



# Farm Service Agency Electronic News Service

# NEWSLETTER

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# **New Jersey State FSA Newsletter**

# New Jersey Farm Service Agency

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# Farm Loan Chief: Kevin Murphy

Visit our website at

# www.fsa.usda.gov/nj

**Deadlines**Visit our state website and click on <u>Program Deadline</u> or download the latest version of our program calendar <u>here</u>.

Reminder: USDA Service Centers in New Jersey will continue to be open for business by phone appointment only and field work will continue with appropriate social distancing.

## **FSA Program Eligibility & Farm Records**

FSA is cleaning up our producer record database. If you have any unreported changes of address, zip code, phone number, email address or an incorrect name or business name on file they need to be reported to our office. Changes in your farm operation, like the addition of a farm by lease or purchase, need to be reported to our office as well. Producers participating in FSA and NRCS programs are required to timely report changes in their farming operation to the County Committee in writing and update their CCC-902 Farm Operating Plan.

If you have any updates or corrections, please call your local FSA office to update your records.

# Are you considering participating in an FSA program?

Farmers that do not have records and eligibility documentation on file with FSA are encouraged to contact their local office or visit our state website to obtain the required documents in preparation for program sign up and to reduce delays in receiving program benefits.

# **USDA Reminds New Jersey Producers to Complete Crop Acreage Reports**

USDA's Farm Service Agency (FSA) offices in New Jersey are currently open to phone and virtual appointments only but can still work with producers on timely filing crop acreage reports. FSA staff can provide assistance over the phone, by email and through virtual meetings via Microsoft Teams.

The following acreage reporting dates are applicable in New Jersey:

- May 31 Nursery Crops for 2021
- July 15 Corn, Soybeans, Spring Feed Grains, Forage, CRP, & Most Other
- August 15 Processing beans and Hemp

Acreage reporting deadlines for 2020 Nursery, value loss crops, small grains, honey, apples, blueberries, cranberries, peaches, grapes, and strawberries have already passed. Late acreage reports can be filed for up to one year after the prior year's reporting deadline provided the crop is still in the field or there is proof of the crop's existence (i.e. seed receipts) and disposition (i.e. sales receipts)

In order to comply with FSA program eligibility requirements, all producers must file an accurate crop acreage report by the applicable deadline. FSA staff our able to assist producers in completing acreage reports, including providing maps.

FSA county offices in New Jersey will be happy to provide maps to producers through mail, email or local pick-up with instructions for completing the maps. After planting is complete, producers should return completed maps and the acreage reporting sheet as directed by their local office.

FSA offices are using Microsoft Teams software to virtually meet with producers to review maps and documents for certification. Producers who want to schedule a virtual appointment can download the Microsoft Teams app on their smart phones and call the FSA office for an appointment. You can also use Microsoft Teams from your personal computer without downloading software.

After completed maps and all acreage reporting information is received, FSA will make software updates and provide producers the completed *Report of Acreage* form (FSA-578) to sign. Producers must return the signed form certifying their acreage report to the FSA office by the reporting

# The following exceptions apply to acreage reporting dates:

deadline above.

- If the crop has not been planted by the acreage reporting date, then the acreage must be
  - reported no later than 15 calendar days after planting is completed.
    If a producer acquires additional acreage after the acreage reporting date, then the acreage must be reported no later than 30 calendars days after purchase or acquiring the lease.
    Appropriate documentation must be provided to the county office.

Producers should also report crop acreage they intended to plant, but due to natural disaster, were unable to plant. Prevented planting acreage must be reported on form CCC-576, Notice of Loss, no later than 15 calendar days after the final planting date as established by FSA and USDA's Risk Management Agency.

Noninsured Crop Disaster Assistance Program (NAP) policy holders should note that the acreage reporting date for NAP-covered crops is the earlier of the dates listed above or 15 calendar days before grazing or harvesting of the crop begins.

For questions, please contact your local FSA office. To locate your local FSA office visit farmers.gov/service-center-locator.

USDA Service Centers are open for business by phone appointment only and field work will continue with appropriate social distancing. While our program delivery staff will continue to come into the office, they will be working with our 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 <a href="mailto:farmers.gov/coronavirus">farmers.gov/coronavirus</a>.

## **Small Business Administration's Agricultural Assistance**

The new Paycheck Protection Program and Health Care Enhancement Act provides additional resources for both the Small Business Administration's (SBA) Paycheck Protection Program (PPP) and the Economic Injury Disaster Loan (EIDL) program. Participation in SBA's PPP or EIDL program does not impact producer eligibility for USDA's forthcoming CFAP. There is no linkage between the two programs. Likewise, participation in SBA's PPP or EIDL program does not impact producer eligibility for any USDA farm program. The PPP duplicate benefit provision does not have an impact on FSA farm programs or farm loan programs.

#### **Paycheck Protection Program**

The PPP is a guaranteed loan program administered by the SBA. The purpose of the program is to support small businesses and help support their payroll during the coronavirus situation.

Agricultural producers, farmers, and ranchers with 500 or fewer employees whose principal place of residence is in the United States are eligible.

Farms are eligible if:

- the farm has 500 or less employees, OR
- it fits within the revenue-based sized standard, which is on average annual receipts of \$1M.

Additionally, farms can qualify for PPP if it meets SBA's "alternative size standard." The "alternative size standard" is currently:

- a maximum net worth of the business not more than \$15 million, AND
- the average net income Federal income taxes of the business for the two full fiscal years before the date of the application be not more than \$5 million.

Small agricultural cooperatives may receive PPP loans as long as other eligibility requirements are met. Other forms of cooperatives may be eligible provided they comply with all other Loan Program Requirements (as defined in 13 CFR 120.10).

In regard to H-2A or H-2B workers on payroll, only employees with a principal place of residence in the U.S. count toward eligibility and calculation of the PPP loan amount.

SBA requires sole proprietors, independent contractors, and other eligible self-employed individuals to provide documentation to its lender that the business was in operation as of February 15, 2020. This documentation may include payroll processor records, payroll tax filings, or Form 1099-MISC, or income and expenses from a sole proprietorship. For borrowers that do not have any such documentation, the borrower must provide other supporting documentation to its lender, such as bank records, sufficient to demonstrate the qualifying payroll amount.

 $\label{lem:constraint} \mbox{Documentation options for payroll tax filings include the following:} \\$ 

- IRS Form 941 (quarterly wages);
- IRS Form 944 (calendar year wages);
- State income, payroll and unemployment insurance filings;
- QuickBooks;
- bank repository accounts; and/or
- internally generated profit and loss statements.

Some additional notes include:

- Nonprofit organizations must include IRS Form 990;
- Sole proprietors must include IRS Form 1040 Schedule C;
- Any entity that filed IRS Form 1099-MISC must include this form;
- Seasonal employers must document the period beginning February 15, 2019 through June 30, 2019

More extensive FAQs can be found at the Treasury Department's <u>CARES Act website</u>.

## **Economic Injury Disaster Loan Program**

In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states, Washington D.C., and territories are eligible to apply for an EIDL advance of up to \$10,000 and borrow up to \$2 million. This advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue. Loan advances will not have to be repaid.

SBA's EIDL application portal reopened on May 4, 2020, as a result of funding authorized by Congress through the Paycheck Protection Program and Healthcare Enhancement Act.

For the first time, agricultural enterprises are now eligible for the disaster assistance from EIDL. As a result of the unprecedented legislation, American farmers, ranchers and other agricultural businesses will now have access to emergency working capital.

These low-interest, long-term loans will help keep agricultural businesses viable while bringing stability to the nation's vitally important food supply chains.

Agricultural businesses include businesses engaged in the legal production of food and fiber, ranching, and raising of livestock, aquaculture, and all other farming and agricultural related

industries (as defined by section 18(b) of the Small Business Act (15 U.S.C. 647(b)). Eligible agricultural businesses must have 500 or fewer employees.

In order to help facilitate this important change to EIDL Loan and EIDL Advance assistance eligibility, SBA is re-opening the Loan and Advance application portal to agricultural enterprises only. For agricultural producers that submitted an EIDL loan application through the streamlined

application portal prior to the legislative change, SBA will move forward and process these applications without the need for re-applying. All other EIDL loan applications that were submitted

prior to April 15 will be processed on a first-in, first-out basis.

## **Applications for 2020 NRCS classic Conservation Stewardship Program due by May 29**

Funding helps New Jersey Farmers protect and enhance natural resources

The current application period for the Conservation Stewardship Program (CSP) will close on May 29,2020. While applications are accepted throughout the year, interested producers should submit applications to their local NRCS office by May 29 to ensure their applications are considered for 2020 funding.

Acting State Conservationist Diane Gray said, "The 2018 Farm Bill made several changes to this critical conservation program, which helps agricultural producers take the conservation activities on their farm to the next level." USDA's Natural Resources Conservation Service (NRCS) plans to invest up to \$264 million for new enrollments across the country in fiscal year 2020.

The 2018 Farm Bill authorizes NRCS to accept new CSP enrollments from now until 2023, and it makes some important improvements to the program. These updates include:

- NRCS now enrolls eligible, high ranking applications based on dollars rather than acres. For fiscal 2020, NRCS can spend up to \$264 million in the program, which covers part of the cost for producers implementing new conservation activities and maintaining their existing activities.
- Higher payment rates are now available for certain conservation activities, including cover crops and resource conserving crop rotations.
- CSP now provides specific support for organic and for transitioning to organic production activities and a special grassland conservation initiative for certain producers who have maintained cropland base acres.

CSP is offered in all 50 states and the Pacific and Caribbean areas through continuous sign-ups. The program provides many benefits including increased crop yields, decreased inputs, wildlife habitat improvements and increased resilience to weather extremes. CSP is for working lands including cropland, pastureland, rangeland, nonindustrial private forest land and agricultural land under the jurisdiction of an Indian tribe.

For additional information about CSP, contact NRCS at your local USDA service center. USDA is an equal opportunity provider, employer and lender

## **USDA Offers Farm Loans for Farmers Facing Covid-19 Related Challenges**

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) reminds producers that FSA offers farm ownership and farm operating loans to agricultural producers who may not find success obtaining loans from their traditional financial institutions because of COVID-19. Farmers who cannot obtain commercial credit from a bank can apply for FSA direct or guaranteed loans.

Farming and ranching is a capital-intensive business and FSA is committed to helping producers maintain their agricultural operations during this time of crisis. FSA loans are designed to assist beginning and historically underserved farmers and ranchers, as well as those who have suffered financial setbacks from natural disasters or economic downturns. Producers may find that an FSA loan is the best option for them if they cannot qualify for a loan with their traditional financial institutions or other financial institutions because of COVID-19.

USDA offers a variety of loans to meet different production needs. Direct loans are made to applicants by FSA. Guaranteed loans are made by lending institutions who arrange for FSA to guarantee the loan. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan. The FSA guarantee allows lenders to make agricultural credit available to producers who do not meet the lender's normal underwriting criteria.

The direct and guaranteed loan program offers two types of loans: farm ownership loans and farm operating loans.

Farm ownership loan funds may be used to purchase or enlarge a farm or ranch; purchase easements or rights of way needed in the farm's operation; build or improve buildings such as a dwelling or barn; promote soil and water conservation and development; and pay closing costs.

Farm operating loan funds may be used to purchase livestock, poultry, farm equipment, fertilizer, and other materials necessary to operate a farm. Operating loan funds can also be used for family living expenses; refinancing debts under certain conditions; paying salaries for hired farm laborers; installing or improving water systems for home, livestock or irrigation use; and other similar improvements.

Repayment terms for direct operating loans are scheduled from one to seven years. Financing for direct farm ownership loans cannot exceed 40 years. Interest rates for direct loans are set periodically according to the government's cost of borrowing. Guaranteed loan terms and interest rates are set by the lender.

For more information on FSA's farm loan programs, please contact your local FSA office or visit farmers.gov.

## **USDA Adds Flexibilities for Crop Insurance**

You can continue to work with your Approved Insurance Providers on policies, claims, and agreements. If you have crop insurance questions or other needs, you should continue to contact your insurance agents about conducting business by telephone or email.

USDA's Risk Management Agency is working with those insurance providers to provide additional flexibilities in response to COVID-19, including:

Enabling producers to send notifications and reports electronically

For more in-depth information on these flexibilities, visit farmers.gov/coronavirus.

- Extending the date for production reports
- Providing additional time and deferring interest on premium and other payments
- Authorizing replant self-certification
- Waiving the witness signature requirement for approval of Assignments of Indemnity
- Allowing dumped milk to be counted as milk marketings for the Dairy Revenue Production (DRP) or actual marketings for the Livestock Gross Margin for Dairy (LGM-Dairy) programs
- Allowing phone and electronic transactions for 2021 crop year sales and reporting dates, including options and endorsements
- Extending the deadline for some perennial crop Pre-Acceptance Inspection Reports (PAIRs)
- Waiving the 2021 crop year inspection requirements for the Nursery and Nursery Value Select (NVS) programs in certain cases

# **FSA Reminds Producers of Ongoing Disaster Assistance Program Signup**

The U.S. Department of Agriculture (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.

For losses due to drought, a producer is eligible if any area of the county in which the loss occurred was rated D3, or extreme drought, or higher on the U.S. Drought Monitor during calendar years 2018 or 2019. Producers who suffered losses should contact their FSA county office. **Note: This was not applicable in New Jersey for 2018 or 2019.** 

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 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.

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 on Service Centers can be found at <a href="mailto:farmers.gov/coronavirus">farmers.gov/coronavirus</a>, and more information on WHIP+ can be found at <a href="farmers.gov/whip-plus">farmers.gov/whip-plus</a>.

# **USDA Announces Grants for Urban Agriculture and Innovative Production**

The U.S. Department of Agriculture (USDA) today announced the availability of \$3 million for grants through its new Office of Urban Agriculture and Innovative Production. The competitive grants will support the development of urban agriculture and innovative production projects through two categories, Planning Projects and Implementation Projects. USDA will accept applications on Grants.gov until midnight July 6, 2020.

#### **Planning Projects**

\$1 million is available for Planning Projects that initiate or expand efforts of farmers, gardeners, citizens, government officials, schools, and other stakeholders in urban areas and suburbs. Projects may target areas of food access; education; business and start-up costs for new farmers; and development of policies related to zoning and other needs of urban production.

#### **Implementation Projects**

\$2 million is available for Implementation Projects that accelerate existing and emerging models of urban, indoor, and other agricultural practices that serve multiple farmers. Projects will improve local food access and collaborate with partner organizations and may support infrastructure needs; emerging technologies; educational endeavors; and urban farming policy development.

## Webinar

A webinar will be held on June 3, 2020 from 2 p.m. – 4 p.m. Eastern Daylight Time. The webinar will provide an overview of the grants' purpose, project types, eligibility, and basic requirements for the submission of an application. Information on how participate in the webinar, or listen to the recording, will be posted on the <u>farmers.gov/urban</u> webpage.

## More Information

The Office of Urban Agriculture and Innovative Technology was established through the 2018 Farm Rill

Applications must be submitted through <u>Grants.gov</u> by 11:59 p.m. Eastern Daylight Time on July 6, 2020.

More information is available at farmers.gov/urban.

## **USDA's Conservation Reserve Program Grasslands Signup**

Farmers and ranchers may apply to enroll grasslands in the Conservation Reserve Program (CRP) Grasslands signup. The signup runs through May 15.

Through CRP Grasslands, participants retain the right to conduct common grazing practices, such as haying, mowing or harvesting seed from the enrolled land. Timing of some activities may be restricted by the primary nesting season of birds.

Participants will receive an annual rental payment and may receive up to 50 percent cost-share for establishing approved conservation practices. The duration of the CRP contract is either 10 or 15 years. FSA will rank applications using a number of factors including existence of expiring CRP land, threat of conversion or development, existing grassland, and predominance of native species cover, and cost.

The 2018 Farm Bill set aside 2 million acres for CRP Grassland enrollment. CRP is one of the largest conservation programs at USDA. CRP marks its 35-year anniversary in 2020 with 22 million acres currently enrolled.

For more information or to enroll in CRP Grasslands, contact your local FSA county office or visit <a href="mailto:fsa.usda.gov/crp">fsa.usda.gov/crp</a>. To locate your local FSA office, visit <a href="mailto:farmers.gov/service-locator">farmers.gov/service-locator</a>.

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).