### February 2021

USDA

United States Department of Agriculture



## Farm Service Agency Electronic News Service

# NEWSLETTER

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## **Alaska State FSA Newsletter**

### Alaska State Farm Service Agency

800 E Palmer-Wasilla Hwy. Ste 216 Palmer, AK 99645 www.fsa.usda.gov/ak

#### Acting State Executive Director Donna Kramer 907-761-7753 Email: donna.kramer@usda.gov

## USDA Extends General Signup for Conservation Reserve Program

The U.S. Department of Agriculture (USDA) is extending the <u>Conservation Reserve Program</u> (CRP) General Signup period, which had previously been announced as ending on Feb. 12, 2021. USDA will continue to accept offers as it takes this opportunity for the incoming Administration to evaluate ways to increase enrollment. Under the previous Administration, incentives and rental payment rates were reduced resulting in an enrollment shortfall of over 4 million acres. The program, administered by USDA's Farm Service Agency (FSA), provides annual rental payments for 10 to 15 years for land devoted to conservation purposes, as well as other types of payments.

#### Northern County Office

PO Box 585 Delta Junction, AK 99737

#### County Executive Director/Farm Loan

Manager Lloyd Wilhelm 907-895-4242 ext 150 Fax: 855-711-9095 Email: lloyd.wilhelm@usda.gov

#### **Southern County Office**

800 E Palmer-Wasilla Hwy. Ste 216 Palmer, AK 99645

#### County Executive Director/Farm Loan Manager

Erin Sturdivant 907-761-7754 Fax: 907-761-7789 Email: erin.sturdivant@usda.gov

Hours Monday-Friday 8:00 a.m. - 4:30 p.m.

#### **Committee Meetings:**

Northern Co TBA Southern Co March 9, 10 am Before the General CRP signup period ends, producers will have the opportunity to adjust or resubmit their offers to take advantage of planned improvements to the program.

As one of the largest private-lands conservation programs in the United States, CRP provides both economic and conservation benefits by taking land out of agricultural production. Program successes include:

- Sequestering in soils and plants over 12 million metric tons of carbon dioxide equivalent (CO<sub>2</sub>e), or about the same amount that the entire state of Delaware emits annually.
- Preventing more than 2 billion tons of soil from being blown away by wind erosion over the life of currently enrolled acres.
- Reducing phosphorous reaching streams by almost 85 million pounds, nitrogen by nearly 450 million pounds, and sediment by over 160 million tons in 2020 alone.
- Creating more than 2.3 million acres of restored wetlands while protecting more than 177,000 stream miles with riparian forest and grass buffers, enough to go around the world seven times.
- Establishing over a half million acres of dedicated pollinator habitat and nearly 15 million more acres of diverse plantings that provide forage for pollinators.
- Increasing populations of ducks and other game birds, prairie chickens, and such grassland songbirds as Baird's Sparrow. CRP in the Northern Great Plains supports an estimated 8.6% of the grassland bird population.
- Increasing habitat that supports economic opportunities, such as job creation, related to hunting and fishing activities.

This signup for CRP gives producers an opportunity to enroll land for the first time or re-enroll land under existing contracts that will be expiring Sept. 30, 2021. All interested producers, including those on Indian reservations and with trust lands, are encouraged to contact their local USDA Service Center for more information.

All USDA Service Centers are open for business, including those that restrict in-person visits or require appointments. 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 continue to work with our producers by phone, email, and using online tools. More information can be found at farmers.gov/coronavirus.

## March 15 Last Day to Complete Enrollment for 2021 Agriculture Risk Coverage, Price Loss Coverage Programs

Call Today About 2021 Crop Year Eligibility

Agricultural producers who have not yet enrolled in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs for 2021 must do so by March 15. Producers who have not yet signed a 2021 enrollment contract or who want to make an election change should contact their local USDA Farm Service Agency (FSA) office to make an appointment. Program enrollment for 2021 is required in order to participate in the programs, but elections for the 2021 crop year are optional and otherwise remain the same as elections made for 2020.

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

Although 1,033,310 contracts have been completed to date, this represents less than 59% of the more than 1.7 million contracts anticipated by the Agency. By enrolling soon, producers can beat the rush as the deadline nears.

Producers who do not complete enrollment by close of business local time on Monday, March 15 will not be enrolled in ARC or PLC for the 2021 crop year and will be ineligible to receive a payment should one trigger for an eligible crop.

ARC and PLC contracts can be emailed, faxed or physically signed and mailed back to FSA. Producers with level 2 eauthentication access can electronically sign contracts. Service Center staff can also work with producers to sign and securely transmit contracts electronically through two commercially available tools: Box and OneSpan. You can learn more about these solutions at <u>farmers.gov/mydocs</u>. Producers may also make arrangements to drop off signed contracts at the FSA county office. Please call ahead for local mailing or drop off information and options for submitting signed contracts electronically.

Producers are eligible to enroll on farms with base acres for 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.

#### Yield Data and Web-Based Decision Tools Available

FSA recently updated the <u>annual and benchmark yields</u> for ARC/PLC program years 2019, 2020 and 2021. This data is useful to producer in choosing to participate in either ARC or PLC.

For added assistance with ARC and PLC decisions, USDA partnered with the University of Illinois and Texas A&M University to offer web-based decision tools to assist producers in making informed, educated decisions using crop data specific to their respective farming operations. Tools include:

- <u>Gardner-farmdoc Payment Calculator</u>, the University of Illinois tool that offers farmers the ability to run payment estimate modeling for their farms and counties for ARC-County and PLC.
- <u>ARC and PLC Decision Tool</u>, the Texas A&M tool that allow producers to analyze payment yield updates and expected payments for 2019 and 2020. Producers who have used the

tool in the past should see their username and much of their farm data will already be available in the system.

#### **Crop Insurance Considerations**

Producers are reminded that enrolling in ARC or PLC programs can impact eligibility for some crop insurance products. Producers who elect and enroll in PLC also have the option of purchasing Supplemental Coverage Option (SCO) through their Approved Insurance Provider. Producers of covered commodities who elect ARC are ineligible for SCO on their planted acres.

Unlike SCO, RMA's Enhanced Coverage Option (ECO) is unaffected by participating in ARC for the same crop, on the same acres. You may elect ECO regardless of your farm program election.

Upland cotton farmers who choose to enroll seed cotton base acres in ARC or PLC are ineligible for the stacked income protection plan (STAX) on their planted cotton acres.

#### **More Information**

For more information on ARC and PLC including web-based decision tools, visit <u>farmers.gov/arc-plc</u>.

All USDA Service Centers are open for business, including those that restrict in-person visits or require appointments. All Service Center visitors wishing to conduct business with NRCS, Farm Service Agency, 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 continue to work with our producers by phone, email, and using online tools. More information can be found at <u>farmers.gov/coronavirus</u>.

Visit <u>farmers.gov/service-center-locator</u> to find location and contact information for the nearest FSA county office.

## Quality Loss Assistance Now Available for Eligible Producers Affected by 2018, 2019 Natural Disasters

The U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) today announced that signup for the Quality Loss Adjustment (QLA) Program will began on Wednesday, Jan. 6, 2021. Funded by the Further Consolidated Appropriations Act of 2020, this new program provides assistance to producers who suffered eligible crop quality losses due to natural disasters occurring in 2018 and 2019. The deadline to apply for QLA is Friday, March 5, 2021.

#### **Eligible Crops**

Eligible crops include those for which <u>federal crop insurance</u> or <u>Noninsured Crop Disaster</u> <u>Assistance Program</u> (NAP) coverage is available, except for grazed crops and value loss crops, such as honey, maple sap, aquaculture, floriculture, mushrooms, ginseng root, ornamental nursery, Christmas trees, and turfgrass sod. Additionally, crops that were sold or fed to livestock or that are in storage may be eligible; however, crops that were destroyed before harvest are not eligible. Crop quality losses occurring after harvest, due to deterioration in storage, or that could have been mitigated, are also not eligible.

Assistance is based on a producer's harvested affected production of an eligible crop, which must have had at least a 5% quality loss reflected through a quality discount; or for forage crops, a nutrient loss, such as total digestible nutrients.

#### **Qualifying Disaster Events**

Losses must have been a result of a qualifying disaster event (hurricane, excessive moisture, flood, qualifying drought, tornado, typhoon, volcanic activity, snowstorm, or wildfire) or related condition that occurred in calendar years 2018 and/or 2019.

Assistance is available for eligible producers in counties that received a qualifying Presidential Emergency Disaster Declaration or Secretarial Disaster Designation because of one or more of the qualifying disaster events or related conditions.

Lists of counties with Presidential Emergency Disaster Declarations and Secretarial Disaster Designations for all qualifying disaster events for 2018 and 2019 are available <u>here</u>. For drought, producers are eligible for QLA if the loss occurred in an area within a county rated by the <u>U.S.</u> <u>Drought Monitor</u> as having a D3 (extreme drought) or higher intensity level during 2018 or 2019.

Producers in counties that did not receive a qualifying declaration or designation may still apply but must also provide supporting documentation to establish that the crop was directly affected by a qualifying disaster event.

To determine QLA eligibility and payments, FSA considers the total quality loss caused by all qualifying natural disasters in cases where a crop was impacted by multiple events.

#### Applying for QLA

When applying, producers are asked to provide verifiable documentation to support claims of quality loss or nutrient loss in the case of forage crops. For crops that have been sold, grading must have been completed within 30 days of harvest, and for forage crops, a laboratory analysis must have been completed within 30 days of harvest.

Some acceptable forms of documentation include sales receipts from buyers, settlement sheets, truck or warehouse scale tickets, written sales contracts, similar records that represent actual and specific quality loss information, and forage tests for nutritional values.

#### **Payments Calculations and Limitations**

QLA payments are based on formulas for the type of crop (forage or non-forage) and loss documentation submitted. Based on this documentation FSA is calculating payments based on the producer's own individual loss or based on the county average loss. More information on payments can be found on <u>farmers.gov/quality-loss</u>.

FSA will issue payments once the application period ends. If the total amount of calculated QLA payments exceeds available program funding, payments will be prorated.

For each crop year, 2018, 2019 and 2020, the maximum amount that a person or legal entity may receive, directly or indirectly, is \$125,000. Payments made to a joint operation (including a general partnership or joint venture) will not exceed \$125,000, multiplied by the number of persons and legal entities that comprise the ownership of the joint operation. A person or legal entity is ineligible for QLA payment if the person's or legal entity's average Adjusted Gross Income exceeds \$900,000, unless at least 75% is derived from farming, ranching or forestry-related activities.

#### **Future Insurance Coverage Requirements**

All producers receiving QLA Program payments are required to purchase crop insurance or NAP coverage for the next two available crop years at the 60% coverage level or higher. Wildlife and Hurricane Indemnity Program Plus (WHIP+) participants who already met the WHIP+ requirement to purchase crop insurance or NAP coverage are considered to have thereby met the requirement to purchase crop insurance or NAP coverage for QLA. If eligible, QLA participants may meet the insurance purchase requirement by purchasing <u>Whole-Farm Revenue Protection</u> coverage offered through USDA's Risk Management Agency.

#### **More Information**

For more information, visit <u>farmers.gov/quality-loss</u>, or contact your local <u>USDA Service</u> <u>Center</u>. Producers can also obtain one-on-one support with applications by calling 877-508-8364.

## USDA Temporarily Suspends Debt Collections, Foreclosures and Other Activities on Farm Loans for Several Thousand Distressed Borrowers Due to Coronavirus

Due to the national public health emergency caused by coronavirus disease 2019 (COVID-19), the U.S. Department of Agriculture today announced the temporary suspension of past-due debt collections and foreclosures for distressed borrowers under the Farm Storage Facility Loan and the Direct Farm Loan programs administered by the Farm Service Agency (FSA).

USDA will temporarily suspend non-judicial foreclosures, debt offsets or wage garnishments, and referring foreclosures to the Department of Justice. USDA will work with the U.S. Attorney's Office to stop judicial foreclosures and evictions on accounts that were previously referred to the Department of Justice. Additionally, USDA has extended deadlines for producers to respond to loan servicing actions, including loan deferral consideration for financially distressed and delinquent borrowers. In addition, for the Guaranteed Loan program, flexibilities have been made available to lenders to assist in servicing their customers.

Today's announcement by USDA expands previous actions undertaken by the Department to lessen financial hardship. According to USDA data, more than 12,000 borrowers—approximately 10% of all borrowers—are eligible for the relief announced today. Overall, FSA lends to more than 129,000 farmers, ranchers and producers.

The temporary suspension is in place until further notice and is expected to continue while the national COVID-19 disaster declaration is in place.

USDA's Farm Service Agency provides several different loans for producers, which fall under two main categories:

- Guaranteed loans are made and serviced by commercial lenders, such as banks, the Farm Credit System, credit unions and other non-traditional lenders. FSA guarantees the lender's loan against loss, up to 95%.
- Direct loans are made and serviced by FSA using funds from the federal government.

The most common loan types are Farm Ownership, Farm Operating and Farm Storage Facility Loans, with Microloans for each:

- Farm Ownership: Helps producers purchase or enlarge a farm or ranch, construct a new or improve an existing farm or ranch building, pay closing costs and pay for soil and water conservation and protection.
- Farm Operating: Helps producers purchase livestock and equipment and pay for minor real estate repairs and annual operating expenses.
- Farm Storage Facility Loans are made directly to producers for the construction of cold or dry storage and includes handling equipment and mobile storage such as refrigerated trucks.
- Microloans: Direct Farm Ownership, Operating Loans and Farm Storage Facility Loans have a shortened application process and reduced paperwork designed to meet the needs of smaller, non-traditional and niche-type operations.

#### **Contact FSA**

FSA encourages producers to contact their county office to discuss these programs and temporary changes to farm loan deadlines and the loan servicing options available. For Service Center contact information, visit <u>farmers.gov/coronavirus</u>. For servicing information, access <u>farmers.gov</u>.

## **Preauthorized Debit Available for Farm Loan Borrowers**

USDA's 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 if you 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 <u>rd.usda.gov/publications/regulations-guidelines</u>. 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 debit 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 Lloyd Wilhelm, Northern CED, at (907) 895-4242, Erin Sturdivant, Southern CED, at (907) 761-7754 or visit <u>fsa.usda.gov</u>.

## USDA Microloans Help Farmers Purchase Farmland and Improve Property

Farmers can use USDA farm ownership microloans to buy and improve property. These microloans are especially helpful to beginning or underserved farmers, U.S. veterans looking for a career in farming, and those who have small and mid-sized farming operations.

Microloans have helped farmers and ranchers with operating costs, such as feed, fertilizer, tools, fencing, equipment, and living expenses since 2013.

Microloans can also help with farmland and building purchases and soil and water conservation improvements. FSA designed the expanded program to simplify the application process, expand eligibility requirements and expedite smaller real estate loans to help farmers strengthen their operations. Microloans provide up to \$50,000 to qualified producers and can be issued to the applicant directly from the USDA Farm Service Agency (FSA).

To learn more about the FSA microloan program, contact Lloyd Wilhelm, Northern CED, at (907) 895-4242, Erin Sturdivant, Southern CED, at (907) 761-7754 or visit <u>fsa.usda.gov/microloans</u>.

## **Applying for FSA 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. Direct loans are processed, approved and serviced by FSA loan officers.

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.

## USDA Service Centers Resuming Office Visits in Some Locations While Taking Precautionary Measures to Help Prevent the Spread of Coronavirus

Some USDA Service Centers in Alaska will begin allowing in-person office visits by appointment only. All Service Center visitors wishing to conduct business should call ahead to confirm the office's status and make an appointment before visiting. Visitors will be pre-screened based on health concerns or recent travel and must adhere to social distancing guidelines. Visitors will 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 work with our producers in person, by phone, by email, or by using other online tools.

Online services are still available to customers, including our <u>new Box and OneSpan functionality</u> that enable customers to sign and share FSA and NRCS documents with USDA Service Center staff in just a few clicks. Producers can get started with a simple username and password for Box or, for OneSpan, a quick identity verification. Additional services are available to customers with an eAuth account, which provides access to the <u>farmers.gov</u> portal where producers can view USDA farm loan information and payments and view and track certain USDA program applications and payments. Through the <u>FSA website</u>, customers can access certain FSA programs and view FSA data, including maps, on <u>FSAfarm+</u>. Customers who do not already have an eAuth account can enroll at <u>farmers.gov/sign-in.</u>

For the most current updates on available services and flexibilities due to COVID-19, or to find contact information for your local Service Center <u>farmers.gov/coronavirus</u>.

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).

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