

September 2020



Farm Service Agency **Electronic News Service**

NEWSLETTER

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Minnesota FSA Newsletter: September 2020

Minnesota Farm Service Agency **Greetings from the State FSA Office**

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With harvest just around the corner, here are some important FSA business items that may need your attention in the coming weeks and months, so don't let them slip your mind.

Also, we are attempting to hire up to four trainees to become county executive directors in various counties across the State. If you know of any good candidates, please refer them to the following [link](#). The deadline to apply is September 14th.

Hope you all have a safe and bountiful harvest this year.

Sincerely,

Joe Martin, State Executive Director

CFAP- September 11 deadline

If you have not yet applied for the first round of the Coronavirus Food Assistance Program (CFAP), you have until Friday,

State Committee:
Scott Winslow - Chair
Kurt Blomgren
Jim Kukowski
Jay Nord
Mike Yost

**To find contact information
for your local office go to:**
www.fsa.usda.gov/mn

September 11 to apply. An official announcement on round 2 of CFAP assistance has not yet been made.

PLC Yield Updates- September 30 deadline

Farm owners have a one-time opportunity to update PLC payment yields. Updated yields will be used to calculate the PLC payments for covered commodities for 2020-2023. Updating yields requires the signature of one owner on the farm and not all owners. If a yield update is not made, no action is required to maintain the existing base crop yield on file with FSA.

CRP-Soil Health and Income Protection Program (SHIPP)- November 20 deadline

SHIPP allow producers the option of a three-, four- and five-year CRP contract to establish cover on less productive cropland. The program enables producers to plant cover crops that will improve soil health and water quality. The program gives farmers the option to harvest, hay and graze during certain times of the year.

WHIP+ Program

The WHIP+ program provides disaster payments to producers to help offset losses as a direct result of weather-related crop loss in the 2018 and 2019 growing years. To be eligible for WHIP+, producers must farm land in a county that has been declared a disaster county or verify to the County FSA committee that they experienced loss. Eligibility and payments are determined based on the size of the loss and the level of insurance coverage elected by the producer. The application process can take some time to work through, so be sure to reach out to your county office soon if you believe you experienced a qualified loss in 2018 or 2019.

The WHIP+ program also includes a future provision for crop quality loss issues. Providing assistance for quality loss is complicated, and USDA is actively gathering data and input on how to administer quality loss assistance for producers. Stay tuned for future information on quality loss provisions.

Dairy Margin Coverage Program- December 11 deadline

Signup for 2021 coverage will run from October 12 until December 11.

Marketing Assistance Loans

Don't forget about your option to take out a marketing assistance loan (MAL), after you harvest and store your grain. Marketing assistance loans provide producers 9-month low interest financing to meet cash flow needs without having to sell commodities.

USDA Stands Up New Team to Better Serve Beginning Farmers and Ranchers in Minnesota

The U.S. Department of Agriculture (USDA) is standing up a new team that will lead a department-wide effort focused on serving beginning farmers and ranchers.

To institutionalize support for beginning farmers and ranchers and to build upon prior agency work, the 2018 Farm Bill directed USDA to create a national coordinator position in the agency and state-level coordinators for four of its agencies – Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS), Risk Management Agency (RMA), and Rural Development (RD).

Liz Ludwig was selected as the USDA Beginning Farmer Rancher state coordinator in Minnesota. She is the Chippewa County Executive Director in Montevideo, MN. Others on the team coordinating Minnesota's beginning farmers and rancher efforts include, Lisa Buckner State Appeals Specialist with the Natural Resources Conservation Service; Brad Finstad, State Director with Rural Development; and Mark Gutierrez, Deputy Director with the Risk Management Agency. This is a collateral duty for all team members.

Each state coordinator will receive training and develop tailored beginning farmer outreach plans for their state. Coordinators will help field employees better reach and serve beginning farmers and ranchers and will also be available to assist beginning farmers who need help navigating the variety of resources USDA has to offer.

More on Beginning Farmers

Twenty-seven percent of farmers were categorized as new and beginning producers, with 10 years or less of experience in agriculture, according to the 2017 Census of Agriculture.

USDA offers a variety of farm loan, risk management, disaster assistance, and conservation programs to support farmers, including beginning farmers and ranchers. Additionally, a number of these programs have provisions specifically for beginning farmers, including targeted funding for loans and conservation programs as well as waivers and exemptions.

More Information Learn more about USDA's resources for beginning farmers as well as more information on the national and state-level coordinators at farmers.gov/newfarmers. For more information on available programs in your area, contact your local [USDA Service Center](#).

Applying for Youth Loans

The Farm Service Agency (FSA) makes loans to youth to establish and operate agricultural income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5,000.

Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Comply with FSA's general eligibility requirements
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the youth loan applicant, along with providing adequate supervision.

For help preparing the application forms, contact your local County USDA Service Center or visit fsa.usda.gov.

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.

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 or visit fsa.usda.gov/nap.

Transitioning Expiring CRP Land to Beginning, Veteran or Underserved Farmers and Ranchers

CRP contract holders are encouraged to transition their Conservation Reserve Program (CRP) acres to beginning, veteran or socially disadvantaged farmers or ranchers through the Transition Incentives Program (TIP). TIP provides annual rental payments to the landowner or operator for up to two additional years after the CRP contract expires.

CRP contract holders no longer need to be a retired or retiring owner or operator to transition their land. TIP participants must agree to sell, have a contract to sell, or agree to lease long term (at least five years) land enrolled in an expiring CRP contract to a beginning, veteran, or socially disadvantaged farmer or rancher who is not a family member.

Beginning, veteran or social disadvantaged farmers and ranchers and CRP participants may enroll in TIP beginning two years before the expiration date of the CRP contract. The TIP application must be submitted prior to

completing the lease or sale of the affected lands. New landowners or renters that return the land to production must use sustainable grazing or farming methods.

For more information, contact your local County USDA Service Center or visit fsa.usda.gov.

FSA Reminds Producers of Ongoing Disaster Assistance Program Signup

USDA has started making payments through the Wildfire and Hurricane Indemnity Program – Plus (WHIP+) to agricultural producers who suffered eligible losses because of drought or excess moisture in 2018 and 2019. Signup for these causes of loss opened March 23, and producers who suffered losses from drought (in counties designated D3 or above), excess moisture, hurricanes, floods, tornadoes, typhoons, volcanic activity, snowstorms or wildfires can still apply for assistance through WHIP+.

To be eligible for WHIP+, producers must have suffered losses of certain crops, trees, bushes or vines in counties with a Presidential Emergency Disaster Declaration or a Secretarial Disaster Designation (primary counties only) for qualifying natural disaster events that occurred in calendar years 2018 or 2019. Also, losses located in a county not designated by the Secretary as a primary county may be eligible if a producer provides documentation showing that the loss was due to a qualifying natural disaster event.

In addition to the recently added eligible losses of drought and excess moisture, FSA will implement a WHIP+ provision for crop quality loss that resulted in price deductions or penalties when marketing crops were damaged by eligible disaster events. To ensure an effective program for all impacted farmers, the Agency is currently gathering information on the extent of quality loss from producers and stakeholder organizations.

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, and more information on WHIP+ can be found at farmers.gov/whip-plus.

One-Time PLC Yield Updates – Deadline September 30

Farm owners have a one-time opportunity to update PLC yields of covered commodities on the farm, regardless of Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) program election. The deadline to request a PLC yield update is September 30, 2020.

The updated yield will be equal to 90 percent of the average yield per planted acre in crop years 2013-2017 (excluding any year where the applicable covered commodity was not planted), subject to the ratio obtained by dividing the 2008-2012 average national yield by the 2013-2017 average national yield for the covered commodity. If the reported yield in any year is less than 75 percent of the 2013-2017 average county yield, then the yield will be substituted with 75 percent of the county average yield.

The chart below provides the ratio obtained by dividing the 2008-2012 average national yield by the 2013-2017 average national yield for each covered commodity.

Covered Commodity National Yield Factor

Barley	0.9437
Canola	0.9643

Chickpeas, Large	1.0000
Chickpeas, Small	0.9760
Corn	0.9000
Crambe	1.0000
Flaxseed	1.0000
Grain Sorghum	0.9077
Lentils	1.0000
Mustard Seed	0.9460
Oats	0.9524
Peanuts	0.9273
Peas, Dry	0.9988
Rapeseed	1.0000
Rice, Long	0.9330
Rice, Medium	0.9887
Rice, Temp Japonica	0.9591
Safflower	1.0000
Seed Cotton	0.9000
Sesame Seed	0.9673
Soybeans	0.9000
Sunflower Seed	0.9396
Wheat	0.9545

It is the owner's choice whether to update or keep existing PLC yields. If a yield update is not made, then no action is required to maintain the existing PLC yield. An existing or updated PLC yield will be maintained and effective for crop years 2020 through 2023 (life of the 2018 Farm Bill).

PLC yields may be updated on a covered commodity-by-covered commodity basis using FSA form [CCC-867](#).

For more information, reference resources and decision tools, visit farmers.gov/arc-plc. Contact your local Farm Service Agency Office for assistance – farmers.gov/service-center-locator.

Report Banking Changes to FSA

Farm Service Agency (FSA) program payments are issued electronically into your bank account. In order to receive timely payments, you need to notify your FSA servicing office if you close your account or if your bank

information is changed for any reason (such as your financial institution merging or being purchased). Payments can be delayed if FSA is not notified of changes to account and bank routing numbers.

For some programs, payments are not made until the following year. For example, payments for crop year 2019 through the Agriculture Risk Coverage and Price Loss Coverage program aren't paid until 2020. If the bank account was closed due to the death of an individual or dissolution of an entity or partnership before the payment was issued, please notify your local FSA office as soon as possible to claim your payment.

Farm Loan Graduation Reminder for Direct Loan Borrowers

Farm Service Agency (FSA) Direct Loans are considered a temporary source of credit available to producers who do not meet normal underwriting criteria for commercial banks.

FSA periodically conducts Direct Loan graduation reviews to determine a borrower's ability to graduate to commercial credit. If the borrower's financial condition has improved to a point where they can refinance their debt with commercial credit, they will be asked to obtain other financing and partially or fully pay off their FSA debt.

By the end of a producer's operating cycle, the Agency will send a letter requesting a current balance sheet, actual financial performance and a projected farm budget. The borrower has 30 days to return the required financial documents. This information will be used to evaluate the borrower's potential for refinancing to commercial credit.

If a borrower meets local underwriting criteria, FSA will send the borrower's name, loan type, balance sheet, and projected cash flow to commercial lenders. The borrower will be notified when loan information is sent to local lenders.

If any lenders are interested in refinancing the borrower's loan, FSA will send the borrower a letter with a list of lenders interested in refinancing the loan. The borrower must contact the lenders and complete an application for commercial credit within 30 calendar days.

If a commercial lender rejects the borrower, the borrower must obtain written evidence that specifies the reasons for rejection and submit to their local FSA farm loan office.

If a borrower fails to provide the requested financial information or to graduate, FSA will notify the borrower of noncompliance, FSA's intent to accelerate the loan, and appeal rights.

2017, 2018 and 2019 Average Adjusted Gross Income Compliance Reviews

The AGI verification and compliance reviews for 2017, 2018 and 2019 are conducted on producers who the IRS indicated may have exceeded the adjusted gross income limitations described in [7 CFR 1400.500]. Based on this review, producers will receive determinations of eligibility or ineligibility. The State FSA Office has begun notifying producers selected for review.

If it is determined that you have exceeded the average AGI limitation of \$900,000, receivables will be established for payments earned directly or indirectly by you subject to the \$900,000 limitation.

Payment eligibility adverse determinations become administratively final 30 days from the date of the payment eligibility adverse determination letter and can only be reopened if exceptional circumstances exist that prevented the producer from timely filing the appeal.

If you receive an initial debt notification letter, you may appeal the amount of the debt to your local FSA office. If you have any questions about the review process or determinations, please contact the FSA Minnesota Office at 651-602-7700.

USDA Offers Annual Installment Deferral Option for Farm Storage Facility Loan Borrowers

To assist Farm Storage Facility Loan (FSFL) borrowers experiencing financial hardship from the pandemic and other challenges in production agriculture, USDA's Farm Service Agency (FSA) is offering a one-time annual installment payment deferral option. No fees or prepayment penalties apply for borrowers who choose this FSFL loan flexibility option.

Eligible borrowers can request a one-time only annual installment payment deferral for loans having terms of three, five, seven or ten years. The installment deferral option is not available for 12-year term loans.

The FSFL installment payments will remain the same, except for the last year. The original loan interest rate and annual payment due date will remain the same. However, because the installment payment deferral is a one-year loan term extension, the final payment will be higher due to additional accrued interest.

Borrowers interested in exercising the one-time annual installment deferral option should contact FSA to make the request and to obtain, complete and sign required forms.

FSFLs provide low-interest financing for producers to store, handle and transport eligible commodities.

More Information

In addition to offering flexibilities for FSFLs, FSA has also made other flexibilities to help producers impacted by the pandemic, including relaxing the loan-making process for farm operating and ownership loans and implementing the Disaster Set-Aside provision that enables an upcoming installment on a direct loan to be set aside for the year. More information on these flexibilities can be found at farmers.gov/coronavirus.

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 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 may also be 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.

For more information, contact your local USDA Service Center. To locate your local FSA office, visit farmers.gov/service-center-locator.

Learn about USDA's Disaster Assistance Programs

When disaster strikes, USDA is here to help. From hurricanes to wildfire, and from flooding to drought, USDA offers technical and financial assistance to help farmers and livestock producers recover.

To better assist producers, USDA has published a new brochure, [Disaster Assistance Programs At A Glance](#). The brochure is a quick reference guide to available Farm Service Agency, Natural Resources Conservation Service and Risk Management Agency disaster assistance programs.

The brochure gives a short description of each program and lets you quickly identify which program(s) are available for each natural disaster event.

Also, on farmers.gov, you can learn about USDA disaster assistance programs that might be right for you. With the [Disaster Assistance Discovery Tool](#), you answer five questions about the natural disasters that have impacted your operation to find out which USDA programs offer assistance.

The Disaster Assistance Programs At A Glance brochure can be [downloaded here](#) and is located on farmers.gov/recover. To learn how to apply for disaster programs, contact your local USDA Service Center at farmers.gov/service-center-locator.

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).