November 2020

United States Department of Agriculture

Farm Service Agency Electronic News Service

NEWSLETTER

GovDelivery

Pennsylvania State FSA Newsletter

Pennsylvania Farm Service Agency

359 East Park Dr., Suite 1
Harrisburg, Pa 17111

Phone: 717-237-2113
Fax: 855-778-8909

State Executive Director:

Gary H. Groves

State Committee:

Bonnie Wenger, Chair

More than $7 Billion Paid in Second Round of USDA Coronavirus Food Assistance Program

USDA announced that in the first month of the application period, the Farm Service Agency (FSA) approved more than $7 billion in payments to producers in the second round of the Coronavirus Food Assistance Program. CFAP 2 provides agricultural producers with financial assistance to help absorb some of the increased marketing costs associated with the COVID-19 pandemic.

Since CFAP 2 enrollment began on September 21, FSA has approved more than 443,000 applications. The top five states for payments are Iowa, Nebraska, Minnesota, Illinois and Kansas. USDA has released a data dashboard on application progress and program payments and will release further updates each Monday at 2:00 p.m. ET. The report can be viewed at farmers.gov/cfap.

George Greig

Doug Graybill

Barron (Boots) Hetherington

Bill Hoover

Division Chiefs:

Rebecca Csutoras **Farm Programs**

David Poorbaugh **Farm Loan Programs**

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

Through CFAP 2, USDA is making available up to $14 billion for agricultural producers who continue to face market disruptions and associated costs because of COVID-19. CFAP 2 is a separate program from the first iteration of CFAP (CFAP 1). Farmers and ranchers who participated in CFAP 1 will not be automatically enrolled and must complete a new application for CFAP 2. FSA will accept CFAP 2 applications through December 11, 2020.

Eligible Commodities

CFAP 2 supports eligible producers of row crops, livestock, specialty crops, dairy, aquaculture, and many other commodities, including many that were ineligible for CFAP 1. FSA's CFAP 2 Eligible Commodities Finder makes finding eligible commodities and payment rates simple. Access this tool and other resources at farmers.gov/cfap.

Getting Help from FSA

New customers seeking one-on-one support with the CFAP 2 application process can call 877-508-8364 to speak directly with a USDA employee ready to offer general assistance. This is a recommended first step before a producer engages the team at the FSA county office at their local USDA Service Center.

FSA offers multiple options for producers to apply for CFAP 2. Producers with an eAuthentication account can apply online through the CFAP 2 Application Portal. Also available is a payment calculator and application generator that is an Excel workbook that allows producers to input information specific to their operation to determine estimated payments and populate the application form, which can be printed, signed, and submitted to the local FSA office. Producers can also download the CFAP 2 application and other eligibility forms from farmers.gov/cfap.

Producers of acreage-based commodities will use acreage and yield information provided by FSA through the annual acreage reporting process. Producers have the option to complete their application by working directly with their local FSA staff or online through the CFAP 2 Application Portal.

CFAP 2 is not a loan program, and there is no cost to apply.

More Information

To find the latest information on CFAP 2, visit farmers.gov/CFAP or call 877-508-8364.

Enrollment Begins for Agriculture Risk Coverage and Price Loss Coverage Programs for 2021

Agricultural producers can now make elections and enroll in the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs for the 2021 crop year. The signup period opened Tuesday, Oct. 13. These key U.S. Department of Agriculture (USDA) safety-net programs help producers weather fluctuations in either revenue or price for certain crops, and more than $5 billion in payments are in the process of going out to producers who signed up for the 2019 crop year.

Enrollment for the 2021 crop year closes March 15, 2021.

ARC provides income support payments on historical base acres when actual crop revenue declines below a specified guaranteed level. PLC provides income support payments on historical base acres when the effective price for a covered commodity falls below its reference price.

Covered commodities include barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium and short grain rice, safflower seed, seed cotton, sesame, soybeans, sunflower seed and wheat.

2021 Elections and Enrollment

Producers can elect coverage and enroll in crop-by-crop ARC-County or PLC, or ARC-Individual for the entire farm, for the 2021 crop year. Although election changes for 2021 are optional, enrollment (signed contract) is required for each year of the program. If a producer has a multi-year contract on the farm and makes an election change for 2021, it will be necessary to sign a new contract.

If an election is not submitted by the deadline of March 15, 2021, the election defaults to the current election for crops on the farm from the prior crop year.

For crop years 2022 and 2023, producers will have an opportunity to make new elections during those signups. Farm owners cannot enroll in either program unless they have a share interest in the farm.

2019 Crop Year ARC and PLC Payments

FSA began processing payments last week for 2019 ARC-County (ARC-CO) and PLC on covered commodities that met payment triggers on farms enrolled for the 2019 crop year. In addition to the $5 billion now in process, FSA anticipates it will issue additional payments by the end of November for 2019 commodities covered under ARC-Individual (ARC-IC) and additional commodities that trigger PLC and ARC-CO payments for which rates have not yet been published

Producers who had 2019 covered commodities enrolled in ARC-CO can visit the [ARC and PLC webpage] for payment rates applicable to their county and each covered commodity. For farms and covered commodities enrolled in 2019 PLC, the following crops met payment triggers: barley, canola, chickpeas (small and large), corn, dry peas, grain sorghum, lentils, peanuts, seed cotton and wheat.

Oats and soybeans did not meet 2019 PLC payment triggers.

2019 PLC payment rates for the following covered commodities have not been determined: crambe, flaxseed, long and medium grain rice, mustard seed, rapeseed, safflower, sesame seed, sunflower seed and temperate Japonica rice. Payment rates for these commodities will be announced at a later date.

Web-Based Decision Tools

In partnership with USDA, the University of Illinois and Texas A&M University offer web-based decision tools to assist producers in making informed, educated decisions using crop data specific to their respective farming operations. Tools include:

- Gardner-farmdoc Payment Calculator, the University of Illinois tool that offers farmers the ability to run payment estimate modeling for their farms and counties for ARC-County and PLC.
- ARC and PLC Decision Tool, the Texas A&M tool allows producers to analyze payment yield updates and expected payments for 2021. Producers who have used the tool in the past should see their username and much of their farm data already available in the system.

More Information

For more information on ARC and PLC, including two online decision tools that assist producers in making enrollment and election decisions specific to their operations, visit the ARC and PLC webpage.

For additional questions and assistance, contact your local USDA service center. To locate your local FSA office, visit farmers.gov/service-locator.

Dairy Margin Coverage Program Enrollment for 2021 Opens Oct. 13

The U.S. Department of Agriculture (USDA) will begin accepting applications for the Dairy Margin Coverage (DMC) program on Tuesday, October 13, 2020 for 2021 enrollment.

Signup runs through Dec. 11, 2020. DMC is a voluntary risk management program that offers protection to dairy producers when the difference between the all-milk price and the average feed price (the margin) falls below a certain dollar amount selected by the producer. DMC payments triggered for seven months in 2019 and three months so far in 2020. More than 23,000 operations enrolled in DMC in 2019, and more than 13,000 in 2020.

To determine the appropriate level of coverage for a specific dairy operation, producers can utilize the recently updated online dairy decision tool. The decision tool is designed to assist producers with calculating total premium costs and administrative fees associated with participation in DMC. An informational video is available, too.

Improvements to the decision tool, made in cooperation with representatives from the University of Minnesota and University of Wisconsin, include historical analysis that illustrates what DMC indemnity payments might have been had the program been available over the previous two decades. The analysis indicates that over the course of time, DMC payments made to producers exceed premiums paid. These decision tool enhancements provide a more comprehensive decision support experience for producers considering DMC.

In addition to DMC, USDA offers a variety of programs that have helped dairy producers, including insurance, disaster assistance, and conservation programs. Most recently, the Coronavirus Food Assistance Program 1 provided $1.75 billion in direct relief to dairy producers who faced price declines and additional marketing costs due to COVID-19 in early 2020. Now, signup is underway for the Coronavirus Food Assistance Program 2, which provides another round of assistance for dairy producers and many other eligible producers.

For more information, visit farmers.gov DMC webpage, or contact your local USDA Service Center. To locate your local FSA office, visit farmers.gov/service-center-locator.

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 are 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.

.

USDA Issues CRP Payments

The U.S. Department of Agriculture (USDA) is issuing $1.68 billion in payments to agricultural producers and landowners for the 21.9 million acres enrolled in the Conservation Reserve Program (CRP), which 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 the nation’s environment and economy.

Signed into law in 1985, CRP is one of the largest private-lands conservation programs in the United States. It was originally intended to primarily control soil erosion and potentially stabilize commodity prices by taking marginal lands out of production. The program has evolved over the years, providing many conservation and economic benefits. The program marks its 35-year anniversary this December. 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 percent, 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; and
- Benefiting bees and other pollinators and increasing populations of ducks, pheasants, turkey, bobwhite quail, prairie chickens, grasshopper sparrows, and many other birds.

The successes of CRP contribute to USDA’s Agriculture Innovation Agenda and its goal of reducing the environmental footprint of U.S. agriculture by half by 2050. Earlier this year, Secretary Perdue announced the department-wide initiative to align resources, programs, and research to position American agriculture to better meet future global demands.

CRP participants with contracts effective beginning on October 1, 2020, will receive their first annual rental payment in October 2021.

For more information on CRP, visit fsa.usda.gov or contact your local FSA county office.

USDA Updates Conservation Provisions for Highly Erodible Land and Wetlands

USDA published its final rule on determining whether land is considered highly erodible or a wetland, integrating input from the public and making updates in accordance with the 2018 Farm Bill. This final rule follows a focused effort by USDA's Natural Resources Conservation Service (NRCS) to improve consistency and use of science in making determinations.

To be eligible for most USDA programs, producers must be conservation compliant with the highly erodible land and wetland provisions. These provisions aim to reduce soil loss on erosion-prone lands and to protect wetlands for the multiple benefits they provide.

The final rule was made available for public inspection today, and it will be published tomorrow in the Federal Register. This follows an interim final rule published Dec. 7, 2018.

This final rule confirms most of the changes made by the December 2018 interim final rule and makes these additional updates:

1. Adding the requirement of the 2018 Farm Bill that USDA will make a reasonable effort to include the affected person in an on-site investigation conducted prior to making a wetland violation technical determination.
2. Further clarifying how wetland hydrology is identified for farmed wetlands and farmed wetland pasture.
3. Adding clarification to the consideration of best-drained condition for wetland hydrology in keeping with the definition of prior converted cropland.
4. Relocating the provision that wetland determinations can be done on a tract, field, or sub-field basis in order to improve clarity.

NRCS has recently updated its conservation compliance webpages, adding highly erodible land and wetland determination resources for agricultural producers by state. Learn more about conservation compliance on the NRCS website.

Applying for FSA Direct Loans

FSA offers direct farm ownership and direct farm operating loans to producers who want to establish, maintain, or strengthen their farm or ranch. Direct loans are processed, approved and serviced by FSA loan officers.

Direct farm operating loans can be used to purchase livestock and feed, farm equipment, fuel, farm chemicals, insurance, and other costs including family living expenses. Operating loans can also be used to finance minor improvements or repairs to buildings and to refinance some farm-related debts, excluding real estate.

Direct farm ownership loans can be used to purchase farmland, enlarge an existing farm, construct and repair buildings, and to make farm improvements.

The maximum loan amount for direct farm ownership loans is $600,000 and the maximum loan amount for direct operating loans is $400,000 and a down payment is not required. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

Please contact your local FSA office for more information or to apply for a direct farm ownership or operating loan.

November 2020 Interest Rates

Farm Operating Loans	
Farm Operating Loans - Direct	1.250 %
Farm Operating Loans - Microloan	1.250 %
Farm Ownership Loans	
Direct	2.375 %
Microloan	2.375 %
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)	0.750 %
Farm Storage Facility Loans (12 Year Term)	0.875 %
Commodity Loans	1.125 %

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).