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Farm Service Agency Electronic News Service

BULLETIN

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Fremont County FSA Updates

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Message from the County Executive Director

Because of the current restrictions on public access to the USDA Service Center due to COVID-19 FSA will begin obtaining 2020 crop reports by alternative methods. We will begin mailing or emailing acreage report worksheets, farm tract maps, and instructions to producers for your completion. This is a change from the traditional method of obtaining this information with you in person at the FSA office.

Once you have completed the data needed on the worksheet and maps please return these documents to the FSA office. We are currently working with customers by telephone, mail, and email only. If you have completed planting your crops for 2020 and would like to provide your crop reports prior to receiving the worksheets and maps in the mail, please contact our office to schedule an appointment.

The final date by which a timely filed acreage report can be submitted to FSA is July 15, 2020. For FSA to receive and input your crop reporting data we ask that you complete and return the required data no later than June 30, 2020. Please contact our office with any questions or concerns you may have.

-Brian Harrell-
USDA Announces Details of Direct Assistance to Farmers through the Coronavirus Food Assistance Program

U.S. Secretary of Agriculture Sonny Perdue today announced details of the Coronavirus Food Assistance Program (CFAP), which will provide up to $16 billion in direct payments to deliver relief to America’s farmers and ranchers impacted by the coronavirus pandemic. In addition to this direct support to farmers and ranchers, USDA’s Farmers to Families Food Box program is partnering with regional and local distributors, whose workforces have been significantly impacted by the closure of many restaurants, hotels, and other food service entities, to purchase $3 billion in fresh produce, dairy, and meat and deliver boxes to Americans in need.

Beginning May 26, the U.S. Department of Agriculture (USDA), through the Farm Service Agency (FSA), will be accepting applications from agricultural producers who have suffered losses.

Background:

CFAP provides vital financial assistance to producers of agricultural commodities who have suffered a five-percent-or-greater price decline due to COVID-19 and face additional significant marketing costs as a result of lower demand, surplus production, and disruptions to shipping patterns and the orderly marketing of commodities.

Farmers and ranchers will receive direct support, drawn from two possible funding sources. The first source of funding is $9.5 billion in appropriated funding provided in the Coronavirus Aid, Relief, and Economic Stability (CARES) Act to compensate farmers for losses due to price declines that occurred between mid-January 2020, and mid-April 2020 and provides support for specialty crops for product that had been shipped from the farm between the same time period but subsequently spoiled due to loss of marketing channels. The second funding source uses the Commodity Credit Corporation Charter Act to compensate producers for $6.5 billion in losses due to on-going market disruptions.

Non-Specialty Crops and Wool

Non-specialty crops eligible for CFAP payments include malting barley, canola, corn, upland cotton, millet, oats, soybeans, sorghum, sunflowers, durum wheat, and hard red spring wheat. Wool is also eligible. Producers will be paid based on inventory subject to price risk held as of January 15, 2020. A payment will be made based 50 percent of a producer’s 2019 total production or the 2019 inventory as of January 15, 2020, whichever is smaller, multiplied by the commodity’s applicable payment rates.

Livestock

Livestock eligible for CFAP include cattle, lambs, yearlings and hogs. The total payment will be calculated using the sum of the producer’s number of livestock sold between January 15 and April 15, 2020, multiplied by the payment rates per head, and the highest inventory number of livestock between April 16 and May 14, 2020, multiplied by the payment rate per head.

Dairy
For dairy, the total payment will be calculated based on a producer’s certification of milk production for the first quarter of calendar year 2020 multiplied by a national price decline during the same quarter. The second part of the payment is based on a national adjustment to each producer’s production in the first quarter.

**Specialty Crops**

For eligible specialty crops, the total payment will be based on the volume of production sold between January 15 and April 15, 2020; the volume of production shipped, but unpaid; and the number of acres for which harvested production did not leave the farm or mature product destroyed or not harvested during that same time period, and which have not and will not be sold. Specialty crops include, but are not limited to, almonds, beans, broccoli, sweet corn, lemons, iceberg lettuce, spinach, squash, strawberries and tomatoes. A full list of eligible crops can be found on farmers.gov/cfap. Additional crops may be deemed eligible at a later date.

**Eligibility**

There is a payment limitation of $250,000 per person or entity for all commodities combined. Applicants who are corporations, limited liability companies or limited partnerships may qualify for additional payment limits where members actively provide personal labor or personal management for the farming operation. 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 on May 26, 2020. Additional information and application forms can be found at farmers.gov/cfap. Producers of all eligible commodities will apply through their local FSA office. Documentation to support the producer’s application and certification may be requested. FSA has streamlined the signup process to not require an acreage report at the time of application and a USDA farm number may not be immediately needed. Applications will be accepted through August 28, 2020.

**Payment Structure**

To ensure the availability of funding throughout the application period, producers will receive 80 percent of their maximum total payment upon approval of the application. The remaining portion of the payment, not to exceed the payment limit, will be paid at a later date as funds remain available.

USDA Service Centers are open for business by phone appointment only, and field work will continue with appropriate social distancing. While program delivery staff will continue to come into the office, they will be working with producers by phone and using online tools whenever possible. All Service Center visitors wishing to conduct business with the FSA, Natural Resources Conservation Service, or any other Service Center agency are required to call their Service Center to schedule a phone appointment. More information can be found at farmers.gov/coronavirus.

**Farm Loan Graduation Reminder**

FSA Direct Loans are considered a temporary source of credit that is available to producers who do not meet normal underwriting criteria for commercial banks.

FSA periodically conducts Direct Loan graduation reviews to determine a borrower’s ability to graduate to commercial credit. If the borrower’s financial condition has improved to a point where they can refinance their
debt with commercial credit, they will be asked to obtain other financing and partially or fully pay off their FSA debt.

By the end of a producer’s operating cycle, the Agency will send a letter requesting a current balance sheet, actual financial performance and a projected farm budget. The borrower has 30 days to return the required financial documents. This information will be used to evaluate the borrower’s potential for refinancing to commercial credit.

If a borrower meets local underwriting criteria, FSA will send the borrower’s name, loan type, balance sheet and projected cash flow to commercial lenders. The borrower will be notified when loan information is sent to local lenders.

If any lenders are interested in refinancing the borrower’s loan, FSA will send the borrower a letter with a list of lenders that are interested in refinancing the loan. The borrower must contact the lenders and complete an application for commercial credit within 30 calendar days.

If a commercial lender rejects the borrower, the borrower must obtain written evidence that specifies the reasons for rejection and submit to their local FSA farm loan office.

If a borrower fails to provide the requested financial information or to graduate, FSA will notify the borrower of noncompliance, FSA’s intent to accelerate the loan, and appeal rights.

Persons with disabilities who require accommodations to attend or participate in this meeting should contact Brian Harrell at (307)856-7524 extension 2 or Federal Relay Service at 1-800-877-8339.

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).