



### Farm Service Agency Electronic News Service

## NEWSLETTER

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### **Oregon FSA Newsletter**

### Oregon Farm Service Agency

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Martin Nguyen, Administrative Officer

## USDA Announces More Eligible Commodities for CFAP

Application Deadline Extended to Sept. 11, and Producers Who Have Approved Applications to Receive Final Payments.

USDA announced today that additional commodities are covered by the Coronavirus Food Assistance Program (CFAP) in response to public comments and data. Additionally, the U.S. Department of Agriculture (USDA) is extending the deadline to apply for the program to September 11th, and producers with approved applications will receive their final payment. After reviewing over 1,700 responses, even more farmers and ranchers will have the opportunity for assistance to help keep operations afloat during these tough times.

### **Background:**

USDA collected comments and supporting data for consideration of additional commodities through June 22, 2020. The following additional commodities are now eligible for CFAP:

Farm Programs:
Jeremy Nalder, Chief

Farm Loan Programs: Kathey Brucker, Chief

Next STC Meeting: September 23, 2020

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- Specialty Crops aloe leaves, bananas, batatas, bok choy, carambola (star fruit), cherimoya, chervil (french parsley), citron, curry leaves, daikon, dates, dill, donqua (winter melon), dragon fruit (red pitaya), endive, escarole, filberts, frisee, horseradish, kohlrabi, kumquats, leeks, mamey sapote, maple sap (for maple syrup), mesculin mix, microgreens, nectarines, parsley, persimmons, plantains, pomegranates, pummelos, pumpkins, rutabagas, shallots, tangelos, turnips/celeriac, turmeric, upland/winter cress, water cress, yautia/malanga, and yuca/cassava.
- Non-Specialty Crops and Livestock liquid eggs, frozen eggs and all sheep. Only lambs and yearlings (sheep less than two years old) were previously eligible.
- Aquaculture catfish, crawfish, largemouth bass and carp sold live as foodfish, hybrid striped bass, red drum, salmon, sturgeon, tilapia, trout, ornamental/tropical fish, and recreational sportfish.
- Nursery Crops and Flowers nursery crops and cut flowers.

#### Other changes to CFAP include:

- Seven commodities onions (green), pistachios, peppermint, spearmint, walnuts and watermelons – are now eligible for Coronavirus Aid, Relief, and Economic Stability (CARES) Act funding for sales losses. Originally, these commodities were only eligible for payments on marketing adjustments.
- Correcting payment rates for onions (green), pistachios, peppermint, spearmint, walnuts, and watermelons.

Additional details can be found in the Federal Register in the Notice of Funding Availability and Final Rule Correction and at www.farmers.gov/cfap.

#### **Producers Who Have Applied:**

To ensure availability of funding, producers with approved applications initially received 80 percent of their payments. The Farm Service Agency (FSA) will automatically issue the remaining 20 percent of the calculated payment to eligible producers. Going forward, producers who apply for CFAP will receive 100 percent of their total payment, not to exceed the payment limit, when their applications are approved.

#### **Applying for CFAP:**

Producers, especially those who have not worked with FSA previously, are recommended to call 877-508-8364 to begin the application process. An FSA staff member can help producers start their application during the phone call.

On <u>farmers.gov/cfap</u>, producers can:

 Download the AD-3114 application form and manually complete the form to submit to their local USDA Service Center by mail, electronically or by hand delivery to their local office or office drop box.

- Complete the application form using the CFAP Application Generator and Payment Calculator. This Excel workbook allows customers to input information specific to their operation to determine estimated payments and populate the application form, which can be printed, then signed and submitted to their local USDA Service Center.
- If producers have login credentials known as eAuthentication, they can use the online CFAP Application Portal to certify eligible commodities online, digitally sign applications and submit directly to the local USDA Service Center.

All other eligibility forms, such as those related to adjusted gross income and payment information, can be downloaded from <a href="mailto:farmers.gov/cfap">farmers.gov/cfap</a>. For existing FSA customers, these documents are likely already on file.

### **Interest Rates**

Farm Operating Loans - Direct: 1.375% Farm Operating - Microloan: 1.375% Farm Ownership Loans-Direct: 2.375% Farm Ownership - Microloan: 2.375%

Farm Ownership - Direct, Joint Financing: 2.500%

Farm Ownership-Down Payment: 1.500% Emergency Loans Actual Loss: 2.375% Farm Storage Facility Loan 3 Year: 0.250% Farm Storage Facility Loan 5 Year: 0.250% Farm Storage Facility Loan 7 Year: 0.500% Farm Storage Facility Loan 10 Year: 0.625% Farm Storage Facility Loan 12 Year: 0.750%

### **Important Dates**

- Applications accepted for WHIP+ for milk loss, and loss of on-farm stored commodities resulting from eligible disaster (into 2020).
- August 15: Acreage Reporting Deadline Cabbage (Planted 6/11-8/10).
- Sept. 7: Labor Day Holiday Offices Closed
- Sept. 11: CFAP Applications Due & Final CFAP Payments
- Sept. 30: Deadline to request a PLC Yield Update
- October 13: 2021 Dairy Margin Coverage (DMC) signup begins, through December 11, 2020.
- October 31: Applications due for OCCSP eligible certification expenses paid between Oct. 1, 2019, and Sept. 30, 2020.

# **USDA Stands Up New Team to Better Serve Beginning Farmers and Ranchers in Oregon**

The U.S. Department of Agriculture (USDA) is standing up a new team that will lead a department-wide effort focused on serving beginning farmers and ranchers.

"More than a quarter of producers are beginning farmers," said USDA Deputy Secretary Stephen Censky. "We need to support the next generation of agricultural producers who we will soon rely upon to grow our nation's food and fiber."

To institutionalize support for beginning farmers and ranchers and to build upon prior agency work, the 2018 Farm Bill directed USDA to create a national coordinator position in the agency and state-level coordinators for four of its agencies – Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS), Risk Management Agency (RMA), and Rural Development (RD).

Kathy Ferge was selected as the USDA Beginning Farmer Rancher state coordinator in Oregon. Over the past 35 years, Ferge has served Oregon's agricultural community in a variety of capacities. The last 10 years, she has assisted tribes and other non-traditional agricultural producers as state Tribal Liaison and Outreach Coordinator for NRCS. Additionally, she and her husband run a small farm near Echo, Oregon.

Ferge's team also includes Donna Sprenkle, farm loan manager with FSA in Tangent; Cara McNab, regional deputy director with RMA in Spokane; and Erika Moellmer, business and cooperative programs specialist with Rural Development in Portland. This is a collateral duty for all team members.

Each state coordinator will receive training and develop tailored beginning farmer outreach plans for their state. Coordinators will help field employees better reach and serve beginning farmers and ranchers and will also be available to assist beginning farmers who need help navigating the variety of resources USDA has to offer.

### More on Beginning Farmers

Twenty seven percent of farmers were categorized as new and beginning producers, with 10 years or less of experience in agriculture, according to the 2017 Census of Agriculture.

USDA offers a variety of farm loan, risk management, disaster assistance, and conservation programs to support farmers, including beginning farmers and ranchers. Additionally, a number of these programs have provisions specifically for beginning farmers, including targeted funding for loans and conservation programs as well as waivers and exemptions.

#### **More Information**

Learn more about USDA's resources for beginning farmers as well as more information on the national and state-level coordinators at <a href="newfarmers.usda.gov">newfarmers.usda.gov</a> and <a href="farmers.gov">farmers.gov</a>. For more information on available programs in your area, contact your local <a href="USDA service center">USDA service center</a>.

# May Margin Triggers Dairy Margin Coverage Program Payment

Income-over-feed margin for May triggers third payment for 2020

The U.S. Department of Agriculture's Farm Service Agency (FSA) announced that the May 2020 income over feed cost margin was \$5.37 per hundredweight (cwt.), triggering the third payment of 2020 for dairy producers who purchased the appropriate level of coverage under the <u>Dairy Margin Coverage</u> (DMC) program.

To date, FSA has issued more than \$176 million in program benefits to dairy producers who purchased DMC coverage for 2020.

Authorized by the 2018 Farm Bill, DMC is a voluntary risk management program that offers protection to dairy producers when the difference between the all-milk price and the average feed price (the margin) falls below a certain dollar amount selected by the producer. Over 13,000 operations enrolled in the program for the 2020 calendar year.

Although DMC enrollment for 2020 coverage has closed, signup for 2021 coverage will begin October 13 and will run through December 11, 2020.

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 prescreen 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 <a href="mailto:farmers.gov/coronavirus">farmers.gov/coronavirus</a>.

For more information, visit <u>farmers.gov DMC webpage</u> or contact your local USDA Service Center. To locate your local FSA office, visit <u>farmers.gov/service-center-locator</u>.

### One-Time PLC Yield Updates – Deadline September 30

Farm owners have a one-time opportunity to update PLC yields of covered commodities on the farm, regardless of Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC)program election. The deadline to request a PLC yield update is September 30, 2020.

The updated yield will be equal to 90 percent of the average yield per planted acre in crop years 2013-2017 (excluding any year where the applicable covered commodity was not planted), subject to the ratio obtained by dividing the 2008-2012 average national yield by the 2013-2017 average national yield for the covered commodity. If the reported yield in any year is less than 75 percent of the 2013-2017 average county yield, then the yield will be substituted with 75 percent of the county average yield.

The chart below provides the ratio obtained by dividing the 2008-2012 average national yield by the 2013-2017 average national yield for each covered commodity.

Covered Commodity	National Yield Fact
Barley	0.9437
Canola	0.9643
Chickpeas, Large	1.0000
Chickpeas, Small	0.9760
Corn	0.9000
Crambe	1.0000
Flaxseed	1.0000
Grain Sorghum	0.9077
Lentils	1.0000
Mustard Seed	0.9460
Oats	0.9524
Peanuts	0.9273
Peas, Dry	0.9988
Rapeseed	1.0000
Rice, Long	0.9330

Rice, Medium	0.9887
Rice, Temp Japonica	0.9591
Safflower	1.0000
Seed Cotton	0.9000
Sesame Seed	0.9673
Soybeans	0.9000
Sunflower Seed	0.9396
Wheat	0.9545

It is the owner's choice whether to update or keep existing PLC yields. If a yield update is not made, then no action is required to maintain the existing PLC yield. An existing or updated PLC yield will be maintained and effective for crop years 2020 through 2023 (life of the 2018 Farm Bill).

PLC yields may be updated on a covered commodity-by-covered commodity basis using FSA form CCC-867.

For more information, reference resources and decision tools, visit <u>farmers.gov/arc-plc</u>. Contact your local Farm Service Agency Office for assistance – farmers.gov/service-center-locator.

### **Double-Cropping**

Each year, state committees review and approve or disapprove county committee recommended changes or additions to specific combinations of crops.

Double-cropping is approved when two specific crops have the capability to be planted and carried to maturity for the intended use, as reported by the producer, on the same acreage within a crop year under normal growing conditions. The specific combination of crops recommended by the county committee must be approved by the State Committee.

A crop following a cover crop terminated according to termination guidelines is approved double cropping and these combinations do not have to be approved by the State Committee.

## **Actively Engaged Provisions for Non-Family Joint Operations or Entities**

Many Farm Service Agency (FSA) 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.

# Farmers.gov Feature Helps Producers Find Farm Loans that Fit Their Operation

Farmers and ranchers can use the *Farm Loan Discovery Tool* on farmgers.gov to find information on USDA farm loans that may best fit their operations.

USDA's Farm Service Agency (FSA) offers a variety of loan options to help farmers finance their operations. From buying land to financing the purchase of equipment, FSA loans can help.

USDA conducted field research in eight states, gathering input from farmers and FSA farm loan staff to better understand their needs and challenges.

#### **How the Tool Works**

Farmers who are looking for financing options to operate a farm or buy land can answer a few simple questions about what they are looking to fund and how much money they need to borrow. After submitting their answers, farmers will be receive information on farm loans that best fit their specific needs. The loan application and additional resources also will be provided.

Farmers can download application quick guides that outline what to expect from preparing an application to receiving a loan decision. There are four guides that cover loans to individuals, entities, and youth, as well as information on microloans. The guides include general eligibility requirements and a list of required forms and documentation for each type of loan. These guides can help farmers prepare before their first USDA service center visit with a loan officer.

Farmers can access the *Farm Loan Discovery Tool* by visiting <u>farmers.gov/fund</u> and clicking the "Start" button. Follow the prompts and answer five simple questions to receive loan information that is applicable to your agricultural operation. The tool is built to run on any modern browser like

Chrome, Edge, Firefox, or the Safari browser, and is fully functional on mobile devices. It does not work in Internet Explorer.

#### **About Farmers.gov**

In 2018, USDA unveiled farmers.gov, a dynamic, mobile-friendly public website combined with an authenticated portal where farmers will be able to apply for programs, process transactions, and manage accounts.

The Farm Loan Discovery Tool is one of many resources on farmers.gov to help connect farmers to information that can help their operations. Earlier this year, USDA launched the *My Financial Information* feature, which enables farmers to view their loan information, history, payments, and alerts by logging into the website.

USDA is building farmers.gov for farmers, by farmers. In addition to the interactive farm loan features, the site also offers a Disaster Assistance Discovery Tool. Farmers can visit <a href="mailto:farmers.gov/recover/disaster-assistance-tool#step-1">farmers.gov/recover/disaster-assistance-tool#step-1</a> to find disaster assistance programs that can help their operation recover from natural disasters.

For more information, contact your local USDA Service Center or visit farmers.gov.

# Reminders for FSA Direct and Guaranteed Borrowers with Real Estate Security

Farm loan borrowers who have pledged real estate as security for their Farm Service Agency (FSA) direct or guaranteed loans are responsible for maintaining loan collateral. Borrowers must obtain prior consent or approval from FSA or the guaranteed lender for any transaction that affects real estate security. These transactions include, but are not limited to:

- Leases of any kind
- Easements of any kind
- Subordinations
- Partial releases
- Sales

Failure to meet or follow the requirements in the loan agreement, promissory note, and other security instruments could lead to nonmonetary default which could jeopardize your current and future loans.

It is critical that borrowers keep an open line of communication with their FSA loan staff or guaranteed lender when it comes to changes in their operation. For more information on borrower responsibilities, read <u>Your FSA Farm Loan Compass</u>.

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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