May 2020





Farm Service Agency Electronic News Service

NEWSLETTER

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Alaska State FSA Newsletter

Alaska State Farm Service Agency

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Alaska FSA State Directors News

Greetings! We know farmers are resilient and the Farm Service Agency in Alaska will continue to deliver the disaster assistance, safety net, farm loan and conservation programs that keep American agriculture in business today and long into the future.

On April 17, U.S. Secretary of Agriculture Sonny Perdue announced the Coronavirus Food Assistance Program (CFAP). This \$19 billion immediate relief program will provide critical support to farmers and ranchers and maintain the integrity of our food supply chain, and ensure every American continues to receive and have access to the food they need. CFAP will use the funding and authorities provided in the Coronavirus Aid, Relief, and Economic Security Act (CARES), the Families First Coronavirus Response Act (FFCRA), and other USDA existing authorities. The program includes two major elements to achieve these goals, including

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Delta Junction, AK 99737

County Executive Director/Farm Loan Manager Lloyd Wilhelm 907-895-4242 ext 150 Fax: 855-711-9095 Email:

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Southern County Office 800 W Evergreen, Ste 216 Palmer, AK 99645

County Executive
Director/Farm Loan
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907-761-7754
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Hours Monday-Friday 8:00 a.m. - 4:30 p.m.

Committee Meetings: Northern Co TBA Southern Co June 9, 10 a.m.

Please contact your local FSA Office for questions specific to your operation or county.

direct support to farmers and ranchers and USDA purchase and distribution. Learn more.

Further details regarding eligibility, rates, and other implementation will be released at a later date.

For the latest updates on the CFAP, and other Frequently Asked Questions, visit usda.gov/coronavirus.

Our USDA Service Centers in Alaska will continue to be open for business by phone appointment only and field work will continue with appropriate social distancing. While our program delivery staff will continue to come into the office, they will be working with our producers by phone and using online tools whenever possible. All Service Center visitors wishing to conduct business with the Farm Service Agency are required to call their Service Center to schedule a phone appointment.

I also encourage you to visit <u>farmers.gov/coronavirus</u> to keep up-todate on temporary program flexibilities available as a result of the COVID-19 pandemic.

Every Season is #ScamSeason

Remember to discuss your USDA account information only with people you recognize and trust.

If you have questions about your USDA accounts, or your business transactions with USDA, contact your local County Service Center.

USDA Service Centers Open for Business by Phone Appointment Only

U.S. Department of Agriculture Service Centers are encouraging visitors to take proactive protective measures to help prevent the spread of coronavirus.

USDA Service Centers in Alaska will continue to be open for business by phone appointment only and field work will continue with appropriate social distancing. While our program delivery staff will continue to come into the office, they will be working with our producers by phone, and using online tools whenever possible. All Service Center visitors wishing to conduct business with the Farm Service Agency, Natural Resources Conservation Service, or any other Service Center agency are required to call their Service Center to schedule a phone appointment. In the event a Service Center is closed, producers can receive assistance from the closest alternate Service Center by phone.

Producers can find Service Center phone numbers at farmers.gov/service-center-locator.

FPAC agencies continue to look at the flexibilities to deliver programs on behalf of producers, just as they have in past situations, such as natural disasters. Farmers and ranchers are resilient and FPAC agencies will continue to deliver the farm safety net programs and resource conservation programs that keep American agriculture in business today and long into the future.

Online services are available to customers with an eAuth account, which provides access to the farmers.gov portal where producers can view USDA farm loan information and payments and view and track certain USDA program applications and payments. Online NRCS services are available to customers through the Conservation Client Gateway. 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.

For the most current updates on available services and Service Center status visit farmers.gov/coronavirus.

FSA Makes Changes to Farm Loan, Disaster, Conservation and Safety Net Programs to Make it Easier for Customers to Conduct Business

USDA's Farm Service Agency (FSA) county offices are open in Alaska by phone appointment only until further notice, and FSA staff are available to continue helping agricultural 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.

FSA Service Centers are open for business by phone appointment only. While our program delivery staff will continue to come into to the office, they will be working with our agricultural producers by phone and using email and online tools whenever possible.

FSA is delivering programs and services, including:

- · Farm loans;
- Commodity loans;
- Farm Storage Facility Loan program;
- Disaster assistance programs, including signup for the Wildfire and Hurricane Indemnity Program Plus (this includes producers now eligible because of losses due to drought and excess moisture in 2018 and 2019);
- Safety net programs, including 2020 signup for the Agriculture Risk Coverage and Price Loss Coverage programs;
- Conservation programs; and
- Acreage reports.

FSA is relaxing the loan making process and adding flexibilities for servicing direct and guaranteed loans to provide credit to producers in need. For a full list of flexibilities, visit farmers.gov/coronavirus.

USDA Reminds Alaska Producers to Complete Crop Acreage Reports

USDA's Farm Service Agency (FSA) offices in Alaska are currently open to phone and virtual appointments only but can still work with producers on timely filing crop acreage reports. FSA staff can provide assistance over the phone, by email and through virtual meetings via Microsoft Teams.

The following acreage reporting dates are applicable in Alaska:

May 31, 2020 Nursery

July 15, 2020 All other spring planted crops, CRP, Perennial Forage

For 2021 Crop Year

September 30, 2020 Value-loss crops and controlled environment crops

(except Nursery)

December 15, 2020 Fall-Seeded Small Grains

January 2, 2021 Honey

In order to comply with FSA program eligibility requirements, all producers must file an accurate crop acreage report by the applicable deadline. FSA staff is still able to assist producers in completing acreage reports, including providing maps.

FSA county offices in Alaska will provide maps to producers through email with instructions for completing the maps. After planting is complete, producers should return completed maps and the acreage reporting sheet by mail or email.

After completed maps and all acreage reporting information is received, FSA will make software updates and email producers the completed *Report of Acreage* form (FSA-578) to sign. Producers must return the signed form certifying their acreage report to the FSA office through the mail.

The following exceptions apply to acreage reporting dates:

- If the crop has not been planted by the acreage reporting date, then the acreage must be reported no later than 15 calendar days after planting is completed.
- If a producer acquires additional acreage after the acreage reporting date, then the acreage
 must be reported no later than 30 calendars days after purchase or acquiring the lease.
 Appropriate documentation must be provided to the county office.

Producers should also report crop acreage they intended to plant, but due to natural disaster, were unable to plant. Prevented planting acreage must be reported on form CCC-576, Notice of Loss, no later than 15 calendar days after the final planting date as established by FSA and USDA's Risk Management Agency.

Noninsured Crop Disaster Assistance Program (NAP) policy holders should note that the acreage reporting date for NAP-covered crops is the earlier of the dates listed above or 15 calendar days before grazing or harvesting of the crop begins.

If you have applied for organic certification and do not receive it before the acreage reporting deadline, you may provide the necessary documentation to FSA immediately upon receipt from the certifying agent.

For questions, please contact your local FSA office. To locate your local FSA office visit farmers.gov/service-center-locator.

FSA Adds Farm Loan Flexibilities

Farm loans are critical for annual operating and family living expenses, emergency needs and cash flow, especially in tough times. The Farm Service Agency (FSA) is providing additional flexibilities to provide producers with credit options. We encourage direct loan applicants and borrowers to contact their county office to discuss these programs and any current, and future, temporary changes to farm loan deadlines and the loan servicing options available. Customers participating in FSA's guaranteed loan programs are encouraged to contact their lender. For a full list of flexibilities, visit farmers.gov/coronavirus.

Small Business Administration's Agricultural Assistance

The new Paycheck Protection Program and Health Care Enhancement Act provides additional resources for both the Small Business Administration's (SBA) Paycheck Protection Program (PPP) and the Economic Injury Disaster Loan (EIDL) program. Participation in SBA's PPP or EIDL program does not impact producer eligibility for USDA's forthcoming CFAP. There is no linkage between the two programs. Likewise, participation in SBA's PPP or EIDL program does not impact producer eligibility for any USDA farm program. The PPP duplicate benefit provision does not have an impact on FSA farm programs or farm loan programs.

Paycheck Protection Program

The PPP is a guaranteed loan program administered by the 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:

- the farm has 500 or less employees, OR
- 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:

a maximum net worth of the business not more than \$15 million, AND

• 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.

Some additional notes include:

- 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.

Economic Injury Disaster Loan Program

In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states, Washington D.C., and territories are eligible to apply for an EIDL advance of up to \$10,000 and borrow up to \$2 million. This advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue. Loan advances will not have to be repaid.

SBA's EIDL application portal reopened on May 4, 2020, as a result of funding authorized by Congress through the Paycheck Protection Program and Healthcare Enhancement Act.

For the first time, agricultural enterprises are now eligible for the disaster assistance from EIDL. As a result of the unprecedented legislation, American farmers, ranchers and other agricultural businesses will now have access to emergency working capital.

These low-interest, long-term loans will help keep agricultural businesses viable while bringing stability to the nation's vitally important food supply chains.

Agricultural businesses include businesses engaged in the legal production of food and fiber, ranching, and raising of livestock, aquaculture, and all other farming and agricultural related industries (as defined by section 18(b) of the Small Business Act (15 U.S.C. 647(b)). Eligible agricultural businesses must have 500 or fewer employees.

In order to help facilitate this important change to EIDL Loan and EIDL Advance assistance eligibility, SBA is re-opening the Loan and Advance application portal to agricultural enterprises only. For agricultural producers that submitted an EIDL loan application through the streamlined application portal prior to the legislative change, SBA will move forward and process these applications without the need for re-applying. All other EIDL loan applications that were submitted prior to April 15 will be processed on a first-in, first-out basis.

For more information, visit sba.gov.

USDA Offers Farm Loans for Farmers Facing Covid-19 Related Challenges

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) reminds producers that FSA offers farm ownership and farm operating loans to agricultural producers who may not find success obtaining loans from their traditional financial institutions because of COVID-19. Farmers who cannot obtain commercial credit from a bank can apply for FSA direct or guaranteed loans.

USDA offers a variety of loans to meet different production needs. Direct loans are made to applicants by FSA. Guaranteed loans are made by lending institutions who arrange for FSA to guarantee the loan. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan. The FSA guarantee allows lenders to make agricultural credit available to producers who do not meet the lender's normal underwriting criteria.

The direct and guaranteed loan program offers two types of loans: farm ownership loans and farm operating loans.

Farm ownership loan funds may be used to purchase or enlarge a farm or ranch; purchase easements or rights of way needed in the farm's operation; build or improve buildings such as a dwelling or barn; promote soil and water conservation and development; and pay closing costs.

Farm operating loan funds may be used to purchase livestock, poultry, farm equipment, fertilizer, and other materials necessary to operate a farm. Operating loan funds can also be used for family living expenses; refinancing debts under certain conditions; paying salaries for hired farm laborers; installing or improving water systems for home, livestock or irrigation use; and other similar improvements.

Repayment terms for direct operating loans are scheduled from one to seven years. Financing for direct farm ownership loans cannot exceed 40 years. Interest rates for direct loans are set periodically according to the government's cost of borrowing. Guaranteed loan terms and interest rates are set by the lender.

For more information on FSA's farm loan programs, please contact your local FSA office or visit farmers.gov.

USDA Announces Grants for Urban Agriculture and Innovative Production

The U.S. Department of Agriculture (USDA) today announced the availability of \$3 million for grants through its new Office of Urban Agriculture and Innovative Production. The competitive grants will support the development of urban agriculture and innovative production projects through two categories, Planning Projects and Implementation Projects. USDA will accept applications on Grants.gov until midnight July 6, 2020.

Planning Projects

\$1 million is available for Planning Projects that initiate or expand efforts of farmers, gardeners, citizens, government officials, schools, and other stakeholders in urban areas and suburbs. Projects may target areas of food access; education; business and start-up costs for new farmers; and development of policies related to zoning and other needs of urban production.

Implementation Projects

\$2 million is available for Implementation Projects that accelerate existing and emerging models of urban, indoor, and other agricultural practices that serve multiple farmers. Projects will improve local food access and collaborate with partner organizations and may support infrastructure needs; emerging technologies; educational endeavors; and urban farming policy development.

Webinar

A webinar will be held on June 3, 2020 from 2 p.m. -4 p.m. Eastern Daylight Time. The webinar will provide an overview of the grants' purpose, project types, eligibility, and basic requirements for the submission of an application. Information on how participate in the webinar, or listen to the recording, will be posted on the farmers.gov/urban webpage.

More Information

The Office of Urban Agriculture and Innovative Technology was established through the 2018 Farm Bill.

Applications must be submitted through <u>Grants.gov</u> by 11:59 p.m. Eastern Daylight Time on July 6, 2020.

More information is available at farmers.gov/urban.

For more information or to apply for Urban Agriculture Innovative grants, contact your local FSA county office or visit www.fsa.usda.gov/ak . To locate your local FSA office, visit farmers.gov/service-locator.

Persons with disabilities who require accommodations to attend or participate in these meetings and/or events should contact Lloyd Wilhelm, Northern CED, at (907) 895-4242, Erin Sturdivant, Southern CED, at (907) 761-7754 or Federal Relay Service at 1-800-877-8339.

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).





Questions?
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