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Farm Service Agency **Electronic News Service**

NEWSLETTER

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Topics for January

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USDA Offers Additional Assistance for Certain Producers Through Coronavirus Food Assistance Program

U.S. Secretary of Agriculture Sonny Perdue announced the U.S. Department of Agriculture (USDA) will provide additional assistance through the Coronavirus Food Assistance Program (CFAP), expanding eligibility for some agricultural producers and commodities as well as updating payments to accurately compensate some producers who already applied for the program. Producers who are now eligible and those who need to modify existing applications due to these updates can contact USDA's Farm Service Agency (FSA) between Jan. 19 and Feb. 26. Some of these changes are being made to align with the recently enacted

State Committee:

Anthony Grant, Chairperson
Robert Battle
Bill Sarratt
Landy Weathers
Beth White

Administrative Officer:

Kenn Jameson

Farm Programs Chief:

Evelyn Whitesides

Farm Loan Programs Chief:

William Shelley

Producers can contact their [local FSA office](#) for more information or to schedule an appointment.

Important Dates and Deadlines:

January 15: STRP Deadline

NAP Deadlines:

February 28: Beans, Sweet Corn, Cucumbers, Eggplant, Honeydew, Okra, Green Peanuts, Peppers, Pumpkins, Rice, Sorghum, Squash, Sweet Potatoes, Tomatoes, Watermelons

March 15: Hemp

Consolidated Appropriations Act of 2021 while others are discretionary changes being made in response to ongoing evaluation of CFAP.

Background:**Expanded Eligibility for CFAP 2**

Contract producers of swine, broilers, laying hens, chicken eggs and turkeys who suffered a drop in revenue in 2020 as compared to their 2019 revenue because of the pandemic now are eligible for assistance. Producers could receive up to 80% of their revenue loss, subject to the availability of funds.

Producers of pullets and turfgrass sod also now are eligible for CFAP payments. The commodities were not explicitly included in the initial CFAP 2 rule. Payments are based on eligible sales and the payment calculation in the updated rule includes crop insurance indemnities, Noninsured Crop Disaster Assistance Program (NAP), and Wildfire and Hurricane Indemnity Program – Plus (WHIP+) payments.

Updated Payment Calculations for CFAP 2

Similarly, FSA adjusted the payment calculation to use the producer's eligible 2019 calendar year sales, and 2019 crop insurance indemnities, NAP, and WHIP+ payments, multiplied by the applicable payment rate for all sales commodities, which include specialty crops, aquaculture, tobacco, specialty livestock, nursery crops and floriculture, for CFAP 2. Producers who applied during the sign-up period that closed Dec. 11, 2020, can modify an existing CFAP 2 application between Jan. 19 and Feb. 26, 2021.

Additionally, FSA adjusted the payment calculation for certain row crops for CFAP 2, specifically those where a producer had crop insurance coverage but not an available 2020 Actual Production History (APH) approved yield. FSA is now using 100% of the 2019 Agriculture Risk Coverage-County Option (ARC-CO) benchmark yield to calculate payments when an APH is not available rather than 85%, which was in the original CFAP 2 calculations.

This calculation changes only for producers with crop insurance coverage who grow barley, corn, sorghum, soybeans, sunflowers, upland cotton and wheat. Producers who applied during the sign-up period that closed Dec. 11, 2020, can modify an existing CFAP 2 application between Jan. 19 and Feb. 26, 2021.

CFAP 1 'Top-up' Payments for Swine

FSA is providing an additional CFAP 1 inventory payment for swine to help producers who face continuing market disruptions from changes in U.S. meat consumption due to the pandemic. Swine producers with approved CFAP 1 applications will soon automatically receive a "top-up" payment of \$17 per head increasing the total CFAP1 inventory payment to \$34 per head.

More Information

Newly eligible producers can submit a new CFAP 2 application or producers who need to modify an existing one can do so between Jan. 19 and Feb. 26, 2021, by contacting their local USDA Service Center. New applicants can also obtain one-on-one support with applications by calling 877-508-8364.

In addition to the changes being made to CFAP, per language in the Consolidated Appropriations Act of 2021, FSA will extend 2020 Marketing Assistance Loans to provide additional flexibilities for farmers. FSA is also preparing to move forward on implementation of the remaining provisions of the recently passed Consolidated Appropriations Act of 2021.

To learn more about this additional assistance, visit farmers.gov/cfap.

Quality Loss Assistance Now Available for Eligible Producers Affected by 2018, 2019 Natural Disasters

The U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) today announced that signup for the Quality Loss Adjustment (QLA) Program will begin Wednesday, Jan. 6, 2021. Funded by the Further Consolidated Appropriations Act of 2020, this new program provides assistance to producers who suffered eligible crop quality losses due to natural disasters occurring in 2018 and 2019. The deadline to apply for QLA is Friday, March 5, 2021.

Eligible Crops

Eligible crops include those for which [federal crop insurance](#) or [Noninsured Crop Disaster Assistance Program](#) (NAP) coverage is available, except for grazed crops and value loss crops, such as honey, maple sap, aquaculture, floriculture, mushrooms, ginseng root, ornamental nursery, Christmas trees, and turfgrass sod.

Additionally, crops that were sold or fed to livestock or that are in storage may be eligible; however, crops that were destroyed before harvest are not eligible. Crop quality losses occurring after harvest, due to deterioration in storage, or that could have been mitigated, are also not eligible.

Assistance is based on a producer's harvested affected production of an eligible crop, which must have had at least a 5% quality loss reflected through a quality discount; or for forage crops, a nutrient loss, such as total digestible nutrients.

Qualifying Disaster Events

Losses must have been a result of a qualifying disaster event (hurricane, excessive moisture, flood, qualifying drought, tornado, typhoon, volcanic activity, snowstorm, or wildfire) or related condition that occurred in calendar years 2018 and/or 2019.

Assistance is available for eligible producers in counties that received a qualifying Presidential Emergency Disaster Declaration or Secretarial Disaster Designation because of one or more of the qualifying disaster events or related conditions.

Lists of counties with Presidential Emergency Disaster Declarations and Secretarial Disaster Designations for all qualifying disaster events for 2018 and 2019 are available [here](#). For drought,

producers are eligible for QLA if the loss occurred in an area within a county rated by the [U.S. Drought Monitor](#) as having a D3 (extreme drought) or higher intensity level during 2018 or 2019.

Producers in counties that did not receive a qualifying declaration or designation may still apply but must also provide supporting documentation to establish that the crop was directly affected by a qualifying disaster event.

To determine QLA eligibility and payments, FSA considers the total quality loss caused by all qualifying natural disasters in cases where a crop was impacted by multiple events.

Applying for QLA

When applying, producers are asked to provide verifiable documentation to support claims of quality loss or nutrient loss in the case of forage crops. For crops that have been sold, grading must have been completed within 30 days of harvest, and for forage crops, a laboratory analysis must have been completed within 30 days of harvest.

Some acceptable forms of documentation include sales receipts from buyers, settlement sheets, truck or warehouse scale tickets, written sales contracts, similar records that represent actual and specific quality loss information, and forage tests for nutritional values.

Payments Calculations and Limitations

QLA payments are based on formulas for the type of crop (forage or non-forage) and loss documentation submitted. Based on this documentation FSA is calculating payments based on the producer's own individual loss or based on the county average loss. More information on payments can be found on [farmers.gov/quality-loss](#).

FSA will issue payments once the application period ends. If the total amount of calculated QLA payments exceeds available program funding, payments will be prorated.

For each crop year, 2018, 2019 and 2020, the maximum amount that a person or legal entity may receive, directly or indirectly, is \$125,000. Payments made to a joint operation (including a general partnership or joint venture) will not exceed \$125,000, multiplied by the number of persons and legal entities that comprise the ownership of the joint operation. A person or legal entity is ineligible for QLA payment if the person's or legal entity's average Adjusted Gross Income exceeds \$900,000, unless at least 75% is derived from farming, ranching or forestry-related activities.

Future Insurance Coverage Requirements

All producers receiving QLA Program payments are required to purchase crop insurance or NAP coverage for the next two available crop years at the 60% coverage level or higher. Wildlife and Hurricane Indemnity Program Plus (WHIP+) participants who already met the WHIP+ requirement to purchase crop insurance or NAP coverage are considered to have thereby met the requirement to purchase crop insurance or NAP coverage for QLA. If eligible, QLA participants may meet the insurance purchase requirement by purchasing [Whole-Farm Revenue Protection](#) coverage offered through USDA's Risk Management Agency.

More Information For more information, visit [farmers.gov/quality-loss](#), or contact your local [USDA Service Center](#). Producers can also obtain one-on-one support with applications by calling 877-508-8364.

USDA Seeks Members for Advisory Committee on Urban Agriculture

The U.S. Department of Agriculture (USDA) is seeking members for a new advisory committee on urban agriculture, part of a broader effort to focus on the needs of urban farmers. The 12-person committee will advise the Secretary of Agriculture on the development of policies and outreach relating to urban, indoor and other emerging agricultural production practices as well as identify any barriers to urban agriculture.

USDA is seeking nominations for individuals representing a broad spectrum of expertise, including:

- Four agricultural producers (two agricultural producers in an urban area or urban cluster and two agricultural producers who use innovative technology).
- Two representatives from an institution of higher education or extension program.
- One representative of a nonprofit organization, which may include a public health, environmental or community organization.
- One representative of business and economic development, which may include a business development entity, a chamber of commerce, a city government or a planning organization.
- One individual with supply chain experience, which may include a food aggregator, wholesale food distributor, food hub or an individual who has direct-to-consumer market experience.
- One individual from a financing entity.
- Two individuals with related experience or expertise in urban, indoor and other emerging agriculture production practices, as determined by the Secretary.

Any interested person or organization may nominate qualified individuals for membership. Self-nominations are also welcome.

Nominations should include a cover letter, resume and a [background form](#). Nomination packages must be submitted by mail or email by March 5, 2021. They should be addressed to Ronald Harris, Designated Federal Officer, Director of Outreach and Partnerships, Natural Resources Conservation Service (NRCS), Department of Agriculture, 1400 Independence Avenue, S.W., Room 6006-S, Washington, D.C. 20250, or emailed to Ronald.Harris@usda.gov.

The 2018 Farm Bill established the Office of Urban Agriculture and Innovative Production and directed USDA to form this advisory committee as well as make other advancements related to urban agriculture. It is led by the NRCS and works in partnership with numerous USDA agencies that support urban agriculture. Its mission is to encourage and promote urban, indoor and other emerging agricultural practices, including community composting and food waste reduction. More information is available in this notice on the Federal Register or at farmers.gov/urban.

USDA Reminds Fisherman of January 15 Deadline for Seafood Trade Relief Program

Jan. 15 is the deadline to apply for the Seafood Trade Relief Program (STRP), which provides support for fishermen impacted by retaliatory tariffs from foreign governments. For more information on the program, including guidance on how to apply, visit farmers.gov/seafood or call 877-508-8364.

USDA Announces CRP General Signup Ends February 12

Agricultural producers and private landowners interested in the [Conservation Reserve Program](#) (CRP) can sign up for the popular program beginning Jan. 4, 2021, until Feb. 12, 2021. The competitive program, administered by USDA's Farm Service Agency (FSA), provides annual rental payments for land devoted to conservation purposes.

Through CRP, farmers and ranchers establish long-term, resource-conserving plant species, such as approved grasses or trees, to control soil erosion, improve water quality and enhance wildlife habitat on cropland. Farmers and ranchers who participate in CRP help provide numerous benefits to their local region and the nation's environment and economy. CRP general signup is held annually and is competitive; general signup includes increased opportunities for wildlife habitat enrollment through the [State Acres For Wildlife Enhancement](#) (SAFE) initiative.

New cropland offered in the program must have been planted for four out of six crop years from 2012 to 2017. Additionally, producers with land already enrolled but expiring on Sept. 30, 2021, can re-enroll this year. The acreage offered by producers and landowners is evaluated competitively; accepted offers will begin Oct. 1, 2021.

Signed into law in 1985, CRP is one of the largest private-lands conservation programs in the United States. The program marked its [35-year anniversary](#) in December 2020. Program successes include:

- Preventing more than 9 billion tons of soil from eroding, which is enough soil to fill 600 million dump trucks.
- Reducing nitrogen and phosphorous runoff relative to annually tilled cropland by 95% and 85%, respectively.
- Sequestering an annual average of 49 million tons of greenhouse gases, equal to taking 9 million cars off the road.
- Creating more than 3 million acres of restored wetlands while protecting more than 175,000 stream miles with riparian forest and grass buffers, which is enough to go around the world seven times.
- Benefiting bees and other pollinators and increasing populations of ducks, pheasants, turkey, bobwhite quail, prairie chickens, grasshopper sparrows, and many other birds.

Update Your Records

FSA is cleaning up our producer record database and needs your help. Please report any changes of address, zip code, phone number, email address or an incorrect name or business name on file to our office. You should also report changes in your farm operation, like the addition of a farm by lease or purchase. You should also report any changes to your operation in which you reorganize to form a Trust, LLC or other legal entity.

FSA and NRCS program participants are required to promptly report changes in their farming operation to the County Committee in writing and to update their *Farm Operating Plan* on form CCC-902.

To update your records, contact your [local USDA Service Center](#).

Making Farm Reconstitutions

When changes in farm ownership or operation take place, a farm *reconstitution* is necessary. The reconstitution — or recon — is the process of combining or dividing farms or tracts of land based on the farming operation.

To be effective for the current Fiscal Year (FY), farm combinations and farm divisions must be requested by **August 1 of the FY** for farms subject to the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) program. A reconstitution is considered to be requested when all of the required signatures are on FSA-155 and all other applicable documentation, such as proof of ownership, is submitted.

Total Conservation Reserve Program (CRP) and non-ARC/PLC farms may be reconstituted at any time.

The following are the different methods used when doing a farm recon:

- **Estate Method** — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate
- **Designation of Landowner Method** — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method, the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding
- **DCP Cropland Method** — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract
- **Default Method** — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

For questions on your farm reconstitution, contact [your local USDA Service Center](#).

Noninsured Crop Coverage Helps Producers Manage Risks

The Farm Service Agency's (FSA) Noninsured Crop Disaster Assistance Program (NAP) helps you manage risk through coverage for both crop losses and crop planting that was prevented due to natural disasters. The eligible or "noninsured" crops include agricultural commodities not covered by federal crop insurance.

You must be enrolled in the program and have purchased coverage for the eligible crop in the crop year in which the loss incurred to receive program benefits following a qualifying natural disaster.

NAP Buy-Up Coverage Option

NAP offers higher levels of coverage, from 50 to 65 percent of expected production in 5 percent increments, at 100 percent of the average market price. Buy-up levels of NAP coverage are

available if the producer can show at least one year of previously successfully growing the crop for which coverage is being requested.

Producers of organics and crops marketed directly to consumers also may exercise the “buy-up” option to obtain NAP coverage of 100 percent of the average market price at the coverage levels of between 50 and 65 percent of expected production.

NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production.

Buy-up coverage is not available for crops intended for grazing.

NAP Service Fees

For all coverage levels, the NAP service fee is the lesser of \$325 per crop or \$825 per producer per county, not to exceed a total of \$1,950 for a producer with farming interests in multiple counties.

NAP Enhancements for Qualified Military Veterans

Qualified veteran farmers or ranchers are eligible for a service fee waiver and premium reduction, if the NAP applicant meets certain eligibility criteria.

Beginning, limited resource and targeted underserved farmers or ranchers remain eligible for a waiver of NAP service fees and premium reduction when they file form CCC-860, “*Socially Disadvantaged, Limited Resource and Beginning Farmer or Rancher Certification.*”

For NAP application, eligibility and related program information, contact [your local USDA Service Center](#) or visit fsa.usda.gov/nap.

Applying for Farm Storage Facility Loans

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

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 \$50,000 can be secured by a promissory note/security agreement, loans between \$50,000 and \$100,000 may require additional security, and loans exceeding \$100,000 require additional security.

You 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.

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

Farmers.gov Feature Helps Producers Find Farm Loans that Fit Their Operation

Farmers and ranchers can use the *Farm Loan Discovery Tool* on farmers.gov to find information on USDA farm loans that may best fit their operations.

USDA's Farm Service Agency (FSA) offers a variety of loan options to help farmers finance their operations. From buying land to financing the purchase of equipment, FSA loans can help.

USDA conducted field research in eight states, gathering input from farmers and FSA farm loan staff to better understand their needs and challenges.

How the Tool Works

Farmers who are looking for financing options to operate a farm or buy land can answer a few simple questions about what they are looking to fund and how much money they need to borrow. After submitting their answers, farmers will receive information on farm loans that best fit their specific needs. The loan application and additional resources also will be provided.

Farmers can download application quick guides that outline what to expect from preparing an application to receiving a loan decision. There are four guides that cover loans to individuals, entities, and youth, as well as information on microloans. The guides include general eligibility requirements and a list of required forms and documentation for each type of loan. These guides can help farmers prepare before their first USDA service center visit with a loan officer.

Farmers can access the *Farm Loan Discovery Tool* by visiting farmers.gov/fund and clicking the "Start" button. Follow the prompts and answer five simple questions to receive loan information that is applicable to your agricultural operation. The tool is built to run on any modern browser like Chrome, Edge, Firefox, or the Safari browser, and is fully functional on mobile devices. It does not work in Internet Explorer.

About Farmers.gov

In 2018, USDA unveiled farmers.gov, a dynamic, mobile-friendly public website combined with an authenticated portal where farmers will be able to apply for programs, process transactions, and manage accounts.

The *Farm Loan Discovery Tool* is one of many resources on farmers.gov to help connect farmers to information that can help their operations. Earlier this year, USDA launched the *My Financial Information* feature, which enables farmers to view their loan information, history, payments, and alerts by logging into the website.

USDA is building farmers.gov for farmers, by farmers. In addition to the interactive farm loan features, the site also offers a Disaster Assistance Discovery Tool. Farmers can visit farmers.gov/recover/disaster-assistance-tool#step-1 to find disaster assistance programs that can help their operation recover from natural disasters.

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

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