FSA to Provide Additional Direct Assistance to Farmers and Ranchers Impacted by the Coronavirus

USDA announced up to an additional $14 billion for agricultural producers who continue to face market disruptions and associated costs because of COVID-19. Signup for the Coronavirus Food Assistance Program (CFAP 2) will begin September 21 and run through December 11, 2020.

Background:
The U.S. Department of Agriculture (USDA) will use funds being made available from the Commodity Credit Corporation (CCC) Charter Act and CARES Act to support row crops, livestock, specialty crops, dairy, aquaculture and many additional commodities. USDA has incorporated improvements in CFAP 2 based from stakeholder engagement and public feedback to better meet the needs of impacted farmers and ranchers.

Producers can apply for CFAP 2 at USDA’s Farm Service Agency (FSA) county offices. This program provides financial assistance that gives producers the ability to absorb increased marketing costs associated with the COVID-19 pandemic. Producers will be compensated for ongoing market disruptions and assisted with the associated marketing costs.

CFAP 2 payments will be made for three categories of commodities—Price Trigger Commodities, Flat-rate Crops and Sales Commodities.

**Price Trigger Commodities** Price trigger commodities are major commodities that meet a minimum 5-percent price decline over a specified period of time. Eligible price trigger crops include barley, corn, sorghum, soybeans, sunflowers, upland cotton, and all classes of wheat. Payments will be based on 2020 planted acres of the crop, excluding prevented planting and experimental acres. Payments for price trigger crops will be the greater of: 1) the eligible acres multiplied by a payment rate of $15 per acre; or 2) the eligible acres multiplied by a nationwide crop marketing percentage, multiplied by a crop-specific payment rate, and then by the producer’s weighted 2020 Actual Production History (APH) approved yield. If the APH is not available, 85 percent of the 2019 Agriculture Risk Coverage-County Option (ARC-CO) benchmark yield for that crop will be used.

For broilers and eggs, payments will be based on 75 percent of the producers’ 2019 production.

Dairy (cow’s milk) payments will be based on actual milk production from April 1 to Aug. 31, 2020. The milk production for Sept. 1, 2020, to Dec. 31, 2020, will be estimated by FSA.

Eligible beef cattle, hogs and pigs, and lambs and sheep payments will be based on the maximum owned inventory of eligible livestock, excluding breeding stock, on a date selected by the producer, between Apr. 16, 2020, and Aug. 31, 2020.

**Flat-rate Crops** Crops that either do not meet the 5-percent price decline trigger or do not have data available to calculate a price change will have payments calculated based on eligible 2020 acres multiplied by $15 per acre. These crops include alfalfa, extra long staple (ELS) cotton, oats, peanuts, rice, hemp, millet, mustard, safflower, sesame, triticale, rapeseed, and several others.
Sales Commodities Sales commodities include specialty crops; aquaculture; nursery crops and floriculture; other commodities not included in the price trigger and flat-rate categories, including tobacco; goat milk; mink (including pelts); mohair; wool; and other livestock (excluding breeding stock) not included under the price trigger category that were grown for food, fiber, fur, or feathers. Payment calculations will use a sales-based approach, where producers are paid based on five payment gradations associated with their 2019 sales.

Additional commodities are eligible in CFAP 2 that weren’t eligible in the first iteration of the program. If your agricultural operation has been impacted by the pandemic since April 2020, we encourage you to apply for CFAP 2. A complete list of eligible commodities, payment rates and calculations can be found on farmers.gov/cfap.

Eligibility There is a payment limitation of $250,000 per person or entity for all commodities combined. Applicants who are corporations, limited liability companies, limited partnerships may qualify for additional payment limits when members actively provide personal labor or personal management for the farming operation. In addition, this special payment limitation provision has been expanded to include trusts and estates for both CFAP 1 and 2.

Producers will also have to certify they meet the Adjusted Gross Income limitation of $900,000 unless at least 75 percent or more of their income is derived from farming, ranching or forestry-related activities. Producers must also be in compliance with Highly Erodible Land and Wetland Conservation provisions.

Applying for Assistance Producers can apply for assistance beginning Sept. 21, 2020. Applications will be accepted through Dec. 11, 2020.

Additional information and application forms can be found at farmers.gov/cfap. Documentation to support the producer’s application and certification may be requested. All other eligibility forms, such as those related to adjusted gross income and payment information, can be downloaded from farmers.gov/cfap/apply. For existing FSA customers, including those who participated in CFAP 1, many documents are likely already on file. Producers should check with FSA county office to see if any of the forms need to be updated.

Customers seeking one-on-one support with the CFAP 2 application process can call 877-508-8364 to speak directly with a USDA employee ready to offer assistance. This is a recommended first step before a producer engages with the team at the 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 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 be in the office, and they will be working with our producers in the office, by phone and using online tools. More information can be found at farmers.gov/coronavirus.

Direct and Guaranteed Farm Operating Loans Available

FSA’s Direct Loan Program is designed to help farmers start, purchase, or expand their farming operation. From beginning farmers who have limited financial history to qualify for commercial credit to farmers who have suffered financial setbacks from natural disasters, FSA offers a variety of loans to provide additional resources farmers need to establish and maintain profitable farming operations. Farmers may apply for direct loans at their local FSA offices.

FSA guaranteed loans are available to farmers who may not meet loan qualifications from a commercial lender. Guaranteed loans are made and serviced by commercial lenders, such as banks, Farm Credit System institutions, or credit unions. Under a guaranteed loan, a commercial lender makes and services the loan, and FSA guarantees it against loss up to a maximum of 90 percent in most cases or 95 percent in limited circumstances. FSA approves eligible loan guarantees and provides oversight of lenders’ activities. Contact a local FSA office for a list of participating lenders.

Farm Operating Loans may be used for normal operating expenses, machinery and equipment, minor real estate repairs or improvements, and refinancing debt. The direct loans are available up to a maximum of $400,000. Microloans are also available for amounts of $50,000 or less. FSA will guarantee farm operating loans through a commercial lender up to $1,776,000. The repayment term may vary, but it cannot exceed seven years. Annual operating loans are generally repaid within 12 months or when the commodities produced are sold. Direct operating loans require applicants to have sufficient education, training, or at least one year’s experience in managing or operating a farm or ranch within the last five years.
**Marketing Assistance Loans, Loan Deficiency Payments, and Certificates Available**

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 farmstored 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. LDPs 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](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.

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**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.

2021 Dairy Margin Coverage Signup Begins October 12

Signup begins October 12 for the 2021 Dairy Margin Coverage (DMC) program. DMC is a voluntary risk management program for dairy producers authorized by the 2018 Farm Bill. This program offers protection to dairy producers when the difference between the all-milk price and the average feed cost (the margin) falls below a certain dollar amount selected by the producer. The deadline to enroll in the 2021 DMC program is December 11, 2020.

The 2021 DMC program will provide coverage for the entire 2021 calendar year. At the time of signup, dairy producers can select a margin from $4.00 to $9.50 along with selecting the percentage of covered production history from 5 percent up to 95 percent. The DMC margin calculation of average feed costs now includes a 50% blend of premium and supreme alfalfa hay prices that more closely aligns with hay rations used by many producers. Learn more about the Dairy Margin Coverage (DMC) Program here. Dairies can use the DMC decision tool to evaluate various scenarios using different coverage percentages and margin amounts. For producers who locked into a coverage level for five years of margin protection coverage in order to receive a 25 percent premium discount, coverage levels cannot be changed.

DMC offers catastrophic coverage ($4.00 at 95%) that costs an annual $100 administrative fee. Producers can opt for greater coverage levels for a premium cost, in addition to the $100 administrative fee. Dairy operations owned by limited resource, beginning, socially disadvantaged or veteran farmers and ranchers may be eligible for a waiver of administrative fees. Producers who locked into a coverage level are required to certify the dairy operation is still commercially marketing milk, sign the CCC-801 DMC Contract and Annual Coverage Election form for 2021, and pay the annual administrative fee before the end of the signup period.
Apply for OCCSP for Organic Certification Cost Share Reimbursements


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 through WSDA, [visit this website](https://farmers.gov/service-center-locator). For more information on applying for organic certification and cost-share reimbursement through WSDA, [visit this website](https://farmers.gov/service-center-locator).

Due to expected participation levels for fiscal year 2020, reimbursement amounts have been revised 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. If additional funding is authorized later in the year, 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.

To learn more about organic certification cost share, please visit the OCCSP webpage or contact 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. Please call ahead to schedule an appointment.

NAP Coverage – Protection for 2021 Crops Available

For crops that are not insurable with catastrophic (CAT) level coverage 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.

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

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 1 day 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:

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

**March 15, 2021** – 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](http://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.

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**2019 ARCPLC Payments**

Final Market Year Average (MYA) prices for 2019 have been published for Wheat, Barley, and Oats. The MYA for wheat and barley fell below the Statutory Reference Price resulting in a 2019 PLC Payment Rate for those crops. The MYA for oats exceeded the Statutory Reference Price so no payment will be earned under PLC.
The final 2019 PLC payment rate for Wheat is $0.92 per bushel and Barley is $0.26 per bushel.

Actual county yields have not been announced for the ARC-CO program to determine if ARC-CO payments will be earned.

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**Join USDA in Following the #Harvest2020 Progress**

*Harvest is underway in Washington and we* hope this year brings favorable harvest conditions and high yields.

Farmers, we invite you to share your harvest progress by sending an email to sharingoursuccesses@usda.gov with landscape-orientation photos or videos under 10 seconds, a short description of your photo or video, your city and state, and your Twitter handle (if you have one).

In addition to harvest photos, you can send photos and videos of preparing for harvest as well as those that show any challenges along the way. This will be a way for you to show other farmers as well as Americans in general all of the hard work that goes into harvest on your farm.

You can follow along by checking back in periodically to see new harvest photos and videos. To view the #Harvest2020 progress, visit [https://arcg.is/1j9fqb0](https://arcg.is/1j9fqb0).

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**Disaster Assistance Availability through FSA**

With the recent fires that have swept through Washington State, it is understandable that a number of producers may need assistance to aid in restoration of things such as fencing, tree planting, conservation structures, or even agriculture structures. FSA also provides benefits for livestock or pasture/feed losses that were endured during these catastrophic events. This assistance is provided through FSA’s Emergency Loan Program or one of its many disaster programs such as Emergency Conservation Program (ECP), Emergency Forest Restoration Program (EFRP), Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP), Livestock Forage Program (LFP), Livestock Indemnity Program (LIP), Non-insured Crop Disaster Assistance Program (NAP) or the Tree Assistance Program (TAP).

All producers wishing to obtain federal assistance through FSA should contact their local FSA office as soon as possible as it is important to note that Notice of Losses (NOL) for programs such as ELAP, LIP, NAP, and TAP are required to be filed timely and may be filed by phone, email, or by appointment. NOL deadlines by program are as follows:

- **ELAP** – 15 days for honeybee losses and 30 days for all livestock losses
- **LIP** – 30 days for all livestock losses
- **NAP** – 15 days for all covered crops
- **TAP** – 90 days for tree losses

**Please note that some programs such as ECP, EFRP, Emergency Loans (EM), and TAP require that environmental reviews are complete prior to actions being taken that are associated with the application. It is critical that no work begins prior to receiving notice of approval from FSA on the**
required environmental review. Failure to allow the necessary environmental review to be complete prior to actions being taken, may result in disapproval of the application.

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**October Payment Cycle to Begin**

FSA will begin the October payment cycles for CRP and ARC PLC soon. Processing of payments for older CRP contracts and CRP-TIP contracts will begin on October 2. 2019 PLC payment processing for some crops including wheat and barley will follow soon after the initial batch of CRP payments goes out. Most CRP contracts approved in 2010 and later will have payments processed starting on October 9. Each payment must be reviewed by FSA staff for accuracy and then they must be signed by two employees. County Offices do their best to get payments out timely but with the high volume of payments being issued during this time and the workload at this time, the process can still take 1-3 weeks. Payments are direct deposited for most producers, so they should be in your accounts 2-3 days after being signed by FSA staff. Paper transaction statements with data about your payments will be mailed to you at the same time. If you have not received your payments by the beginning of November, please contact your local office to see if we are missing any required paperwork from your farming operation.

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**FSA is Hiring!**

Farm Service Agency is seeking applicants interested in a full time program technician position. We currently have two positions open. The first position will be headquartered in Puyallup, WA to assist our county office with farm programs. The application period is September 28, 2020 through October 13, 2020. The full announcement can be found at: [https://www.usajobs.gov/GetJob/ViewDetails/579625800](https://www.usajobs.gov/GetJob/ViewDetails/579625800)

The second position is located in Everson, WA. and will assist our farm loan department. The application period opened September 28, 2020 and the closes October 12, 2020. The full announcement can be found at: [https://www.usajobs.gov/GetJob/PrintPreview/580092700](https://www.usajobs.gov/GetJob/PrintPreview/580092700)

The agency is looking for qualified applicants who are interested in living in rural communities and assisting farmers and ranchers. Vacancies with FSA are posted on the USAJobs website [www.usajobs.gov](http://www.usajobs.gov). Please contact Mitzi Patton at the FSA State Office at mitzi.patton@usda.gov or (509) 323-3007 with any questions.

The following video will allow interested parties to hear employees talk about what it is like to work for FSA in Washington state: [https://vimeo.com/182866334](https://vimeo.com/182866334)

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**Important Dates and Deadlines**

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


**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.

**December 7, 2020** – County Committee ballots are due to FSA county offices or postmarked by this date.

**December 11, 2020** – Deadline to apply for Coronavirus Food Assistance Program 2 (CFAP 2).

**December 14, 2020** – Deadline to apply for 2020 Seafood Trade Relief Program (STRP).

**December 15, 2020** – Deadline to report actual harvested production of 2020 NAP covered fall-seeded crops, including fall canola, fall mint, fall peas, fall lentils, fall seeded small grains.

**December 15, 2020** – 2021 crop acreage reporting deadline for fall-seeded crops. This includes fall-planted alfalfa, canola, lentils, mint, onions, peas, and small grains.

**December 25, 2020** – Christmas 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).