USDA Farm Service Agency
U.S. DEPARTMENT OF AGRICULTURE

Tennessee FSA Newsletter - August 25, 2021

In This Issue:

USDA Updates Pandemic Assistance for Livestock, Poultry Contract Producers and Specialty Crop Growers

The U.S. Department of Agriculture (USDA) is updating the Coronavirus Food Assistance Program 2 (CFAP 2) for contract producers of eligible livestock and poultry and producers of specialty crops and other sales-based commodities. CFAP 2, which assists producers who faced market disruptions in 2020 due to COVID-19, is part of USDA's broader Pandemic Assistance for Producers initiative. Additionally, USDA's Farm Service Agency (FSA) has set an Oct. 12 deadline for all eligible producers to apply for or modify applications for CFAP 2.

Assistance for Contract Producers

The Consolidated Appropriations Act, 2021, provides up to $1 billion for payments to contract producers of eligible livestock and poultry for revenue losses from Jan. 1, 2020, through Dec. 27, 2020. Contract producers of broilers, pullets, layers, chicken eggs, turkeys, hogs and pigs, ducks, geese, pheasants and quail may be eligible for assistance. This update includes eligible breeding stock and eggs of all eligible poultry types produced under contract.

Payments for contract producers were to be based on a comparison of eligible revenue for the periods of Jan. 1, 2019, through Dec. 27, 2019, and Jan. 1, 2020, through Dec. 27, 2020. Today's changes mean contract producers can now elect to use eligible revenue from the period of Jan. 1, 2018, through Dec. 27, 2018, instead of that date range in 2019 if it is more representative. This change is intended to provide flexibility and make the program more equitable for contract producers who had reduced revenue in 2019 compared to a normal production year. The difference in revenue is then multiplied by 80% to determine a final payment. Payments to contract producers may be factored if total calculated payments exceed the available funding and will be made after the application period closes.

Additional flexibilities have been added to account for increases to operation size in 2020 and situations where a contract producer did not have a full period of revenue from Jan. 1 to Dec. 27 for either 2018 or 2019. Assistance is also available to new contract producers who began their farming operation in 2020.

Updates for Sales-Based Commodities

USDA is amending the CFAP 2 payment calculation for sales-based commodities, which are primarily comprised of by specialty crops, to allow producers to substitute 2018 sales for 2019 sales. Previously, payments for producers of sales-based commodities were based only on 2019 sales, with 2019 used as an approximation of the amount the producer would have expected to market in 2020. Giving producers the option to substitute 2018 sales for this approximation, including 2018 crop insurance indemnities and 2018 crop year Noninsured Disaster Assistance Program (NAP) and Wildfire and Hurricane Indemnity Program Plus (WHIP+) payments, provides additional flexibility to producers of sales-based commodities who had reduced sales in 2019.

Grass seed has also been added as an eligible sales commodity for CFAP 2. A complete list of all eligible sales-based commodities can be found at farmers.gov/cfap2/commodities. Producers of sales-based commodities can modify existing applications.

Applying for Assistance

Newly eligible producers who need to submit a CFAP 2 application or producers who need to modify an existing one can do so by contacting their local FSA office. Producers can find their local FSA office by visiting farmers.gov/service-locator. Producers can also obtain one-on-one support with applications by calling 877-508-8364. All new and modified CFAP 2 applications are due by the Oct. 12 deadline.

USDA Accepting Applications to Help Cover Costs for Organic Certification

USDA's Farm Service Agency (FSA) announced that organic producers and handlers can apply for USDA funds to assist with the cost of receiving and maintaining organic certification through the Organic Certification Cost Share Program (OCCSP). Applications for eligible certification expenses paid between Oct. 1, 2020, and Sept. 30, 2021, are due Nov. 1, 2021.

OCCSP provides cost-share assistance to producers and handlers of agricultural products for the costs of obtaining or maintaining organic certification under the USDA's National Organic Program. Eligible producers include any certified producers or handlers who have paid organic certification fees to a USDA-accredited certifying agent. Producers can be reimbursed for expenses including application fees, inspection costs, fees related to equivalency agreement and arrangement requirements, travel expenses for inspectors, user fees, sales assessments and postage.

For 2021, OCCSP will reimburse 50 percent of a certified operation’s allowable certification costs, up to a maximum of $500 for each of the following categories or “scopes:”

- crops
- wild crops
- livestock
- processing/handling
- State organic program fees.

Organic farmers and ranchers may apply through an FSA county office or a participating state agency.

More Information

To learn more about organic certification cost share, please visit the OCCSP webpage, visit usda.gov/organic, or contact your local USDA Service Center.

USDA Announces Pandemic Assistance for Timber Harvesters and Haulers

The U.S. Department of Agriculture (USDA) is providing up to $200 million to provide relief to timber harvesting and timber hauling businesses that have experienced losses due to COVID-19 as part of USDA’s Pandemic Assistance for Producers initiative. Loggers and truckers can apply for assistance through USDA’s Farm Service Agency (FSA) July 22 through Oct. 15, 2021. The Pandemic Assistance for Timber Harvesters and Haulers program (PATHH) is administered by FSA in partnership with the U.S. Forest Service.

The Consolidated Appropriations Act, 2021, authorized this critical assistance for the timber industry. Timber harvesting and hauling businesses that have experienced a gross revenue loss of at least 10% during the period of Jan. 1 and Dec. 1, 2020, compared to the period of Jan. 1 and Dec. 1, 2019, are encouraged to apply.

Program Details

To be eligible for payments, individuals or legal entities must be a timber harvesting or timber hauling business where 50% or more of its gross revenue is derived from one or more of the following:

- Cutting timber.
- Transporting timber.

- Processing of wood on-site on the forest land (chipping, grinding, converting to biochar, cutting to smaller lengths, etc.).

Payments will be based on the applicant's gross revenue received from Jan. 1, 2019, through Dec. 1, 2019, minus gross revenue received from Jan. 1, 2020, through Dec. 1, 2020, multiplied by 80%. FSA will issue an initial payment equal to the lesser of the calculated payment amount or $2,000 as applications are approved. A second payment will be made after the signup period has ended based upon remaining PATHH funds.

The maximum amount that a person or legal entity may receive directly is $125,000.

Applying for Assistance

Loggers and truckers can apply for PATHH by completing form FSA-1118, Pandemic Assistance for Timber Harvesters and Haulers Program application, and certifying to their gross revenue for 2019 and 2020 on the application. Additional documentation may be required. Visit farmers.gov/pathh for more information on how to apply.

Applications can be submitted to the FSA office at any USDA Service Center nationwide by mail, fax, hand delivery, or via electronic means. To find a local FSA office, loggers and truckers can visit farmers.gov/service-locator. They can also call 877-508-8364 to speak directly with a USDA employee ready to offer assistance.

USDA Accepts 2.8 Million Acres for the Conservation Reserve Program

The U.S. Department of Agriculture (USDA) has accepted 2.8 million acres in offers from agricultural producers and private landowners for enrollment into the Conservation Reserve Program (CRP) in 2021. This year, almost 1.9 million acres in offers have been accepted through the General CRP Signup, and USDA's Farm Service Agency (FSA) has accepted over 897,000 acres for enrollment through the Continuous Signup. The Continuous Signup remains open and CRP Grasslands Signup closed last week, so USDA expects to enroll more acres into all of CRP than the 3 million acres that are expiring.

The 4-million-acre shortfall in CRP would have had the following impacts:

- More than 359,000 acres less annual forage under CRP Grasslands;
- A loss of 1,500,000 acres of quality wildlife and pollinator less habitat for wildlife;
- 20% fewer apiaries in major production regions meeting critical forage thresholds;
- A loss of more than 4 million upland game and other grassland birds;
- About 90 million pounds of nitrogen entering waterways;
- Over 30 million tons of soil eroded, leading to increased pollution and sedimentation in streams and rivers; and
- Foregone sequestration of more than 3 million metric tons of CO_2.

Like other USDA conservation programs, CRP is a voluntary program that has a variety of options that can be tailored to the specific conservation issues of a state or region and desires of the landowner. The options run the gamut from working lands such as CRP Grasslands to partnerships with states and private entities to target a specific joint concern such as water quality or quantity.

Continuous CRP Signup

Continuous CRP allows USDA to target the most sensitive land like highly erodible land, the most environmentally beneficial land like wetlands and buffers along streams and rivers, or locally identified critical habitat like State Acres For Wildlife. This targeted approach also reduces the whole-farm type enrollment in CRP that was more common when it first began and helps meet the conservation goals while maintaining the majority of the land in production agriculture. FSA has accepted offers from over 37,000 producers to enroll more than 897,000 acres through the Continuous Signup. This is double the enrollment from last year and three times the enrollment from 2018 and 2019. FSA expects this process to be completed by the end of September so contracts may start on October 1, 2021.

The growth in the targeted enrollment through Continuous Signup is due to a recommitment of USDA to incentives and partnerships that brought in nearly 1.4 million acres in 2016 and 2017. These efforts have also included the expansion of the Clean Lakes, Estuaries, and Rives Initiative 30-year (CLEAR30) from two regions to nationwide as well as moving State Acres for Wildlife Enhancement (SAFE) practices from the General to the Continuous signup. This year, offers for 20,000 acres have been submitted for CLEAR30 and 296,000 acres in SAFE practices.

General CRP Signup

FSA opened the General CRP Signup 56 in January 2021 and extended the original deadline to July 23, 2021, to enable producers to consider FSA's new improvements to the program, which included higher rental payments and more incentivized environmental practices.

Additionally, FSA introduced a new Climate-Smart Practice Incentive to increase carbon sequestration and reduce greenhouse gas emissions. This incentive provides a 3%, 5% or 10% incentive payment based on the predominate vegetation type for the practices enrolled – from grasses to trees to wetland restoration.

Through CRP, producers and landowners establish long-term, resource-conserving plant species, such as approved grasses or trees, to control soil erosion, improve water quality and enhance wildlife habitat on cropland. In addition to the other well-documented benefits, lands enrolled in CRP is playing a key role in mitigating impacts from climate change.

A full list of changes to CRP, including those to the Continuous and General Signups, can be found in our "What's New with CRP" fact sheet.

More Information

In April, USDA announced several changes to CRP to increase participation while improving climate-related and other environmental benefits. CRP sequesters carbon while preserving topsoil, mitigating greenhouse gas emissions, reducing nitrogen runoff, and providing healthy habitat for wildlife.

The 2018 Farm Bill established a nationwide acreage limit for CRP, with the total number of acres that may be enrolled capped at 25 million acres in 2021 and growing to 27 million by 2023.

Under the Biden-Harris Administration, USDA is engaged in a whole-of-government effort to combat the climate crisis and conserve and protect our nation’s lands, biodiversity, and natural resources, including our soil, air, and water. Through conservation practices, USDA aims to enhance economic growth and create new streams of income for farmers, ranchers, producers, and private foresters. Successfully meeting these challenges will require USDA and our agencies to pursue a coordinated approach alongside USDA stakeholders, including state, local, and tribal governments.

USDA touches the lives of all Americans each day in so many positive ways. In the Biden-Harris Administration, USDA is transforming America’s food system with a greater focus on more resilient local and regional food production, fairer markets for all producers, ensuring access to safe, healthy and nutritious food in all communities, building new markets and streams of income for farmers and producers using climate smart food and forestry practices, making historic investments in infrastructure and clean energy capabilities in rural America, and committing to equity across the Department by removing systemic barriers and building a workforce more representative of America. To learn more, visit www.usda.gov.

Biden Administration to Invest $67 Million to Help Heirs Resolve Land Ownership and Succession Issues

U.S. Department of Agriculture (USDA) is providing $67 million in competitive loans through the new Heirs’ Property Relending Program (HPRP), which aims to help agricultural producers and landowners resolve heirs’ land ownership and succession issues. Intermediary lenders -- cooperatives, credit unions, and nonprofit organizations – can apply for loans up to $5 million at 1% interest once the Farm Service Agency (FSA) opens the two-month signup window in late August.

After FSA selects lenders, heirs can apply directly to those lenders for loans and assistance. Heirs’ property issues have long been a barrier for many producers and landowners to access USDA programs and services, and this relending program provides access to capital to help producers find a resolution to these issues.

The Heirs’ Property Relending Program is another example of how USDA is working to rebuild trust with America’s farmers and ranchers. HPRP is a loan and will need to be repaid as directed by the 2018 Farm Bill.

The program’s benefits go far beyond its participants. It will also keep farmland in farming, protect family farm legacies and support economic viability.

Eligible Lenders

To be eligible, intermediary lenders must be certified as a community development financial institution and have experience and capability in making and servicing agricultural and commercial loans that are similar in nature.

If applications exceed the amount of available funds, those applicants with at least 10 years or more of experience with socially disadvantaged farmers that are located in states that have adopted a statute consisting of enactment or adoption of the Uniform Partition of Heirs Property Act (UPHPA) will receive first preference. A list of these states is available at farmers.gov/heirs/relending. A secondary preference tier is established for those that have applications from ultimate recipients already in process, or that have a history of successfully relending previous HPRP funds. When multiple applicants are in the same tier, or there are no applicants in tier 1 or 2, applications will be funded in order of the date the application was received.

Selected intermediary lenders will determine the rates, terms, and payment structure for loans to heirs. Interest rates will be the lowest rate sufficient for intermediaries to cover cost of operating and sustaining the loan.

Additional information for lenders, including how to apply for funding, can be found in the HPRP final rule (PDF, 387 KB). A webinar will be held Tuesday, August 3, 2021 regarding applying for funding. Interested re-lenders should register through the

Relending to Heirs

Heirs may use the loans to resolve title issues by financing the purchase or consolidation of property interests and financing costs associated with a succession plan. This may also include costs and fees associated with buying out fractional interests of other heirs in jointly-owned property to clear the title, as well as closing costs, appraisals, title searches, surveys, preparing documents, mediation, and legal services.

Heirs may not use loans for any land improvement, development purpose, acquisition or repair of buildings, acquisition of personal property, payment of operating costs, payment of finders' fees, or similar costs.

Intermediary lenders will make loans to heirs who:

- Are individuals or legal entities with authority to incur the debt and to resolve ownership and succession of a farm owned by multiple owners;
- Are a family member or heir-at-law related by blood or marriage to the previous owner of the property;
- Agree to complete a succession plan.

More information on how heirs can borrow from lenders under HPRP will be available in the coming months.

More Information

Heirs' property is a legal term that refers to family land inherited without a will or legal documentation of ownership. It has historically been challenging for heirs to benefit from USDA programs because of the belief that they cannot get a farm number without proof of ownership or control of land. However, FSA provides alternative options that allow an heir to obtain a farm number. In states that have adopted the UPHPA, producers may provide specific documents to receive a farm number. To learn more about heirs property, HPRP, or UPHPA, visit farmers.gov/heirs/relending.

Communication is Key in Lending

Farm Service Agency (FSA) is committed to providing our farm loan borrowers the tools necessary to be successful. FSA staff will provide guidance and counsel from the loan application process through the borrower's graduation to commercial credit. While it is FSA's commitment to advise borrowers as they identify goals and evaluate progress, it is crucial for borrowers to communicate with their farm loan staff when changes occur. It is the borrower's responsibility to alert FSA to any of the following:

- Any proposed or significant changes in the farming operation
- Any significant changes to family income or expenses
- The development of problem situations
- Any losses or proposed significant changes in security

If a farm loan borrower can't make payments to suppliers, other creditors, or FSA on time, contact your farm loan staff immediately to discuss loan servicing options.

For more information on FSA farm loan programs, contact your local county service center or visit fsa.usda.gov.

Tennessee Farm Service Agency

579 U.S. Courthouse
801 Broadway
Nashville, TN 37203

Phone: (615) 277-2600
Fax: (855) 494-7764

Acting State Director

Tyeisha L. Samples

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