

April 2020



Farm Service Agency **Electronic News Service**

NEWSLETTER

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Having trouble viewing this email? [View it as a Web page.](#)

- [Message from the SED](#)
- [Small Business Administration's Paycheck Protection Program](#)
- [USDA's Conservation Reserve Program Grasslands Signup](#)
- [USDA Offers Individuals Options to Complete Business Online](#)
- [Agriculture Risk Coverage and Price Loss Coverage Enrollment for 2020](#)
- [USDA Fruit, Vegetable and Wild Rice Planting Rules Unchanged from Previous Farm Bill](#)
- [Actively Engaged Provisions for Non-Family Joint Operations or Entities](#)
- [Preauthorized Debit Available for Farm Loan Borrowers](#)
- [Direct Loans](#)
- [Farmers.gov Feature Enables USDA Customers to Manage Farm Loans Online](#)
- [Rates and Dates](#)

Arkansas FSA Newsletter

Arkansas Farm Service Agency

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Little Rock, Arkansas 72201
Phone: 501-301-3000
www.fsa.usda.gov/ar

State Committee: Chairman:
Ron Chastain

Members:
Gary Churchill, Sarah Dunklin,
Nathan Reed, & Vivian Wright

State Committee Meeting:
2nd Wednesday and
Thursday of each Quarter

State Executive Director:
David Curtis

Executive Officer:
James Culpepper

Message from the SED

Our County Offices are open by phone appointment only until further notice. Our Staff is available to continue helping Producers with program signups, loan servicing and other important actions. Additionally, FSA is relaxing the loan-making process and adding flexibilities for servicing direct and guaranteed loans to provide credit to producers in need. Our Staff will continue to come into the office and work with our customers by phone, email and by using online tools whenever possible. For Service Center contact information, visit farmers.gov/coronavirus.

Also, Producers may apply to enroll grasslands in the CRP Grasslands signup. The signup runs through May 15.

Producers in Mississippi County, who suffered losses due to excessive rain that occurred Jan. 10 through Jan. 12, 2020, may be eligible for emergency loans. Producers in the contiguous Arkansas counties of Craighead, Crittenden, and Poinsett are also eligible to apply. The deadline to apply is Nov. 18, 2020.

Producers in Drew County, who suffered losses due to excessive rain that occurred Feb. 10 through Feb. 15, 2020, may also be eligible for emergency loans. Producers in the contiguous Arkansas counties of Ashley, Bradley, Chicot, Cleveland, Desha, and Lincoln,

Administrative Officer:
Sharon Baker

are also eligible to apply. Again, the deadline to apply is Nov. 18, 2020.

Farm Programs: Terri
McManus

Additional information is also available online at the farmers.gov portal.

Farm Loan Programs:
Lori Lavender

Stay Safe and please practice Social Distancing.

Please contact your local FSA Office for questions specific to your operation or county. To find contact information for your local office go to www.fsa.usda.gov/ar.

Small Business Administration's Paycheck Protection Program

The Paycheck Protection Program (PPP) is a guaranteed loan program administered by the Small Business Administration (SBA). The purpose of the program is to support small businesses and help support their payroll during the coronavirus situation.

Agricultural producers, farmers, and ranchers with 500 or fewer employees whose principal place of residence is in the United States are eligible.

Farms are eligible if: (i) the farm has 500 or less employees, **OR** (ii) it fits within the revenue-based sized standard, which is on average annual receipts of \$1M.

Additionally, farms can qualify for PPP if it meets SBA's "alternative size standard." The "alternative size standard" is currently: (1) a maximum net worth of the business not more than \$15 million, **AND** (2) the average net income Federal income taxes of the business for the two full fiscal years before the date of the application be not more than \$5 million.

Small agricultural cooperatives may receive PPP loans as long as other eligibility requirements are met. Other forms of cooperatives may be eligible provided they comply with all other Loan Program Requirements (as defined in 13 CFR 120.10).

In regard to H-2A or H-2B workers on payroll, only employees with a principal place of residence in the U.S. count toward eligibility and calculation of the PPP loan amount.

SBA requires sole proprietors, independent contractors, and other eligible self-employed individuals to provide documentation to its lender that the business was in operation as of February 15, 2020. This documentation may include payroll processor records, payroll tax filings, or Form 1099-MISC, or income and expenses from a sole proprietorship. For borrowers that do not have any such documentation, the borrower must provide other supporting documentation to its lender, such as bank records, sufficient to demonstrate the qualifying payroll amount.

Documentation options for payroll tax filings include the following:

IRS Form 941 (quarterly wages); IRS Form 944 (calendar year wages); State income, payroll and unemployment insurance filings; QuickBooks; bank repository accounts; and/or internally generated profit and loss statements. However:

- Nonprofit organizations must include IRS Form 990;
- Sole proprietors must include IRS Form 1040 Schedule C;

- Any entity that filed IRS Form 1099-MISC must include this form;
- Seasonal employers must document the period beginning February 15, 2019 through June 30, 2019

More extensive FAQs can be found at the Treasury Department's [CARES Act website](#).

USDA's Conservation Reserve Program Grasslands Signup

Farmers and ranchers may apply to enroll grasslands in the Conservation Reserve Program (CRP) Grasslands signup. The signup runs through May 15.

Through CRP Grasslands, participants retain the right to conduct common grazing practices, such as haying, mowing or harvesting seed from the enrolled land. Timing of some activities may be restricted by the primary nesting season of birds.

Participants will receive an annual rental payment and may receive up to 50 percent cost-share for establishing approved conservation practices. The duration of the CRP contract is either 10 or 15 years. FSA will rank applications using a number of factors including existence of expiring CRP land, threat of conversion or development, existing grassland, and predominance of native species cover, and cost.

The 2018 Farm Bill set aside 2 million acres for CRP Grassland enrollment. CRP is one of the largest conservation programs at USDA. CRP marks its 35-year anniversary in 2020 with 22 million acres currently enrolled.

For more information or to enroll in CRP Grasslands, contact your local FSA county office or visit fsa.usda.gov/crp. To locate your local FSA office, visit farmers.gov/service-locator.

USDA Offers Individuals Options to Complete Business Online

Farmers, ranchers and agricultural producers have online options to access U.S. Department of Agriculture (USDA) programs, including Farm Service Agency's Agriculture Risk Coverage/Price Loss Coverage (ARC/PLC), Loan Deficiency Payments (LDPs), producer farm data, such as Common Land Unit data through FSAfarm+, and the Natural Resources Conservation Service's [Conservation Client Gateway](#).

Producers doing business as an individual with these agencies first need to sign up for the Level 2 eAuthentication access. Currently USDA eAuthentication does not have the mechanism to issue accounts to businesses, corporations, other entities or for anyone acting on behalf of another individual or entity.

Users with a secure Level 2 eAuthentication ID linked to their USDA customer record can apply for select USDA programs, view and print farm maps and farm records data. Enrolling is easy!

1. Contact your local service center to confirm you have a USDA customer record with a primary email address. Use our [Service Center Locator](#) to find your local office.
2. Navigate to the [eAuth Account Registration page](#).
3. Select "Customer" on the registration page.
4. Enter your primary email address, which should match what USDA has on your customer record. You will receive an email from eAuth asking you to confirm your email address. Click the "Continue Registration" link in this email to continue the registration process. *Note: When you log in, your User ID will be your email address.*
5. Next, enter your name and set a password.

6. Finally, you will need to verify your identity. You will be taken to a page where you will need to provide information such as your date of birth and residential address, and then can verify your identity online. If you are unable to verify your identity online, contact your local USDA Service Center.

Visit farmers.gov/sign-in to learn more. To locate a Service Center near you or use online services not requiring eAuthentication access, visit farmers.gov. For technical assistance, call the eAuthentication help desk at 1-800-457-3642.

Agriculture Risk Coverage and Price Loss Coverage Enrollment for 2020

USDA's Farm Service Agency (FSA) encourages agricultural producers to enroll now in the Agriculture Risk Loss (ARC) and Price Loss Coverage (PLC) programs. The deadline to enroll for the 2020 crop year is June 30, 2020. By enrolling soon, producers can beat the rush as the deadline nears.

FSA offices have multiple programs competing for the time and attention of our staff. Because of the importance and complexities of the ARC and PLC programs; and to ensure FSA meets your program delivery expectations, please do not wait to start the enrollment process. Contact your FSA county office and make an appointment soon to ensure your elections are made and contracts signed well ahead of the deadline.

ARC and PLC provide financial protections to farmers from substantial drops in crop prices or revenues and are vital economic safety nets for most American farms.

The programs cover the following commodities: 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.

Farm owners have a one-time opportunity to update PLC payment yields that take effect beginning with crop year 2020. If the owner accompanies the producer to the office, the yield update and enrollments may be completed during the same office visit.

More Information

For more information on ARC and PLC, download our [program fact sheet](#) or our [2014-2018 farm bills comparison fact sheet](#). Online ARC and PLC election decision tools are available at fsa.usda.gov/arc/plc. To enroll, contact your [FSA county office](#) for an appointment.

USDA Fruit, Vegetable and Wild Rice Planting Rules Unchanged from Previous Farm Bill

Farm Service Agency (FSA) has announced fruit, vegetable and wild rice provisions that affect producers who intend to participate in certain programs authorized by the Agricultural Act of 2014 as amended by the Agricultural Improvement Act of 2018.

Producers who intend to participate in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs are subject to an acre-for-acre payment reduction when fruits and nuts, vegetables or wild rice are planted on the payment acres of a farm. Payment reductions do not apply to mung beans, dry peas, lentils or chickpeas. Planting fruits, vegetables or wild rice on acres that are not considered payment acres will not result in a payment reduction. Farms that are eligible to participate in ARC/PLC but are not enrolled for a particular year may plant unlimited fruits, vegetables and wild rice for that year but will not receive ARC/PLC payments for that year. Eligibility for succeeding years is not affected.

Planting and harvesting fruits, vegetables and wild rice on ARC/PLC acreage is subject to the acre-for-acre payment reduction when those crops are planted on more than 15 percent of the base acres of a farm enrolled in ARC using the county coverage or PLC, or more than 35 percent of the base acres of a farm enrolled in ARC using the individual coverage.

Fruits, vegetables and wild rice that are planted in a double-cropping practice will not cause a payment reduction if the farm is in a double-cropping region as designated by the USDA's Commodity Credit Corporation.

Actively Engaged Provisions for Non-Family Joint Operations or Entities

Many Farm Service Agency programs require all program participants, either individuals or legal entities, to be "actively engaged in farming." This means participants provide a significant contribution to the farming operation, whether it is capital, land, equipment, active personal labor and/or management. For entities, each partner, stockholder or member with an ownership interest, must contribute active personal labor and/or management to the operation on a regular basis that is identifiable and documentable as well as separate and distinct from contributions of any other member. Members of joint operations must have a share of the profits or losses from the farming operation commensurate with the member's contributions to the operation and must make contributions to the farming operation that are at risk for a loss, with the level of risk being commensurate with the member's claimed share on the farming operation.

Joint operations comprised of non-family members or partners, stockholders or persons with an ownership in the farming operation must meet additional payment eligibility provisions. Joint operations comprised of family members are exempt from these additional requirements. For 2016 and subsequent crop years, non-family joint operations can have one member that may use a significant contribution of active personal management exclusively to meet the requirements to be determined "actively engaged in farming." The person or member will be defined as the farm manager for the purposes of administering these management provisions.

Non-family joint operations may request to add up to two additional managers for their farming operation based on the size and/or complexity of the operation. If additional farm managers are requested and approved, all members who contribute management are required to complete form CCC-902MR, Management Activity Record. The farm manager should use the form to record management activities including capital, labor and agronomics, which includes crop selection, planting decisions, acquisition of inputs, crop management and marketing decisions. One form should be used for each month and the farm manager should enter the number of hours of time spent for each activity under the date of the month the actions were completed. The farm manager must also document if each management activity was completed on the farm or remotely.

The records and supporting business documentation must be maintained and timely made available for review by the appropriate FSA reviewing authority, if requested.

If the farm manager fails to meet these requirements, their contribution of active personal management to the farming operation for payment eligibility purposes will be disregarded and their payment eligibility status will be re-determined for the applicable program year.

In some instances, additional persons or members of a non-family member joint operation who meet the definition of farm manager may also be allowed to use such a contribution of active personal management to meet the eligibility requirements. However, under no circumstances may the number of farm managers in a non-family joint operation exceed a total of three in any given crop and program year.

Preauthorized Debit Available for Farm Loan Borrowers

USDA Farm Service Agency (FSA) has implemented pre-authorized debit (PAD) for Farm Loan Program (FLP) borrowers. PAD is a voluntary and alternative method for making weekly, bi-weekly, monthly, quarterly, semi-annual or annual payments on loans.

PAD payments are pre-authorized transactions that allow the National Financial and Accounting Operations Center (NFAOC) to electronically collect loan payments from a customer's account at a financial institution.

PAD may be useful for borrowers who use nonfarm income from regular wages or salary to make payments on loans or adjustment offers or for payments from seasonal produce stands. PAD can only be established for future payments.

To request PAD, customers, along with their financial institution, must fill out form RD 3550-28. This form has no expiration date, but a separate form RD 3550-28 must be completed for each loan to which payments are to be applied. A fillable form can be accessed on the USDA Rural Development (RD) website at rd.usda.gov/publications/regulations-guidelines. Click forms and search for "Form 3550-28."

If you have a "filter" on the account at your financial institution, you will need to provide the financial institution with the following information: Origination ID: 1220040804, Agency Name: USDA RD DCFO.

PAD is offered by FSA at no cost. Check with your financial institution to discuss any potential cost. Preauthorized debit has no expiration date, but you can cancel at any time by submitting a written request to your local FSA office. If a preauthorized debit agreement receives three payment rejections within a three-month period, the preauthorized debt agreement will be cancelled by FSA. The payment amount and due date of your loan is not affected by a cancellation of preauthorized debit. You are responsible to ensure your full payment is made by the due date.

For more information about PAD, contact your local FSA office. To find a local FSA office, visit offices.usda.gov

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. FSA loan officers process, approve and service direct loans.

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.

Farmers.gov Feature Enables USDA Customers to Manage Farm Loans Online

Do you have loans through USDA? If so, you can login to view loan information, history and payments through farmers.gov, USDA's self-service website available to agricultural producers.

Using a desktop, tablet, or phone, the "My Financial Information" feature enables you to view:

- loan information;
- interest payments for the current calendar year (including year-to-date interest paid for the past five years);
- loan advance and payment history;
- paid-in-full and restructured loans; and
- account alerts giving borrowers important notifications regarding their loans.

Currently, access is only available for customers doing business as individuals. Entities, such as an LLC or Trust, can't access the portal at this time, but access is being planned.

Users are recommended to use Google Chrome, Mozilla Firefox and Microsoft Edge.

Rates and Dates

Selected Interest Rates for April 2020		Dates to Remember	
90-Day Treasury Bill	1.625	5/31/20	Deadline to request MAL loan for corn, cotton, rice, grain sorghum, soybeans
Farm Operating Loans — Direct	2.375	6/30/20	ARCPLC 2020 enrollment deadline
Farm Ownership Loans — Direct	3.000	05/10/20	Final date to file prevented planted acreage/credit for Corn Note: This date applies to all counties except Benton, Clay, Craighead, Greene, Independence, Jackson, Lawrence, Mississippi, Poinsett, and Randolph Counties
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.500		
Emergency Loans	3.375	5/16/20	Final date to file prevented planted acreage/credit for Corn for Benton, Clay, Craighead, Greene, Independence, Jackson, Lawrence, Mississippi, Poinsett, and Randolph Counties
Farm Storage Facility Loans (7 years)	1.000		
Farm Storage Facility Loans (12 years)	1.125	5/30/20	Final date to file prevented planted acreage/credit for Grain Sorghum
Commodity Loans 1996-Present	1.625		

USDA is an equal opportunity provider, employer and lender. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 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).

Persons with disabilities who require accommodations to attend or participate in this meeting/function/event should contact their local County Executive Director or Rhonda O'Guinn at 501-301-3018, (TDD# or Federal Relay Service at 1-800-877-8339, and rhonda.oguinn@usda.gov).