

April 2020



Farm Service Agency **Electronic News Service**

# NEWSLETTER

*GovDelivery*

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## Pennsylvania State FSA Newsletter

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### **Pennsylvania Farm Service Agency**

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#### **State Executive Director:**

Gary H. Groves

#### **State Committee:**

Bonnie Wenger, Chair

George Greig

### **FSA Makes Changes to Farm Loan, Disaster, Conservation and Safety Net Programs to Make it Easier for Customers to Conduct Business**

USDA's Farm Service Agency (FSA) county offices are open by phone appointment only until further notice, and FSA staff are available to continue helping agricultural producers with program signups, loan servicing and other important actions. Additionally, FSA is relaxing the loan-making process and adding flexibilities for servicing direct and guaranteed loans to provide credit to producers in need.

FSA Service Centers are open for business by phone appointment only. While our program delivery staff will continue to come into to the office, they will be working with our agricultural producers by phone and using email and online tools whenever possible.

"FSA programs and loans are critical to America's farmers and ranchers, and we want to continue our work with customers while taking precautionary measures to help prevent the spread of coronavirus," FSA Administrator Richard Fordyce said. "We recognize that farm loans are critical for annual operating and family living expenses, emergency needs and cash flow through

Doug Graybill

Barron (Boots) Hetherington

Bill Hoover

**Division Chiefs:**

Rebecca Csutoras

**Farm Programs**

David Poorbaugh

**Farm Loan Programs**

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

times like this. FSA is working to find and use every option and flexibility to provide producers with credit options and other program benefits.”

FSA is delivering programs and services, including:

- Farm loans;
- Commodity loans;
- Farm Storage Facility Loan program;
- Disaster assistance programs, including signup for the Wildfire and Hurricane Indemnity Program Plus (this includes producers now eligible because of losses due to drought and excess moisture in 2018 and 2019);
- Safety net programs, including 2020 signup for the Agriculture Risk Coverage and Price Loss Coverage programs;
- Conservation programs; and
- Acreage reports.

**Relaxing the Farm Loan-Making Process**

FSA is relaxing the loan-making process, including:

- Extending the deadline for applicants to complete farm loan applications;
- Preparing Direct Loans documents even if FSA is unable to complete lien and record searches because of closed government buildings. Once those searches are complete, FSA would close the loan; and
- Closing loans if the required lien position on the primary security is perfected, even for loans that require additional security and those lien searches, filings and recordings cannot be obtained because of closed government buildings.

**Servicing Direct Loans**

FSA is extending deadlines for producers to respond to loan servicing actions, including loan deferral consideration for financially distressed and delinquent borrowers.

FSA will temporarily suspend loan accelerations, non-judicial foreclosures, and referring foreclosures to the Department of Justice. The U.S. Attorney’s Office will make the determination whether to stop foreclosures and evictions on accounts under its jurisdiction.

**Servicing Guaranteed Loans**

Guarantee lenders can self-certify, providing their borrowers with:

- Subsequent-year operating loan advances on lines of credit;
- Emergency advances on lines of credit.

FSA will consider guaranteed lender requests for:

- Temporary payment deferral consideration when borrowers do not have a feasible plan reflecting that family living expenses, operating expenses and debt can be repaid; and
- Temporary forbearance consideration for borrowers on loan liquidation and foreclosure actions.

**Contacting FSA**

FSA will be accepting additional 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](https://farmers.gov) portal where producers can view USDA farm loan information and payments and view and track certain USDA 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](https://farmers.gov/sign-in).

FSA encourages producers to contact their county office to discuss these programs and temporary changes to farm loan deadlines and the loan servicing options available. For Service Center contact information, visit [farmers.gov/coronavirus](https://farmers.gov/coronavirus).

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## CRP Continuous Enrollment Period

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

CRP is a voluntary program that contracts with agricultural producers so that environmentally sensitive agricultural land is devoted to conservation benefits. CRP participants establish long-term, resource-conserving vegetative species, such as approved grasses or trees (known as “covers”), to control soil erosion, improve the water quality and enhance wildlife habitat. In return, FSA provides participants with annual rental payments and cost-share assistance. Continuous signup enrollment contracts are 10 to 15 years in duration.

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

Unlike CRP enrollments under general CRP signups or CRP Grasslands, offers for continuous enrollment are not subject to competitive bidding during specific periods.

For more information, including a list of acceptable practices, visit [fsa.usda.gov/crp](https://fsa.usda.gov/crp).

## 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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## Farm Storage Facility Loans

FSA's Farm Storage Facility Loan (FSFL) program provides low-interest financing to producers to build or upgrade storage facilities and to purchase portable (new or used) structures, equipment and storage and handling trucks.

The low-interest funds can be used to build or upgrade permanent facilities to store commodities. Eligible commodities include corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley, minor oilseeds harvested as whole grain, pulse crops (lentils, chickpeas and dry peas), hay, honey, renewable biomass, fruits, nuts and vegetables for cold storage facilities, floriculture, hops, maple sap, rye, milk, cheese, butter, yogurt, meat and poultry (unprocessed), eggs, and aquaculture

(excluding systems that maintain live animals through uptake and discharge of water). Qualified facilities include grain bins, hay barns and cold storage facilities for eligible commodities.

Loans up to \$100,000.00 can be secured by a promissory note/security agreement and a UCC Financing Statement. Loans exceeding \$100,000 require additional security.

Producers do not need to demonstrate the lack of commercial credit availability to apply. The loans are designed to assist a diverse range of farming operations, including small and mid-sized businesses, new farmers, operations supplying local food and farmers markets, non-traditional farm products, and underserved producers.

To learn more about the FSA Farm Storage Facility Loan, visit [fsa.usda.gov/pricesupport](https://fsa.usda.gov/pricesupport) or contact your local FSA county office. To find your local FSA office, visit [offices.usda.gov](https://offices.usda.gov).

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## Preauthorized Debit Available for Farm Loan Borrowers

USDA Farm Service Agency (FSA) has implemented pre-authorized debit (PAD) for Farm Loan Program (FLP) borrowers. PAD is a voluntary and alternative method for making weekly, bi-weekly, monthly, quarterly, semi-annual or annual payments on loans.

PAD payments are pre-authorized transactions that allow the National Financial and Accounting Operations Center (NFAOC) to electronically collect loan payments from a customer's account at a financial institution.

PAD may be useful for borrowers who use nonfarm income from regular wages or salary to make payments on loans or adjustment offers or for payments from seasonal produce stands. PAD can only be established for future payments.

To request PAD, customers, along with their financial institution, must fill out form RD 3550-28. This form has no expiration date, but a separate form RD 3550-28 must be completed for each loan to which payments are to be applied. A fillable form can be accessed on the USDA Rural Development (RD) website at [rd.usda.gov/publications/regulations-guidelines](https://rd.usda.gov/publications/regulations-guidelines). Click forms and search for "Form 3550-28."

If you have a "filter" on the account at your financial institution, you will need to provide the financial institution with the following information: Origination ID: 1220040804, Agency Name: USDA RD DCFO.

PAD is offered by FSA at no cost. Check with your financial institution to discuss any potential cost. Preauthorized debit has no expiration date, but you can cancel at any time by submitting a written request to your local FSA office. If a preauthorized debit agreement receives three payment rejections within a three-month period, the preauthorized debt agreement will be cancelled by FSA. The payment amount and due date of your loan is not affected by a cancellation of preauthorized debit. You are responsible to ensure your full payment is made by the due date.

For more information about PAD, contact your local FSA office. To find a local FSA office, visit [offices.usda.gov](https://offices.usda.gov)

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## April 2020 Interest Rates

Farm Operating Loans

Farm Operating Loans - Direct	2.375 %
Farm Operating Loans - Microloan	2.375 %

**Farm Ownership Loans**

Direct	3.000 %
Microloan	3.000 %
Joint Financing	2.500 %
Direct Down Payment, Beginning Farmer or Rancher	1.500 %

Emergency Loans	3.375 %
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**Farm Storage Facility Loans**

Farm Storage Facility Loans (3 Year Term)	0.750 %
Farm Storage Facility Loans (5 Year Term)	0.750 %
Farm Storage Facility Loans (7 Year Term)	1.000 %
Farm Storage Facility Loans (10 Year Term)	1.000 %
Farm Storage Facility Loans (12 Year Term)	1.125 %

Commodity Loans	1.650 %
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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).

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