

May 2020



Farm Service Agency **Electronic News Service**

NEWSLETTER

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Rhode Island FSA Newsletter

Rhode Island Farm Service Agency

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Warwick, RI 02886

Phone: 401-828-3120 Option 1.

www.fsa.usda.gov/ri

State Executive Director: W. Michael Sullivan, PhD

State Committee: Doreen Pezza, Kevin Breene, Ellen Puccetti, David Frerichs, Judith Carvalho

The State Committee meets the second Wednesday of every month subject to change.

County Office Suite 49:

Phone: 401-828-3120 Option 2.

Message from the State Executive Director

Greetings Everyone,

Welcome to the world and workplace as changed by the COVID-19 Coronavirus. It's presenting challenges few were able to anticipate just a short time ago. Our FSA Offices are closed to walk-in traffic but available to serve your needs via phone, email or with social distancing protocols farm visits.

A few of the current challenges within the farm community are access to our traditional markets and adequacy of cash flow to cover current needs. The garden center, greenhouse and farm stand opening to customers was acknowledged by the Governor last week and rules were promptly posted by RI Dept of Business Regulation. RI DEM Ag Division and the Director played a strongly supportive role in getting this done. Countless conference calls and communications lead us to where you can operate with an even access as the 'big boxes' in getting our local, produced, adapted and healthy starter plants before our customers. Is it a perfect solution, no, but it represents an opportunity to open for the season.

Some producers like our oyster farmers had their markets closed and cash flow shut off immediately. These producer businesses frequently use spring sales to fund the purchase of oyster seed for this year's planting. No spring sales so cash flow for these producers can be a challenge. The animals still need tending so bills continue. Our microloan program might be of value to you if

County Executive Director:
Sheryl Michener

County Committee: Kim
Coulter, George Goulart Jr.,
Joseph Polseno, Gilbert
Rathbun Jr., John Sousa

The County Committee meets
the first Wednesday of every
month subject to change.

Farm Loan Team:

Phone: 401-828-3120 Option
3.

Farm Loan Analyst: Patricia
Sullivan

you are in this situation. We are processing any loan requests on first come – first serve basis so call the county office and visit our website for more information at www.fsa.usda.gov/ri.

Patricia Sullivan our new Farm Loan Analyst, started this week and will be available to assist you with questions. Pat is from nearby CT and is familiar with the area and our systems so reach out to her and welcome her at 401-822-8857.

Secretary Sonny Perdue announced an expansion of farm assistance during the Coronavirus. The CFAP (Coronavirus Food Assistance Program) is designed to provide direct assistance to farmers/producers by providing funds directly to States and other eligible entities for the purchase of local products for distribution to hungry, unemployed or others in need. The RI application is being coordinated via DEM Ag and must be submitted by May 1. We are trying to include all parties in the conversation about how this might be done. If you have an insight, please reach out and let us know.

Recent meat processing facilities have shut down due to COVID-19 concerns and considerations. This is having an impact on our producers who normally rely on this highly synchronized part of the supply chain. Many of our existing, and potential, clients are finding themselves in a situation of having to make difficult decisions on how to manage their operations during this critical period. Unfortunately, that decision will include euthanizing animals in some cases. NRCS is working to provide technical and financial assistance to operations through our Environmental Quality Incentives Program (EQIP) using conservation practice standard 368 (Emergency Animal Mortality Management). Please reach out to NRCS at 401-828-1300 for more information.

Stay healthy and safe.

W. Michael Sullivan, PhD.

Join USDA in Following the #Plant2020 Progress

As you know, many farmers across the country faced challenges, last year when it came to planting their spring crop. Flooding and excessive moisture led to nearly 20 million prevented plant acres, the highest number ever recorded. This year, most producers are seeing more favorable planting conditions when it comes to weather. But they are facing yet another challenge – putting a crop in the ground during a global pandemic. With many states implementing “stay at home” orders, agriculture was deemed an

essential industry as all producers know that farm work and livestock care can't be paused.

Spring planting is underway in Rhode Island and we're following the progress as farmers complete field prep and plant their spring crops. We invite you to follow along or get involved by sharing your #Plant2020 photos and videos. We invite you to send us your planting progress by sending an email to sharingoursuccesses@usda.gov with your photos, photo descriptions, your city and state, and your Twitter handle (if you have one).

To view the #Plant2020 progress, visit <https://arcg.is/1SmeuK>.

MAL and LDP Policy

The 2018 Farm Bill extends loan authority through 2023 for Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs).

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, pulse crops, rice, peanuts, cotton, wool and honey. MALs provide producers interim financing after harvest to help them meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows. A producer who is eligible to obtain a loan, but agrees to forgo the loan, may obtain an LDP if such a payment is available. Marketing loan provisions and LDPs are not available for sugar and extra-long staple cotton.

FSA is now accepting requests for 2019 MALs and LDPs for all eligible commodities after harvest. Requests for loans and LDPs shall be made on or before the final availability date for the respective commodities.

Commodity certificates are available to loan holders who have outstanding nonrecourse loans for wheat, upland cotton, rice, feed grains, pulse crops (dry peas, lentils, large and small chickpeas), peanuts, wool, soybeans and designated minor oilseeds. These certificates can be purchased at the posted county price (or adjusted world price or national posted price) for the quantity of commodity under loan, and must be immediately exchanged for the collateral, satisfying the loan. MALs redeemed with commodity certificates are not subject to Adjusted Gross Income provisions.

To be considered eligible for an LDP, producers must have form [CCC-633EZ, Page 1](#) on file at their local FSA Office before losing beneficial interest in the crop. Pages 2, 3 or 4 of the form must be submitted when payment is requested.

Marketing loan gains (MLGs) and loan deficiency payments (LDPs) are no longer subject to payment limitations, actively engaged in farming and cash-rent tenant rules.

Adjusted Gross Income (AGI) provisions state that a producer whose total applicable three-year average AGI exceeds \$900,000 is not eligible to receive an MLG or LDP. Producers must have a valid CCC-941 on file to earn a market gain of LDP. The AGI does not apply to MALs redeemed with commodity certificate exchange.

For more information and additional eligibility requirements, please contact your USDA Service Center or FSA's website fsa.usda.gov.

USDA Announces Updates for Honeybee Producers

The U.S. Department of Agriculture's Farm Service Agency (FSA) announced updates to the Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP). These updates include changes required by the 2018 Farm Bill as well as discretionary changes intended to improve the administration of the program and clarify existing program requirements. ELAP was previously administered based on FSA's fiscal year but will now run according to the calendar year. Producers are still required to submit an application for payment within 30 calendar days of the end of the program year. This is not a policy change but will affect the deadline. The sign-up deadline for calendar year 2020 losses is February 1, 2021.

Starting in 2020, producers will have 15 days from when the loss is first apparent, instead of 30 days, to file a honeybee notice of loss. This change provides consistency between ELAP and the Noninsured Crop Disaster Assistance Program, which also has a 15-day notice of loss period for honey. For other covered losses, including livestock feed, grazing and farm-raised fish losses, the notice of loss deadline for ELAP will remain 30 days from when the loss is first apparent to the producer.

Program participants who were paid for the loss of a honeybee colony or hive in either or both of the previous two years will be required to provide additional documentation to substantiate how current year inventory was acquired.

If the honeybee colony loss incurred was because of Colony Collapse Disorder, program participants must provide a producer certification that the loss was a direct result of at least three of the five symptoms of Colony Collapse Disorder, which include:

- the loss of live queen and/or drone bee populations inside the hives;
- rapid decline of adult worker bee population outside the hives, leaving brood poorly or completely unattended;
- absence of dead adult bees inside the hive and outside the entrance of the hive;
- absence of robbing collapsed colonies; and
- at the time of collapse, varroa mite and Nosema populations are not at levels known to cause economic injury or population decline.

For honeybees, ELAP covers colony losses, honeybee hive losses (the physical structure) and honeybee feed losses in instances where the colony, hive or feed has been destroyed by a natural disaster or, in the case of colony losses, because of Colony Collapse Disorder. Colony losses must be in excess of normal mortality.

ELAP also provides emergency assistance to eligible producers of livestock and farm-raised fish including for feed and grazing losses. It covers losses because of eligible adverse weather or loss conditions, including blizzards and wildfires on federally managed lands. ELAP also covers losses resulting from the cost of transporting water to livestock due to an eligible drought.

For more information on ELAP visit farmers.gov/recover or contact your FSA County Office. To locate your local FSA office, visit farmers.gov/service-locator.

Tree Assistance Program (TAP) Sign-up

Orchardists and nursery tree growers who experienced losses from natural disasters during calendar year 2020 must submit a TAP application either 90 calendar days after the disaster event or the date when the loss is apparent.

TAP provides financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes and vines damaged by natural disasters.

Eligible tree types include trees, bushes or vines that produce an annual crop for commercial purposes. Nursery trees include ornamental, fruit, nut and Christmas trees that are produced for commercial sale. Trees used for pulp or timber are ineligible.

To qualify for TAP, orchardists must suffer a qualifying tree, bush or vine loss in excess of 15 percent mortality from an eligible natural disaster, plus an adjustment for normal mortality. The eligible trees, bushes or vines must have been owned when the natural disaster occurred; however, eligible growers are not required to own the land on which the eligible trees, bushes and vines were planted.

If the TAP application is approved, the eligible trees, bushes and vines must be replaced within 12 months from the date the application is approved. The cumulative total quantity of acres planted to trees, bushes or vines, for which a producer can receive TAP payments, cannot exceed 1,000 acres annually.

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](#).

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).