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| |  | | --- | | February 2021 NL Masthead  Having trouble viewing this email? [View it as a Web page](https://content.govdelivery.com/accounts/USFSA/bulletins/2ebfcbf).   * [Quality Loss Assistance Now Available for Eligible Producers Affected by 2018, 2019 Natural Disasters](#link_1) * [Reminders for FSA Direct and Guaranteed Borrowers with Real Estate Security](#link_4) * [Communication is Key in Lending](#link_5) * [Noninsured Crop Coverage Helps Producers Manage Risks](#link_3) * [Preauthorized Debit Available for Farm Loan Borrowers](#link_6) * [Making Farm Reconstitutions](#link_2)  Maine FSA Newsletter | | |  |  | | --- | --- | | Maine Farm Service 967 Illinois Ave  Bangor, ME 04401  Phone:  207-990-9140  [www.fsa.usda.gov/me](https://gcc02.safelinks.protection.outlook.com/?url=http%3A%2F%2Fwww.fsa.usda.gov%2Fxx%3Futm_medium%3Demail%26utm_source%3Dgovdelivery&data=04%7C01%7C%7C46a1448c20d54047573708d95b63485e%7Ced5b36e701ee4ebc867ee03cfa0d4697%7C0%7C0%7C637641304243776509%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=b4CgGXm4YSMzeh%2FYChqvKjlESpV0Y1vBJaYxnFj%2Bk3Y%3D&reserved=0)    **State Executive Director:**  Sherry Hamel, Acting    **State Committee:**  Sue McCrum  Heath Miller  Nancy Ricker  Dave Tuttle  Fred Flewelling  To find contact information for your local office go to [www.fsa.usda.gov/me](https://gcc02.safelinks.protection.outlook.com/?url=http%3A%2F%2Fwww.fsa.usda.gov%2Fxx%3Futm_medium%3Demail%26utm_source%3Dgovdelivery&data=04%7C01%7C%7C46a1448c20d54047573708d95b63485e%7Ced5b36e701ee4ebc867ee03cfa0d4697%7C0%7C0%7C637641304243786465%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=Yi3%2BKCGh%2F3Xrj28IW8h%2BlD41eQ9pmOAF4miOxxMLlRE%3D&reserved=0) | Quality Loss Assistance Now Available for Eligible Producers Affected by 2018, 2019 Natural Disasters The U.S. Department of Agriculture’s (USDA) Farm Service Agency (FSA) today announced that signup for the Quality Loss Adjustment (QLA) Program will begin Wednesday, Jan. 6, 2021. Funded by the Further Consolidated Appropriations Act of 2020, this new program provides assistance to producers who suffered eligible crop quality losses due to natural disasters occurring in 2018 and 2019. The deadline to apply for QLA is Friday, March 5, 2021.  **Eligible Crops**  Eligible crops include those for which [federal crop insurance](https://gcc02.safelinks.protection.outlook.com/?url=http%3A%2F%2Fwww.rma.usda.gov%2F%3Futm_medium%3Demail%26utm_source%3Dgovdelivery&data=04%7C01%7C%7C46a1448c20d54047573708d95b63485e%7Ced5b36e701ee4ebc867ee03cfa0d4697%7C0%7C0%7C637641304243786465%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=GOckhtOqwiHLQ488JaVTYtTRwHauSD%2FSSK%2BmhFUZHVA%3D&reserved=0) or [Noninsured Crop Disaster Assistance Program](https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.fsa.usda.gov%2Fprograms-and-services%2Fdisaster-assistance-program%2Fnoninsured-crop-disaster-assistance%2Findex%3Futm_medium%3Demail%26utm_source%3Dgovdelivery&data=04%7C01%7C%7C46a1448c20d54047573708d95b63485e%7Ced5b36e701ee4ebc867ee03cfa0d4697%7C0%7C0%7C637641304243786465%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=JdB6462JbE%2BlLYa6UoOAFG9g3dPql0ogwtatkp5sBC0%3D&reserved=0) (NAP) coverage is available, except for grazed crops and value loss crops, such as honey, maple sap, aquaculture, floriculture, mushrooms, ginseng root, ornamental nursery, Christmas trees, and turfgrass sod.  Additionally, crops that were sold or fed to livestock or that are in storage may be eligible; however, crops that were destroyed before harvest are not eligible. Crop quality losses occurring after harvest, due to deterioration in storage, or that could have been mitigated, are also not eligible.  Assistance is based on a producer’s harvested affected production of an eligible crop, which must have had at least a 5% quality loss reflected through a quality discount; or for forage crops, a nutrient loss, such as total digestible nutrients.  **Qualifying Disaster Events**  Losses must have been a result of a qualifying disaster event (hurricane, excessive moisture, flood, qualifying drought, tornado, typhoon, volcanic activity, snowstorm, or wildfire) or related condition that occurred in calendar years 2018 and/or 2019.  Assistance is available for eligible producers in counties that received a qualifying Presidential Emergency Disaster Declaration or Secretarial Disaster Designation because of one or more of the qualifying disaster events or related conditions.  Lists of counties with Presidential Emergency Disaster Declarations and Secretarial Disaster Designations for all qualifying disaster events for 2018 and 2019 are available [here](https://www.farmers.gov/recover/whip-plus/eligible-counties?utm_medium=email&utm_source=govdelivery). For drought, producers are eligible for QLA if the loss occurred in an area within a county rated by the [U.S. Drought Monitor](https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fdroughtmonitor.unl.edu%2F%3Futm_medium%3Demail%26utm_source%3Dgovdelivery&data=04%7C01%7C%7C46a1448c20d54047573708d95b63485e%7Ced5b36e701ee4ebc867ee03cfa0d4697%7C0%7C0%7C637641304243796421%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=nqSTuuX%2FQZ%2FZiYT%2FgRZYe66mFimUJ8TEVV4Oh5VPsM0%3D&reserved=0) as having a D3 (extreme drought) or higher intensity  level during 2018 or 2019.  Producers in counties that did not receive a qualifying declaration or designation may still apply but must also provide supporting documentation to establish that the crop was directly affected by a qualifying disaster event.  To determine QLA eligibility and payments, FSA considers the total quality loss caused by all qualifying natural disasters in cases where a crop was impacted by multiple events.  **Applying for QLA**  When applying, producers are asked to provide verifiable cumentation to support claims of quality loss or nutrient loss in the case of forage crops. For crops that have been sold, grading must have been completed within 30 days of harvest, and for forage crops, a laboratory analysis must have been completed within 30 days of harvest.  Some acceptable forms of documentation include sales receipts from buyers, settlement sheets, truck or warehouse scale tickets, written sales contracts, similar records that represent actual and specific quality loss information, and forage tests for nutritional values.  **Payments Calculations and Limitations**  QLA payments are based on formulas for the type of crop (forage or non-forage) and loss documentation submitted. Based on this documentation FSA is calculating payments based on the producer’s own individual loss or based on the county average loss. More information on payments can be found on [farmers.gov/quality-loss](http://www.farmers.gov/quality-loss?utm_medium=email&utm_source=govdelivery).  FSA will issue payments once the application period ends. If the total amount of calculated QLA payments exceeds available program funding, payments will be prorated.  For each crop year, 2018, 2019 and 2020, the maximum amount that a person or legal entity may receive, directly or indirectly, is $125,000. Payments made to a joint operation (including a general partnership or joint venture) will not exceed $125,000, multiplied by the number of persons and legal entities that comprise the ownership of the joint operation. A person or legal entity is ineligible for QLA payment if the person’s or legal entity’s average Adjusted Gross Income exceeds $900,000, unless at least 75% is derived from farming, ranching or forestry-related activities.  **Future Insurance Coverage Requirements**  All producers receiving QLA Program payments are required to purchase crop insurance or NAP coverage for the next two available crop years at the 60% coverage level or higher. Wildlife and Hurricane Indemnity Program Plus (WHIP+) participants who already met the WHIP+ requirement to purchase crop insurance or NAP coverage are considered to have thereby met the requirement to purchase crop insurance or NAP coverage for QLA. If eligible, QLA participants may meet the insurance purchase requirement by purchasing [Whole-Farm Revenue Protection](https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.rma.usda.gov%2Fen%2FPolicy-and-Procedure%2FInsurance-Plans%2FWhole-Farm-Revenue-Protection%3Futm_medium%3Demail%26utm_source%3Dgovdelivery&data=04%7C01%7C%7C46a1448c20d54047573708d95b63485e%7Ced5b36e701ee4ebc867ee03cfa0d4697%7C0%7C0%7C637641304243796421%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=mtWT4Zg3CoWjZnbTPKcHZAE5665dk9GgCKkwM7qZFu8%3D&reserved=0) coverage offered through USDA’s Risk Management Agency.  **More Information** For more information, visit [farmers.gov/quality-loss](http://www.farmers.gov/quality-loss?utm_medium=email&utm_source=govdelivery), or contact your local [USDA Service Center](https://www.farmers.gov/service-center-locator?utm_medium=email&utm_source=govdelivery). Producers can also obtain one-on-one support with applications by calling 877-508-8364. 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 [Your FSA Farm Loan Compass](https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.fsa.usda.gov%2FAssets%2FUSDA-FSA-Public%2Fusdafiles%2FFarm-Loan-Programs%2Fpdfs%2Floan-servicing%2Ffarm_loan_compass_9-22-17.pdf%3Futm_medium%3Demail%26utm_source%3Dgovdelivery&data=04%7C01%7C%7C46a1448c20d54047573708d95b63485e%7Ced5b36e701ee4ebc867ee03cfa0d4697%7C0%7C0%7C637641304243806375%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=w6Rh2DKFgP0gtBbE5C0U35t7z7KXL42q3ScsGN23CEs%3D&reserved=0). | | | Communication is Key in Lending Farm Service Agency (FSA) is committed to providing our farm loan borrowers the tools necessary to be successful. FSA staff will provide guidance and counsel from the loan application process through the borrower’s graduation to commercial credit. While it is FSA’s commitment to advise borrowers as they identify goals and evaluate progress, it is crucial for borrowers to communicate with their farm loan staff when changes occur. It is the borrower’s responsibility to alert FSA to any of the following:   * Any proposed or significant changes in the farming operation * Any significant changes to family income or expenses * The development of problem situations * Any losses or proposed significant changes in securityIf a farm loan borrower can’t make payments to suppliers, other creditors, or FSA on time, contact your farm loan staff immediately   For more information on FSA farm loan programs, contact your local County USDA Service Center or visit fsa.usda.gov to discuss options.   Noninsured Crop Coverage Helps Producers Manage Risks The Farm Service Agency’s (FSA) Noninsured Crop Disaster Assistance Program (NAP) helps you manage risk through coverage for both crop losses and crop planting that was prevented due to natural disasters. The eligible or “noninsured” crops include agricultural commodities not covered by federal crop insurance.  You must be enrolled in the program and have purchased coverage for the eligible crop **in the crop year in which the loss incurred** to receive program benefits following a qualifying natural disaster.  **NAP Buy-Up Coverage Option**  NAP offers higher levels of coverage, from 50 to 65 percent of expected production in 5 percent increments, at 100 percent of the average market price. Buy-up levels of NAP coverage are available if the producer can show at least one year of previously successfully growing the crop for which coverage is being requested.  Producers of organics and crops marketed directly to consumers also may exercise the “buy-up” option to obtain NAP coverage of 100 percent of the average market price at the coverage levels of between 50 and 65 percent of expected production.  NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production.  Buy-up coverage is not available for crops intended for grazing.  **NAP Service Fees**  For all coverage levels, the NAP service fee is the lesser of $325 per crop or $825 per producer per county, not to exceed a total of $1,950 for a producer with farming interests in multiple counties.  **NAP Enhancements for Qualified Military Veterans**  Qualified veteran farmers or ranchers are eligible for a service fee waiver and premium reduction, if the NAP applicant meets certain eligibility criteria.  Beginning, limited resource and targeted underserved farmers or ranchers remain eligible for a waiver of NAP service fees and premium reduction when they file form CCC-860, “Socially Disadvantaged, Limited Resource and Beginning Farmer or Rancher Certification.”  For NAP application, eligibility and related program information, contact your local County USDA Service Center   Preauthorized Debit Available for Farm Loan Borrowers USDA’s Farm Service Agency (FSA) has implemented pre-authorized debit (PAD) for Farm Loan Program (FLP) borrowers. PAD is a voluntary and alternative method for making weekly, bi-weekly, monthly, quarterly, semi-annual or annual payments on loans.  PAD payments are pre-authorized transactions that allow the National Financial and Accounting Operations Center (NFAOC) to electronically collect loan payments from a customer’s account at a financial institution.  PAD may be useful if you use nonfarm income from regular wages or salary to make payments on loans or adjustment offers or for payments from seasonal produce stands. PAD can only be established for future payments.  To request PAD, customers, along with their financial institution, must fill out form RD 3550-28. This form has no expiration date, but a separate form RD 3550-28 must be completed for each loan to which payments are to be applied. A fillable form can be accessed on the USDA Rural Development (RD) website at [rd.usda.gov/publications/regulations-guidelines](https://gcc02.safelinks.protection.outlook.com/?url=http%3A%2F%2Fwww.rd.usda.gov%2Fpublications%2Fregulations-guidelines%3Futm_medium%3Demail%26utm_source%3Dgovdelivery&data=04%7C01%7C%7C46a1448c20d54047573708d95b63485e%7Ced5b36e701ee4ebc867ee03cfa0d4697%7C0%7C0%7C637641304243806375%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=wEX%2Fkv6QecLyagelAD1TBOFyQkXk8RNaqtj%2FINCPhOA%3D&reserved=0). Click forms and search for “Form 3550-28.”  If you have a “filter” on the account at your financial institution, you will need to provide the financial institution with the following information: Origination ID: 1220040804, Agency Name: USDA RD DCFO.  PAD is offered by FSA at no cost. Check with your financial institution to discuss any potential cost. Preauthorized debit has no expiration date, but you can cancel at any time by submitting a written request to your local FSA office. If a preauthorized debit agreement receives three payment rejections within a three-month period, the preauthorized debit agreement will be cancelled by FSA. The payment amount and due date of your loan is not affected by a cancellation of preauthorized debit. You are responsible to ensure your full payment is made by the due date.  For more information about PAD, contact your local USDA Service Center. Making 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 and all 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.    For questions on your farm reconstitution, contact your local county USDA Service Center.  Persons with disabilities who require accommodations to attend or participate in any meeting/event/function should contact Mary Anne Coffin at 207-990-9140 or Federal Relay Service at 1-800-877-8339.  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 Farm Service Agency, 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. 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 [farmers.gov/coronavirus](http://www.farmers.gov/coronavirus?utm_medium=email&utm_source=govdelivery).    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). | |