencies to apply for grant agreements to administer the OCCSP program in fiscal 2020. State agencies that establish agreements for fiscal 2020 may be able to extend their agreements and receive additional funds to administer the program in future years.

FSA has not yet determined whether an additional application period will be announced for later years for state agencies that choose not to participate in fiscal 2020. States that would like to administer OCCSP for future years are encouraged to establish an agreement for 2020 to ensure that they will be able to continue to participate.

FSA will accept applications from state agencies for fiscal year 2020 funding for cost-share assistance from Aug. 10, 2020 through Sept. 9, 2020.

State Agencies must submit the Application for Federal Assistance (Standard Form 424 and 424B) electronically via Grants.gov, the Federal grants website, at <http://www.grants.gov>.

### **More Information**

To learn more about organic certification cost share, please visit the [OCCSP webpage](#), view the [notice of funds availability on the Federal Register](#), or contact the [FSA county office](#) at your local USDA Service Center.

To learn more about USDA support for organic agriculture, visit [usda.gov/organic](https://usda.gov/organic)

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## New USDA Survey to Measure Areas for Improvement

The U.S. Department of Agriculture (USDA) today announced a new annual survey of farmers, ranchers and private forestland owners. The survey will help USDA understand what it is doing well and where improvements are needed, specifically at the Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS) and Risk Management Agency (RMA).

A selection of 28,000 producers will receive the survey over the next few weeks, but all farmers are encouraged to take the survey at [farmers.gov/survey](https://www.farmers.gov/survey).

This survey is part of the President's Management Agenda. It requires High Impact Service Provider agencies across the federal government, including FSA and NRCS, to conduct annual surveys to measure and respond to areas needing improvement.

The survey consists of 20 questions and takes approximately 10 minutes to complete. Responses are confidential, and individual responses will be aggregated. The survey will be open for at least six weeks and will be closed once USDA receives a 30% response rate.

Learn more and take the survey at [www.farmers.gov/survey](https://www.farmers.gov/survey).

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## USDA Extends Deadlines, Defers Interest Accrual Due to COVID-19

USDA's Risk Management Agency (RMA) announced it will authorize Approved Insurance Providers (AIPs) to extend deadlines for premium and administrative fee payments, defer the resulting interest accrual and allow other flexibilities to help farmers, ranchers, and insurance providers due to the COVID-19 pandemic.

USDA is authorizing AIPs to provide you additional time to pay premium and administrative fees and to waive accrual of interest to the earlier of 60 days after your scheduled payment due date or the termination date on policies with premium billing dates between August 1, 2020, and September 30, 2020. In addition, USDA is authorizing AIPs to provide up to an additional 60 days for you to make payment and waive additional interest for Written Payment Agreements due between August 1, 2020, and September 30, 2020.

RMA is authorizing additional flexibilities due to coronavirus. More information can be found at [farmers.gov/coronavirus](https://farmers.gov/coronavirus).

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## 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 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](https://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](https://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](https://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](https://farmers.gov/coronavirus).

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## September 2020 Interest Rates

### Farm Operating Loans

Farm Operating Loans - Direct	1.250 %
Farm Operating Loans - Microloan	1.250 %

### Farm Ownership Loans

Direct	2.250 %
Microloan	2.250 %
Joint Financing	2.500 %
Direct Down Payment, Beginning Farmer or Rancher	1.500 %

Emergency Loans 2.250 %

Farm Storage Facility Loans

Farm Storage Facility Loans (3 Year Term) 0.125 %

Farm Storage Facility Loans (5 Year Term) 0.250 %

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 %

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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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