

March 2020



Farm Service Agency **Electronic News Service**

# NEWSLETTER

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## North Carolina FSA Newsletter

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### North Carolina Farm Service Agency

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

#### Acting State Executive Director:

Rob Satterfield

#### State Committee:

Alice Scott, Chair  
Jeffery Lee  
Nathan Ramsey  
Richard Renegar  
Jeff Tyson

#### Division Chiefs

### Farm Loan Graduation Reminder

FSA Direct Loans are considered a temporary source of credit that is 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.

**Administrative Officer:**  
Tracie Jones

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

**Chief Farm Programs:**  
Rob Satterfield

**Chief Farm Loan Programs:**  
Paula Nicholls

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.

**Chief Price Support  
Division:** James Davis

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.

**Interim Public  
Affairs/Outreach Specialist:**  
Alicia Best

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

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## Reminder to FSA Direct and Guaranteed Borrowers with Real Estate Security

Farm Service Agency would like to remind farm loan borrowers who have pledged real estate as security for their loans, of key items for maintaining loan collateral. It is required that borrowers must obtain prior consent, or approval, by either FSA, for direct loans, or by a guaranteed lender, for any transaction affecting real estate security. Examples of these transactions include, but are not limited to:

- Leases of any kind;
- Easements of any kind;
- Subordinations;
- Partial releases, and
- Sales

Failure to meet or follow the requirements set forth 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](#).

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## USDA Opens Signup March 23 for Added Causes of Loss Under WHIP+

USDA announced additional disaster assistance available to agricultural producers, including producers impacted by drought and excess moisture. Through WHIP+, USDA is helping producers recover from losses related to 2018 and 2019 natural disasters.

USDA's Farm Service Agency (FSA) will open signup on March 23 for producers to apply for eligible losses of drought (D3 or above) and excess moisture. USDA is also entering into agreements with six sugar beet processing cooperatives to distribute \$285 million to grower members of those cooperatives who experienced loss.

In June 2019, more than \$3 billion was made available through a disaster relief package passed by Congress and signed by President Trump. In December 2019, Congress passed, and President

Trump signed the Further Consolidated Appropriations Act of 2020 that provides an additional \$1.5 billion for the continuation of disaster assistance program delivery.

### **WHIP+ New Qualifying Disaster Events**

The bill added excessive moisture and D3 and D4 drought as qualifying losses for WHIP+ assistance.

Beginning March 23, producers who suffered either of these types of loss in 2018 and/or 2019 can apply for WHIP+ assistance at their local FSA office. For drought, a producer is eligible if any area of the county in which the loss occurred was rated D3 (Extreme Drought) or higher on the U.S. Drought Monitor during calendar years 2018 or 2019.

### **WHIP+ for Quality Loss**

In addition, producers have reported widespread crop quality loss from eligible disaster events that results in price deductions or penalties when marketing the damaged crops. The Appropriations bill expands WHIP+ to include assistance for crop quality loss. FSA is gathering data and input from producers and stakeholders regarding the extent and types of quality loss nationwide.

### **Eligibility**

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 the following named natural disaster events; hurricanes, floods, tornadoes, typhoons, volcanic activity, snowstorms, wildfires, and now excessive moisture that occurred in 2018 or 2019. Also, losses located in a county not designated by the Secretary as a primary county may be eligible if the producer provides documentation showing that the loss was due to a qualifying natural disaster event.

For drought, counties having a D3 or D4 Drought Monitor classification in any portion of the county anytime during calendar year 2018 or 2019 will also be eligible.

A list of counties that received qualifying hurricane declarations and designations is available at [farmers.gov/recover/whip-plus](https://farmers.gov/recover/whip-plus). The U.S. Drought Monitor is available at <https://droughtmonitor.unl.edu/>.

Because livestock losses are covered by other disaster recovery programs offered through FSA, these losses are not eligible for WHIP+.

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## **USDA Stands Up New Team to Better Serve Beginning Farmers and Ranchers**

The U.S. Department of Agriculture (USDA) is standing up a new team of U.S. Department of Agriculture (USDA) staff 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).

Sarah Campbell was selected as the national coordinator to lead USDA's efforts. A beginning farmer herself, Campbell held previous positions with USDA and has a wealth of experience working on issues impacting beginning farmers and ranchers. She recently served as acting director

of customer experience for the Farm Production and Conservation Business Center, where she led the piloting of innovative, customer-centric initiatives.

In her new role, she will work closely with the state coordinators to develop goals and create plans to increase beginning farmer participation and access to programs while coordinating nationwide efforts on beginning farmers and ranchers.

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 [newfarmers.usda.gov](https://newfarmers.usda.gov) and [farmers.gov](https://farmers.gov). For more information on available programs in your area, contact your local [USDA service center](#).

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## **USDA Announces Updates for Honeybee Producers**

The U.S. Department of Agriculture's Farm Service Agency (FSA) announced updates to the Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP). These updates include changes required by the 2018 Farm Bill as well as discretionary changes intended to improve the administration of the program and clarify existing program requirements. ELAP was previously administered based on FSA's fiscal year but will now run according to the calendar year. Producers are still required to submit an application for payment within 30 calendar days of the end of the program year. This is not a policy change but will affect the deadline. The signup deadline for calendar year 2020 losses is January 30, 2021.

Starting in 2020, producers will have 15 days from when the loss is first apparent, instead of 30 days, to file a honeybee notice of loss. This change provides consistency between ELAP and the Noninsured Crop Disaster Assistance Program, which also has a 15-day notice of loss period for honey. For other covered losses, including livestock feed, grazing and farm-raised fish losses, the notice of loss deadline for ELAP will remain 30 days from when the loss is first apparent to the producer.

Program participants who were paid for the loss of a honeybee colony or hive in either or both of the previous two years will be required to provide additional documentation to substantiate how current year inventory was acquired.

If the honeybee colony loss incurred was because of Colony Collapse Disorder, program participants must provide a producer certification that the loss was a direct result of at least three of the five symptoms of Colony Collapse Disorder, which include:

- the loss of live queen and/or drone bee populations inside the hives;
- rapid decline of adult worker bee population outside the hives, leaving brood poorly or completely unattended;

- absence of dead adult bees inside the hive and outside the entrance of the hive;
- absence of robbing collapsed colonies; and
- at the time of collapse, varroa mite and Nosema populations are not at levels known to cause economic injury or population decline.

For honeybees, ELAP covers colony losses, honeybee hive losses (the physical structure) and honeybee feed losses in instances where the colony, hive or feed has been destroyed by a natural disaster or, in the case of colony losses, because of Colony Collapse Disorder. Colony losses must be in excess of normal mortality.

ELAP also provides emergency assistance to eligible producers of livestock and farm-raised fish including for feed and grazing losses. It covers losses because of eligible adverse weather or loss conditions, including blizzards and wildfires on federally managed lands. ELAP also covers losses resulting from the cost of transporting water to livestock due to an eligible drought.

For more information on ELAP visit [farmers.gov/recover](https://farmers.gov/recover) or contact your FSA County Office. To locate your local FSA office, visit [farmers.gov/service-locator](https://farmers.gov/service-locator).

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## USDA Announces Details of Risk Management Programs for Hemp Producers

The U.S. Department of Agriculture (USDA) today announced the availability of two programs that protect hemp producers' crops from natural disasters. A pilot hemp insurance program through Multi-Peril Crop Insurance (MPCI) provides coverage against loss of yield because of insurable causes of loss for hemp grown for fiber, grain or Cannabidiol (CBD) oil and the Noninsured Crop Disaster Assistance Program (NAP) coverage protects against losses associated with lower yields, destroyed crops or prevented planting where no permanent federal crop insurance program is available. Producers may apply now, and the deadline to sign up for both programs is March 16, 2020.

### Noninsured Crop Disaster Assistance Program

NAP provides coverage against loss for hemp grown for fiber, grain, seed or CBD for the 2020 crop year where no permanent federal crop insurance program is available.

NAP basic 50/55 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 available in some cases. The 2018 Farm Bill allows for buy-up levels of NAP coverage from 50 to 65 percent of expected production in 5 percent increments, at 100 percent of the average market price. Premiums apply for buy-up coverage.

For all coverage levels, the NAP service fee is \$325 per crop or \$825 per producer per county, not to exceed \$1,950 for a producer with farming interests in multiple counties.

### Multi-Peril Crop Insurance Pilot Insurance Program

The MPCI pilot insurance is a new crop insurance option for hemp producers in select counties of 21 states for the 2020 crop year. The program is available for eligible producers in certain counties in Alabama, California, Colorado, Illinois, Indiana, Kansas, Kentucky, Maine, Michigan, Minnesota, Montana, New Mexico, New York, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Tennessee, Virginia and Wisconsin. Information on eligible counties is accessible through the USDA Risk Management Agency's Actuarial Information Browser.

Among other requirements, to be eligible for the pilot program, a hemp producer must have at least one year of history producing the crop and have a contract for the sale of the insured hemp. In

addition, the minimum acreage requirement is 5 acres for CBD and 20 acres for grain and fiber. Hemp will not qualify for replant payments or prevented plant payments under MPCl.

This pilot insurance coverage is available to hemp growers in addition to revenue protection for hemp offered under the Whole-Farm Revenue Protection plan of insurance. Also, beginning with the 2021 crop year, hemp will be insurable under the Nursery crop insurance program and the Nursery Value Select pilot crop insurance program. Under both nursery programs, hemp will be insurable if grown in containers and in accordance with federal regulations, any applicable state or tribal laws and terms of the crop insurance policy.

### Eligibility Requirements

Under a regulation authorized by the 2018 Farm Bill and issued in October 2019, all growers must have a license to grow hemp and must comply with applicable state, tribal or federal regulations or operate under a state or university research pilot, as authorized by the 2014 Farm Bill.

Producers must report hemp acreage to FSA after planting to comply with federal and state law enforcement. The Farm Bill defines hemp as containing 0.3 percent or less tetrahydrocannabinol (THC) on a dry-weight basis. Hemp having THC above the federal statutory compliance level of 0.3 percent is an uninsurable or ineligible cause of loss and will result in the hemp production being ineligible for production history purposes.

For more information on USDA risk management programs for hemp producers, visit [farmers.gov/hemp](https://farmers.gov/hemp) to read our [frequently asked questions](#). For more information on the U.S. Domestic Hemp Production Program, visit USDA's Agricultural Marketing Services' website to read their [frequently asked questions](#).

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## **FSA Encourages Producers to Enroll Soon in Agriculture Risk Coverage and Price Loss Coverage Programs**

USDA's Farm Service Agency (FSA) encourages agricultural producers to enroll now in the Agriculture Risk Loss (ARC) and Price Loss Coverage (PLC) programs. March 16, 2020 is the enrollment deadline for the 2019 crop year.

Although more than 200,000 producers have enrolled to date, FSA anticipates 1.5 million producers will enroll for ARC and PLC. By enrolling soon, producers can beat the rush as the deadline nears.

FSA offices have multiple programs competing for the time and attention of our staff. Because of the importance and complexities of the ARC and PLC programs; and to ensure FSA meets your program delivery expectations, please do not wait to start the enrollment process. Call your FSA county office and make an appointment soon to ensure your elections are made and contracts signed well ahead of the deadlines.

ARC and PLC provide financial protections to farmers from substantial drops in crop prices or revenues and are vital economic safety nets for most American farms.

The programs cover the following commodities: barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium and short grain rice, safflower seed, seed cotton, sesame, soybeans, sunflower seed and wheat.

Until March 16, producers who have not yet enrolled in ARC or PLC for 2019 can enroll for both 2019 and 2020 during the same visit to an FSA county office unless yield updates are requested. Additionally, farm owners have a one-time opportunity to update PLC payment yields that take effect beginning with crop year 2020. If the owner accompanies the producer to the office, the yield update and enrollments may be completed during the same office visit.

## More Information

For more information on ARC and PLC, download our [program fact sheet](#) or our [2014-2018 farm bills comparison fact sheet](#). Online ARC and PLC election decision tools are available at [fsa.usda.gov/arc/plc](http://fsa.usda.gov/arc/plc). To enroll, contact your [FSA county office](#) for an appointment.

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## Selected Interest Rates for March 2020

90-Day Treasury Bill	1.59%
Farm Operating Loans - Direct	2.625%
Farm Ownership Loans - Direct	3.25%
Farm Ownership Loans- Direct Down Payment, Beginning Farmer and Rancher	1.50%
Emergency Loans	3.625%
Farm Storage Facility Loans	1.500%
Commodity Loans 1996-Present	2.500%

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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).