December 7, 2020





Farm Service Agency Electronic News Service

NEWSLETTER

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Iowa FSA Newsletter

Iowa Farm Service Agency

10500 Buena Vista Court Des Moines, IA 50322

Phone: 515-254-1540 Fax: 855-218-8672

www.fsa.usda.gov/ia

State Executive Director: Bob Wegand, Acting

State Committee:

James Stillman, Chair Laura Cunningham Jerry Mohr Ralph Morales Patricia Swanson

Dec. 11 Deadline Approaching for USDA Program for Farmers and Ranchers Impacted by COVID-19

Dec. 11 Deadline Approaching for USDA Program for Farmers and Ranchers Impacted by COVID-19

FSA Staff Standing by to Help

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) reminds farmers and ranchers to apply for the Coronavirus Food Assistance Program 2 (CFAP 2) by Dec. 11, 2020. This program provides direct relief to producers facing market disruptions and associated costs because of COVID-19.

With over 300 eligible commodities, from livestock and row crops to specialty crops and aquaculture, most farmers and ranchers are potentially eligible for CFAP 2.

Producers have several options for applying for the CFAP 2 program by the Dec. 11 deadline. Producers can find eligible commodities, payment rates, calculations and options to apply on farmers.gov/cfap.

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 general assistance. This is a recommended first step before a producer engages the team at the FSA county office. The call center can also provide service to non-English speaking customers. Customers will select 1 for English and 2 to speak with a Spanish speaking employee. For other languages, customers select 1 and indicate their language to the call center staff.

Additionally, farmers.gov offers a number of resources for producers interested in applying for CFAP 2, including:

- Eligible Commodities Finder
- Videos, including "How to Apply for CFAP 2"
- Blogs, including "Myth Debunked: Coronavirus Food Assistance Program 2"

A correction to the CFAP 2 rule is pending. In case a producer is affected by this correction, FSA will provide additional time to apply or edit their application.

CFAP 2 is a separate program from the first iteration of CFAP, now referred to as CFAP 1. Participating in CFAP 1 is not a prerequisite for participating in CFAP 2. Additionally, producers who applied for CFAP 1 will not be automatically enrolled in CFAP 2 and must complete a new application to be eligible for assistance.

Both CFAP 1 and CFAP 2 are self-certification programs, which means the applicant certifies the information submitted is correct. As part of the internal controls portion of CFAP 1, FSA is conducting spot checks of applications, asking producers to provide supporting documentation to verify the information on them. Producers are being selected using a statistically sound methodology. These CFAP 1 applicants will be contacted by FSA staff and asked to provide supporting documentation to verify the information certified by the producer on their CFAP 1 application.

USDA Reminds Dairy Producers of Dec. 11 Deadline for 2021 Safety-Net Enrollment

The U.S. Department of Agriculture reminds dairy producers that the deadline to enroll in <u>Dairy Margin Coverage (DMC)</u> for calendar year 2021 is Friday, Dec. 11, 2020. USDA's Farm Service Agency (FSA) opened DMC signup in October to help producers manage economic risk brought on by milk price and feed cost disparities.

The DMC program, created by the <u>2018 Farm Bill</u>, offers reasonably priced protection to dairy producers when the difference between the all-milk price and the average feed cost (the margin) falls below a certain dollar amount selected by the producer.

Complete 2021 Enrollment/Evaluate Coverage Options

For DMC enrollment, producers must certify with FSA that the operation is commercially marketing milk, sign all required forms, and pay the \$100 administrative fee unless the dairy operation qualifies for a limited resource, beginning, socially disadvantaged, or military veteran farmers and ranchers waiver.

Producers interested in DMC have the option to select a \$4.00 catastrophic level of coverage with no premium fee or they can choose to buy-up coverage where the premium is based on margin triggers between \$4.50 and \$9.50 on 5 to 95 percent of established production history.

To determine the appropriate level of DMC coverage for a specific dairy operation, producers can utilize the recently updated online dairy decision tool. The <u>decision tool</u> is designed to demonstrate the historical performance of DMC and assist producers with calculating total premium costs and administrative fees associated with participation in DMC. An <u>informational video</u> is available, too.

More Information

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

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.

USDA to Open Signup for the Conservation Reserve Program and CRP Grasslands in Early 2021

USDA has announced the 2021 signup periods for general Conservation Reserve Program (CRP) and CRP Grasslands offers. General signup for CRP will be open from January 4, 2021 to February 12, 2012; signup for CRP Grasslands runs from March 15, 2021 to April 23, 2021. Both programs are competitive and provide annual rental payments for land devoted to conservation purposes.

CRP and the many focused programs that come under it, like CRP Grasslands, are some of the most critical tools to help producers better manage their operations while conserving natural resources. CRP has proven to protect the Nation's valuable resources. Next year's signup gives farmers and ranchers an opportunity to enroll in CRP for the first time or continue their participation for another term.

Producers may apply by contacting their FSA office.

USDA Service Centers Provide Free, One-on-One Help for Farmers

At USDA, we are committed to helping farmers complete loan applications, environmental reviews, and other paperwork free of charge. One-on-one support is available at more than 2,300 USDA Service Centers nationwide. USDA's Farm Service Agency and Natural Resources Conservation Service staff are usually co-located at these Service Centers and can help guide farmers to the best USDA assistance based on their unique goals, whether it is loans, conservation programs, or insurance.

Service Center staff can guide farmers through the process of preparing and submitting required paperwork on their own, with no need to hire a paid preparer. Language translation service is available in all USDA Service Centers, so one-on-one assistance with a Service Center employee can be translated in real time for farmers requiring it. And while some program and loan applications do have an administrative fee for filing, there is never a charge for preparation services provided by USDA staff.

Farmers who work with the USDA Service Center can:

- Establish their farm by registering for a farm number, which is required for USDA programs and assistance.
- Learn how to meet conservation compliance provisions.
- Verify eligibility for USDA programs.
- Discuss their business and conservation goals.
- Create a conservation plan.
- Fill out and file loan and program applications.

We are committed to delivering USDA programs and services to America's farmers and ranchers while taking safety measures in response to COVID-19. We encourage you to check the status of your local USDA Service Center and make an appointment to discuss your business needs.

Enrollment Underway for Agriculture Risk Coverage and Price Loss Coverage Programs for 2021

Agricultural producers can now make elections and enroll in the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs for the 2021 crop year. The signup period opened Tuesday, Oct. 13. These key U.S. Department of Agriculture (USDA) safety-net programs help producers weather fluctuations in either revenue or price for certain crops, and more than \$5 billion in payments are in the process of going out to producers who signed up for the 2019 crop year.

Enrollment for the 2021 crop year closes March 15, 2021.

ARC provides income support payments on historical base acres when actual crop revenue declines below a specified guaranteed level. PLC provides income support payments on historical base acres when the effective price for a covered commodity falls below its reference price.

Covered commodities include 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.

2021 Elections and Enrollment

Producers can elect coverage and enroll in crop-by-crop ARC-County or PLC, or ARC-Individual for the entire farm, for the 2021 crop year. Although election changes for 2021 are optional, enrollment (signed contract) is required for each year of the program. If a producer has a multi-year contract on the farm and makes an election change for 2021, it will be necessary to sign a new contract.

If an election is not submitted by the deadline of March 15, 2021, the election defaults to the current election for crops on the farm from the prior crop year.

For crop years 2022 and 2023, producers will have an opportunity to make new elections during those signups. Farm owners cannot enroll in either program unless they have a share interest in the farm.

2019 Crop Year ARC and PLC Payments

FSA began processing payments last week for 2019 ARC-County (ARC-CO) and PLC on covered commodities that met payment triggers on farms enrolled for the 2019 crop year. In addition to the \$5 billion now in process, FSA anticipates it will issue additional payments by the end of November for 2019 commodities covered under ARC-Individual (ARC-IC) and additional commodities that trigger PLC and ARC-CO payments for which rates have not yet been published

Producers who had 2019 covered commodities enrolled in ARC-CO can visit the <u>ARC and PLC webpage</u> for payment rates applicable to their county and each covered commodity. For farms and covered commodities enrolled in 2019 PLC, the following crops met payment triggers: barley, canola, chickpeas (small and large), corn, dry peas, grain sorghum, lentils, long and medium grain rice, peanuts, seed cotton and wheat.

Oats and soybeans did not meet 2019 PLC payment triggers.

2019 PLC Payment rates for the following covered commodities have not been determined: crambe, flaxseed, mustard seed, rapeseed, safflower, sesame seed, sunflower seed and temperate Japonica rice. Payment rates for these commodities will be announced at a later date.

Web-Based Decision Tools

In partnership with USDA, the University of Illinois and Texas A&M University 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.
- ARC and PLC Decision Tool, the Texas A&M tool allows producers to analyze payment yield updates and expected
 payments for 2021. Producers who have used the tool in the past should see their username and much of their farm
 data already available in the system.

More Information

For more information on ARC and PLC, including two online decision tools that assist producers in making enrollment and election decisions specific to their operations, visit the ARC and PLC webpage.

For additional questions and assistance, contact your local USDA service center. To locate your local FSA office, visit farmers.gov/service-locator.

USDA recently launched a new website for producers to find information on heirs' property.

Heirs' property is family owned land that is jointly owned by descendants of a deceased person whose estate did not clear probate. The descendants, or heirs, have the right to use the property, but they do not have a clear or marketable title to the property since the estate issues remain unresolved.

The 2018 Farm Bill authorized alternative documentation for heirs' property operators to establish a farm number. A farm number is required to be eligible for many different USDA programs, including lending, disaster relief programs, and participation in county committees.

For more information visit farmers.gov/manage/HeirsPropertyLandowners.

Additional USDA Programs and Services

USDA offers a variety of farm loan, risk management, disaster assistance, and conservation programs to support farmers, including heirs' property landowners once they have a farm number.

USDA also has several special provisions and resources for heirs' property landowners, including:

- Targeted funding through farm loans
- Crop insurance benefits
- Conservation program benefits

FSA Implements Set-Aside Loan Provision for Customers Impacted by COVID-19

Set-Aside Delays Loan Payments for Borrowers

USDA's Farm Service Agency (FSA) will broaden the use of the Disaster Set-Aside (DSA) loan provision, normally used in the wake of natural disasters, to allow farmers with USDA farm loans who are affected by COVID-19, and are determined eligible, to have their next payment set aside. In some cases, FSA may also set aside a second payment for farmers who have already had one payment set aside because of a prior designated disaster.

FSA direct loan borrowers will receive a letter with the details of the expanded Disaster Set-Aside authorities, which includes the possible set-aside of annual operating loans, as well as explanations of the additional loan servicing options that are available. To discuss or request a loan payment Set-Aside, borrowers should call or email the farm loan staff at their local FSA county office.

The set-aside payment's due date is moved to the final maturity date of the loan or extended up to twelve months in the case of an annual operating loan. Any principal set-aside will continue to accrue interest until it is repaid. This aims to improve the borrower's cashflow in the current production cycle.

FSA previously announced it was relaxing the loan-making process and adding flexibilities for servicing direct and guaranteed loans to provide credit to producers in need. Direct loan applicants and borrowers are encouraged to contact their local FSA county office to discuss loan making and servicing flexibilities and other needs or concerns. Customers participating in FSA's guaranteed loan programs are encouraged to contact their lender. Information on these flexibilities, and office contact information, can be found on farmers.gov/coronavirus.

FSA will be accepting most forms and applications by facsimile or electronic signature. Some services are also available online 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 certain program applications and payments. Customers can track payments, report completed practices, request conservation assistance and electronically sign documents. Customers who do not already have an eAuth account can enroll at <u>farmers.gov/sign-in</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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