

October 2020



Farm Service Agency **Electronic News Service**

NEWSLETTER

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Virginia FSA State Newsletter

**Farm Service Agency
Virginia State Office**

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State Executive Director Article

A Season of Reflection

Harvest season is upon us and we wish you a happy, healthy, and productive harvest; more than anything, we hope everyone is staying safe and well! Please take extra time to be careful.

For so many, harvest season offers a time of reflection. As you personally reflect on 2020, we hope that most aspects have been

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Hours

Monday - Friday
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positive, even with all the additional difficulties we have faced this year. Our hope, at Farm Service Agency, is that we have provided assistance for you to successfully navigate through this challenging year. As the year has progressed, Farm Service Agency has aspired to be there to help you each step of the way.

Across Virginia, all of our Farm Service Agency offices have been working extremely hard to provide programs and loans to help you overcome adversity in 2020. Hopefully you are aware of the many programs and loans we offer. If you haven't found a program or loan that fits your needs, we urge you to look again. Farm Service Agency keeps adding new programs and loans that, more than likely, can provide some assistance to you.

Our newest program, the Coronavirus Food Assistance Program 2 (CFAP 2), currently tops the list of programs that may offer economic relief for losses you may have incurred during this past growing season. CFAP 2 was designed to provide assistance to farmers that continue to suffer losses due to COVID-19. There are many commodities that are eligible for direct payments from this program. We strongly encourage you to visit Farm Service Agency's CFAP 2 website and explore the expanded lists of eligible commodities. The website can be found at www.farmers.gov/cfap. You can also call your local Farm Service Agency office for more details. You can find your local Farm Service Agency office number and address at www.farmers.gov/service-center-locator.

While harvest season is upon us, now is also the time to start planning for next year. Start reconciling your records, contacting your accountant and your lenders. Don't forget about FSA's Guaranteed Loan Program, where we work with commercial ag lenders and farmers to find the best financing options for each individual operation. Click [here](#) to find out more about the Guaranteed Loan Program.

Please during this harvest season, keep farm safety close to your mind. The season brings long hours and impatient drivers on the road. Check your safety lights, don't wear loose clothes, get plenty of rest, and keep an eye out for those impatient drivers. Have a safe and bountiful harvest season. We'll see you soon!

USDA to Provide Additional Direct Assistance to Farmers and Ranchers Impacted by the Coronavirus

USDA announced up to an additional \$14 billion for agricultural producers who continue to face market disruptions and associated costs because of COVID-19. Signup for the Coronavirus Food Assistance Program (CFAP 2) will begin September 21 and run through December 11, 2020.

Background:

The U.S. Department of Agriculture (USDA) will use funds being made available from the Commodity Credit Corporation (CCC) Charter Act and CARES Act to support row crops, livestock, specialty crops, dairy, aquaculture and many additional commodities. USDA has incorporated improvements in CFAP 2 based from stakeholder engagement and public feedback to better meet the needs of impacted farmers and ranchers.

Producers can apply for CFAP 2 at USDA's Farm Service Agency (FSA) county offices. This program provides financial assistance that gives producers the ability to absorb increased marketing costs associated with the COVID-19 pandemic. Producers will be compensated for ongoing market disruptions and assisted with the associated marketing costs.

CFAP 2 payments will be made for three categories of commodities – Price Trigger Commodities, Flat-rate Crops and Sales Commodities.

Price Trigger Commodities Price trigger commodities are major commodities that meet a minimum 5-percent price decline over a specified period of time. Eligible price trigger crops include barley, corn, sorghum, soybeans, sunflowers, upland cotton, and all classes of wheat. Payments will be based on 2020 planted acres of the crop, excluding prevented planting and experimental acres. Payments for price trigger crops will be the greater of: 1) the eligible acres multiplied by a payment rate of \$15 per acre; or 2) the eligible acres multiplied by a nationwide crop marketing percentage, multiplied by a crop-specific payment rate, and then by the producer's weighted 2020 Actual Production History (APH) approved yield. If the APH is not available, 85 percent of the 2019 Agriculture Risk Coverage-County Option (ARC-CO) benchmark yield for that crop will be used.

For broilers and eggs, payments will be based on 75 percent of the producers' 2019 production.

Dairy (cow's milk) payments will be based on actual milk production from April 1 to Aug. 31, 2020. The milk production for Sept. 1, 2020, to Dec. 31, 2020, will be estimated by FSA.

Eligible beef cattle, hogs and pigs, and lambs and sheep payments will be based on the maximum owned inventory of eligible livestock, excluding breeding stock, on a date selected by the producer, between Apr. 16, 2020, and Aug. 31, 2020.

Flat-rate Crops Crops that either do not meet the 5-percent price decline trigger or do not have data available to calculate a price change will have payments calculated based on eligible 2020 acres multiplied by \$15 per acre. These crops include alfalfa, extra long staple (ELS) cotton, oats, peanuts, rice, hemp, millet, mustard, safflower, sesame, triticale, rapeseed, and several others.

Sales Commodities Sales commodities include specialty crops; aquaculture; nursery crops and floriculture; other commodities not included in the price trigger and flat-rate categories, including tobacco; goat milk; mink (including pelts); mohair; wool; and other livestock (excluding breeding stock) not included under the price trigger category that were grown for food, fiber, fur, or feathers. Payment calculations will use a sales-based approach, where producers are paid based on five payment gradations associated with their 2019 sales.

Additional commodities are eligible in CFAP 2 that weren't eligible in the first iteration of the program. If your agricultural operation has been impacted by the pandemic since April 2020, we encourage you to apply for CFAP 2. A complete list of eligible commodities, payment rates and calculations can be found on farmers.gov/cfap.

Eligibility There is a payment limitation of \$250,000 per person or entity for all commodities combined. Applicants who are corporations, limited liability companies, limited partnerships may qualify for additional payment limits when members actively provide personal labor or personal

management for the farming operation. In addition, this special payment limitation provision has been expanded to include trusts and estates for both CFAP 1 and 2.

Producers will also have to certify they meet the Adjusted Gross Income limitation of \$900,000 unless at least 75 percent or more of their income is derived from farming, ranching or forestry-related activities. Producers must also be in compliance with Highly Erodible Land and Wetland Conservation provisions.

Applying for Assistance Producers can apply for assistance beginning Sept. 21, 2020. Applications will be accepted through Dec. 11, 2020.

Additional information and application forms can be found at farmers.gov/cfap. Documentation to support the producer's application and certification may be requested. All other eligibility forms, such as those related to adjusted gross income and payment information, can be downloaded from farmers.gov/cfap/apply. For existing FSA customers, including those who participated in CFAP 1, many documents are likely already on file. Producers should check with FSA county office to see if any of the forms need to be updated.

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 assistance. This is a recommended first step before a producer engages with the team at the FSA county office.

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 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 also required to wear a face covering during their appointment. Our program delivery staff will be in the office, and they will be working with our producers in the office, by phone and using online tools. More information can be found at farmers.gov/coronavirus.

USDA Supports U.S. Seafood Industry Impacted by Retaliatory Tariffs

U.S. Secretary of Agriculture Sonny Perdue announced that the U.S. Department of Agriculture (USDA) will provide approximately \$530 million to support the U.S. seafood industry and commercially licensed fishermen impacted by retaliatory tariffs from foreign governments. The funding will be provided through the Seafood Trade Relief Program and funded through the Commodity Credit Corporation (CCC), administered by USDA's Farm Service Agency (FSA).

The Seafood Trade Relief Program funding will support the following seafood types:

- Atka mackerel
- Crab (Dungeness, King, Snow, Southern Tanner)
- Flounder
- Geoduck
- Goosefish
- Herrings
- Lobster
- Pacific Cod

- Pacific Ocean Perch
- Pollock
- Sablefish
- Salmon
- Sole
- Squid
- Tuna
- Turbot

Fishermen can sign-up for relief through the program from September 14, 2020 to December 14, 2020. Fishermen should apply through their local USDA Service Center. To find your local Service Center, visit www.farmers.gov/service-center-locator. The application can be found at www.farmers.gov/seafood.

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 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 also required to wear a face covering during their appointment. Our program delivery staff will be in the office, and they will be working with our producers in the office, by phone and using online tools. More information can be found at farmers.gov/coronavirus.

FSA Outlines 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 you with interim financing after harvest to help you meet cash flow needs without having to sell your 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 2020 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, you must have form [CCC-633EZ, Page 1](#) on file at your 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 if your total applicable three-year average AGI exceeds \$900,000, then you're not eligible to receive an MLG or LDP. You 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, contact your County USDA Service Center or visit fsa.usda.gov.

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 County USDA Service Center or visit fsa.usda.gov/pricesupport.

Ask USDA available to answer questions about FSA programs

Ask USDA is now available as a tool for FSA customers to ask questions about FSA programs and services.

Ask USDA, available at ask.usda.gov is similar to AskFSA, which was decommissioned Sept. 21, but it also provides information for all USDA programs. Ask USDA allows USDA customers to search for and read answers about FSA programs and services in the same location as they read about other USDA programs and services.

Customers are able to submit questions through email, chat, and phone if they need more information. This improved customer service approach further builds on Secretary Sonny Perdue's

OneUSDA vision and provides the customer a one-stop shopping experience that covers all of USDA's many programs.

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 County USDA Service Center.

Filing CCC-941 Adjusted Gross Income (AGI) Certifications

If you have experienced delays in receiving Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) payments, Loan Deficiency Payments (LDPs) and Market Gains on Marketing Assistance Loans (MALs), it may be because you have not filed form CCC-941, *Adjusted Gross Income Certification*.

If you don't have a valid CCC-941 on file for the applicable crop year you will not receive payments. All farm operator/tenants/owners who have not filed a CCC-941 and have pending payments should IMMEDIATELY file the form with their recording county FSA office. Farm operators and tenants are encouraged to ensure that their landowners have filed the form.

FSA can accept the CCC-941 for 2017, 2018, and 2019. Unlike the past, you must have the CCC-941 certifying your AGI compliance before any payments can be issued.

Food plots can help nurture, attract wildlife

Food is often scarce for wildlife during the winter months, particularly on farmed acres where fall plowing buries the largest part of the season's crop residue. In Virginia, the Natural Resources Conservation Service (NRCS) has private lands biologists available to assist landowners who'd like to retain and attract wildlife by establishing dedicated food plots containing selected cover crops. Biologists Justin Folks in the Verona office and Andy Rosenberger in Christiansburg offer the following recommendations:

Fall cereal grains (wheat, barley, rye) are excellent forage for deer, bears and turkeys. Add some clover to the mix to provide nectar for pollinating insects. For deer, Folks recommends including brassicas such as radishes and turnips. Deer eat the green tops in the early fall and, after the first frost, will dig up and feed on the roots. Summer annuals such as sorghum, sunflowers and millet can offer cover for quail in winter while also providing seeds for food. They can be included in any food plot mix for year-round wildlife benefits.

"If you look at wildlife habitats as a banana split," Folks said, "food plots are the cherry on top. They feed wildlife and improve soil health at the same time. They'll often attract additional wildlife because they provide an actual boost in food availability. That can enhance fall and winter hunting."

"Landowners can do a lot of things to support wildlife on unused areas of almost any farm," Rosenberger said. "If you're interested in establishing habitat on your land, call your local NRCS office to learn more about food plots and other steps you can take, some of which don't involve the time and effort that goes into annual plantings."

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, visit farmers.gov.

Communication is Key in Lending

Farm Service Agency (FSA) is committed to providing our farm loan borrowers the tools necessary to be successful. FSA staff will provide guidance and counsel from the loan application process through the borrower’s graduation to commercial credit. While it is FSA’s commitment to advise borrowers as they identify goals and evaluate progress, it is crucial for borrowers to communicate with their farm loan staff when changes occur. It is the borrower’s responsibility to alert FSA to any of the following:

- Any proposed or significant changes in the farming operation
- Any significant changes to family income or expenses
- The development of problem situations
- Any losses or proposed significant changes in securityIf a farm loan borrower can’t make payments to suppliers, other creditors, or FSA on time, contact your farm loan staff immediately to discuss loan servicing options.For more information on FSA farm loan programs, visit fsa.usda.gov.

Selected Interest Rates for September 2020

90-Day Treasury Bill

0.125%

Farm Operating Loans — Direct	1.250%
Farm Ownership Loans — Direct	2.250%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency Loans	2.25%
Farm Storage Facility Loans	0.50%
(7 years)	
Commodity Loans 1996-Present	1.125%

Dates to Remember

10/12 Federal Holiday

10/13 2021 DMC Registration Begins

10/19 2021 ACR/PLC Election and Enrollment Begins

11/15 Deadline to Report Apiculture on FSA-578

11/20 2021 NAP Application for Coverage Deadline for trees, bushes, vines and strawberries

11/30 Deadline to Report Clams on FSA-578

12/1 2021 NAP Application for Coverage Deadline for Honey and Maple Sap

12/11 CFAP 2.0 Signup Deadline

12/11 2021 DMC Registration Ends

12/14 Seafood Trade Relief Program Signup Deadline

1/15 Deadline to Report: Apples, Peaches, Grapes, Canola, and Fall-Seeded Small Grains on FSA-578

Cont. CRP/CREP Signup

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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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).