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Direct and Guaranteed Farm Operating Loans Available

FSA's Direct Loan Program is designed to help farmers start, purchase, or expand their farming operation. From beginning farmers who have limited financial history to qualify for commercial credit to farmers who have suffered financial setbacks from natural disasters, FSA offers a variety of loans to provide additional resources farmers need to establish and maintain profitable farming operations. Farmers may apply for direct loans at their local FSA offices.

FSA guaranteed loans are available to farmers who may not meet loan qualifications from a commercial lender. Guaranteed loans are made and serviced by commercial lenders, such as banks, Farm Credit System institutions, or credit unions. Under a guaranteed loan, a commercial lender makes and services the loan, and FSA guarantees it against loss up to a maximum of 90 percent in most cases or 95 percent in limited circumstances. FSA approves eligible loan guarantees and provides oversight of lenders' activities. Contact a local FSA office for a list of participating lenders.

Farm Operating Loans may be used for normal operating expenses, machinery and equipment, minor real estate repairs or improvements, and refinancing debt. The direct loans are available up to a maximum of \$400,000. Microloans are also available for amounts of \$50,000 or less. FSA will guarantee farm operating loans through a commercial leader up to \$1,825,000. The repayment term may vary, but it cannot exceed seven years. Annual operating loans are generally repaid within 12 months or when the commodities produced are

sold. Direct operating loans require applicants to have sufficient education, training, or at least one year's experience in managing or operating a farm or ranch within the last five years.

CFAP 2 Deadline Approaches

Updates for the Coronavirus Food Assistance Program 2 (CFAP 2) were previously announced for producers of sales-based commodities and for contract producers of eligible livestock and poultry. Details on these eligibility updates can be found below. If anyone would still like to apply for CFAP 2, all new and modified CFAP 2 applications are due by October 12, 2021.

Updates for Sales-Based Commodities

The CFAP 2 payment calculation for sales-based commodities, which includes specialty crops, was amended to allow producers to substitute 2018 sales for 2019 sales. Previously, payments for producers of sales-based commodities were based only on 2019 sales, with 2019 used as an approximation of the amount the producer would have expected to market in 2020. Giving producers the option to substitute 2018 sales for this approximation, including 2018 crop insurance indemnities and 2018 crop year Noninsured Disaster Assistance Program (NAP) and Wildfire and Hurricane Indemnity Program Plus (WHIP+) payments, provides additional flexibility to producers of sales-based commodities who had reduced sales in 2019. If you previously applied for CFAP 2 with 2019 sales and crop insurance indemnities, NAP, and WHIP+ payments for crop year 2019, but would like to use 2018 sales and 2018 crop insurance indemnities, NAP, and WHIP+ payments, a new AD-3117 CFAP 2 application will be required by the signup deadline. The sales year and the crop year for crop insurance indemnities, NAP, and WHIP+ payments must match for the application.

Grass seed has also been added as an eligible sales commodity for CFAP 2. A complete list of all eligible sales-based commodities can be found at farmers.gov/cfap2/commodities. Producers of sales-based commodities can either file a new CFAP 2 application or modify an existing application by the end of the signup period to include either 2018 or 2019 sales, crop insurance indemnities, NAP, and WHIP+ payments for grass seed that was planted intended for seed.

Updates for Contract Producers

The Consolidated Appropriations Act, 2021, provides up to \$1 billion for payments to contract producers of eligible livestock and poultry for revenue losses from Jan. 1, 2020, through Dec. 27, 2020. Through an update to CFAP 2, contract producers of broilers, pullets, layers, chicken eggs, turkeys, hogs and pigs, ducks, geese, pheasants and quail may be eligible for assistance. This update includes eligible breeding stock and eggs of all eligible poultry types produced under contract.

Under previous provisions, payments for contract producers were to be based on a comparison of eligible revenue for the periods of Jan. 1, 2019, through Dec. 27, 2019, and Jan. 1, 2020, through Dec. 27, 2020. The recent program changes allow contract producers the ability to elect to use eligible revenue from the period of Jan. 1, 2018, through Dec. 27, 2018, instead of that date range in 2019 if it is more representative. This change is intended to provide flexibility and make the program more equitable for contract

producers who had reduced revenue in 2019 compared to a normal production year. The difference in revenue is then multiplied by 80% to determine a final payment. Payments to contract producers may be factored if total calculated payments exceed the available funding and will be made after the application period closes.

Additional flexibilities have been added to account for increases to operation size in 2020 and situations where a contract producer did not have a full period of revenue from Jan. 1 to Dec. 27 for either 2018 or 2019. Assistance is also available to new contract producers who began their farming operation in 2020.

Applying for Assistance

Newly eligible producers who need to submit a CFAP 2 application or producers who need to modify an existing application can do so by contacting their local FSA office. Find your local FSA office by visiting farmers.gov/service-locator or get one-on-one support with applications by calling 877-508-8364. For information on how to apply for CFAP 2, visit farmers.gov/coronavirus/pandemic-assistance/cfap2.

Health and safety restrictions may limit walk-in appointments to your local FSA office. Don't wait until the last day! If you'd like to modify your CFAP 2 application or apply as a newly eligible applicant, please make an appointment with FSA today.

Apply for PATHH by October 15th

Timber harvesting and hauling businesses that have experienced a gross revenue loss of at least 10% during the period of Jan. 1 and Dec. 1, 2020, compared to the period of Jan. 1 and Dec. 1, 2019, are encouraged to apply for the Pandemic Assistance for Timber Harvesters and Haulers program (PATHH). Loggers and truckers can apply for assistance through USDA's Farm Service Agency (FSA) now through **Oct. 15, 2021**.

Program Details

To be eligible for payments, individuals or legal entities must be a timber harvesting or timber hauling business where 50% or more of its gross revenue is derived from one or more of the following:

- Cutting timber.
- Transporting timber.
- Processing of wood on-site on the forest land (chipping, grinding, converting to biochar, cutting to smaller lengths, etc.).

Payments will be based on the applicant's gross revenue received from Jan. 1, 2019, through Dec. 1, 2019, minus gross revenue received from Jan. 1, 2020, through Dec. 1, 2020, multiplied by 80%, as shown in the formula below.

Expected PATHH Payment = (2019 Gross Revenue – 2020 Gross Revenue) x 0.80

Eligible program applicants will receive up to two PATHH payments based on the payment calculation above, where both years reflect gross revenue from January 1 through December 1. FSA will issue an initial payment of no more than \$2,000 shortly after application approval.

A final payment will be made after the signup period ends to applicants whose expected total payment exceeds \$2,000. The sum of both payments will not exceed \$125,000, and USDA may prorate final payments if total calculated payments nationally exceed the \$200 million in funding allocated for PATHH.

To be eligible for payments, a person or legal entity must comply with provisions of the “Highly Erodible Land and Wetland Conservation” regulations, often called the conservation compliance provisions, certified on an AD-1026 form. Eligible loggers must have a 2017 North American Industry Classification System (NAICS) code of 113310 for tax purposes. Eligible truckers must have a NAICS code of 484220 or 484230. Timber haulers must provide a copy of IRS Form 2290, Heavy Highway Vehicle Use Tax Return, for logging vehicles for 2019 and 2020 unless timber was hauled on tribal land in those years. Minors under 18 years of age are not eligible for PATHH.

Applying for Assistance

Loggers and truckers can apply for PATHH by completing form FSA-1118, Pandemic Assistance for Timber Harvesters and Haulers Program application, and certifying to their gross revenue for 2019 and 2020 on the application before October 15, 2021. Additional documentation may be required. Visit farmers.gov/pathh for more information on how to apply.

Applications can be submitted to the FSA office at any USDA Service Center nationwide by mail, fax, hand delivery, or via electronic means. To find a local FSA office, loggers and truckers can visit farmers.gov/service-locator. They can also call 877-508-8364 to speak directly with a USDA employee ready to offer assistance.

PLIP Deadline Extended to October 12th

The U.S. Department of Agriculture (USDA) is providing additional time for livestock and poultry producers to apply for the [Pandemic Livestock Indemnity Program](#) (PLIP). Producers who suffered losses during the pandemic due to insufficient access to processing may now apply for assistance for those losses and the cost of depopulation and disposal of the animals through **Oct. 12, 2021**, rather than the original deadline of Sept. 17, 2021. PLIP is part of USDA’s [Pandemic Assistance for Producers](#) initiative.

PLIP provides payments to producers for losses of livestock or poultry depopulated from March 1, 2020 through Dec. 26, 2020, due to insufficient processing access as a result of the pandemic. Payments are based on 80% of the fair market value of the livestock and poultry and for the cost of depopulation and disposal of the animal. Eligible livestock and poultry include swine, chickens and turkeys.

PLIP Program Details

PLIP payments are calculated by multiplying the number of head of eligible livestock or poultry by the payment rate per head, and then subtracting the amount of any payments the eligible livestock or poultry owner has received for disposal of the livestock or poultry under the Natural Resources Conservation Service (NRCS) Environmental Quality Incentives Program (EQIP) or a state program. The payments will also be reduced by any Coronavirus Food

Assistance Program (CFAP 1 and 2) payments paid on the same inventory of swine that were depopulated.

Eligible livestock and poultry producers can apply for PLIP through the Oct. 12, 2021 deadline by completing the FSA-620, Pandemic Livestock Indemnity Program application, and submitting it to any Farm Service Agency county office. Additional documentation may be required. Visit farmers.gov/plip more information on how to apply.

To learn more about USDA's commitment to delivery of financial assistance to farmers, ranchers and agricultural producers and businesses who have been impacted by COVID-19 market disruptions, visit farmers.gov/pandemic-assistance.

Marketing Assistance Loans, Loan Deficiency Payments, and Certificates Available

With the start of 2021 crop harvest, keep in mind that FSA Marketing Assistance Loans are available for harvested commodities. A loan can provide you with interim financing to meet cash flow needs without selling your harvested crop at a time when market prices are at harvest-time lows. Your 2021 harvested farm-stored or warehouse-stored commodity is used as collateral for the loan. Marketing Assistance Loans mature 9 months after the month loan funds are disbursed to you, with repayment due at loan maturity. Before moving farm-stored loan collateral, you must contact the county FSA office and obtain an authorization to move the collateral. Producers who have a commodity pledged as collateral for a marketing assistance loan can purchase a commodity certificate that can be immediately exchanged for the outstanding loan collateral in situations when the loan rate exceeds the exchange rate. Producers who are eligible for marketing assistance loans can obtain a loan deficiency payment (LDP) in lieu of a loan. LDP's are available when the posted county price for a crop falls below the county loan rate. You can check the daily LDP rates online at <https://www.fsa.usda.gov/programs-and-services/price-support/Index>.

For a commodity to be eligible for a loan, loan deficiency payment, or certificate, you must have beneficial interest in the commodity which is defined as having title, possession, and control of the commodity. The quality of stored collateral must be maintained, and you are responsible for loss or damage to the commodity through the term of the loan. To retain eligibility for an LDP when beneficial interest in your harvested crop will be lost upon delivery, **you must file form CCC-633 EZ Page 1 with your local FSA office prior to loss of beneficial interest.**

Marketing assistance loans or loan deficiency payments are available for wheat, barley, oats, corn, dry peas, lentils, small chickpeas, large chickpeas, grain sorghum, soybeans, sunflower seed, rapeseed, canola, safflower seed, flaxseed, mustard seed, crambe, sesame seed, graded and non-graded wool, mohair, and honey. Unshorn pelts are available for an LDP only. If you are interested, please contact [your local FSA county office](#) to learn more about Marketing Assistance Loans.

Apply for OCCSP for Organic Certification Cost Share Reimbursements

Are you an organic producer or handler who received an organic certification from a USDA-accredited certifying agent? If so, you can request cost-share assistance through the [Organic Certification Cost Share Program](#) (OCCSP). Cost share funds are available for eligible certification expenses paid between Oct. 1, 2020, and Sept. 30, 2021. Eligible paid expenses must be submitted with supporting documentation on a 2021 OCCSP application. **2021 OCCSP applications are due Nov. 1, 2021.**

OCCSP provides cost-share assistance to producers and handlers of agricultural products for the costs of obtaining or maintaining organic certification under the USDA's National Organic Program. Eligible producers include any certified producers or handlers who have paid organic certification fees to a USDA-accredited certifying agent. Eligible expenses for cost-share reimbursement include application fees, inspection costs, fees related to equivalency agreement and arrangement requirements, travel expenses for inspectors, user fees, sales assessments and postage.

Producers and handlers certified organic by Washington State Department of Agriculture (WSDA) should have applied for cost-share reimbursement through WSDA. If cost-share is paid through WSDA, producers and handlers are not eligible to receive duplicate cost-share reimbursement from USDA-FSA. If you have an organic operation certified by WSDA and you missed the WSDA reimbursement application deadline, then you can apply for OCCSP, but additional documentation will be required by FSA to verify that a duplicate payment was not processed through WSDA.

For 2021 OCCSP, certified producers and handlers are eligible to receive reimbursement for up to 50 percent of the certified organic operation's eligible expenses, up to a maximum of \$500 per scope. In Washington State, eligible certification scopes remain the same – crops, livestock, wild crops, and processing/handling. The payment calculation and maximum payment amount are applicable to all certified organic operations, regardless of whether they apply through an FSA county office or through WSDA.

To learn more about organic certification cost share, please visit the [OCCSP webpage](#) or contact [your local USDA Service Center](#). All USDA Service Centers are open for business, including some that are open to visitors to conduct business in person by appointment only. Please call ahead to schedule an appointment.

NAP Coverage – Consider Protecting 2022 Crops Now

For crops that are not insurable with catastrophic level coverage (CAT) through your crop insurance agent, Non-insured Crop Disaster Assistance Program (NAP) coverage is an available tool to help mitigate financial risk. NAP covers non-insurable crops damaged, lost or prevented from being planted due to a natural weather-related disaster condition.

There are several coverage level options through this program. NAP provides a catastrophic level (CAT) of coverage for losses that exceed 50 percent of the expected yield at 55 percent of the approved NAP price for the crop. The 2018 Farm Bill reinstated higher levels of

coverage, from 50 to 65 percent of expected production in 5 percent increments, at 100 percent of the approved NAP price. Producers who elect a higher level of coverage must “buy-up” and pay a premium in addition to the service fee. Producers with an organic certification can select the organic option when requesting NAP coverage at either CAT or buy-up levels of coverage at 100 percent of the approved organic NAP price. Buy-up coverage is not available for crops intended for grazing.

Premium cost for buy-up coverage on yield-based crops will be calculated based on the lesser of either of the following:

- The applicable payment limitation (\$300,000 for buy-up) X 5.25% premium fee = \$15,750 maximum premium per individual or legal entity, or
- The sum of acres X APH yield X share X coverage level X NAP price X 5.25% premium fee for each NAP crop with buy-up coverage selected.

NAP payment limitation for basic coverage remains at \$125,000 per individual or legal entity. Beginning, limited resource, and targeted underserved farmers or ranchers remain eligible for a NAP premium reduction.

NAP service fee is \$325 per crop per county, up to \$825 per county, not to exceed \$1,950 per producer with NAP covered crops in multiple counties. A waiver of the NAP service fee is available to beginning, limited resource, and traditionally underserved farmers and ranchers.

NAP coverage for eligible 2022 crops should be purchased at least 1 day before the crop is planted, but no later than the established NAP application for coverage closing date for the crop or crops listed as follows:

November 22, 2021 – 2022 asparagus, berries, grapes, hops, tree fruits, nuts, and other perennial crops not listed under the 9/30 category.

December 31, 2021 – 2022 honey.

March 15, 2022 – 2022 artichokes, beets (for seed or fresh), buckwheat, camelina, carrots (for fresh or processing), hemp, mustard, radish (for seed or fresh), small grain forage (wheat, barley, oats, peas), and any other spring planted crops not mentioned in other closing dates.

NAP application for coverage deadlines are also posted on the Washington State FSA website located [here](#). Contact your local county FSA office if you are interested in applying for NAP coverage, or if you have any questions regarding NAP availability or application closing dates.

2020 ARC/PLC Payments

Final Market Year Average (MYA) prices for 2020 have been published for Wheat, Barley, and Oats. The MYA for wheat and barley fell below the Statutory Reference Price resulting in a 2020 PLC Payment Rate for those crops. The MYA for oats exceeded the Statutory Reference Price so no payment will be earned under PLC. MYA prices for some crops have not been finalized yet and will be released soon.

The final 2020 PLC payment rate for Wheat is \$0.45 per bushel and Barley is \$0.20 per bushel.

Actual county yields have been announced for several crops under the ARC-CO program and can be accessed [here](#) to determine if ARC-CO payments will be earned under specific crops.

October Payment Cycle to Begin

FSA will begin the October payment cycles for the CRP and ARCPLC programs soon. Processing of payments for older CRP contracts and CRP-TIP contracts will begin on October 4th. 2020 PLC, ARC-CO, and ARC-IC payment processing for some crops including wheat and barley will begin on October 6th. Most CRP contracts approved in 2010 and later will have payments processed starting on October 12th. Each payment must be reviewed by FSA staff for accuracy. County Offices do their best to get payments out timely, but with the high volume of payments being processed during this time the process can still take 1-3 weeks. Payments are direct deposited for most producers, and deposits should be seen in your bank accounts 2-3 days after being signed by FSA staff. Paper transaction statements with data about your payments will be mailed to you following processing. If you have not received your payments by the beginning of November, please contact your local office to see if we are missing any required paperwork from your farming operation.

Important Dates and Deadlines

October 11, 2021 – Columbus Day. USDA service centers will be closed.

October 12, 2021 – Deadline apply for Coronavirus Food Assistance Program 2 (CFAP 2).

October 12, 2021 – Extended deadline to apply for PLIP for pandemic-related swine, chicken, and turkey depopulation.

October 15, 2021 – Deadline to apply for PATHH for pandemic assistance for timber harvesters and haulers.

November 1, 2021 – Deadline to apply for the Organic Certification Cost Share Program (OCCSP). Cost share funds available for organic certification expenses paid from October 1, 2020 through September 30, 2021.

November 1, 2021 – County Committee election ballots mailed to eligible voters.

November 11, 2021 – Veterans Day. USDA service centers will be closed.

November 22, 2021 – Deadline to obtain 2022 crop year NAP coverage for asparagus, berries, grapes, honey, hops, tree fruits, nuts, and other perennial crops not listed under the 9/30 category (full list of Washington State NAP dates posted [here](#)).

November 25, 2021 – Thanksgiving Day. USDA service centers will be closed.

December 6, 2021 – County Committee ballots are due to FSA county offices or postmarked by this date.

December 15, 2021 – 2022 crop acreage reporting deadline for fall-seeded crops. This includes fall-planted alfalfa, canola, lentils, mint, onions, peas, and small grains.

December 15, 2021 – Deadline to report actual harvested production of 2021 NAP covered fall-seeded crops, including fall canola, fall mint, fall peas, fall lentils, fall seeded small grains.

December 31, 2021 – Deadline to obtain 2022 crop year NAP coverage for honey.

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