#### March 2021





## Farm Service Agency Electronic News Service

## NEWSLETTER

### GovDelivery

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## **Virginia FSA State Newsletter**

Farm Service Agency Virginia State Office

From the Acting State Executive Director

**R. Kevin Bohon**Acting State Executive
Director

Spring Changes Are Here—What's New with Virginia FSA:

Are USDA Service Centers open for Farm Service Agency (FSA) customers to come inside? Unfortunately, no; effective immediately, USDA Service Centers remain closed to all visitors,

1606 Santa Rosa Rd Suite 138 Richmond, VA 23229

804-287-1503 855-621-5866 fax

#### Hours

Monday - Friday 7:30 a.m. - 4:30 p.m.

#### **State Office Staff**

Pete Adamson Chief Farm Loans

Allison Goin Chief Farm Programs

Helene McGann Administrative Officer

Diane Lenoir-Giles Public Relations/Outreach Specialist

To find contact information for your local office go to www.fsa.usda.gov/xx due to COVID-19. In accordance with the current policy, FSA employees are now unable to unlock the doors to speak with visitors or meet outside in the parking lot, which had been considered acceptable under previous guidance.

How can I complete my FSA business while USDA Service Centers are closed? While USDA Service Centers are closed, customers are encouraged to call their local FSA Office to complete FSA business, including program enrollments, farm loan activities, program inquiries, etc. Find your local office telephone numbers here: Local FSA Office

Can FSA employees meet me on my farm to conduct measurement service requests, conservation program requests or farm loan requests? Yes, employees can conduct field visits to complete necessary work on your farm.

When will FSA customers be allowed inside USDA Service Centers? Currently, there is no timeframe for when USDA Service Centers will reopen to visitors. However, FSA still remains committed to providing a high level of customer service and ensuring that producers remain well informed about FSA programs and loans.

#### Remember These Deadlines

**March 15 –** Deadline to make elections and enroll in the 2021 Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Programs

**March 15 –** Deadline to complete an Application for Coverage for Hemp grown in 2021 for the Noninsured Crop Disaster Assistance Program (NAP)

**March 31** – Final MAL/LDP Availability Date for 2018 Wheat, Barley, Oats, Canola, Crambe, Flaxseed, Honey, Rapeseed and Sesame Seed

**April 9 –** Extended Deadline to complete an application for the Quality Loss Adjustment (QLA) Program, from eligible 2018 and 2019 losses

**Continuous –** Conservation Programs that offer various Cost/Share and Annual Rental Incentives (currently General CRP is under an indefinite extension)

**Continuous** – Farm Storage Facility Loans for Grain Bins, Storage Barns, Hay Wrappers, Harvest/Storage Trailers, Holding Tanks, etc.

**Acreage Report Reminder** – If you participate in the Noninsured Crop Disaster Assistance Program (NAP), then you may need to complete an acreage report before normal acreage reporting

deadlines in July. Contact your local FSA Office to check on your acreage reporting requirements.

Note: The deadlines to sign up for upcoming programs are listed above. While FSA offices are currently closed to visitors/customers, producers must meet the signup deadline by contacting the county office staff before the deadline to ensure that all forms have been filed and requirements have been met. If all requests cannot be serviced by the signup deadline, county office staff will continue to work to respond to requests for service after the signup deadline, in accordance with program policy.

## **Heirs' Property Landowners**

USDA recently launched a new website for producers to find information on heirs' property.

Heirs' property is family owned land that is jointly owned by descendants of a deceased person whose estate did not clear probate. The descendants, or heirs, have the right to use the property, but they do not have a clear or marketable title to the property since the estate issues remain unresolved.

The 2018 Farm Bill authorized alternative documentation for heirs' property operators to establish a farm number. A farm number is required to be eligible for many different USDA programs, including lending, disaster relief programs, and participation in county committees.

For more information visit farmers.gov/manage/HeirsPropertyLandowners.

## **Actively Engaged Provisions for Non-Family Joint Operations or Entities**

Many Farm Service Agency (FSA) programs require all program participants, either individuals or legal entities, to be "actively engaged in farming." This means participants provide a significant contribution to the farming operation, whether it is capital, land, equipment, active personal labor and/or management. For entities, each partner, stockholder or member with an ownership interest, must contribute active personal labor and/or management to the operation on a regular basis that is identifiable and documentable as well as separate and distinct from contributions of any other member. Members of joint operations must have a share of the profits or losses from the farming operation commensurate with the member's contributions to the operation and must make contributions to the farming operation that are at risk for a loss, with the level of risk being commensurate with the member's claimed share on the farming operation.

Joint operations comprised of non-family members or partners, stockholders or persons with an ownership in the farming operation must meet additional payment eligibility provisions. Joint operations comprised of family members are exempt from these additional requirements. For 2016 and subsequent crop years, non-family joint operations can have one member that may use a significant contribution of active personal management exclusively to meet the requirements to be determined "actively engaged in farming." The person or member will be defined as the farm manager for the purposes of administering these management provisions.

Non-family joint operations may request to add up to two additional managers for their farming operation based on the size and/or complexity of the operation. If additional farm managers are requested and approved, all members who contribute management are required to complete form CCC-902MR, *Management Activity Record*. The farm manager should use the form to record management activities including capital, labor and agronomics, which includes crop selection, planting decisions, acquisition of inputs, crop management and marketing decisions. One form should be used for each month and the farm manager should enter the number of hours of time spent for each activity under the date of the month the actions were completed. The farm manager must also document if each management activity was completed on the farm or remotely.

The records and supporting business documentation must be maintained and timely made available for review by the appropriate FSA reviewing authority, if requested.

If the farm manager fails to meet these requirements, their contribution of active personal management to the farming operation for payment eligibility purposes will be disregarded and their payment eligibility status will be re-determined for the applicable program year.

In some instances, additional persons or members of a non-family member joint operation who meet the definition of farm manager may also be allowed to use such a contribution of active personal management to meet the eligibility requirements. However, under no circumstances may the number of farm managers in a non-family joint operation exceed a total of three in any given crop and program year.

## **Obtaining Payments due to Deceased Producers**

In order to claim a Farm Service Agency (FSA) payment on behalf of a deceased producer, all program conditions for the payment must have been met before the applicable producer's date of death.

If a producer earned a FSA payment prior to his or her death, the following is the order of precedence for the representatives of the producer:

- administrator or executor of the estate
- the surviving spouse
- · surviving sons and daughters, including adopted children
- surviving father and mother
- surviving brothers and sisters
- heirs of the deceased person who would be entitled to payment according to the State law.

For FSA to release the payment, the legal representative of the deceased producer must file a form FSA-325 to claim the payment for themselves or an estate. The county office will verify that the application, contract, loan agreement, or other similar form requesting payment issuance, was signed by the applicable deadline by the deceased or a person legally authorized to act on their behalf at that time of application.

If the application, contract or loan agreement form was signed by someone other than the deceased participant, FSA will determine whether the person submitting the form has the legal authority to submit the form.

Payments will be issued to the respective representative's name using the deceased program participant's tax identification number. Payments made to representatives are subject to offset regulations for debts owed by the deceased.

FSA is not responsible for advising persons in obtaining legal advice on how to obtain program benefits that may be due to a participant who has died, disappeared or who has been declared incompetent.

### **Update Your Records**

FSA is cleaning up our producer record database and needs your help. Please report any changes of address, zip code, phone number, email address or an incorrect name or business name on file to our office. You should also report changes in your farm operation, like the addition of a farm by lease or purchase. You should also report any changes to your operation in which you reorganize to form a Trust, LLC or other legal entity.

FSA and NRCS program participants are required to promptly report changes in their farming operation to the County Committee in writing and to update their *Farm Operating Plan* on form CCC-902.

To update your records, contact your local County USDA Service Center.

## **Applying for Farm Storage Facility Loans**

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

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 \$50,000 can be secured by a promissory note/security agreement, loans between \$50,000 and \$100,000 may require additional security, and loans exceeding \$100,000 require additional security.

You 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.

For more information, contact your local County USDA Service Center or visit fsa.usda.gov/pricesupport.

## **Reporting Organic Crops**

If you want to use the Noninsured Crop Disaster Assistance Program (NAP) organic price and selected the "organic" option on your NAP application, you must report your crops as organic.

When certifying organic acres, the buffer zone acreage must be included in the organic acreage.

You must also provide a current organic plan, organic certificate or documentation from a certifying agent indicating an organic plan is in effect. Documentation must include:

- name of certified individuals
- address
- telephone number
- effective date of certification
- certificate number
- list of commodities certified
- · name and address of certifying agent
- a map showing the specific location of each field of certified organic, including the buffer zone acreage.

Certification exemptions are available for producers whose annual gross agricultural income from organic sales totals \$5,000 or less. Although exempt growers are not required to provide a written certificate, they are still required to provide a map showing the specific location of each field of certified organic, transitional and buffer zone acreage.

For questions about reporting organic crops, contact your local County USDA Service Center.

## **Sign-up for the Tree Assistance Program (TAP)**

If you're an orchardist or nursery tree grower who experienced losses from natural disasters during calendar year 2021, you must submit a TAP application either 90 calendar days after the disaster event or the date when the loss is apparent.

TAP provides financial assistance to help you replant or rehabilitate eligible trees, bushes and vines damaged by natural disasters.

Eligible tree types include trees, bushes or vines that produce an annual crop for commercial purposes. Nursery trees include ornamental, fruit, nut and Christmas trees that are produced for commercial sale. Trees used for pulp or timber are ineligible.

To qualify for TAP, orchardists must suffer a qualifying tree, bush or vine loss in excess of 15 percent mortality from an eligible natural disaster, plus an adjustment for normal mortality. The eligible trees, bushes or vines must have been owned when the natural disaster occurred; however, eligible growers are not required to own the land on which the eligible trees, bushes and vines were planted.

If the TAP application is approved, the eligible trees, bushes and vines must be replaced within 12 months from the date the application is approved. The cumulative total quantity of acres planted to trees, bushes or vines, for which you can receive TAP payments, cannot exceed 1,000 acres annually.

### **New to Farming Because of the Pandemic? USDA Can Help**

USDA Service Centers across the country, are hearing from people who are interested in more space and working the land and we want to let you know we can help. Are you new to farming because of the pandemic? USDA can help you get started in farming – on everything from helping you register your farm to getting financial assistance and advice.

#### Get Started with USDA

First, you want to make sure your farm is registered. If you purchased land, it might already be established with USDA's Farm Service Agency (FSA) with a farm number on file. If not, FSA can help you register your farm.

To obtain a farm number, you'll bring an official tax ID (Social Security number or an employer ID) and a property deed. If you do not own the land, bring a lease agreement to your FSA representative to show you have control of the property. If your operation is incorporated or an entity, you may also need to provide proof that you have signature authority and the legal ability to enter into contracts with USDA.

#### **Access to Capital**

USDA can provide access to capital through its farm loans, which is a great resource when producers aren't able to get a loan from a traditional lender. Loans can help with purchasing land or equipment or with operating costs, and FSA even offers microloans, which are especially popular among producers with smaller farms. For more information, <a href="https://check.out.our.page-12">check.out.our.page-12</a> Discovery Tool..

#### **Conservation Practices**

We can help you make conservation improvements to your farm, which are good for your bottom line and your operation. We'll help you develop a conservation plan and apply for financial assistance that'll cover the bulk of the costs for implementing. To learn more about some of the conservation practices that we help producers with, <a href="https://check.out.our.conservation.new">check.out.our.conservation.new Video</a> Series.

If you purchase land, and you don't want to farm all of it, you can look at either a conservation easement or managing for native shrubs and grasses through either the Agricultural Conservation Easement Program (ACEP) or Conservation Reserve Program (CRP). Easements are long-term, while a CRP contract is 10-15 years. These are good options for land that is not optimal for production or sensitive lands like wetlands and grasslands.

#### **Additional Resources**

Depending on your farm, you may want to look at crop insurance. The USDA's Risk Management Agency provides crop insurance to help you manage risks on your farm. There are <u>many types of insurance products available</u> for a wide variety of production practices, including organic and sustainable agriculture.

Your local communities also have great resources for farmers including conservation districts, Rural Development, cooperative extensions, and different farming groups. To get started with USDA, contact your local USDA service center.

## "Spring into Action" to Help Define FY22 Conservation Priorities

Ever wondered how USDA's Natural Resources Conservation Service develops its program offerings? If so, you'll soon have an opportunity to take a closer look at that process and provide input on FY2022 funding priorities. District conservationists throughout the state will hold Local Working Group (LWG) meetings this spring to gather feedback from partners, farmers and forest landowners like you.

LWGs provide recommendations on state and regional natural resource priorities and provide valuable feedback to improve the scope and efficiency of federal Farm Bill programs. Responsibilities include:

- Developing a conservation needs assessment using community stakeholder input.
- Using that assessment to identify Farm Bill program funding needs and appropriate conservation practices.
- Identifying high-priority areas and issues needing immediate attention.
- Reviewing USDA program applications and funding criteria, eligible practices and payment rates.

NRCS district conservationists will coordinate with local SWCD managers to convene meetings within their districts. Local Working Group members vary but could include SWCD board members, FSA county committee members and the FSA county executive director. Representatives of tribal governments and other state and local agencies are also encouraged to participate.

"There's no limit to how many people can join an LWG," said Patrick Vincent, the NRCS' Assistant State Conservationist for Programs in Virginia, "but the size of the groups is usually small. I encourage all interested producers and partners to contact their local office about joining an LWG or speaking to LWG members at a meeting. We value their input and want to be able to consider it."

All Virginia LWGs will convene in March and April. Anyone wishing to participate but unable to attend can contact his or her local District Conservationist to provide input. Meetings are open to the public but will be held virtually until operational guidance permits resumption of in-person meetings. Contact your local NRCS office to learn more.

### **Crop Insurance Deadline Nears in Virginia**

#### **Growers with Spring Planted Crops Need to Make Insurance Decisions Soon**

The USDA's Risk Management Agency (RMA) reminds Virginia growers that the final date to apply for crop insurance coverage on most spring-planted crops for the 2021 crop year is March 15. Current policyholders who wish to make changes to their existing policies also have until March 15 to do so. Growers also have until March 15 to apply for coverage under the <a href="Whole-Farm Revenue Protection">Whole-Farm Revenue Protection</a> policy.

Federal crop insurance is critical to the farm safety net. It helps producers and owners manage revenue risks and strengthens the rural economy. Coverage for cabbage, corn, cotton, fresh market beans, fresh market sweet corn, fresh market tomatoes, grain sorghum, hemp, peanuts, processing

beans, processing tomatoes, soybeans, spring oats, and tobacco is available in select counties. Additional information can be found on the Actuarial Information Browser page on the RMA website.

Growers are encouraged to visit their crop insurance agent soon to learn specific details for the 2021 crop year. Additional crops may be eligible for coverage under a written agreement. Crop insurance coverage decisions must be made on or before the sales closing date.

RMA is authorizing additional flexibilities due to coronavirus while continuing to support producers, working through Approved Insurance Providers (AIPs) to deliver services, including processing policies, claims, and agreements. RMA staff are working with AIPs and other customers by phone, mail, and electronically to continue supporting crop insurance coverage for producers. Farmers with crop insurance questions or needs should continue to contact their insurance agents about conducting business remotely (by telephone or email). More information can be found at <a href="mailto:farmers.gov/coronavirus">farmers.gov/coronavirus</a>.

Crop insurance is sold and delivered solely through private crop insurance agents. A list of crop insurance agents is available online using the RMA <u>Agent Locator</u>. Producers can use the RMA <u>Cost Estimator</u> to get a premium amount estimate of their insurance needs online. Learn more about crop insurance and the modern farm safety net at <u>www.rma.usda.gov</u>.

# **USDA Offers Targeted Farm Loan Funding for Underserved Groups and Beginning Farmers**

The USDA Farm Service Agency (FSA) reminds producers that FSA offers targeted farm ownership and farm operating loans to assist underserved applicants and beginning farmers and ranchers.

USDA defines underserved applicants as a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of the group without regard to their individual qualities. For farm loan program purposes, targeted underserved groups are women, African Americans, American Indians and Alaskan Natives, Hispanics and Asians and Pacific Islanders.

Underserved or beginning farmers and ranchers who cannot obtain commercial credit from a bank can apply for either FSA direct loans or guaranteed loans. Direct loans are made to applicants by FSA. Guaranteed loans are made by lending institutions who arrange for FSA to guarantee the loan. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan. The FSA guarantee allows lenders to make agricultural credit available to producers who do not meet the lender's normal underwriting criteria.

The direct and guaranteed loan program provides for two types of loans: farm ownership loans and farm operating loans. In addition to customary farm operating and ownership loans, FSA offers Microloans through the direct loan program. Microloans focus on the financing needs of small, beginning farmer, niche, and non-traditional farm operations. Microloans are available for both ownership and operating finance needs. To learn more about microloans, visit <a href="mailto:fsa.usda.gov/microloans">fsa.usda.gov/microloans</a>.

To qualify as a beginning producer, the individual or entity must meet the eligibility requirements outlined for direct or guaranteed loans. Individuals and all entity members must have operated a farm for less than 10 years. Applicants must materially or substantially participate in the operation.

For more information on FSA's farm loan programs and targeted underserved and beginning farmer guidelines, contact your County USDA Service Center or visit <u>fsa.usda.gov/farmloans</u>.

# USDA Packages Disaster Protection with Loans to Benefit Specialty Crop and Diversified Producers

Free basic coverage available for new and underserved loan applicants

Producers who apply for Farm Service Agency (FSA) farm loans will be offered the opportunity to enroll in the Noninsured Crop Disaster Assistance Program (NAP). NAP is available to producers who grow noninsurable crops and is especially important to fruit, vegetable, and other specialty crop growers.

New, underserved and limited income specialty growers who apply for farm loans could qualify for basic loss coverage at no cost.

The basic disaster coverage protects at 55 percent of the market price for crop losses that exceed 50 percent of production. Covered "specialty" crops include vegetables, fruits, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, hay, forage, grazing and energy crops. FSA allows beginning, underserved or limited income producers to obtain NAP coverage up to 90 days after the normal application closing date when they also apply for FSA credit.

Producers can also protect value-added production, such as organic or direct market crops, at their fair market value in those markets. Targeted underserved groups eligible for free or discounted coverage include American Indians or Alaskan Natives, Asians, Blacks or African Americans, Native Hawaiians or other Pacific Islanders, Hispanics, and women.

FSA offers a variety of loan products, including farm ownership loans, operating loans and microloans that have a streamlined application process.

NAP coverage is not limited to FSA borrowers, beginning, limited resource, or underserved farmers. Any producer who grows eligible NAP crops can purchase coverage. To learn more, contact your County USDA Service Center or visit <a href="mailto:fsa.usda.gov/nap">fsa.usda.gov/nap</a> or <a href="mailto:fsa.usda.gov/nap">fsa.usda.gov/farmloans</a>.

## **Selected Interest Rates for March 2021**

90-Day Treasury Bill	0.125%
Farm Operating Loans — Direct	1.375%
Farm Ownership Loans — Direct	2.75%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.5%
Emergency Loans	2.375%
Farm Storage Facility Loans - (7 years)	0.875%

.5%

1.125%

Commodity Loans 1996-Present

### **Dates to Remember**

3/15 NAP Sales Closing date for hemp

3/15 ARC/PLC Enrollment Deadline

4/9 QLA Sign-up Deadline

For more information on bulletin subjects or details regarding your GovDelivery subscription with the Virginia FSA State Office, contact Diane Lenoir-Giles at <a href="mailto:diane.lenoir-giles@usda.gov">diane.lenoir-giles@usda.gov</a> or call at 804-287-1537.

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