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Farm Service Agency **Electronic News Service**

NEWSLETTER

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Washington State FSA Newsletter

Washington State Farm Service Agency

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More Crops/Livestock Added to Coronavirus Food Assistance Program (CFAP)

CFAP included an opportunity for producers, grower organizations and others to submit data on crops that potentially could qualify for CFAP benefits. Those recommendations have all been reviewed now and more crops/livestock were added to the program. The new crops include a variety of fresh produce, greens and herbs along with peppermint and spearmint. Also added were liquid and frozen eggs, all sheep greater than two years of age, certain aquaculture (fish) species including trout and salmon, nursery stock and cut

flowers. A complete list of eligible crops and livestock and their payment rates can be found [here](#).

State Executive Director:

Jon Wyss

State Committee:

Katlenia Vejraska, Chair
Maureen Harkcom, Member
Jesus Limon, Member
Robyn Meenach, Member
Bruce Nelson, Member

Most of the new crops are under the “specialty crop” category which can earn benefits in up to three categories or “buckets.” Not all crops qualify for the first category. The first is for production sold January 15-April 15, 2020. The second is for production shipped off the farm and spoiled, destroyed or otherwise disposed of January 15-April 15, where the grower received no compensation. And the third is for production not shipped off the farm and spoiled, destroyed, donated or otherwise disposed of January 15-April 15, again without the grower receiving any compensation.

For shelled eggs which are liquid for frozen, payments can be earned for eggs produced January 1-March 31.

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

Previously sheep yearlings and lambs less than 2 years old were eligible for CFAP. With the latest additions, sheep greater than 2 years old are also eligible. Benefits can be earned on sheep sold January 15-April 15 and on the highest sheep inventory April 16-May 14. Producers who previously applied for CFAP on younger sheep must contact the County Office to certify their numbers of eligible older sheep if they want to claim a payment on them.

Eligible fish species, including salmon and trout, are eligible for benefits on fish sold January 15-April 15 (not all species qualify) as well as the highest inventory of market sized fish available to be marketed January 15-April 15.

Nursery crops and cut flowers are eligible in two categories. They are inventory that was shipped off the farm and spoiled or went unpaid January 15-April 15 and inventory not shipped off the farm that spoiled or went unpaid January 15-April 15. Any inventory that did not go bad and was or will be sold after April 15 is not eligible.

As with all other CFAP crops, the crop must have had “price risk” on January 15, meaning it was not subject to a guaranteed price, such as through a forward contract or similar binding agreement. Crops subject to an agreed upon price on January 15 are not eligible.

The last change to CFAP was the extension of the signup period to **September 11, 2020**.

Turn in All Required CRP Documents to Avoid Payment Delays

If you have existing CRP contracts that are being revised for any reason, such as changes in participants, FSA farm or tract number changes, changes in your farm operation structure, or others, the County Office would have provided you revised contracts and/or

eligibility forms to complete, sign and return. If you have any of these, you need to get them returned to FSA as soon as possible. If the local office does not have time to review the data and update FSA records or your CRP contract, it could delay your rental payments due this October. Delays in returning all required documents will result in delays in your payments. In addition, if you have documents you need to submit for any CRP cost sharing, those should be submitted as soon as possible. FSA's CRP cost sharing software will be updated and as a result County Offices will not be able to issue cost share payments in October. If you delay submitting your paperwork for seeding, spraying, mid-contract management or other cost shared activities, you may not get paid until later this fall.

NAP Coverage – Protection for 2021 Crops Available

For crops that are not insurable with catastrophic level coverage (CAT) through your crop insurance agent, Non-insured Crop Disaster Assistance Program (NAP) coverage is an available tool to help mitigate financial risk. NAP covers non-insurable crops damaged, lost or prevented from being planted due to a natural weather-related disaster condition.

There are several coverage level options through this program. NAP provides a catastrophic level (CAT) of coverage for losses that exceed 50 percent of the expected yield at 55 percent of the approved NAP price for the crop. The 2018 Farm Bill reinstated higher levels of coverage, from 50 to 65 percent of expected production in 5 percent increments, at 100 percent of the approved NAP price. Producers who elect a higher level of coverage must “buy-up” and pay a premium in addition to the service fee. Producers with an organic certification can select the organic option when requesting NAP coverage at either CAT or buy-up levels of coverage at 100 percent of the approved organic NAP price. Please note, buy-up coverage is not available for crops intended for grazing.

Premium cost for buy-up coverage on yield-based crops will be calculated based on the lesser of either of the following:

- The applicable payment limitation (\$300,000 for buy-up) X 5.25% premium fee = \$15,750 maximum premium per individual or legal entity, or
- The sum of acres X APH yield X share X coverage level X NAP price X 5.25% premium fee for each NAP crop with buy-up coverage selected.

NAP payment limitation for basic coverage remains at \$125,000 per individual or legal entity. Beginning, limited resource, targeted underserved farmers or ranchers, and qualified veteran farmers or ranchers are eligible for a NAP premium reduction.

NAP service fee is \$325 per crop per county, up to \$825 per county, not to exceed \$1,950 per producer with NAP covered crops in multiple counties. A waiver of the NAP service fee is available to beginning, limited resource, traditionally underserved farmers or ranchers, and qualified veteran farmers or ranchers. Certification forms must be completed before the appropriate NAP application for coverage close date for waivers or premium reductions to apply.

NAP coverage for eligible 2021 crops should be purchased at least 30 days before the crop is planted, but no later than the established NAP application for coverage closing date for the crop or crops listed as follows:

September 30, 2020 – Garlic, mint, and biennial/perennial forages, mixed forages and grasses for hay, seed, or grazing.

November 20, 2020 – Asparagus, berries, grapes, honey, hops, tree fruits, nuts, and other perennial crops not listed under the 9/30 category.

March 15, 2020 – Artichokes, beets (for seed or fresh), buckwheat, camelina, carrots (for fresh or processing), mustard, radish (for seed or fresh), small grain forage (wheat, barley, oats, peas), and any other spring planted crops not mentioned in other closing dates.

NAP application for coverage deadlines are also posted on the FSA website www.fsa.usda.gov/wa. Contact your local county FSA office if you are interested in applying for NAP coverage, or if you have any questions regarding NAP availability or application closing dates.

Marketing Assistance Loans, Loan Deficiency Payments, and Certificates Available

With the start of 2020 crop harvest, keep in mind that FSA Marketing Assistance Loans are available for harvested commodities. A loan can provide you with interim financing to meet cash flow needs without selling your harvested crop at a time when market prices are at harvest-time lows. Your 2020 harvested farm-stored or warehouse-stored commodity is used as collateral for the loan. Marketing Assistance Loans typically mature 9 months after the month loan funds are disbursed to you, with repayment due at loan maturity. Before moving farm-stored loan collateral, you must contact the county FSA office and obtain an authorization to move the collateral. Producers who have a commodity pledged as collateral for a marketing assistance loan can purchase a commodity certificate that can be immediately exchanged for the outstanding loan collateral in situations when the loan rate exceeds the exchange rate. Producers who are eligible for marketing assistance loans can obtain a loan deficiency payments (LDPs) in lieu of a loan. LDP's are available when the posted county price for a crop falls below the county loan rate. You can check the daily LDP rates online at <https://www.fsa.usda.gov/programs-and-services/price-support/Index>.

Marketing assistance loans or loan deficiency payments are available for wheat, barley, oats, corn, dry peas, lentils, small chickpeas, large chickpeas, grain sorghum, soybeans, sunflower seed, rapeseed, canola, safflower seed, flaxseed, mustard seed, crambe, sesame seed, graded and non-graded wool, mohair, and honey. Unshorn pelts are available for an LDP only.

For a commodity to be eligible for a loan, loan deficiency payment, or certificate, you must have beneficial interest in the commodity which is defined as having title, possession, and control of the commodity. The quality of stored collateral must be maintained, and you are responsible for loss or damage to the commodity through the term of the loan. To retain eligibility for an LDP when beneficial interest in your harvested crop will be lost upon delivery, you must file form CCC-633 EZ Page 1 with your local FSA office prior to loss of beneficial interest.

As a reminder, commodity loan policy requires that warehouse receipts must include the physical address of the storing warehouse. If the address is not provided on the warehouse receipt, the warehouse may be asked to correct the receipt before it will be accepted for a commodity loan.

Commodities stored at multiple warehouse locations will require a separate loan to be created for each physical storage location. Each new loan will charge a separate FSA service fee. Please keep this in mind when requesting a commodity loan for a commodity that is stored at multiple warehouse locations.

Starting this year, separate loans will be created for each subclass of wheat, even if all wheat is stored at the same location. For example, if you had soft white winter wheat all stored at the same physical warehouse location but a portion of the wheat stored was soft white, some was western white, and the rest was white club, then at least three commodity loans would be created by FSA to correctly account for the differences in soft white winter wheat subclasses. This means three different service fees would be charged for the disbursement of the three different loan amounts. Be aware of the requirement when requesting a commodity loan for a warehouse stored commodity with different subclasses.

If you are interested, please contact [your local FSA county office](#) to learn more about Marketing Assistance Loans, LDPs, and Certificates

2020 Wool Triggers Loan Deficiency Payments

Wool producers may be eligible for Loan Deficiency Payments (LDP) through the Farm Service Agency. LDPs are direct payments made in lieu of a marketing assistance loan when the Commodity Credit Corporation determined value, based on the current local price, is below the applicable loan rate. For wool, the local prices and loan rates are set at a national level. The payment is the difference between the price and loan rate times the eligible quantity. Wool LDP rates are updated on a weekly basis and can be found online [here](#).

For a commodity to be eligible for an LDP, the producer must have beneficial interest in the commodity, defined as having title, possession, and control of the commodity, and responsible for loss of or damage to the commodity. All related application forms must be completed at the local FSA office prior to loss of beneficial interest. Additional eligibility requirements must be met before an LDP payment can be paid. This includes a 2020 FSA-578 acreage report for all crop acres, a CCC-941 Adjusted Gross Income Certification, a CCC-902 Farm Operating Plan, an AD-1026 Highly Erodible Land and Wetland Certification, and a direct deposit form or waiver.

In order to request an LDP for wool, producers must complete a CCC-633 EZ Loan Deficiency Payment Agreement and Request form. Page 1 is the agreement which signifies an intent to request an LDP and must be completed before a producer loses beneficial interest of the eligible commodity. Page 4 is the wool request for LDP benefits and must be submitted after page 1 is completed. Once signed and approved, page 4 cannot be cancelled and payments cannot be deferred. Payments are processed after page 4 has been submitted and approved.

For more information on LDPs, visit <https://www.fsa.usda.gov/programs-and-services/price-support/Index> or visit [your local FSA office](#).

FSA Accepting Applications to Help Cover Costs for Organic Certification

Organic producers and handlers can apply for federal 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, 2019, and Sept. 30, 2020. **2020 OCCSP applications are due Oct. 31, 2020.**

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. Eligible expenses for cost-share reimbursement include application fees, inspection costs, fees related to equivalency agreement and arrangement requirements, travel expenses for inspectors, user fees, sales assessments and postage. Producers and handlers certified organic by Washington State Department of Agriculture (WSDA) will receive cost-share reimbursement from WSDA and are not eligible to receive duplicate cost-share reimbursement from USDA-FSA. For more information on applying for organic certification and cost-share reimbursement through WSDA, [visit this website](#).

Changes in Reimbursement

Due to expected participation levels for fiscal year 2020, FSA revised the reimbursement amount through fiscal year 2023. Certified producers and handlers are now eligible to receive reimbursement for up to 50 percent of the certified organic operation's eligible expenses, up to a maximum of \$500 per scope. In Washington State, eligible certification scopes remain the same – crops, livestock, wild crops, and processing/handling.

The change to the maximum payment per scope is due to the limited amount of funding available and will allow a larger number of certified organic operations to receive assistance. If additional funding is authorized later, FSA may provide additional assistance to certified operations that have applied for OCCSP, not to exceed 75 percent of their eligible costs, up to \$750 per scope.

The changes to the payment calculation and maximum payment amount are applicable to all certified organic operations, regardless of whether they apply through an FSA county office or through WSDA.

More Information

To learn more about organic certification cost share, please visit the [OCCSP webpage](#), view the [notice of funds availability on the Federal Register](#), or contact the FSA county office at [your local USDA Service Center](#). 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 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 may also be required to wear a face covering during their appointment.

To learn more about USDA support for organic agriculture, visit usda.gov/organic.

Notification of Changes to Farming Operations

Program participants are responsible for ensuring that all eligibility documentation is up to date and correct at all times. This includes the CCC-902 (Farm Operating Plan), AD-1026, and other applicable eligibility documents. Please notify your local FSA office of any changes that have occurred to your operation prior to September 30, 2020. Failure to timely submit changes and

eligibility documentation may result in ineligibility, improper payments or delays in issuance of payments.

Bank Account Changes

FSA program payments are issued electronically by direct deposit into your bank account. In effort to assist FSA in timely issuing payments, you must notify your servicing office of any changes to your banking information. This includes if you **close your account**, or if your banking information is changed for other reasons, such as your **financial institution merging or being purchased**. Program payments may be delayed if FSA is not timely notified of changes to accounts and bank routing numbers

Important ARC/PLC Deadlines

All changes to farming operations for FY 2019 and 2020 that result in succession of interest ARC/PLC contracts **must be made by September 30, 2020**. Changes that can result in succession of interest contracts include things such as a sale of land, changes to an operator or producer on the contract, or changes to shares that were originally approved on the contract. Failure to notify your local servicing office of changes to your operation may result in delay of payment or a determination of ineligibility for your contract.

Landowners wishing to file yield updates as authorized under the 2018 Farm Bill **must do so by September 30, 2020**. This is a one-time opportunity and all resulting yields will be maintained and effective for crop year 2020 through 2023 (the life of the Farm Bill). No action is needed for owners wishing to maintain the current yields established for the farm.

USDA Offers Annual Installment Deferral Option for Farm Storage Facility Loan Borrowers

To assist Farm Storage Facility Loan (FSFL) borrowers experiencing financial hardship from the pandemic and other challenges in production agriculture, USDA's Farm Service Agency (FSA) is offering a one-time annual installment payment deferral option. No fees or prepayment penalties apply for borrowers who choose this FSFL loan flexibility option.

Eligible borrowers can request a one-time only annual installment payment deferral for loans having terms of three, five, seven or ten years. The installment deferral option is not available for 12-year term loans.

The FSFL installment payments will remain the same, except for the last year. The original loan interest rate and annual payment due date will remain the same. However, because the installment payment deferral is a one-year loan term extension, the final payment will be higher due to additional accrued interest.

Borrowers interested in exercising the one-time annual installment deferral option should contact FSA to make the request and to obtain, complete and sign required forms.

FSFLs provide low-interest financing for producers to store, handle and transport eligible commodities.

More Information

In addition to offering flexibilities for FSFLs, FSA has also made other flexibilities to help producers impacted by the pandemic, including relaxing the loan-making process for farm operating and ownership loans and implementing the Disaster Set-Aside provision that enables an upcoming installment on a direct loan to be set aside for the year. More information on these flexibilities can be found at farmers.gov/coronavirus.

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, 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 may also be 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.

For more information, contact your local USDA Service Center. To locate your local FSA office, visit farmers.gov/service-center-locator.

Ag Risk Protection Act Notification

Congress passed the Agricultural Risk Protection Act in June 2000. This Act requires the Risk Management Agency (RMA) with assistance from the Farm Service Agency (FSA) to improve program compliance and integrity of the Federal Crop Insurance program.

The Risk Management Agency provides to FSA twice each year a list of insured producers, in which FSA must perform two documented field inspections during the growing season. These inspections will be thoroughly documented, and results are provided to the appropriate RMA Regional Compliance Office for further review. This information will also be made available for your insurance company's use if loss adjustment activities occur.

If contacted by FSA notifying you of your selection for an RMA growing season inspection, you will be asked to provide the location of where your fields of the selected crop are planted. You will also be asked to provide information regarding your farming practices by asking for information on soil testing, chemical applications, and fertilizer treatments being implemented. FSA will visit your crop locations and document their findings using both GPS and photographs, along with your completed questionnaire.

The Agricultural Risk Protection Act of 2000 also provides producers or members of the general public an opportunity to report suspected cases of fraud, waste, and abuse to their local County Office, RMA Regional Office or the Office of Inspector General for review.

You can contact your local FSA office for additional information on this program.

Acreage Reporting

The final acreage reporting period for the 2020 crop ended on July 15, 2020. Due to the COVID-19 restrictions, County Offices were granted a one-time additional 30-day period (until August 14, 2020) to assist producers in recording their planted acreages for program purposes.

Producers who missed this deadline can retain program eligibility if the County Committee accepts your late filed acreage report as timely filed.

To file a late filed report of acreage, you must provide a written statement explaining why you were not able to meet the deadline. You must pay a fee to cover the costs of a required field verification visit. The per farm fee is \$30 plus an hourly rate of \$16, with a one hour minimum, and finally provide a complete acreage report identifying the crops planted and their intended use must be verifiable. Late filed acreage reports cannot be accepted if you are making the request more than 12 months beyond the reporting date for the respective crop.

Producers with Conservation Reserve Program (CRP) are required to provide an annual acreage report reporting the CRP practices being applied to each field. This is a change from the prior farm bill and may have caught some folks off guard. Your local county office will work with you to get your acreage reports on file.

Producers should begin preparing for the acreage reporting requirements for next year's crops. All fall seeded crops must be reported to FSA before December 15, 2020. Producers are encouraged to contact your County Office soon after you complete your fall seeding to ensure you meet this deadline.

Fruit and Berry growers, your reporting deadline is January 15, 2021. If you suffer losses for which you intend to file an application for assistance, you must have a timely filed acreage report on file. There is no need to incur additional expenses when you are already experiencing unpreventable losses.

Important Dates and Deadlines

September 7, 2020 – Labor Day. USDA service centers will be closed.

September 11, 2020 – Deadline to apply for CFAP.

September 30, 2020 – Deadline to obtain 2021 crop year NAP coverage for garlic, mint, biennial/perennial forages and mixed forages for hay, seed, or grazing.

September 30, 2020 – Deadline to complete one-time option to update PLC yields on farms. Updated yields take effect beginning with the 2020 crop year.

October 12, 2020 – Columbus Day. USDA service centers will be closed.

October 12 – December 11, 2020 – Signup period for 2021 Dairy Margin Coverage (DMC) enrollment.

October 31, 2020 – Deadline to apply for the Organic Certification Cost Share Program (OCCSP). Cost share funds available for organic certification expenses paid from October 1, 2019 through September 30, 2020.

November 2, 2020 – County Committee election ballots mailed to eligible voters.

November 11, 2020 – Veterans Day. USDA service centers will be closed.

November 20, 2020 – Deadline to obtain 2021 crop year NAP coverage for asparagus, berries, grapes, honey, hops, tree fruits, nuts, and other perennial crops not listed under the 9/30 category.

November 26, 2020 – Thanksgiving Day. USDA service centers will be closed.

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).