

Washington State FSA Newsletter - May 1, 2021

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Still Time to Apply for CFAP 2

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) announced that signup has reopened for the Coronavirus Food Assistance Program 2 (CFAP 2) as part of the Pandemic Assistance for Producers initiative. The initial CFAP 2 signup ended on Dec. 11, 2020, but USDA has reopened sign-up for CFAP 2 for at least 60 days beginning April 5, 2021, for producers to apply or make modifications to existing CFAP 2 applications.

CFAP 2 provides direct financial relief to producers due to market disruptions and associated costs because of COVID-19. CFAP 2 payments will be made for three categories of commodities – Price Trigger Commodities, Flat-rate Crops and Sales Commodities. Visit farmers.gov/cfap/commodities for a full list of eligible commodities for each category.

Price Trigger Commodities Price trigger commodities are major commodities that meet a minimum 5-percent price decline over a specified period of time. Eligible price trigger crops include barley, corn, sorghum, soybeans, sunflowers, upland cotton, and all classes of wheat. Payments will be based on 2020 planted acres of the crop, excluding prevented planting and experimental acres.

For broilers and eggs, payments will be based on 75 percent of the producers' 2019 production.

Dairy (cow's milk) payments will be based on actual milk production from April 1 to Aug. 31, 2020. The milk production for Sept. 1, 2020, to Dec. 31, 2020, will be estimated by FSA.

Eligible beef cattle, hogs and pigs, and lambs and sheep payments will be based on the maximum owned inventory of eligible livestock, excluding breeding stock, on a date selected by the producer, between April 16, 2020, and Aug. 31, 2020.

Flat-rate Crops Crops that either do not meet the 5-percent price decline trigger or do not have data available to calculate a price change will have payments calculated based on eligible 2020 acres multiplied by \$15 per acre. These crops include alfalfa, extra long staple (ELS) cotton, oats, peanuts, rice, hemp, millet, mustard, safflower, sesame, triticale, rapeseed, and several others.

Sales Commodities Sales commodities include specialty crops; aquaculture; nursery crops and floriculture; other commodities not included in the price trigger and flat-rate categories, turfgrass sod; pullets; goat milk; mink (including pelts); mohair; wool; and other livestock (excluding breeding stock), not included under the price trigger category that were grown for food, fiber, fur, or feathers. Payment calculations will use a sales-based approach, where producers are paid based on five payment gradations associated with their 2019 sales, and crop insurance indemnities, Noninsured Crop Disaster Assistance Program (NAP), and Wildfire and Hurricane Indemnity Program Plus (WHIP+) payments for crop year 2019.

Additional CFAP Actions FSA has also begun payment processing 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; and
- Sales commodity applications revised to include insurance indemnities, Noninsured Crop Disaster Assistance Program payments, and Wildfire and Hurricane Indemnity Program Plus payments.

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.

Applying for CFAP 2

Visit <u>farmers.gov/cfap</u> for details on all eligible commodities, producer eligibility, payment limitations, and structure and additional program resources.

Producers have multiple options to apply for CFAP 2, including through an online application portal and by working directly with the FSA office. Customers seeking one-on-one support with the CFAP 2 application process can call 877-508-8364 to speak directly with a USDA employee ready to offer assistance.

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.

Please note, 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 are closed to the public 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 <u>county FSA</u> office for more information.

Change Policy for Filing a NAP Notice of Loss on Grazed Forage

For the 2021 and subsequent crop years, NAP forage producers with the intended use of grazing who elect to use independent assessments or other approved alternative loss percentage methods to establish their loss are no longer required to file a CCC-576 Notice of Loss with FSA. However, a CCC-576 Application for Payment form must be submitted to FSA no later than 60 calendar days after the coverage period ends.

Producers that elect to have the grazing loss determined using similar mechanically harvested units still must timely file a CCC-576 Notice of Loss within the earlier of 15 days of the disaster event or damage to the crop first becomes apparent or within 15 days of harvest.

If you have any questions about NAP policy requirements, contact your local <u>county FSA</u> 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 here. 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 https://www.fsa.usda.gov/programs-and-services/price-support/Index or visit your local FSA office.

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.

2021 Crop Acreage Reporting

In order to comply with FSA program eligibility requirements, producers are encouraged to contact their local FSA office to file an accurate crop certification report by the applicable deadline of July 15, 2021.

The final reporting period for this crop year is fast approaching much like the spring planting season has been to you. Producers with fall planted crops should have reported prior to December 15, 2020 and perennial crop growers had a January 15, 2021 deadline.

The following exceptions apply to acreage reporting dates:

- If the crop has not been planted by the applicable 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 applicable 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.
- If a perennial forage crop is reported with the intended use of "cover only," "green manure," "left standing," or "seed," then the acreage must be reported by July 15th.

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

County offices are making every effort to try and meet this deadline, but until producers complete their spring plantings and contact the county offices to report, FSA offices are at a standstill. Due to the pandemic, we are still unable to meet directly with you, however, we encourage you to reach out to our office for a virtual meeting.

Our virtual meetings require you that you set up an account with Microsoft Teams for the best results. This provides us with the ability to share video and computer screen content so you can observe the work we perform in loading your acreage report data. We also can provide you all forms electronically, and we can make the form so you can provide your signature with the click of a button. Once signed, your document can be returned to us within minutes through the on-line process. So, if you would like to try out a virtual meeting, contact the county office and set up an appointment.

You can also request that maps be provided to you, where you can identify the specific crop planted. You must record the planting date, type, variety, and intended use of the crop. If acreages differ from what the identified acres of the field are, you must also provide us with the change in acreage as well as what the remainder of the acreage is being utilized for. These maps must then be returned to FSA for data entry. If data is missing, we will need to reach out to you for clarification. After we get your acreage report data loaded, we will need you to review, sign, and return prior to the July 15th deadline.

Many of you may find the virtual meeting process better fits your schedule. It will reduce the burden within the county office and allow us to better serve you.

USDA Announces Changes to Emergency Haying and Grazing Provisions

The U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) today announced changes for emergency haying and grazing use of acres enrolled in the Conservation Reserve Program (CRP). This includes changes outlined in the 2018 Farm Bill that streamlines the authorization process for farmers and ranchers.

Drought conditions are tough for our livestock producers, but emergency haying and grazing use of Conservation Reserve Program acres provides temporary relief to these

producers. Thanks to a streamlined authorization process, Washington State producers will be able to more quickly obtain emergency use approval to begin emergency haying or grazing of CRP acres.

Program Changes

Previously emergency haying and grazing requests originated with FSA at the county level and required state and national level approval. Now approval will be based on drought severity as determined by the <u>U.S. Drought Monitor</u>.

To date, seven counties in WA have triggered eligibility for emergency haying and grazing on CRP acres. A <u>list by state and map</u> of eligible counties are updated weekly and available on FSA's website.

Producers located in a county that is designated as severe drought (D2) or greater on or after the last day of the primary nesting season are eligible for emergency haying and grazing on all eligible acres. Additionally, producers located in counties that were in a severe drought (D2) status any single week during the last eight weeks of the primary nesting season may also be eligible for emergency haying and grazing unless the FSA County Committee determines that forage conditions no longer warrant emergency haying and grazing.

Counties that trigger for <u>Livestock Forage Disaster Program</u> (LFP) payments based on the U.S. Drought Monitor may hay only certain practices on less than 50% of eligible contract acres. Producers should contact their local FSA county office for eligible CRP practices.

Producers who don't meet the drought monitor qualifications but have a 40% loss of forage production may also be eligible for emergency haying and grazing outside of the primary nesting season.

FSA Youth Loans

The Farm Service Agency (FSA) makes operating loans of up to \$5,000 to eligible individual youths ages 10 to 20 to finance income-producing, agriculture-related projects. The project must be of modest size, educational and initiated, developed and carried out by youths participating in 4-H clubs, Future Farmers of America, tribal youth organizations or similar agricultural-affiliated groups. It must be planned and operated with the assistance of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience in agriculture-related skills.

To qualify for a loan, the applicant must comply with FSA's general eligibility requirements, and conduct a modest income-producing project in a supervised program of work.

These loans can finance many kinds of income-producing agricultural projects. Some examples include:

- Buy, raise and sell livestock
- Purchase inputs such as seed, fuel and fertilizer to raise and sell a crop

- Purchase or repair tools or equipment needed to support an eligible project
- Purchase breeding stock

To apply, the applicant must submit completed plans and budgets signed by the project advisor and parent or guardian along with the FSA application for loan assistance.

These loans:

- Have an aggregate maximum loan amount of \$5,000;
- Have a fixed interest rate that is determined at the time of closing (1.75% for May, 2021);
- Are secured with a promissory note, and by liens on the products produced for sale and on chattel property, including crops, livestock, equipment and fixtures purchased with loan funds; and
- Have a repayment schedule that varies depending on the type of project for which the loan is made.

For additional information on the Youth Loan program, or to submit an application, contact your local FSA office at http://offices.usda.gov.

Important Dates and Deadlines

Now – July 1, 2021 – 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.

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 5, 2021 – Monday observance of Independence Day. USDA service centers will be closed.

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.

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