

June 2020



Farm Service Agency **Electronic News Service**

# NEWSLETTER

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## Maryland FSA Newsletter

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### Maryland Farm Service Agency

339 Busch's Frontage Rd.  
Suite 104  
Annapolis, MD 21409

Phone: 443-482-2760  
Fax: 855-401-6639

[www.fsa.usda.gov/md](http://www.fsa.usda.gov/md)

**State Executive Director:**  
**Jim Eichhorst**

**State Committee:**  
**Jenny Rhodes, Chairperson**  
**Steve Ernst**  
**Steve Issacson**

### 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,

**Pat Langenfelder**  
**Chris Parker**

borrowers should call or email the farm loan staff at their local FSA county office.

To find contact information for your local office go to [www.fsa.usda.gov/md](http://www.fsa.usda.gov/md)

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](http://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 [farmers.gov](http://farmers.gov) 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 [farmers.gov/sign-in](http://farmers.gov/sign-in).

USDA Service Centers 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](http://farmers.gov/coronavirus).

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## **Farmers and Ranchers in Maryland Can Now Apply for Financial Assistance through USDA's Coronavirus Food Assistance Program**

*Online Tools and Toll-Free Number Available to Assist Producers*

Agricultural producers can now apply for USDA's Coronavirus Food Assistance Program (CFAP), which provides direct payments to offset impacts from the coronavirus pandemic. The application and a payment calculator are now available online, and USDA's Farm

Service Agency (FSA) staff members are available via phone, fax and online tools to help producers complete applications. The agency set up a call center in order to simplify how they serve new customers across the nation.

Applications will be accepted through August 28, 2020. Through CFAP, USDA is making available \$16 billion for vital financial assistance to producers of agricultural commodities who have suffered a five-percent-or-greater price decline due to COVID-19 and face additional significant marketing costs as a result of lower demand, surplus production, and disruptions to shipping patterns and the orderly marketing of commodities.

We also want to remind producers that the program is structured to ensure the availability of funding for all eligible producers who apply.

In order to do this, producers will receive 80 percent of their maximum total payment upon approval of the application. The remaining portion of the payment, not to exceed the payment limit, will be paid at a later date nationwide, as funds remain available.

Producers can download the CFAP application and other eligibility forms from [farmers.gov/cfap](https://farmers.gov/cfap). Also, on that webpage, producers can find a payment calculator to help identify sales and inventory records needed to apply and calculate potential payments.

Additionally, producers in search of one-on-one support with the CFAP application process can call 877-508-8364 to speak directly with a USDA employee ready to offer assistance. This is a good first step before a producer engages the team at the FSA county office at their local USDA Service Center.

### **Applying for Assistance**

Producers of all eligible commodities will apply through their local FSA office. Those who use the online calculator tool will be able to print off a pre-filled CFAP application, sign, and submit to your local FSA office either electronically or via hand delivery. Please contact your local office to determine the preferred method. Find contact information for your local office at [farmers.gov/cfap](https://farmers.gov/cfap).

Documentation to support the producer's application and certification may be requested after the application is filed. 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.

### **Additional Commodities**

USDA is also establishing a process for the public to identify additional commodities for potential inclusion in CFAP. Specifically,

USDA is looking for data on agricultural commodities, that are not currently eligible for CFAP, that the public believes to have either:

1. suffered a five percent-or-greater price decline between mid-January and mid-April as a result of the COVID-19 pandemic,
2. shipped but subsequently spoiled due to loss of marketing channel, or
3. not left the farm or remained unharvested as mature crops.

More information about this process is available on [farmers.gov/cfap](https://farmers.gov/cfap).

### **More Information**

To find the latest information on CFAP, visit [farmers.gov/cfap](https://farmers.gov/cfap) or call 877-508-8364.

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## **5 Steps to Complete After Spring Planting**

With #Plant2020 in the rear-view mirror, it's time to think about next steps on your farm.

Your USDA team understands that the real work continues after planting. We know the rest of spring and summer will be spent scouting crops, irrigating or waiting for timely rains for your non-irrigated fields, and monitoring weed and insect pressure.

**Before you get too busy, [there are five things to keep in mind after planting.](#)**

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## **USDA Acreage Reporting Deadline for Perennial Forage Changes to July 15**

USDA Farm Service Agency (FSA) has established a new acreage reporting deadline for perennial forage for 2019 and subsequent years. Previously set in the fall, the new deadline is July 15 for all states, except for Hawaii and Puerto Rico.

Timely and accurate acreage reports for all crops and land uses, including prevented planting or failed acreage, are the foundation for many FSA program benefits, including disaster programs for livestock owners. Producers must report their acreage to maintain program eligibility.

Producers who have coverage for perennial forage under the Noninsured Crop Disaster Assistance Program (NAP) must report their crop acreage by the earlier of any of the following:

- the established acreage reporting date (July 15)
- 15 calendar days before the onset of harvest or grazing of the specific crop acreage being reported
- the established normal harvest date for the end of the coverage period.

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## USDA Reports Record Enrollment in Key Farm Safety-Net Programs

Producers signed a record 1.77 million contracts for the U.S. Department of Agriculture's Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs for the 2019 crop year, which is more than 107 percent of the total contracts signed compared with a 5-year average. **USDA also reminds producers that June 30 is the deadline to enroll in ARC and PLC for the 2020 crop year.**

**Producers interested in enrolling for 2020 should contact their FSA county office. Producers must enroll by June 30 and make their one-time update to PLC payment yields by September 30.**

FSA attributes the significant participation in the 2019 crop year ARC and PLC programs to increased producer interest in the programs under the 2018 Farm Bill and to an increase in eligible farms because of the selling and buying of farms and new opportunities for beginning farmers and military veterans with farms having 10 or fewer base acres. Enrollment for 2019 ended March 16.

USDA Service Centers, including FSA county offices, are open for business by phone 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).

For more information on ARC and PLC, download the [program fact sheet](#) or the [2014-2018 farm bills comparison fact sheet](#). Online ARC and PLC election decision tools are available at [www.fsa.usda.gov/arc-plc](http://www.fsa.usda.gov/arc-plc). To locate the nearest USDA Service Center, visit [farmers.gov/service-center-locator](https://farmers.gov/service-center-locator).

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## Using FSA Direct Farm Ownership Loans for Construction

The USDA Farm Service Agency's (FSA) [Direct Farm Ownership loans](#) are a resource to help farmers and ranchers become owner-operators of family farms, improve and expand current

operations, increase agricultural productivity, and assist with land tenure to save farmland for future generations.

Depending on the applicant's needs, there are three types of Direct Farm Ownership Loans: regular, down payment and joint financing. FSA also offers a [Direct Farm Ownership Microloan](#) option for smaller financial needs up to \$50,000.

Amongst other purposes, Direct Farm Ownership Loans can be used to construct, purchase or improve farm dwellings, service buildings or other facilities and improvements essential to an operation.

To do this, applicants must provide FSA with an estimate of the total cost of all planned development that completely describe the work, prior to loan approval and must show proof of sufficient funds to pay for the total cost of all planned development at or before loan closing. In some instances, applicants may be asked to provide certified plans, specifications or contract documents. The applicant cannot incur any debts for materials or labor or make any expenditures for development purposes prior to loan closing with the expectation of being reimbursed from FSA funds.

Construction and development work may be performed either by the contract method or the borrower method. Under the contract method, construction and development contractors perform work according to a written contract with the applicant or borrower. An applicant for a direct loan to finance a construction project must obtain a surety bond that guarantees both payment and performance in the amount of the construction contract from a construction contractor.

A surety bond is required when a contract exceeds \$100,000, an authorized agency official determines that a surety bond appears advisable to protect the borrower against default of the contractor or a contract provides for partial payments in excess of the amount of 60 percent of the value of the work in place.

Under the borrower method, the applicant or borrower will perform the construction and development work. The borrower method may only be used when the authorized agency official determines, based on information from the applicant, that the applicant possesses or arranges to obtain the necessary skill and managerial ability to complete the work satisfactorily and that such work will not interfere with the applicant's farming operation or work schedule.

Potential applicants should visit with FSA early in the initial project planning process to ensure environmental compliance.

For more eligibility requirements and information about FSA Loan programs, contact your local FSA office or visit [fsa.usda.gov](http://fsa.usda.gov). To find your local FSA office, visit [offices.usda.gov](http://offices.usda.gov).

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## Selected Interest Rates for June 2020

Farm Operating Loans- Direct	1.375%
Farm Ownership- Direct	2.250%
Farm Ownership- Direct, Joint Financing	2.5%
Farm Ownership- Down Payment	1.5%
Farm Storage Facility Loans (7 years)	0.50%

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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).