#### **April 2021**





### Farm Service Agency Electronic News Service

## **NEWSLETTER**

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## **Washington State FSA Newsletter**

## Washington State Farm Service Agency

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## **CFAP 2 Reopens April 5 Under Pandemic Assistance for Producers Initiative**

Agriculture Secretary Tom Vilsack announced that USDA is establishing new programs and efforts to bring financial assistance to farmers, ranchers and producers who felt the impact of COVID-19 market disruptions. The new initiative—USDA Pandemic Assistance for Producers—will reach a broader set of producers than in previous COVID-19 aid programs. Under the initiative, USDA will reopen sign-up for CFAP 2 for at least 60 days beginning on April 5, 2021. The USDA Farm Service Agency (FSA) has committed at least \$2.5 million to improve outreach for CFAP 2 and will establish partnerships with organizations with strong connections to socially disadvantaged communities to ensure they are informed and aware of the application process.

In addition to the reopening of CFAP 2, additional payments will be processed automatically for CFAP 1, CFAP 2 applications, and

## **State Executive Director:** Mike Mandere, Acting

#### **State Committee:**

Katlenia Vejraska, Chair Maureen Harkcom, Member Robyn Meenach, Member Bruce Nelson, Member

To find contact information for your local office go to <a href="https://www.fsa.usda.gov/wa">www.fsa.usda.gov/wa</a>

CFAP Additional Assistance following the mandates enacted through the Consolidated Appropriations Act, 2021. The expeditated payments and policy updates include:

- An increase in CFAP 1 payment rates for cattle. Cattle producers with approved CFAP 1 applications will automatically receive these payments beginning in April. Information on the additional payment rates for cattle can be found on <a href="mailto:farmers.gov/cfap">farmers.gov/cfap</a>. Eligible producers do not need to submit new applications, since payments are based on previously approved CFAP 1 applications. USDA estimates additional payments of more than \$1.1 billion to more than \$10,000 producers, according to the mandated formula.
- Additional CFAP assistance of \$20 per acre for producers of eligible crops identified as CFAP 2 flat-rate or pricetrigger crops beginning in April. This includes alfalfa, corn, cotton, hemp, peanuts, rice, sorghum, soybeans, sugar beets and wheat, among other crops. FSA will automatically issue payments to eligible price trigger and flat-rate crop producers based on the eligible acres included on their CFAP 2 applications. Eligible producers do not need to submit a new CFAP 2 application. For a list of all eligible row-crops, visit farmers.gov/cfap. USDA estimates additional payments of more than \$4.5 billion to more than \$60,000 producers, according to the mandated formula.
- USDA will finalize routine decisions and minor formula adjustments on applications and begin processing payments for certain applications filed as part of the CFAP Additional Assistance program in the following categories:
  - Applications filed for pullets and turfgrass sod;
  - A formula correction for row-crop producer applications to allow producers with a non-Actual Production History (APH) insurance policy to use 100% of the 2019 Agriculture Risk Coverage-County Option (ARC-CO) benchmark yield in the calculation;
  - Sales commodity applications revised to include insurance indemnities, Noninsured Crop Disaster Assistance Program payments, and Wildfire and Hurricane Indemnity Program Plus payments, as required by statute; and
  - Additional payments for swine producers and contract growers under CFAP Additional Assistance remain on hold and are likely to require modifications to the regulation as part of the broader evaluation and future assistance; however, FSA will continue to accept applications from interested producers.

Until software is in place to process additional payments and adapt to these changes in policy, please be patient for automatic payments to be processed. FSA staff will work to process payments as quickly as possible once the automatic calculation process is complete.

The information in this article is only one portion of the programs involved in the new initiative. USDA is dedicating at least \$6 billion toward new programs through this initiative. The Department will also develop rules for new programs that will put a greater emphasis on outreach to small and socially disadvantaged producers, specialty crop and organic producers, timber harvesters, as well as provide support for the food supply chain and producers of renewable fuel, among others. To see all the programs and assistance available through the USDA Pandemic Assistance to Producers initiative, visit <a href="https://www.farmers.gov/pandemic-assistance">www.farmers.gov/pandemic-assistance</a>. The site will be updated with the latest information and announcements under the initiative. For more information on all programs available through USDA, please visit <a href="https://www.farmers.gov">www.farmers.gov</a> and <a href="https://www.farmers.gov">www.farmers.gov</a>.

# Report Damage or Loss of NAP Covered Crops Immediately

If spring weather causes damage to or loss of your NAP covered crops, you must report this to your local FSA county office.

NAP notices of loss can be initiated by phone, email, or fax, but must be submitted in writing, to your local FSA county office for weather related events or adverse natural occurrences that cause damage to or loss of the NAP covered crop. To report crop damage or loss you must complete, sign, and file the loss portion of form CCC-576 with your FSA office by the <u>earlier</u> of either of the following:

- 15 calendar days after the disaster occurrence or date of loss or damage to the crop or commodity first becomes apparent or
- 15 calendar days after the normal harvest date.

Producers of hand-harvested crops and certain perishable crops must notify FSA **within 72 hours** of when a loss becomes apparent.

While some FSA county offices offer limited in person appointments as a health and safety precaution against the spread of COVID-19, offices will take initial NAP notice of loss notifications via phone, email, or fax. Offices will assist producers in completing the official CCC-576 Notice of Loss Form as best as possible, sending the form to producers via email, fax, or mail for final review and signature. The completed and signed CCC-576 should then be

returned to the county office as soon as possible via email, fax, or mail.

As the 2021 crop year progresses, it is imperative that a notice of loss is filed (for all affected NAP covered crops) within the timeframe noted above for each weather-related event or adverse natural occurrence. This will ensure FSA is notified that your NAP covered crop or crops have been damaged or lost. If the loss event is approved, remember to provide your crop production to your local FSA county office within 60 days after harvest or request an appraisal within 60 days of the normal harvest date so that the payment portion of form CCC-576 can be filed timely.

When a covered crop is lost or damage is significant, replanting is required if feasible and the final planting date has not passed. When you determine that the crop will be destroyed, abandoned, or not taken to harvest as intended, you must report this to your local FSA office so a field visit can be conducted by a certified loss adjuster. Once the crop appraisal has been completed, the loss adjuster will release the field and you can destroy the covered crop acres and replant to a different crop or harvest the acres for a different use.

Remember, failure to timely notify your FSA county office of NAP covered crop damage or loss will result in denial of NAP payment benefits. Destroying NAP covered crop acres or harvesting for a different use without a loss adjuster appraisal will result in those acres being determined ineligible for NAP payment benefits.

If you have any questions about NAP policy requirements, contact your local county FSA office for more information.

### 2021 Wool Triggers Loan Deficiency Payments

Wool producers may be eligible for Loan Deficiency Payments (LDP) through the Farm Service Agency. LDPs are direct payments made in lieu of a marketing assistance loan when the Commodity Credit Corporation determined value, based on the current local price, is below the applicable loan rate. For wool, the local prices and loan rates are set at a national level. The payment is the difference between the price and loan rate times the eligible quantity. Wool LDP rates are updated on a weekly basis and can be found online <a href="here">here</a>. Use the Weekly Commodity Rates icon to open the dropdown which includes the "Wool and Mohair LDP Rates" spreadsheet.

Unsold wool shorn during the 2021 calendar year may be eligible for a 2021 LDP. For a commodity to be eligible for an LDP, the producer must have beneficial interest in the commodity, defined as having title, possession, and control of the commodity, and responsible for loss of or damage to the commodity. All related application forms must be completed at the local FSA office prior to loss of beneficial interest. Additional eligibility requirements must be met before an LDP payment can be paid. This includes a 2021 FSA-578 acreage report for all crop acres, a CCC-941 Adjusted Gross

Income Certification, a CCC-902 Farm Operating Plan, an AD-1026 Highly Erodible Land and Wetland Certification, and a direct deposit form or waiver.

In order to request an LDP for wool, producers must complete a CCC-633 EZ Loan Deficiency Payment Agreement and Request form. Page 1 is the agreement which signifies an intent to request an LDP and must be completed before a producer loses beneficial interest of the eligible commodity. Page 4 is the wool request for LDP benefits and must be submitted after page 1 is completed. Once signed and approved, page 4 cannot be cancelled and payments cannot be deferred. Payments are processed after page 4 has been submitted and approved.

For more information on LDPs, visit <a href="https://www.fsa.usda.gov/programs-and-services/price-support/Index">https://www.fsa.usda.gov/programs-and-services/price-support/Index</a> or visit <a href="https://www.fsa.usda.gov/programs-and-services/price-support/">https://www.fsa.usda.gov/programs-and-services/price-support/</a> or <a href="https://www.fsa.usda.gov/programs-and-services/programs-and-services/">https://www.fsa.usda.gov/programs-and-services/programs-and-services/programs-and-services/programs-and-services/programs-and-

### 2020 Marketing Assistance Loans Still Available

FSA Marketing Assistance Loans are still available for 2020 harvested commodities. A loan can provide you with interim financing to meet cash flow needs without selling your harvested crop at a time when market prices are at harvest-time lows. Your 2020 harvested farm-stored or warehouse-stored commodity is used as collateral for the loan. Marketing Assistance Loans (MALs) typically mature 9 months after the month loan funds are disbursed to you, with repayment due at loan maturity. Due to the pandemic, all open nonrecourse commodity loans in good standing requested by September 30, 2021 will mature 12 months after loans funds are disbursed, unless a 9-month maturity is requested. Before moving farm-stored loan collateral, you must contact the county FSA office and obtain an authorization to move the collateral. Producers who have a commodity pledged as collateral for a marketing assistance loan can purchase a commodity certificate that can be immediately exchanged for the outstanding loan collateral in situations when the loan rate exceeds the exchange rate.

FSA is still accepting requests for 2020 MALs for certain harvested commodities. The final date to request a MAL for 2020 corn, dry peas, grain sorghum, lentils, mustard seed, rice, safflower seed, chickpeas, soybeans, and sunflower seeds is **June 1, 2021**.

For a commodity to be eligible for a loan or certificate, you must have beneficial interest in the commodity which is defined as having title, possession, and control of the commodity. The quality of stored collateral must be maintained, and you are responsible for loss or damage to the commodity through the term of the loan. To retain eligibility for an LDP when beneficial interest in your harvested crop will be lost upon delivery, you must file form CCC-633 EZ Page 1 with your local FSA office prior to loss of beneficial interest.

If you are interested, please contact <u>your local FSA county office</u> to learn more about Marketing Assistance Loans.

# More Information to Come on Socially Disadvantaged Farmer Debt Relief through the American Rescue Plan

USDA is now reviewing and working to gather feedback to implement the Act.

USDA recognizes that socially disadvantaged farmers and ranchers have faced systemic discrimination with cumulative effects that have, among other consequences, led to a substantial

loss in the number of socially disadvantaged producers, reduced the amount of farmland they control, and contributed to a cycle of debt that was exacerbated during the COVID-19 pandemic.

To address these systemic barriers, the American Rescue Plan Act of 2021 provides historic debt relief to socially disadvantaged producers including Black/African American, American Indian or Alaskan native, Hispanic or Latino, and Asian American or Pacific Islander. Gender is not a criteria in and of itself.

USDA is now reviewing and working to gather feedback to implement the Act, and more guidance will be forthcoming for socially disadvantaged borrowers with direct or guaranteed farm loans as well as Farm Storage Facility Loans.

As information becomes available, it will be provided directly to socially disadvantaged borrowers and stakeholder groups representing socially disadvantaged producers, posted on farmers.gov and FSA websites and social media channels, and shared through email newsletters and the media.

Producers who have worked with USDA's Farm Service Agency previously may have their ethnicity and race on file. A borrower, including those with guaranteed loans, can contact their local USDA Service Center to verify, update or submit a new ethnicity and race designation using the AD-2047.

Find your nearest service center at farmers.gov/service-locator.

To learn more about USDA's work to implement the American Rescue Plan Act of 2021, visit <a href="https://www.usda.gov/arp">www.usda.gov/arp</a>.

### **Important Dates and Deadlines**

**April 1, 2021** – Beginning of the Primary Nesting Season for CRP. Activities on established CRP stands are prohibited April 1 through July 1 unless specifically authorized by FSA on a contract by contract basis. This restriction does not apply to contracts where the cover is being established at this time.

April 5, 2021 - CFAP 2 signup reopens. Signup period will remain open for at least 60 days.

**April 9, 2021** – Updated deadline to sign up for QLA.

May 31, 2021 – Memorial Day. USDA service centers will be closed.

**June 1, 2021** – Final date to request a MAL for 2020 corn, dry peas, grain sorghum, lentils, mustard seed, rice, safflower seed, chickpeas, soybeans, and sunflower seeds.

June 15, 2021 – Nominations open for 2021 FSA County Committee Elections.

July 15, 2021 – Final acreage reporting date for perennial forage, CRP, and spring-seeded crops.

**July 15, 2021** – Deadline to report actual harvested production of 2020 NAP covered grass seeds, forages, and annually planted spring crops for actual production history (APH) purposes.

July 15, 2021 – Final date to report 2020 production for ARC-IC.

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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