

November 2020



Farm Service Agency **Electronic News Service**

# NEWSLETTER

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## Minnesota FSA Newsletter: November 2020

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### Minnesota Farm Service Agency **Post-Harvest Thoughts**

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With most of the harvest wrapped or wrapping up, feeder cattle sold, machinery put away or all the other normal fall work done, it's appropriate that we take the time to give thanks for another year. Overall, we have enjoyed a very good harvest across the State with relatively fewer weather challenges compared to prior years, so that is indeed something to be thankful for.

As we reflect on this year and look forward to 2021 here are a few FSA-related reminders.

#### **Marketing Assistance Loans (MALs)**

If you have stored grain and could use low-interest (1.125) 9-month financing for cash-flow, MALs are an excellent tool used by many to pay for a variety of items. Loan funds can be helpful in paying a variety of post-harvest expenses such as land rent and pre-paid crop inputs. If you are interested, contact your county office who can share county loan rate information with you.

Brian Hartman  
Glenn Schafer

**State Committee:**

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

**Livestock Inventories for the Livestock Indemnity Program**

While we hope we don't encounter severe winter weather in the coming months that would cause livestock deaths, we do live in Minnesota and inevitably experience those events. For those livestock producers who lose livestock due to qualified weather events, the Livestock Indemnity Program assists with those losses. A critical part of the program is verifying livestock inventories, so now is the time to formally document your herd inventories in case you need to provide that information to your county FSA committee.

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

**Minnesota Farm & Rural Helpline**

Farmers and rural communities face unique challenges. Stress, anxiety, depression, financial burdens, and other mental and emotional challenges are common. The Minnesota Farm & Rural Helpline connects callers to financial help, mental health counselors, legal assistance, and more.

Farmers and rural Minnesotans can contact the Farm & Rural Helpline 24/7.

**Call:** 833-600-2670

**Text:** *farmstress* to 898211

**Email:** [farmstress@state.mn.us](mailto:farmstress@state.mn.us)

*Joe Martin, Minnesota State Executive Director*

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## USDA Service Centers are Here to Help!

*One-on-one assistance for farmers and ranchers, free of charge*

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 come to 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.

To find the nearest USDA Service Center, visit <https://www.farmers.gov/service-center-locator>.

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## FSA Outlines MAL and LDP Policy

The 2018 Farm Bill extends loan authority through 2023 for Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs).

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, pulse crops, rice, peanuts, cotton, wool and honey. MALs provide you with interim financing after harvest to help you meet cash flow needs without having to sell your commodities when market prices are typically at harvest-time lows. A producer who is eligible to obtain a loan, but agrees to forgo the loan, may obtain an LDP if such a payment is available. Marketing loan provisions and LDPs are not available for sugar and extra-long staple cotton.

FSA is now accepting requests for 2020 MALs and LDPs for all eligible commodities after harvest. Requests for loans and LDPs shall be made on or before the final availability date for the respective commodities.

Commodity certificates are available to loan holders who have outstanding nonrecourse loans for wheat, upland cotton, rice, feed grains, pulse crops (dry peas, lentils, large and small chickpeas), peanuts, wool, soybeans and designated minor oilseeds. These certificates can be purchased at the posted county price (or adjusted world price or national posted price) for the quantity of commodity under loan, and must be immediately exchanged for the collateral, satisfying the loan. MALs redeemed with commodity certificates are not subject to Adjusted Gross Income provisions.

To be considered eligible for an LDP, you must have form [CCC-633EZ, Page 1](#) on file at your local FSA Office before losing beneficial interest in the crop. Pages 2, 3 or 4 of the form must be submitted when payment is requested.

Marketing loan gains (MLGs) and loan deficiency payments (LDPs) are no longer subject to payment limitations, actively engaged in farming and cash-rent tenant rules.

Adjusted Gross Income (AGI) provisions state that if your total applicable three-year average AGI exceeds \$900,000, then you're not eligible to receive an MLG or LDP. You must have a valid CCC-941 on file to earn a market gain of LDP. The AGI does not apply to MALs redeemed with commodity certificate exchange.

For more information and additional eligibility requirements, contact your local USDA Service Center or visit [fsa.usda.gov](https://fsa.usda.gov).

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## Keeping Livestock Inventory Records

Livestock inventory records are necessary in the event of a natural disaster, so remember to keep them updated.

When disasters strike, the USDA Farm Service Agency (FSA) can help you if you've suffered excessive livestock death losses and grazing or feed losses due to eligible natural disasters.

To participate in livestock disaster assistance programs, you'll be required to provide verifiable documentation of death losses resulting from an eligible adverse weather event and must submit a notice of loss to your local FSA office within 30 calendar days of when the loss of livestock is apparent. For grazing or feed losses, you must submit a notice of loss to your local FSA office within 30 calendar days of when the loss is apparent and should maintain documentation and receipts.

You should record all pertinent information regarding livestock inventory records including:

- Documentation of the number, kind, type, and weight range of livestock
- Beginning inventory supported by birth recordings or purchase receipts;

For more information on documentation requirements, contact your local USDA Service Center or visit [fsa.usda.gov](https://fsa.usda.gov).

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## Producers in Minnesota to Report 2019 Fall-Seeded Small Grains for Coronavirus Food Assistance Program 2 Eligibility

Producers of fall-seeded small grains, such as wheat, barley and oats, who have not yet filed an acreage report for crops planted in the fall of 2019, must report their acreage in order to be eligible for the Coronavirus Food Assistance Program 2 (CFAP 2). While the original deadline in Minnesota was November 15, 2019, FSA is accepting late-filed reports for CFAP 2 enrollment purposes until November 15, 2020.

Producers who are applying for a CFAP 2 payment on an eligible row crop must file a report of all acreage for the crop on FSA-578, Report of Acreage. If the producer is filing the FSA-578 for CFAP 2 purposes only, there will be no late-file fee or farm inspection.

Learn more about eligible crops and payment calculations at [farmers.gov/cfap](https://farmers.gov/cfap). Contact your local Farm Service Agency office to make an appointment to apply for CFAP 2 or call 877-508-8364 to speak directly with a USDA employee ready to offer assistance.

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## USDA Disaster Assistance Application Deadline is Nov. 20 For Milk and On-Farm Storage Loss

USDA's Farm Service Agency (FSA) reminds producers that that Friday, Nov. 20 is the last day to submit applications for disaster assistance for eligible milk or on-farm storage loss due to qualifying natural disasters in 2018 and 2019.

The Additional Supplemental Appropriations for Disaster Relief Act, 2019 (the Act) amended the Bipartisan Budget Act of 2018 created new disaster programs to cover milk dumped due to adverse weather and loss of on-farm stored commodities

### **WHIP Milk Loss**

The WHIP Milk Loss Program (WHIP ML) provides payments to eligible dairy operations nationwide for milk that was dumped or removed without compensation from the commercial milk market due to qualifying 2018 and 2019 natural disaster events including hurricanes, floods, tornadoes, typhoons, volcanic activity, snowstorms and wildfires.

### **On-Farm Storage Loss Program**

Producers who suffered losses of harvested commodities stored in on-farm structures in 2018 and 2019 can receive assistance through the On-Farm Storage Loss Program (OFSLP). The program provides payments for uncompensated losses of harvested commodities, including grains, oilseeds, and hay stored in on-farm structures as a result of hurricanes, floods, tornadoes, typhoons, volcanic activity, snowstorms, and wildfires. Commodities stored in warehouses are not eligible for this program.

### **More Information**

For more information on FSA disaster assistance programs, please contact your local [USDA service center](#) or visit [farmers.gov/recover](https://farmers.gov/recover). For all available USDA disaster assistance programs, [USDA's disaster resources website](#).

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 are 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](https://farmers.gov/coronavirus).

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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.

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.

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

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. If applying for a direct loan to finance a construction project, the applicant 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 USDA Service Center or visit [fsa.usda.gov](https://fsa.usda.gov).

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## Obtaining Payments due to Deceased Producers

In order to claim a Farm Service Agency (FSA) payment on behalf of a deceased producer, all program conditions for the payment must have been met before the applicable producer's date of death.

If a producer earned a FSA payment prior to his or her death, the following is the order of precedence for the representatives of the producer:

- administrator or executor of the estate
- the surviving spouse
- surviving sons and daughters, including adopted children
- surviving father and mother
- surviving brothers and sisters
- heirs of the deceased person who would be entitled to payment according to the State law

For FSA to release the payment, the legal representative of the deceased producer must file a form FSA-325 to claim the payment for themselves or an estate. The county office will verify that the application, contract, loan agreement, or other similar form requesting payment issuance, was signed by the applicable deadline by the deceased or a person legally authorized to act on their behalf at that time of application.

If the application, contract or loan agreement form was signed by someone other than the deceased participant, FSA will determine whether the person submitting the form has the legal authority to submit the form.

Payments will be issued to the respective representative's name using the deceased program participant's tax identification number. Payments made to representatives are subject to offset regulations for debts owed by the deceased.

FSA is not responsible for advising persons in obtaining legal advice on how to obtain program benefits that may be due to a participant who has died, disappeared or who has been declared incompetent.

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## FSA is Accepting CRP Continuous Enrollment Offers

The Farm Service Agency (FSA) is accepting offers for specific conservation practices under the [Conservation Reserve Program \(CRP\) Continuous Signup](#).

In exchange for a yearly rental payment, farmers enrolled in the program agree to remove environmentally sensitive land from agricultural production and to plant species that will improve environmental health and quality. The program's long-term goal is to re-establish valuable land cover to improve water quality, prevent soil erosion, and reduce loss of wildlife habitat. Contracts for land enrolled in CRP are 10-15 years in length.

Under continuous CRP signup, environmentally sensitive land devoted to certain conservation practices can be enrolled in CRP at any time. Offers for continuous enrollment are not subject to competitive bidding during specific periods. Instead they are automatically accepted provided the land and producer meet certain eligibility requirements and the enrollment levels do not exceed the statutory cap.

For more information, including a list of acceptable practices, contact your local USDA Service Center or visit [fsa.usda.gov/crp](https://fsa.usda.gov/crp).

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## Applying for Guaranteed Conservation Loans

Farm Service Agency (FSA) Guaranteed Conservation Loans are available for applicants who want to install a conservation practice.

These funds may be used for any conservation activities included in a conservation plan or Forest Stewardship Management plan. A copy of the conservation plan is required to complete the application. These loans are not limited to just family farmers. In some cases, applicants can operate non-eligible enterprises. Loan funds are issued by a participating commercial lender and guaranteed up to 80 percent by FSA or up to 90 percent for beginning and historically underserved producers.

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## Report Noninsured Crop Disaster Assistance Program (NAP) Losses

NAP provides financial assistance to you for crops that aren't eligible for crop insurance to protect against lower yields or crops unable to be planted due to natural disasters including freeze, hail, excessive moisture, excessive wind or hurricanes, flood, excessive heat and qualifying drought (includes native grass for grazing), among others.

To receive payment, you had to purchase NAP coverage for 2020 crops and file a notice of loss the earlier of 15 days of the occurrence of the disaster or when losses become apparent or 15 days of the final harvest date.

For hand-harvested crops and certain perishable crops, you must notify FSA within 72 hours of when a loss becomes apparent.

Eligible crops must be commercially produced agricultural commodities for which crop insurance is not available, including perennial grass forage and grazing crops, fruits, vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

For more information on NAP, contact your local USDA Service Center or visit [fsa.usda.gov/nap](https://fsa.usda.gov/nap).

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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).