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Higher Loan Limit Now Available for USDA Guaranteed Farm Loans

The U.S. Department of Agriculture (USDA) announced a higher loan limit will be available for borrowers seeking a guaranteed farm loan starting Oct. 1, 2021, from $1.776 million to $1.825 million.

FSA farm loans offer access to funding for a wide range of producer needs, from securing land to financing the purchase of equipment. Guaranteed loans are financed and serviced by commercial lenders. FSA provides up to a 95% guarantee against possible financial loss of principal and interest. Guaranteed loans can be used for both farm ownership and operating purposes.

In fiscal year 2021, FSA saw continued strong demand for guaranteed loans. FSA obligated more than $3.4 billion in guaranteed farm ownership and operating loans. This includes nearly $1.2 billion for beginning farmers. The number of guaranteed borrowers has grown by 10% to more than 38,750 farmers and ranchers over the last decade. FSA expects the increasing demand for farm loans to continue into fiscal year 2022.

Disaster Set-Aside Extension

USDA has additional support available to producers given the recent outbreaks of the COVID-19 Delta variant and has extended the availability of COVID-19 Disaster Set-Aside (DSA) for installments due through Jan. 31, 2022. In addition, FSA will permit a second DSA for COVID-19 and a second DSA for natural disasters for those who had an initial COVID-19 DSA. Requests for a COVID-19 DSA or a second DSA must be received no later than May 1, 2022.

Last year, FSA broadened the use of the DSA. Normally used in the wake of natural disasters, the DSA can now allow farmers with USDA farm loans who are affected by COVID-19 and determined to be eligible, to have their next payment set aside. The set-aside payment’s due date is moved to the final maturity date of the loan or extended up to twelve months in the
case of an annual operating loan. Any principal set-aside will continue to accrue interest until it is repaid. This will improve the borrower’s cashflow in the current production cycle.

More Information

Producers can explore available options on all FSA loan options at fsa.usda.gov or by contacting their local USDA Service Center. Service Center staff continue to work with agricultural producers via phone, email, and other digital tools. Because of the pandemic, some USDA Service Centers are open to limited visitors. Contact your Service Center to set up an in-person or phone appointment. Additionally, more information related to USDA’s response and relief for producers can be found at farmers.gov/coronavirus.

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 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.

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 Expands Local, Electronic Communication Options for Producers

USDA is expanding our online communications platform that the Farm Service Agency (FSA) has used for years to now include local information from the Natural Resources Conservation Service (NRCS), Risk Management Agency (RMA), and other USDA agencies.

Subscribers will now receive important information on FSA, NRCS and RMA programs, eligibility requirements, deadlines, and more.

You’re currently subscribed to the Tennessee State Office USDA FSA newsletter and updates. News will continue to be sent via e-mail right to your home or farm office, or to your smartphone – allowing you to receive immediate notification of USDA news that applies to your agricultural operation.

For more information visit farmers.gov/working-with-us/stay-connected.

Applying for Beginning Farmer Loans

The Farm Service Agency (FSA) assists beginning farmers to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

• Has operated a farm for not more than 10 years
• Will materially and substantially participate in the operation of the farm
• Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
• Does not own a farm in excess of 30 percent of the county’s average size farm.

For more information contact, contact your local county office or visit fsa.usda.gov.

Borrower Training for Farm Loan Customers
Borrower training is available for all Farm Service Agency (FSA) customers. This training is required for all direct loan applicants, unless the applicant has a waiver issued by the agency.

Borrower training includes instruction in production and financial management. The purpose is to help the applicants develop and improve skills that are necessary to successfully operate a farm and build equity in the operation. It aims to help the producer become financially successful. Borrower training is provided, for a fee, by agency approved vendors. Contact your local FSA Farm Loan Manager for a list of approved vendors.

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**NASS to send 2021 Hemp Acreage and Production Survey This Fall**

This October, USDA’s National Agricultural Statistics Service will mail its first Hemp Acreage and Production Survey. The survey will collect information on the total planted and harvested area, yield, production, and value of hemp in the United States.

The Domestic Hemp Production Program established in the Agriculture Improvement Act of 2018 (2018 Farm Bill) allows for the cultivation of hemp under certain conditions. The Hemp Acreage and Production survey will provide needed data about the hemp industry to assist producers, regulatory agencies, state governments, processors, and other key industry entities.

Producers may complete the survey online at [agcounts.usda.gov](http://agcounts.usda.gov) or they may complete and return the survey by mail using the return envelope provided.

Learn more about the survey at [nass.usda.gov/go/hemp](http://nass.usda.gov/go/hemp).

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