

May 2020



Farm Service Agency **Electronic News Service**

# NEWSLETTER

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## Indiana State FSA Newsletter

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### Indiana State Farm Service Agency

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### Take Steps Now to Prepare for Coronavirus Assistance

Details and Signup for Coronavirus Food Assistance Program Announced Soon

In April, USDA announced the Coronavirus Food Assistance Program (CFAP). CFAP will provide direct support based on losses for agriculture producers where prices and market supply chains have been significantly impacted and will assist eligible producers facing additional adjustment and marketing costs resulting from lost demand and short-term oversupply for the 2020 marketing year caused by COVID-19.

CFAP will provide assistance to most farms that have experienced at least a five percent loss and will be available to farms regardless of size. We are still working on the final details of the actual payment rates and those details will be determined and included as part of the rulemaking process. Once the rule making process is complete, the application period will be open and subject to the eligibility and payment limit criteria described in the rule.

As part of applying for the program, you'll need to contact the Farm Service Agency county office to schedule an appointment. Your local FSA staff will work with you to apply for the program, and through forms asking for this type of information:

## Production Adjustment

**Chief:** Acting - Stephanie Alexander

[stephanie.alexander@usda.gov](mailto:stephanie.alexander@usda.gov)

- Contact
- Personal, including your Tax Identification Number
- Farming operating structure
- Adjusted Gross Income to ensure eligibility
- Direct deposit to enable payment

## Price Support/Disaster Chief:

Susan Houston

[susan.houston@usda.gov](mailto:susan.houston@usda.gov)

## Conservation/Compliance

**Chief:** Stephanie Alexander

[stephanie.alexander@usda.gov](mailto:stephanie.alexander@usda.gov)

Please do not send any personal information to USDA without first initiating contact through a phone call. We take your privacy and security of your information very seriously.

## Farm Loan Chief:

Greg Foulke

[greg.foulke@usda.gov](mailto:greg.foulke@usda.gov)

If you are an existing customer, this information is likely on file at your local Service Center.

## Public Affairs/Outreach

### Coordinator:

Angie Stuehrenberg

[angie.stuehrenberg@usda.gov](mailto:angie.stuehrenberg@usda.gov)

### What Can You Do Now?

While the application process has not started, you can start gathering/understanding your farm's recent sales and inventory.

## For local FSA Service Center contact information [click here](#)

FSA has streamlined the signup process to not require an acreage report at the time of application and a USDA farm number may not be immediately needed.

### How Will USDA Accept Applications?

USDA Service Centers are open for business by phone appointment only. Once the application period opens, please call your FSA county office to schedule an appointment.

Our staff is working with our agricultural producers by phone and using email, fax, mail, and online tools like Box to accept applications.

Information on CFAP can be found at [farmers.gov/CFAP](http://farmers.gov/CFAP).

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## Farm Reconstitutions

When changes in farm ownership or operation take place, a farm *reconstitution* is necessary. The reconstitution — or recon — is the process of combining or dividing farms or tracts of land based on the farming operation.

To be effective for the current Fiscal Year (FY), farm combinations and farm divisions must be requested by **August 1 of the FY** for farms subject to the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) program. A reconstitution is considered to be requested when all:

- of the required signatures are on FSA-155
- other applicable documentation, such as proof of ownership, is submitted.

Total Conservation Reserve Program (CRP) and non-ARC/PLC farms may be reconstituted at any time.

The following are the different methods used when doing a farm recon:

**Estate Method** — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate;

**Designation of Landowner Method** — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding;

**DCP Cropland Method** — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract;

**Default Method** — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

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## Acreage Crop Reporting Streamlining Initiative (ACRSI)

Farmers and ranchers filing crop acreage reports with the Farm Service Agency (FSA) and participating insurance providers approved by the Risk Management Agency (RMA) now can provide the common information from their acreage reports at one office and the information will be electronically shared with the other location. This new process is part of the USDA Acreage Crop Reporting Streamlining Initiative (ACRSI).

Producers must still contact both their local FSA office and their insurance provider to validate and sign acreage reports, complete maps, or provide program-specific information, including reporting uninsured crops to FSA. The common data from the first-filed acreage report will now be available to pre-populate and accelerate completion of the second report.

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## USDA Announces Loan Maturity for Marketing Assistance Loans Now Extended to 12 Months

Agricultural producers now have more time to repay Marketing Assistance Loans (MAL) as part of the U.S. Department of Agriculture's implementation of the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020. The loans now mature at 12 months rather than nine, and this flexibility is available for most commodities.

Effective immediately, producers of eligible commodities now have up to 12 months to repay their commodity loans. The maturity extension applies to nonrecourse loans for crop years 2018, 2019 and 2020. Eligible open loans must be in good standing with a maturity date of March 31, 2020, or later or new crop year (2019 or 2020) loans requested by September 30, 2020. All new loans requested by September 30, 2020, will have a maturity date 12 months following the date of approval.

The maturity extension for current, active loans will be automatically extended an additional 3 months. Loans that matured March 31 have already been automatically extended by USDA's Farm Service Agency (FSA). Producers who prefer a nine-month loan will need to contact their local FSA county office. Loans requested after September 30, 2020, will have a term of nine months.

Eligible commodities include barley, chickpeas (small and large), corn, cotton (upland and extra-long staple), dry peas, grain sorghum, honey, lentils, mohair, oats, peanuts, rice (long and medium grain), soybeans, unshorn pelts, wheat, wool (graded and nongraded); and other oilseeds, including canola, crambe, flaxseed, mustard seed, rapeseed, safflower, sunflower seed, and sesame seed. Seed cotton and sugar are not eligible.

### About MALs

Placing commodities under loan provides producers interim financing to meet cash flow needs without having to sell their commodities when market prices are low and allows producers to store production for more orderly marketing of commodities throughout the year.

These loans are considered nonrecourse because the commodity is pledged as loan collateral, and producers have the option of delivering the pledged collateral to the Commodity Credit Corporation (CCC) for repayment of the outstanding loan at maturity.

### MAL Repayment

Under the new maturity provisions, producers can still repay the loan as they would have before the extension:

- repay the MAL on or before the maturity date;
- upon maturity by delivering or forfeiting the commodity to CCC as loan repayment; or

- after maturity and before CCC acquires the farm-stored commodity by repaying the outstanding MAL principle and interest.

## Marketing Loan Gains

A Marketing Loan Gain occurs when a MAL is repaid at less than the loan principal. If market gain is applicable during the now-extended loan period, producers can receive a gain on the repayment made before the loan matures.

For more information on MALs, contact the nearest FSA county office. USDA Service Centers, including FSA county offices, are open for business by phone appointment only, and field work will continue with appropriate social distancing. While program delivery staff will continue to come into the office, they will be working with producers by phone and using online tools whenever possible. All Service Center visitors wishing to conduct business with the FSA, Natural Resources Conservation Service, or any other Service Center agency are required to call their Service Center to schedule a phone appointment. More information can be found at [farmers.gov/coronavirus](https://farmers.gov/coronavirus).

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## Loan Servicing

There are options for Farm Service Agency loan customers during financial stress. If you are a borrower who is unable to make payments on a loan, contact your local FSA Farm Loan Manager to learn about the options available to you.

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## 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.

“Farming and ranching is a capital-intensive business and FSA is committed to helping producers maintain their agricultural operations during this time of crisis,” said Steve Brown, FSA State Executive Director in Indiana. “FSA loans are designed to assist beginning and historically underserved farmers and ranchers, as well as those who have suffered financial setbacks from natural disasters or economic downturns. Producers may find that an FSA loan is the best option for them if they cannot qualify for a loan with their traditional financial institutions or other financial institutions because of COVID-19.”

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](https://farmers.gov).

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## USDA Reminds Historically Underserved Producers of Advance Payment Option

USDA's Natural Resources Conservation Service (NRCS) reminds historically underserved producers, who are participating in the Environmental Quality Incentives Program (EQIP), of the advance payment option. This option allows them to get conservation practice payments in advance of practice implementation.

EQIP provides financial and technical assistance to address natural resource concerns and to deliver environmental benefits, such as improved water and air quality, conserved ground and surface water, reduced soil erosion and sedimentation, and improved or created wildlife habitat.

A [historically underserved producer](#) is described as one of the below:

- Beginning Farmer or Rancher – is new to farming or ranching, or, has operated a farm or ranch for less than 10-consecutive years.
- Socially Disadvantaged Farmer or Rancher – is a member of a group whose members have been subjected to racial or ethnic prejudice because of their identity as members of that group without regard to their individual qualities.
- Veteran Farmer or Rancher – has served in the armed forces and has not operated a farm or ranch, has operated a farm or ranch for less than 10-consecutive years, or first obtained veteran status during the last 10 years.
- Limited Resource Farmer or Rancher – has a household income at or below the national poverty level. Eligibility can be determined by using [this online tool](#).

Under the advance payment option, such producers may request payments when they have final designs and job sheets and are ready to begin their EQIP practices. Advance payments provide at least 50 percent of the payment rate for each practice. The funds must be spent within 90 days of receipt and practices must be completed as agreed to in an EQIP plan of operations. Producers also may opt to have NRCS pay the contractors or vendors directly.

For more information, visit the [advance payments](#) webpage where you can download the [EQIP Advance Payment Fact Sheet](#).

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## USDA Allows Flexibilities for Organic Certification Amid Coronavirus Pandemic

Approved Insurance Providers (AIPs) may allow organic producers to report acreage as certified organic, or transitioning to organic, for the 2020 crop year if they can show they have requested a written certification from a certifying agent by their policy's acreage reporting date. USDA's Risk Management Agency (RMA) made available this flexibility to help those impacted by the coronavirus pandemic.

Many state and local governments have issued "stay-at-home" orders and have shut down non-essential businesses, resulting in market disruptions and preventing in-person crop insurance transactions.

In addition, policyholders who have requested but not received an organic certificate, organic plan, or other written documentation must notify their insurance agent within 30 days after the certifying agent informs them of their organic plan or certificate status. The policyholder notification may be made by phone, email, text, or other electronic communication method, and the AIPs must document the policyholder's notification. Policyholders will be required to either sign digitally at the time of submission or must follow up with properly signed forms no later than July 15, 2020.

### More Information

RMA announced other flexibilities on [March 27](#), [April 3](#), and [April 10](#), including enabling producers to send notifications and reports electronically, extending the date for production reports, providing additional time and deferring interest on premium and other payments, allowing the use of self-certification replant inspections for certain crops, waiving the witness signature requirement for approval of Assignment of Indemnity, addressing milk dumping, and extending other deadlines. See all [RMA Managers Bulletins](#) for more detailed information.

RMA staff are working with AIPs and other customers by phone, mail and electronically to continue supporting crop insurance coverage for producers. Farmers with crop insurance questions or needs should continue to contact their insurance agents about conducting business remotely (by telephone or email).

For the most current updates on available services, visit [farmers.gov/coronavirus](https://farmers.gov/coronavirus).

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## 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](https://farmers.gov/urban) webpage.

### More Information

The Office of Urban Agriculture and Innovative Technology was established through the 2018 Farm Bill. It includes representatives from many USDA agencies, including Farm Service Agency and Agricultural Marketing Service, and is led by the Natural Resources Conservation Service.

Applications must be submitted through [Grants.gov](https://Grants.gov) by 11:59 p.m. Eastern Daylight Time on July 6, 2020.

More information is available at [farmers.gov/urban](https://farmers.gov/urban).

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## USDA Announces Cooperative Agreements for Community Compost and Food Waste Reduction

The U.S. Department of Agriculture (USDA) today announced the availability of \$900,000 for local governments to host a Community Compost and Food Waste Reduction (CCFWR) pilot project for fiscal year (FY) 2020. The cooperative agreements will support projects that develop and test strategies for planning and implementing municipal compost plans and food waste reduction plans. The agreements are offered through USDA's Office of Urban Agriculture and Innovative Production.

USDA will accept applications on [Grants.gov](https://Grants.gov) until midnight June 26, 2020. Projects should span two years with a start date of October 1, 2020 and completion date of September 29, 2022.

Cooperative agreements support projects led by local governments that: 1) generate compost; 2) increase access to compost for agricultural producers; 3) reduce reliance on, and limit the use of, fertilizer; 4) improve soil quality; 5) encourage waste management and permaculture business development; 6) increase rainwater absorption; 7) reduce municipal food waste; and 8) divert food waste from landfills. USDA's Natural Resources Conservation Service will provide assistance for conservation related activities.

Priority will be given to projects that anticipate or demonstrate economic benefits; incorporate plans to make compost easily accessible to farmers, including community gardeners; integrate other food waste strategies, including food recovery efforts; and collaborate with multiple partners.

A webinar, which will be held on June 4, 2020, from 2 to 4 p.m. Eastern Daylight Time, will provide an overview of the cooperative agreements' purpose, project types, eligibility and basic requirements for submitting an application. Information on [how to register and participate in the webinar](#), or listen to the recording, will be posted at [farmers.gov/urban](https://farmers.gov/urban).

### More Information

Comments can be sent to [UrbanAgriculture@usda.gov](mailto:UrbanAgriculture@usda.gov) within 90 days, with the subject line "Community Compost and Food Waste Reduction Project."

Questions about this cooperative agreement opportunity can be sent to [UrbanAgriculture@usda.gov](mailto:UrbanAgriculture@usda.gov).

The Office of Urban Agriculture and Innovative Production was established through the 2018 Farm Bill. It includes representatives from many USDA agencies, including Farm Service Agency and Agricultural Marketing Service, and is led by the Natural Resources Conservation Service. Its mission is to encourage and promote urban, indoor, and other emerging agricultural practices, including community composting and food waste reduction. More information is available at [farmers.gov/urban](https://farmers.gov/urban).

Additional resources that may be of interest to urban agriculture entities include [AMS grants](#) to improve domestic and international opportunities for U.S. growers and producers and [FSA loans](#).

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## Dates to Remember

**May 15** - Final Date for CRP Grasslands Offer Submission

**May 25** - Memorial Day - FSA Offices Closed

**May 31** - Final Date to Request 2019 Crop Corn or Soybean Loan

**June 15** - County Committee Nomination Period Begins

**June 30** - Final Date for Signatures for 2020 ARCPLC Program

**July 3** - Independence Day Observed - FSA Offices Closed

**July 15** - Final Date to Report Planted Acreage

**August 1** - Final Date to File County Committee Nomination Forms

**Ongoing** - Signup for Continuous CRP

**Ongoing** - Signup for Whip+ Disaster Assistance

**Ongoing** - Primary Nesting Season - Do Not Disturb CRP Acreage Until August 1st.

**Continuous** - Signup for Local County Office FSA Text Alerts

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## May 2020 Interest Rates

Farm Operating Loans (Direct)	1.75%
Farm Ownership Loans (Direct)	2.625%
Farm Ownership Loans (Direct, Joint Financing)	2.5%
Farm Ownership Loans (Direct Down Payment, Beginning Farmer or Rancher)	1.5%
Emergency Loans	2.75%
Farm Storage Facility Loans (3 Years)	0.25%
Farm Storage Facility Loans (5 Years)	0.375%
Farm Storage Facility Loans (7 Years)	0.625%
Farm Storage Facility Loans (10 Years)	0.75%
Farm Storage Facility Loans (12 Years)	0.75%
Commodity Loans	1.125%

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