

January 2021



Farm Service Agency Electronic News Service

# NEWSLETTER

GovDelivery

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## Michigan FSA Newsletter

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To find contact information for your local office go to [offices.usda.gov](http://offices.usda.gov).

### Additional Assistance Available Through Coronavirus Food Assistance Program

The Coronavirus Food Assistance Program (CFAP) is expanding eligibility for some agricultural producers and commodities as well as updating payments to accurately compensate some producers who already applied for the program. Producers who are now eligible and those who need to modify existing applications due to these updates can contact FSA between Jan. 19 and Feb. 26.

#### Expanded Eligibility for CFAP 2

Contract producers of swine, broilers, laying hens, chicken eggs and turkeys who suffered a drop in revenue in 2020 as compared to their 2019 revenue because of the pandemic now are eligible for assistance. Producers could receive up to 80% of their revenue loss, subject to the availability of funds.

Producers of pullets and turfgrass sod also now are eligible for CFAP payments. The commodities were not explicitly included in the initial CFAP 2 rule. Payments are based on eligible sales and the payment calculation in the updated rule includes crop insurance indemnities, Noninsured Crop Disaster Assistance Program (NAP), and Wildfire and Hurricane Indemnity Program – Plus (WHIP+) payments.

#### Updated Payment Calculations for CFAP 2

Similarly, FSA adjusted the payment calculation to use the producer's eligible 2019 calendar year sales, and 2019 crop insurance indemnities, NAP, and WHIP+ payments, multiplied by the applicable payment rate for all sales commodities, which include specialty crops, aquaculture, tobacco, specialty livestock, nursery crops and floriculture, for CFAP 2. *(Continued on next page.)*

Producers who applied during the sign-up period that closed Dec. 11, 2020, can modify an existing CFAP 2 application between Jan. 19 and Feb. 26, 2021.

Additionally, FSA adjusted the payment calculation for certain row crops for CFAP 2, specifically those where a producer had crop insurance coverage but not an available 2020 Actual Production History (APH) approved yield. FSA is now using 100% of the 2019 Agriculture Risk Coverage-County Option (ARC-CO) benchmark yield to calculate payments when an APH is not available rather than 85%, which was in the original CFAP 2 calculations. This calculation changes only for producers with crop insurance coverage who grow barley, corn, sorghum, soybeans, sunflowers, upland cotton and wheat. Producers who applied during the sign-up period that closed Dec. 11, 2020, can modify an existing CFAP 2 application between Jan. 19 and Feb. 26, 2021.

### **CFAP 1 ‘Top-up’ Payments for Swine**

FSA is providing an additional CFAP 1 inventory payment for swine to help producers who face continuing market disruptions from changes in U.S. meat consumption due to the pandemic. Swine producers with approved CFAP 1 applications will soon automatically receive a “top-up” payment of \$17 per head increasing the total CFAP1 inventory payment to \$34 per head.

### **More Information**

Newly eligible producers can submit a new CFAP 2 application or producers who need to modify an existing one can do so between Jan. 19 and Feb. 26, 2021, by contacting their local USDA Service Center. New applicants can also obtain one-on-one support with applications by calling 877-508-8364.

In addition to the changes being made to CFAP, per language in the Consolidated Appropriations Act of 2021, FSA will extend 2020 Marketing Assistance Loans to provide additional flexibilities for farmers. FSA is also preparing to move forward on implementation of the remaining provisions of the recently passed Consolidated Appropriations Act of 2021. To learn more about this additional assistance, visit [farmers.gov/cfap](https://farmers.gov/cfap).

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## **CRP General Signup Ends February 12**

Agricultural producers and private landowners interested in the [Conservation Reserve Program](#) (CRP) can sign up for the popular program beginning Jan. 4, 2021, until Feb. 12, 2021. The competitive program, administered by USDA’s Farm Service Agency (FSA), provides annual rental payments for land devoted to conservation purposes.

Through CRP, farmers and ranchers establish long-term, resource-conserving plant species, such as approved grasses or trees, to control soil erosion, improve water quality and enhance wildlife habitat on cropland. Farmers and ranchers who participate in CRP help provide numerous benefits to their local region and the nation’s environment and economy. CRP general signup is held annually and is competitive; general signup includes increased opportunities for wildlife habitat enrollment through the [State Acres For Wildlife Enhancement](#) (SAFE) initiative.

New cropland offered in the program must have been planted for four out of six crop years from 2012 to 2017. Additionally, producers with land already enrolled but expiring on Sept. 30, 2021, can re-enroll this year. The acreage offered by producers and landowners is evaluated competitively; accepted offers will begin Oct. 1, 2021.

Signed into law in 1985, CRP is one of the largest private-lands conservation programs in the United States. The program marked its [35-year anniversary](#) in December 2020. Program successes include:

- Preventing more than 9 billion tons of soil from eroding, which is enough soil to fill 600 million dump trucks.
- Reducing nitrogen and phosphorous runoff relative to annually tilled cropland by 95% and 85%, respectively.
- Sequestering an annual average of 49 million tons of greenhouse gases, equal to taking 9 million cars off the road.
- Creating more than 3 million acres of restored wetlands while protecting more than 175,000 stream miles with riparian forest and grass buffers, which is enough to go around the world seven times.
- Benefiting bees and other pollinators and increasing populations of ducks, pheasants, turkey, bobwhite quail, prairie chickens, grasshopper sparrows, and many other birds.

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## Certain Incentive Payments Increased for Continuous Conservation Reserve Program

USDA is increasing incentive payments for practices installed on land enrolled in the Continuous Conservation Reserve Program (CRP). USDA's Farm Service Agency (FSA) is upping the Practice Incentive Payment for installing practices, from 5 percent to 20 percent. Additionally, producers will receive a 10 percent incentive payment for water quality practices on land enrolled in CRP's continuous signup. FSA administers CRP on behalf of the Commodity Credit Corporation.

Under continuous CRP, producers can enroll environmentally sensitive land devoted to certain conservation practices with signup available at any time. FSA automatically accepts offers provided the land and producer meet certain eligibility requirements and the enrollment levels do not exceed the number of acres FSA is allowed to enroll in CRP, which was set by the 2018 Farm Bill.

Signed into law in 1985, CRP is one of the largest private-lands conservation programs in the United States. It was originally intended primarily to control soil erosion and potentially stabilize commodity prices by taking marginal lands out of production. The program has evolved over the years, providing many conservation and economic benefits. The program marks its 35-year anniversary this month. Program successes include:

- Preventing more than 9 billion tons of soil from eroding, which is enough soil to fill 600 million dump trucks;
- Reducing nitrogen and phosphorous runoff relative to annually tilled cropland by 95% and 85%, respectively;
- Sequestering an annual average of 49 million tons of greenhouse gases, equal to taking 9 million cars off the road;
- Creating more than 3 million acres of restored wetlands while protecting more than 175,000 stream miles with riparian forest and grass buffers, which is enough to go around the world seven times; and
- Benefiting bees and other pollinators and increasing populations of ducks, pheasants, turkey, bobwhite quail, prairie chickens, grasshopper sparrows and many other birds.

The successes of CRP contribute to USDA's [Agriculture Innovation Agenda](#) and its goal of reducing the environmental footprint of U.S. agriculture by half by 2050. Earlier this year, U.S. Secretary of Agriculture Sonny Perdue announced the Department-wide initiative to align resources, programs, and research to position American agriculture to better meet future global demands.

For more information on CRP, visit [fsa.usda.gov](https://fsa.usda.gov), or contact your [local FSA county office](#).

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## Disaster Assistance Available for Livestock Losses

The Livestock Indemnity Program (LIP) provides assistance to you for livestock deaths in excess of normal mortality caused by adverse weather, disease and attacks by animals reintroduced into the wild by the federal government or protected by federal law.

For disease losses, FSA county committees can accept veterinarian certifications that livestock deaths were directly related to adverse weather and unpreventable through good animal husbandry and management.

For 2020 livestock losses, you must file a notice within 30 calendar days of when the loss is first apparent. You then must provide the following supporting documentation to your local FSA office no later than 60 calendar days after the end of the calendar year in which the eligible loss condition occurred.

- Proof of death documentation
- Copy of grower's contracts
- Proof of normal mortality documentation

*(Continued on next page.)*

USDA has established normal mortality rates for each type and weight range of eligible livestock, i.e. Adult Beef Cow = 1.5% and Non-Adult Beef Cattle (250 to 399 pounds) = 5%. These established percentages reflect losses that are considered expected or typical under “normal” conditions.

In addition to filing a notice of loss, you must also submit an application for payment by March 1, 2021.

For more information, visit [fsa.usda.gov](https://fsa.usda.gov) or contact your [local FSA county office](#).

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## Quality Loss Assistance Available for Eligible Producers Affected by 2018, 2019 Natural Disasters

Funded by the Further Consolidated Appropriations Act of 2020, this new program provides assistance to producers who suffered eligible crop quality losses due to natural disasters occurring in 2018 and 2019. The deadline to apply for QLA is Friday, March 5, 2021.

### Eligible Crops

Eligible crops include those for which [federal crop insurance](#) or [Noninsured Crop Disaster Assistance Program \(NAP\)](#) coverage is available, except for grazed crops and value loss crops, such as honey, maple sap, aquaculture, floriculture, mushrooms, ginseng root, ornamental nursery, Christmas trees, and turfgrass sod.

Additionally, crops that were sold or fed to livestock or that are in storage may be eligible; however, crops that were destroyed before harvest are not eligible. Crop quality losses occurring after harvest, due to deterioration in storage, or that could have been mitigated, are also not eligible.

Assistance is based on a producer’s harvested affected production of an eligible crop, which must have had at least a 5% quality loss reflected through a quality discount; or for forage crops, a nutrient loss, such as total digestible nutrients.

### Qualifying Disaster Events

Losses must have been a result of a qualifying disaster event (hurricane, excessive moisture, flood, qualifying drought, tornado, typhoon, volcanic activity, snowstorm, or wildfire) or related condition that occurred in calendar years 2018 and/or 2019.

Assistance is available for eligible producers in counties that received a qualifying Presidential Emergency Disaster Declaration or Secretarial Disaster Designation because of one or more of the qualifying disaster events or related conditions.

Lists of counties with Presidential Emergency Disaster Declarations and Secretarial Disaster Designations for all qualifying disaster events for 2018 and 2019 are available [here](#). For drought, producers are eligible for QLA if the loss occurred in an area within a county rated by the [U.S. Drought Monitor](#) as having a D3 (extreme drought) or higher intensity level during 2018 or 2019.

Producers in counties that did not receive a qualifying declaration or designation may still apply but must also provide supporting documentation to establish that the crop was directly affected by a qualifying disaster event.

To determine QLA eligibility and payments, FSA considers the total quality loss caused by all qualifying natural disasters in cases where a crop was impacted by multiple events.

### Applying for QLA

When applying, producers are asked to provide verifiable documentation to support claims of quality loss or nutrient loss in the case of forage crops. For crops that have been sold, grading must have been completed within 30 days of harvest, and for forage crops, a laboratory analysis must have been completed within 30 days of harvest. *(Continued on next page.)*

Some acceptable forms of documentation include sales receipts from buyers, settlement sheets, truck or warehouse scale tickets, written sales contracts, similar records that represent actual and specific quality loss information, and forage tests for nutritional values.

### **Payments Calculations and Limitations**

QLA payments are based on formulas for the type of crop (forage or non-forage) and loss documentation submitted. Based on this documentation FSA is calculating payments based on the producer's own individual loss or based on the county average loss. More information on payments can be found on [farmers.gov/quality-loss](https://farmers.gov/quality-loss).

FSA will issue payments once the application period ends. If the total amount of calculated QLA payments exceeds available program funding, payments will be prorated.

For each crop year, 2018, 2019 and 2020, the maximum amount that a person or legal entity may receive, directly or indirectly, is \$125,000. Payments made to a joint operation (including a general partnership or joint venture) will not exceed \$125,000, multiplied by the number of persons and legal entities that comprise the ownership of the joint operation. A person or legal entity is ineligible for QLA payment if the person's or legal entity's average Adjusted Gross Income exceeds \$900,000, unless at least 75% is derived from farming, ranching or forestry-related activities.

### **Future Insurance Coverage Requirements**

All producers receiving QLA Program payments are required to purchase crop insurance or NAP coverage for the next two available crop years at the 60% coverage level or higher. Wildlife and Hurricane Indemnity Program Plus (WHIP+) participants who already met the WHIP+ requirement to purchase crop insurance or NAP coverage are considered to have thereby met the requirement to purchase crop insurance or NAP coverage for QLA. If eligible, QLA participants may meet the insurance purchase requirement by purchasing [Whole-Farm Revenue Protection](#) coverage offered through USDA's Risk Management Agency.

**More Information** For more information, visit [farmers.gov/quality-loss](https://farmers.gov/quality-loss), or contact your local [USDA Service Center](#). Producers can also obtain one-on-one support with applications by calling 877-508-8364.

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## **Submit Loan Requests for Financing Early**

The Farm Loan team in Michigan is already working on operating loans for spring 2021 and asks potential borrowers to submit their requests early so they can be timely processed. The farm loan team can help determine which loan programs are best for applicants.

FSA offers a wide range of low-interest loans that can meet the financial needs of any farm operation for just about any purpose. The traditional [farm operating and farm ownership loans](#) can help large and small farm operations take advantage of early purchasing discounts for spring inputs as well expenses throughout the year.

[Microloans](#) are a simplified loan program that will provide up to \$50,000 for both Farm Ownership and Operating Microloans to eligible applicants. These loans, targeted for smaller and non-traditional operations, can be used for operating expenses, starting a new operation, purchasing equipment, and other needs associated with a farming operation. Loans to beginning farmers and members of underserved groups are a priority.

Other types of loans available include:

[Marketing Assistance Loans](#) allow producers to use eligible commodities as loan collateral and obtain a 9-month loan while the crop is in storage. These loans provide cash flow to the producer and allow them to market the crop when prices may be more advantageous.

*(Continued on next page.)*

[Farm Storage Facility Loans](#) can be used to build permanent structures used to store eligible commodities, for storage and handling trucks, or portable or permanent handling equipment. A variety of structures are eligible under this loan, including bunker silos, grain bins, hay storage structures, and refrigerated structures for vegetables and fruit. A producer may borrow up to \$500,000 per loan.

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## Interest Rates - January 2021

### FSA [Farm Loans](#)

Farm Operating - Direct	1.375%
Farm Operating - Microloan	1.375%
Farm Ownership - Direct	2.500%
Farm Ownership - Microloan	2.500%
Farm Ownership - Direct, Joint Financing	2.500%
Farm Ownership - Down Payment	1.500%
Emergency Loan - Amount of Actual Loss	2.375%

### Commodity Credit Corporation

CCC Borrowing Rate-Based Interest Charges		0.125%
Crop Year <a href="#">Commodity Loan</a> (if less than 1 year)		1.125%
<a href="#">Farm Storage Facility Loan</a>	3 year	0.250%
Farm Storage Facility Loan	5 year	0.375%
Farm Storage Facility Loan	7 year	0.625%
Farm Storage Facility Loan	10 year	0.875%
Farm Storage Facility Loan	12 year	1.000%
Sugar Storage Facility Loan	15 year	1.150%

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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).