

September 2020



Farm Service Agency **Electronic News Service**

NEWSLETTER

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Arkansas FSA Newsletter

Arkansas Farm Service Agency

700 West Capitol, Room 3416
Little Rock, Arkansas 72201
Phone: 501-301-3000
www.fsa.usda.gov/ar

State Committee:

Chairman: Gary Churchill
Members: Ron Chastain,
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

Administrative Officer:

Sharon Baker

Message from the SED

I would like to remind farm owners that they have a one-time opportunity to update PLC program yields for covered commodities. Producers who elected ARC should also consider updating their yields. The deadline to update is September 30, 2020.

“Ask USDA” will launch on September 21, 2020. “Ask USDA” will replace “AskFSA”, an interactive tool that allowed Customers to ask questions about FSA programs and services. “Ask USDA”, will provide information on all USDA programs and is available at <https://ask.usda.gov>. Customers will be able to submit questions by email, phone or online chat.

Please mark your calendars! COC Election ballots will be mailed to eligible producers on November 2, 2020. Completed ballots should be returned to County Offices or postmarked no later than December 7, 2020.

FSA is honoring contributions made by Hispanic Americans to our nation during National Hispanic Heritage Month. This annual commemoration is held September 15th - October 15th. Each year, this time is set aside to celebrate the history, achievements, culture, and contributions of Hispanic Americans.

Farm Programs:

Terri McManus

Farm Loan Programs:

Lori Lavender

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

FSA County Offices are still available to customers. Please contact your local office to determine whether in-person or phone appointments are available. Our Staff is available to continue helping Producers with program signups, loan servicing and other important actions. Our Staff will also continue to work with our customers by phone, email and by using online tools whenever possible. For Service Center contact information, visit <https://offices.sc.egov.usda.gov/locator/app>

Stay Safe and continue to practice Social Distancing.

Until next time...

Report Banking Changes to FSA

Farm Service Agency (FSA) program payments are issued electronically into your bank account. In order to receive timely payments, you need to notify your FSA servicing office if you close your account or if your bank information is changed for any reason (such as your financial institution merging or being purchased). Payments can be delayed if FSA is not notified of changes to account and bank routing numbers.

For some programs, payments are not made until the following year. For example, payments for crop year 2019 through the Agriculture Risk Coverage and Price Loss Coverage program aren't paid until 2020. If the bank account was closed due to the death of an individual or dissolution of an entity or partnership before the payment was issued, please notify your local FSA office as soon as possible to claim your payment.

USDA Accepting Applications to Help Cover Costs for Organic Certification

USDA's Farm Service Agency (FSA) announced that organic producers and handlers can apply for federal funds to assist with the cost of receiving and maintaining organic certification through the [Organic Certification Cost Share Program](#) (OCCSP). Applications for eligible certification expenses paid between Oct. 1, 2019, and Sept. 30, 2020, are due Oct. 31, 2020.

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.

Changes in Reimbursement

Due to expected participation levels for fiscal year 2020, FSA revised the reimbursement amount through fiscal year 2023. Certified producers and handlers are now 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.

This change is due to the limited amount of funding available and will allow a larger number of certified organic operations to receive assistance. If additional funding is authorized later, FSA may

provide additional assistance to certified operations that have applied for OCCSP, not to exceed 75 percent of their eligible costs, up to \$750 per scope.

The changes to 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 a participating state agency. State agencies that are interested in overseeing reimbursements to producers and handlers in their states must establish new agreements with FSA for fiscal 2020.

Opportunities for State Agencies

Today's announcement also includes the opportunity for state agencies to apply for grant agreements to administer the OCCSP program in fiscal 2020. State agencies that establish agreements for fiscal 2020 may be able to extend their agreements and receive additional funds to administer the program in future years.

FSA has not yet determined whether an additional application period will be announced for later years for state agencies that choose not to participate in fiscal 2020. States that would like to administer OCCSP for future years are encouraged to establish an agreement for 2020 to ensure that they will be able to continue to participate.

FSA will accept applications from state agencies for fiscal year 2020 funding for cost-share assistance from Aug. 10, 2020 through Sept. 9, 2020.

State Agencies must submit the Application for Federal Assistance (Standard Form 424 and 424B) electronically via Grants.gov, the Federal grants website, at <http://www.grants.gov>.

More Information

To learn more about organic certification cost share, please visit the [OCCSP webpage](#), view the [notice of funds availability on the Federal Register](#), or contact the [FSA county office](#) at your local USDA Service Center.

To learn more about USDA support for organic agriculture, visit usda.gov/organic.

USDA Offers Annual Installment Deferral Option for Farm Storage Facility Loan Borrowers

To assist Farm Storage Facility Loan (FSFL) borrowers experiencing financial hardship from the pandemic and other challenges in production agriculture, USDA's Farm Service Agency (FSA) is offering a one-time annual installment payment deferral option. No fees or prepayment penalties apply for borrowers who choose this FSFL loan flexibility option.

Eligible borrowers can request a one-time only annual installment payment deferral for loans having terms of three, five, seven or ten years. The installment deferral option is not available for 12-year term loans.

The FSFL installment payments will remain the same, except for the last year. The original loan interest rate and annual payment due date will remain the same. However, because the installment payment deferral is a one-year loan term extension, the final payment will be higher due to additional accrued interest.

Borrowers interested in exercising the one-time annual installment deferral option should contact FSA to make the request and to obtain, complete and sign required forms.

FSFLs provide low-interest financing for producers to store, handle and transport eligible commodities.

More Information

In addition to offering flexibilities for FSFLs, FSA has also made other flexibilities to help producers impacted by the pandemic, including relaxing the loan-making process for farm operating and ownership loans and implementing the Disaster Set-Aside provision that enables an upcoming installment on a direct loan to be set aside for the year. More information on these flexibilities can be found at farmers.gov/coronavirus.

All USDA Service Centers are open for business, including some that are open to visitors to conduct business in person by appointment only. All Service Center visitors wishing to conduct business with the FSA, Natural Resources Conservation Service or any other Service Center agency should call ahead and schedule an appointment. Service Centers that are open for appointments will pre-screen visitors based on health concerns or recent travel, and visitors must adhere to social distancing guidelines. Visitors may also be required to wear a face covering during their appointment. Field work will continue with appropriate social distancing. Our program delivery staff will be in the office, and they will be working with our producers in office, by phone and using online tools. More information can be found at farmers.gov/coronavirus.

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

FSA Implements Set-Aside Loan Provision for Customers Impacted by COVID-19

Set-Aside Delays Loan Payments for Borrowers

USDA's Farm Service Agency (FSA) will broaden the use of the Disaster Set-Aside (DSA) loan provision, normally used in the wake of natural disasters, to allow farmers with USDA farm loans who are affected by COVID-19, and are determined eligible, to have their next payment set aside. In some cases, FSA may also set aside a second payment for farmers who have already had one payment set aside because of a prior designated disaster.

FSA direct loan borrowers will receive a letter with the details of the expanded Disaster Set-Aside authorities, which includes the possible set-aside of annual operating loans, as well as explanations of the additional loan servicing options that are available. To discuss or request a loan payment Set-Aside, borrowers should call or email the farm loan staff at their local FSA county office.

The set-aside payment's due date is moved to the final maturity date of the loan or extended up to twelve months in the case of an annual operating loan. Any principal set-aside will continue to accrue interest until it is repaid. This aims to improve the borrower's cashflow in the current production cycle.

FSA previously announced it was relaxing the loan-making process and adding flexibilities for servicing direct and guaranteed loans to provide credit to producers in need. Direct loan applicants and borrowers are encouraged to contact their local FSA county office to discuss loan making and servicing flexibilities and other needs or concerns. Customers participating in FSA's guaranteed loan programs are encouraged to contact their lender. Information on these flexibilities, and office contact information, can be found on farmers.gov/coronavirus.

FSA will be accepting most forms and applications by facsimile or electronic signature. Some services are also available online to customers with an eAuth account, which provides access to the farmers.gov portal where producers can view USDA farm loan information and certain program applications and payments. Customers can track payments, report completed practices, request conservation assistance and electronically sign documents. Customers who do not already have an eAuth account can enroll at farmers.gov/sign-in.

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 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 2019 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 local County USDA Service Center or visit fsa.usda.gov.

Maintaining the Quality of Farm-Stored Loan Grain

Bins are ideally designed to hold a level volume of grain. When bins are overfilled and grain is heaped up, airflow is hindered and the chance of spoilage increases.

If you take out marketing assistance loans and use the farm-stored grain as collateral, remember that you are responsible for maintaining the quality of the grain through the term of the loan.

Applying for Youth Loans

The Farm Service Agency (FSA) makes loans to youth to establish and operate agricultural income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must

be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5,000.

Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Comply with FSA's general eligibility requirements
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the youth loan applicant, along with providing adequate supervision.

For help preparing the application forms, contact the [FSA county office](#) at your local USDA Service Center or visit fsa.usda.gov/farmloans.

Rates and Dates

Interest Rates for September 2020			
90-Day Treasury Bill	0.125		
Farm Operating Loans — Direct	1.250	Dates to Remember	
Farm Ownership Loans — Direct	2.250		
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.500	09/11/20	Deadline for CFAP assistance
Emergency Loans	2.250	09/30/20	ARCPLC yield update deadline
Farm Storage Facility Loans (3 years)	0.125	11/02/20	Election Ballots mailed to Eligible Voters
Farm Storage Facility Loans (12 years)	0.750	12/07/20	Last day to return Election Ballots
Commodity Loans 1996-Present	1.125	01/01/21	Newly Elected COC Members take Office

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).

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).