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Farm Service Agency Electronic News Service

NEWSLETTER

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January FSA Newsletter

Tennessee Farm Service Agency

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Acting State Executive Director:

Tyeisha L. Samples

A Note from Acting State Executive Director Tyeisha Samples

I wanted to take advantage of this month's newsletter and introduce myself. My name is Ty Samples and I'm honored to serve as the Acting State Executive Director of Tennessee until a permanent director is selected. My goal is to seamlessly keep our incredible team of employees serving you, the producers of Tennessee. I am proud of the work our employees do every day to ensure that you can continue to produce the food and fiber needed to keep the people of our state and nation fed and clothed.

January is a time of new beginnings, resolutions and planning. As you plan for the year ahead, I ask that you check in at your local FSA office to stay up to date on our programs and loans. We want to help you prepare for and stand by your side through whatever this year may bring.

State Committee:

Steve Officer, Chair
Daryl Brown
Charlotte Kelly
Renea Jones Rogers
Brian Flowers

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

Deepest Regards,

Tyeisha (Ty) L. Samples

Acting, Tennessee State Executive Director

USDA Temporarily Suspends Debt Collections, Foreclosures and Other Activities on Farm Loans for Several Thousand Distressed Borrowers Due to Coronavirus

Due to the national public health emergency caused by coronavirus disease 2019 (COVID-19), the U.S. Department of Agriculture today announced the temporary suspension of past-due debt collections and foreclosures for distressed borrowers under the Farm Storage Facility Loan and the Direct Farm Loan programs administered by the Farm Service Agency (FSA).

USDA will temporarily suspend non-judicial foreclosures, debt offsets or wage garnishments, and referring foreclosures to the Department of Justice. USDA will work with the U.S. Attorney's Office to stop judicial foreclosures and evictions on accounts that were previously referred to the Department of Justice. Additionally, USDA has extended deadlines for producers to respond to loan servicing actions, including loan deferral consideration for financially distressed and delinquent borrowers. In addition, for the Guaranteed Loan program, flexibilities have been made available to lenders to assist in servicing their customers.

Today's announcement by USDA expands previous actions undertaken by the Department to lessen financial hardship. According to USDA data, more than 12,000 borrowers—approximately 10% of all borrowers—are eligible for the relief announced today. Overall, FSA lends to more than 129,000 farmers, ranchers and producers.

The temporary suspension is in place until further notice and is expected to continue while the national COVID-19 disaster declaration is in place.

USDA's Farm Service Agency provides several different loans for producers, which fall under two main categories:

- Guaranteed loans are made and serviced by commercial lenders, such as banks, the Farm Credit System, credit unions and other non-traditional lenders. FSA guarantees the lender's loan against loss, up to 95%.
- Direct loans are made and serviced by FSA using funds from the federal government.

The most common loan types are Farm Ownership, Farm Operating and Farm Storage Facility Loans, with Microloans for each:

- Farm Ownership: Helps producers purchase or enlarge a farm or ranch, construct a new or improve an existing farm or ranch building, pay closing costs and pay for soil and water conservation and protection.
- Farm Operating: Helps producers purchase livestock and equipment and pay for minor real estate repairs and annual operating expenses.
- Farm Storage Facility Loans are made directly to producers for the construction of cold or dry storage and includes handling equipment and mobile storage such as refrigerated trucks.
- Microloans: Direct Farm Ownership, Operating Loans and Farm Storage Facility Loans have a shortened application process and reduced paperwork designed to meet the needs of smaller, non-traditional and niche-type operations.

Contact FSA

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. For servicing information, access farmers.gov.

USDA Offers New Forest Management Incentive for Conservation Reserve Program

The U.S. Department of Agriculture (USDA) is making available $12 million to forest landowners enrolled in the Conservation Reserve Program (CRP) who want to implement healthy forest management practices. Producers can now signup for the Forest Management Incentive (FMI), which provides incentives to landowners with land in CRP to encourage proper tree thinning and other practices.

Right now, less than 10% of land currently enrolled in CRP is dedicated to forestland. But these nearly 2 million acres of CRP forestland, if properly managed, can have enormous benefits for natural resources by reducing soil erosion, protecting water quality, increasing water quantity and diversifying local farm operations and rural economies.

Only landowners and agricultural producers with active CRP contracts involving forest cover can enroll. This does not include active CRP contracts that expire within two years. Existing CRP participants interested in tree thinning and prescribed burning must comply with the standards and specifications established in their CRP contract.

CRP participants receive the incentive payment once tree thinning and other authorized forest management practices are completed.

The incentive payment is the lower of these two options:

- The actual cost of completing the practice; or
- 75% of the payment rate offered by USDA's Natural Resources Conservation Service (NRCS), if the practice is offered through NRCS conservation programs.

More on CRP

Signed into law in 1985, CRP is one of the largest private-lands conservation programs in the United States. It was originally intended primarily to control soil erosion and potentially stabilize commodity prices by taking marginal lands out of production. The program has evolved over the years, providing many conservation and economic benefits. The program marks its 35-year anniversary this month. Program successes include:

- Preventing more than 9 billion tons of soil from eroding, which is enough soil to fill 600 million dump trucks.
- Reducing nitrogen and phosphorous runoff relative to annually tilled cropland by 95% and 85%, respectively.
- Sequestering an annual average of 49 million tons of greenhouse gases, equal to taking 9 million cars off the road.
- Creating more than 3 million acres of restored wetlands while protecting more than 175,000 stream miles with riparian forest and grass buffers, which is enough to go around the world seven times.
- Benefiting bees and other pollinators and increasing populations of ducks, pheasants, turkey, bobwhite quail, prairie chickens, grasshopper sparrows and many other birds.

More Information

CRP signup begins today, January 19, 2021. FSA will announce deadline later this year. Interested producers should contact their local FSA county office.

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, NRCS, 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.

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. Buy-up levels of NAP coverage are available if the producer can show at least one year of previously successfully growing the crop for which coverage is being requested.

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 USDA Service Center or visit fsa.usda.gov/nap.

USDA and Dairy Farmers Work Together to Mitigate Risk for 2021

In an unprecedented year, USDA staff and dairy producers across the country worked together to protect dairy operations for the 2021 production year under USDA’s risk management program options – the Dairy Margin Coverage (DMC), Dairy Revenue Protection (DRP), and Livestock Gross Margin for Dairy Cattle (LGM) programs. Recent enrollment data for these programs indicate that dairy operations are proactively managing their risk.

Dairy Margin Coverage

Administered by USDA’s Farm Service Agency, DMC offers protection to dairy producers when the difference between the all-milk price and the average feed price (the margin) falls below a certain dollar amount selected by the producer.

Nearly three-quarters of all U.S. dairy operations with established production history are enrolled in DMC for the 2021 program year. Compared with 2020 enrollment of 13,532 operations, participation for 2021 increased to cover nearly 18,500 operations nationwide – meaning an additional 4,900 dairy operations recognized the value of DMC to their bottom line.

This enrollment success is a testament to the value of DMC to dairy operations. DMC is a cashflow-friendly program that offers enrolled operations the option to select a $4.00 catastrophic level of coverage with no premium fee or elect to buy up coverage. The premium on buy-up coverage is based on margin triggers between $4.50 and $9.50 on 5 to 95% of established production history.

For coverage at the maximum margin trigger of $9.50, producers pay $0.15 per hundredweight of established milk production history.

To date, DMC has paid out more than $500 million in program benefits to dairy operations enrolled in calendar years 2019 and 2020. Margin payments triggered seven months in 2019 and four months, to date, for the 2020 DMC program year.

Additional Protection for Dairy

Approximately 3,000 operations purchased additional protection under DRP, which covers 30% of the milk supply and has provided more than $400 million in payments to covered operations since 2019. DRP, now in its second year, has grown from 2,500 policies in 2019. Additionally, 200 producers purchased coverage through LGM. Both LGM and DRP are managed by USDA's Risk Management Agency.

While DRP insures against unexpected declines in the quarterly revenue from milk sales, LGM provides protection against the loss of gross margin (market value of milk minus feed costs) on the milk produced from dairy cows.

More Information

Enrollment for 2022 coverage for DMC will take place in the fall of 2021. For more information about DMC and to use the online program decision tool, visit the farmers.gov DMC webpage, or contact your local USDA Service Center. To locate your local office, visit farmers.gov/service-center-locator.

All Federal crop insurance policies are available from Approved Insurance Providers (AIP). To learn more about DRP and LGM and other crop and livestock insurance products, contact your local AIP. A list of AIPs is available at all USDA service centers and on the RMA website at the Agent Locator Page.

All USDA Service Centers are open for business, including those that restrict in-person visits or require appointments. All Service Center visitors wishing to conduct business with 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 also required to wear a face covering during their appointment. Our program delivery staff will continue to work with our producers by phone, email, and using online tools. More information on working with our Service Centers can be found at farmers.gov/coronavirus.

Submit Loan Requests for Financing Early

The Farm Loan team in your area is already working on operating loans for spring 2021 and asks potential borrowers to submit their requests early so they can be timely processed. The farm loan team can help determine which loan programs are best for applicants.

FSA offers a wide range of low-interest loans that can meet the financial needs of any farm operation for just about any purpose. The traditional **farm operating and farm ownership loans** can help large and small farm operations take advantage of early purchasing discounts for spring inputs as well expenses throughout the year.

Microloans are a simplified loan program that will provide up to $50,000 for both Farm Ownership and Operating Microloans to eligible applicants. These loans, targeted for smaller and non-traditional operations, can be used for operating expenses, starting a new operation, purchasing equipment, and other needs associated with a farming operation. Loans to beginning farmers and members of underserved groups are a priority.

Other types of loans available include:

Marketing Assistance Loans allow producers to use eligible commodities as loan collateral and obtain a 9-month loan while the crop is in storage. These loans provide cash flow to the producer and allow them to market the crop when prices may be more advantageous.

Farm Storage Facility Loans can be used to build permanent structures used to store eligible commodities, for storage and handling trucks, or portable or permanent handling equipment. A variety of structures are eligible under this loan, including bunker silos, grain bins, hay storage structures, and refrigerated structures for vegetables and fruit. A producer may borrow up to $500,000 per loan.

Enrollment Continues for Agriculture Risk Coverage and Price Loss Coverage Programs for 2021

Agricultural producers can now make elections and enroll in the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs for the 2021 crop year. The signup period opened Tuesday, Oct. 13. These key U.S. Department of Agriculture (USDA) safety-net programs help producers weather fluctuations in either revenue or price for certain crops, and more than $5 billion in payments are in the process of going out to producers who signed up for the 2019 crop year.

Enrollment for the 2021 crop year closes March 15, 2021.

ARC provides income support payments on historical base acres when actual crop revenue declines below a specified guaranteed level. PLC provides income support payments on historical base acres when the effective price for a covered commodity falls below its reference price.

Covered commodities include 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.

2021 Elections and Enrollment

Producers can elect coverage and enroll in crop-by-crop ARC-County or PLC, or ARC-Individual for the entire farm, for the 2021 crop year. Although election changes for 2021 are optional, enrollment (signed contract) is required for each year of the program. If a producer has a multi-year contract on the farm and makes an election change for 2021, it will be necessary to sign a new contract.

If an election is not submitted by the deadline of March 15, 2021, the election defaults to the current election for crops on the farm from the prior crop year.

For crop years 2022 and 2023, producers will have an opportunity to make new elections during those signups. Farm owners cannot enroll in either program unless they have a share interest in the farm.

2019 Crop Year ARC and PLC Payments

FSA began processing payments last week for 2019 ARC-County (ARC-CO) and PLC on covered commodities that met payment triggers on farms enrolled for the 2019 crop year. In addition to the $5 billion now in process, FSA anticipates it will issue additional payments by the end of November for 2019 commodities covered under ARC-Individual (ARC-IC) and additional commodities that trigger PLC and ARC-CO payments for which rates have not yet been published

Producers who had 2019 covered commodities enrolled in ARC-CO can visit the ARC and PLC webpage for payment rates applicable to their county and each covered commodity. For farms and covered commodities enrolled in 2019 PLC, the following crops met payment triggers: barley, canola, chickpeas (small and large), corn, dry peas, grain sorghum, lentils, long and medium grain rice, peanuts, seed cotton and wheat.

Oats and soybeans did not meet 2019 PLC payment triggers.

2019 PLC payment rates for the following covered commodities have not been determined: crambe, flaxseed, mustard seed, rapeseed, safflower, sesame seed, sunflower seed and temperate Japonica rice. Payment rates for these commodities will be announced at a later date.

Web-Based Decision Tools

In partnership with USDA, the University of Illinois and Texas A&M University offer web-based decision tools to assist producers in making informed, educated decisions using crop data specific to their respective farming operations. Tools include:

- Gardner-farmdoc Payment Calculator, the University of Illinois tool that offers farmers the ability to run payment estimate modeling for their farms and counties for ARC-County and PLC.
- ARC and PLC Decision Tool, the Texas A&M tool allows producers to analyze payment yield updates and expected payments for 2021. Producers who have used the tool in the past should see their username and much of their farm data already available in the system.

More Information

For more information on ARC and PLC, including two online decision tools that assist producers in making enrollment and election decisions specific to their operations, visit the ARC and PLC webpage.

For additional questions and assistance, contact your local USDA service center. To locate your local FSA office, visit farmers.gov/service-locator.

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).

Questions?
Contact Us