

July 2020



Farm Service Agency **Electronic News Service**

NEWSLETTER

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Virginia FSA State Newsletter

**Farm Service Agency
Virginia State Office**

State Executive Director Message

Nivin A. Elgohary
State Executive Director

1606 Santa Rosa Rd

July is HOT...

But we are still working hard for you! We know you are working hard too, and we want to ensure you know about the ways we can assist you. As of June 29, 2020, FSA issued over \$53.4 million to farmers across the Commonwealth of Virginia through the Coronavirus Food Assistance Program (CFAP). On July 9, 2020,

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Hours

Monday - Friday
7:30 a.m. - 4:30 p.m.

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

U.S. Secretary of Agriculture Sonny Perdue announced an initial list of additional commodities that have been added to the program and we expect additional eligible commodities to be announced in the coming weeks. Be sure to visit <https://www.farmers.gov/cfap> for updates and contact your local FSA office to learn more. We are accepting applications through August 28, 2020, so don't wait – apply today!

How's your working capital? Or are you looking to expand your operation? We are currently taking applications for farm operating and ownership loans. We recently partnered with the Virginia Beginning Farmer & Rancher Coalition on a webinar, to share FSA farm financing options available for Historically Underserved and Beginning Farmers. [Click here](#) to watch the recorded webinar.

Interested in serving on your local county committee - all nomination forms for the 2020 election must be postmarked or received in the local FSA office by August 1, 2020. Agriculture producers who participate or cooperate in an FSA program and reside in the Local Administrative Area up for election this year may be nominated for candidacy for the county committee. We encourage a diverse representation, including underserved producers including beginning, women, and minority farmers and ranchers. <https://www.fsa.usda.gov/elections> is where you can the nomination form and other information about FSA county committee elections.

USDA Announces Flexibilities for Producers Filing 'Notice of Loss' for Failed, Prevented Planted Acres

The U.S. Department of Agriculture (USDA) is providing additional flexibilities for producers to file on acres with failed crops or crops that were prevented from planting because of extreme weather events. USDA's Farm Service Agency (FSA) is adding these flexibilities for *Notice of Loss* on both insured and uninsured crops to enable Service Centers to best assist producers.

Filing for Prevented Planted Acres

For insured crops, producers who timely filed a prevented planted claim with the reinsurance company but filed a *Notice of Loss* (CCC-576) form after the deadline will be considered timely filed for FSA purposes. FSA can use data from the Risk Management Agency (RMA) for accepting the report of prevented planting with FSA. If the information is not available through RMA, the producer may also provide proper evidence to FSA that the prevented planted claim was timely filed with the reinsurance company.

For uninsured crops, producers may start a *Notice of Loss* (CCC-576) by calling their FSA county office, or they may print and complete the *Notice of Loss* ([CCC-576](#)) form from home and send to their county office. For prevented planted acreage, *Notice of Loss* forms mailed to the FSA office must be postmarked by the final acreage reporting date in the county to be considered timely filed. For all prevented planted cases, the *Report of Acreage* (FSA-578) form and the completed and signed *Notice of Loss* (CCC-576) **must** be filed by the applicable acreage reporting date.

Filing for Failed Acres

For failed acreage of uninsured crops, the *Notice of Loss* (CCC-576) must be completed, signed and verified before the disposition of the crop.

When to File a 'Notice of Loss'

A *Notice of Loss* cannot be filed for a crop before the final planting date, but it can be filed before completing the crop acreage report.

More Information

Producers who miss FSA's [July 15 acreage reporting deadline](#) will not face a late filing fee if filed within a month of the deadline.

For questions, please contact your FSA county office. To locate your FSA county office at your Service Center, visit farmers.gov/service-center-locator.

CLEAR30 the first USDA program to offer 30-year Signup

The U.S. Department of Agriculture's Farm Service Agency (FSA) will open signup this summer for CLEAR30, a new pilot program that offers farmers and landowners an opportunity to enroll in a 30-year Conservation Reserve Program (CRP) contract. This pilot is available to farmers and landowners with expiring water-quality practice CRP contracts in the Great Lakes and Chesapeake Bay regions. The program signup period is July 6 to Aug. 21, 2020.

The pilot is available in Delaware, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, Ohio, Pennsylvania, Virginia, West Virginia and Wisconsin. Eligible producers must have expiring Clean Lakes, Estuaries and Rivers (CLEAR) initiative contracts, including continuous CRP Cropland contracts with water-quality practices or marginal pasturelands CRP contracts devoted to riparian buffers, wildlife habitat buffers or wetland buffers.

The longer contracts will help ensure that practices remain in place for 30 years, which will help reduce sediment and nutrient runoff and help prevent algal blooms. Traditional CRP contracts run from 10 to 15 years.

Annual rental payment for landowners who enroll in CLEAR30 will be equal to the current Continuous CRP annual payment rate plus an inflationary adjustment of 27.5 percent, since CLEAR30 contracts will be for 30 years – much longer than the 10 to 15-year contracts for Continuous CRP offers.

Another unique program feature is that FSA will help producers maintain CLEAR30 contract acreage.

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. Anyone wishing to conduct business with the FSA, Natural Resources Conservation Service or any other Service Center agency is required to call to schedule a phone appointment. More information can be found at farmers.gov/coronavirus.

Eligibility for Nominations for the 2020 County Committee Elections

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) county committees are a critical component of the day-to-day operations of FSA and allow grassroots input and local administration of federal farm programs.

Committees are comprised of locally elected agricultural producers responsible for the fair and equitable administration of FSA farm programs in their counties. Committee members are accountable to the Secretary of Agriculture. If elected, members become part of a local decision making and farm program delivery process.

A county committee is composed of three to 11 elected members from local administrative areas (LAA). Each member serves a three-year term. To be eligible for nomination and hold office as a committee member or alternate, a person must fulfill each of the following requirements: (1) be a producer with an interest in farming or ranching operations, (2) participate or cooperate in any FSA program provided for by law, (3) be a U.S. citizen, (4) be of legal voting age, (5) meet the basic eligibility requirements, and (6) reside in the county or multi-county jurisdiction in which they will be serving.

All nomination forms for the 2020 election must be postmarked or received in the local USDA Service Center by Aug. 1, 2020 (or next business day). For more information on FSA county committee elections and appointments, refer to the FSA fact sheet: *Eligibility to Vote and Hold Office as a COC Member* available online at: fsa.usda.gov/elections.

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
- 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.

Farmers and Ranchers in Virginia 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 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.

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

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.

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.

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.

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.

Report 2019 Yields for Crops Enrolled in ARC-IC – Deadline July 15

Producers who elected ARC-IC on one or more farms must certify crop yields for all planted covered commodities on the(all) enrolled ARC-IC farm(s) to be eligible for any potential payment. 2019 actual yields are required to calculate the 2019 guarantee and actual revenue. If the 2019 actual revenue is less than the 2019 guarantee, the ARC-IC farm may be eligible for a 2019 ARC-IC payment.

All 2019 yields for all covered crops planted are to be reported and certified on FSA form [CCC-863](#) along with the yields of the five historical benchmark years of 2013-2017. Additionally, since the 2018 yield for all covered commodities planted on the ARC-IC farm will be required for the 2020 contract year, producers may report that yield at the same time. 2019 actual crop yields for ARC-IC calculations are required to be reported to FSA by July 15, 2020.

More information on the ARC-IC program can be found in the [Appendix to the contract](#).

One-Time PLC Yield Updates – Deadline September 30

Farm owners have a one-time opportunity to update PLC yields of covered commodities on the farm, regardless of Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) program election. The deadline to request a PLC yield update is September 30, 2020.

The updated yield will be equal to 90 percent of the average yield per planted acre in crop years 2013-2017 (excluding any year where the applicable covered commodity was not planted), subject to the ratio obtained by dividing the 2008-2012 average national yield by the 2013-2017 average national yield for the covered commodity. If the reported yield in any year is less than 75 percent of the 2013-2017 average county yield, then the yield will be substituted with 75 percent of the county average yield.

The chart below provides the ratio obtained by dividing the 2008-2012 average national yield by the 2013-2017 average national yield for each covered commodity.

Covered Commodity	National Yield Factor
Barley	0.9437
Canola	0.9643
Chickpeas, Large	1.0000
Chickpeas, Small	0.9760
Corn	0.9000
Crambe	1.0000
Flaxseed	1.0000
Grain Sorghum	0.9077
Lentils	1.0000
Mustard Seed	0.9460
Oats	0.9524
Peanuts	0.9273
Peas, Dry	0.9988
Rapeseed	1.0000
Rice, Long	0.9330
Rice, Medium	0.9887
Rice, Temp Japonica	0.9591
Safflower	1.0000
Seed Cotton	0.9000

Sesame Seed	0.9673
Soybeans	0.9000
Sunflower Seed	0.9396
Wheat	0.9545

It is the owner's choice whether to update or keep existing PLC yields. If a yield update is not made, then no action is required to maintain the existing PLC yield. An existing or updated PLC yield will be maintained and effective for crop years 2020 through 2023 (life of the 2018 Farm Bill).

PLC yields may be updated on a covered commodity-by-covered commodity basis using FSA form [CCC-867](#).

For more information, reference resources and decision tools, visit farmers.gov/arc-plc. Contact your local Farm Service Agency Office for assistance – farmers.gov/service-center-locator.

Reminder to FSA Direct and Guaranteed Borrowers with Real Estate Security

Farm Service Agency would like to remind farm loan borrowers who have pledged real estate as security for their loans, of key items for maintaining loan collateral. It is required that borrowers must obtain prior consent, or approval, by either FSA, for direct loans, or by a guaranteed lender, for any transaction affecting real estate security. Examples of these transactions include, but are not limited to:

- Leases of any kind;
- Easements of any kind;
- Subordinations;
- Partial releases, and
- Sales

Failure to meet or follow the requirements set forth in the loan agreement, promissory note, and other security instruments could lead to nonmonetary default which could jeopardize your current and future loans.

It is critical that borrowers keep an open line of communication with their FSA loan staff or guaranteed lender when it comes to changes in their operation. For more information on borrower responsibilities, read [Your FSA Farm Loan Compass](#).

FSA Offers Joint Financing Option on Direct Farm Ownership Loans

The USDA Farm Service Agency's (FSA) [Direct Farm Ownership loans](#) are a resource to help farmers and ranchers become owner-operators of family farms, improve and expand current

operations, increase agricultural productivity, and assist with land tenure to save farmland for future generations.

Depending on the applicant's needs, there are three types of Direct Farm Ownership Loans: regular, down payment and joint financing. FSA also offers a [Direct Farm Ownership Microloan](#) option for smaller financial needs up to \$50,000.

Joint financing allows FSA to provide more farmers and ranchers with access to capital. FSA lends up to 50 percent of the total amount financed. A commercial lender, a State program or the seller of the property being purchased, provides the balance of loan funds, with or without an FSA guarantee. The maximum loan amount for a Joint Financing loan is \$600,000 and the repayment period for the loan is up to 40 years.

To be eligible, the operation must be an eligible farm enterprise. Farm Ownership loan funds cannot be used to finance nonfarm enterprises and all applicants must be able to meet general eligibility requirements. Loan applicants are also required to have participated in the business operations of a farm or ranch for at least three years out of the 10 years prior to the date the application is submitted. The applicant must show documentation that their participation in the business operation of the farm or ranch was not solely as a laborer.

For more information about FSA Loan programs, contact your local FSA office or visit fsa.usda.gov. To find your local FSA office, visit offices.usda.gov.

Selected Interest Rates for July 2020

90-Day Treasury Bill	0.125%
Farm Operating Loans — Direct	1.375%
Farm Ownership Loans — Direct	2.250%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.5%
Emergency Loans	2.375%
Farm Storage Facility Loans - (3 years)	0.250%
Farm Storage Facility Loans - (5 years)	0.375%
Farm Storage Facility Loans - (7 years)	0.500%
Farm Storage Facility Loans - (10 years)	0.750%
Farm Storage Facility Loans - (12 years)	0.875%
Commodity Loans 1996-Present	1.125%

Dates to Remember

Aug. Deadline for COC nominations. Contact your local FSA Office for more details.
1

Aug. Deadline to request 2020 crop year farm reconstitutions. Contact your local FSA Office for
1 more details.

Aug. Deadline to apply for CFAP at your local FSA Office.
28

Cont. Producers of hand-harvested crops and certain perishable crops with a 2020 NAP coverage must notify FSA within 72 hours of when a loss becomes apparent and within 72 hours after harvest is complete for the hand harvested crop to your local FSA County Office.

Cont. Submit your AD-1026 prior to forest land being cleared for agricultural use and new ground (hay and pasture) to be planted to a row crop or vegetable.

Cont. Now is the time to plan your 2020 on farm grain, hay or cold storage needs. Consider FSFL for your storage needs. Contact your local FSA Office for more details.

For more information on bulletin subjects or details regarding your GovDelivery subscription with the Virginia FSA State Office, contact Diane Lenoir-Giles at diane.lenoir-giles@usda.gov or call at 804-287-1537.

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