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Farm Service Agency Electronic News Service

NEWSLETTER

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Having trouble viewing this email? View it as a Web page.

- FSA is Accepting CRP Continuous Enrollment Offers
- Let USDA Help You Prepare for Tax Season
- Be on the Lookout: New Form Required for Some NRCS Customers
- Applying for Farm Storage Facility Loans
- Caroline, Kent and Queen Anne's County is Eligible for Emergency Loans
- USDA Extends Application Deadline for the Quality Loss Adjustment Program
- USDA Microloans Help Farmers Purchase Farmland and Improve Property
- Current Interest Rates

Maryland FSA Newsletter

Maryland Farm Service Agency

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State Executive Director: Norman Cummins, Acting

State Committee: Jenny Rhodes, Chairperson Steve Ernst Steve Isaacson

FSA is Accepting CRP Continuous Enrollment Offers

The Farm Service Agency (FSA) is accepting offers for specific conservation practices under the <u>Conservation Reserve Program</u> (CRP) Continuous Signup.

In exchange for a yearly rental payment, farmers enrolled in the program agree to remove environmentally sensitive land from agricultural production and to plant species that will improve environmental health and quality. The program's long-term goal is to re-establish valuable land cover to improve water quality, prevent soil erosion, and reduce loss of wildlife habitat. Contracts for land enrolled in CRP are 10-15 years in length.

Under continuous CRP signup, environmentally sensitive land devoted to certain conservation practices can be enrolled in CRP at any time. Offers for continuous enrollment are not subject to competitive bidding during specific periods. Instead they are automatically accepted provided the land and producer meet

Pat Langenfelder Chris Parker

certain eligibility requirements and the enrollment levels do not exceed the statutory cap.

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

For more information, including a list of acceptable practices, contact your County USDA Service Center or visit fsa.usda.gov/crp.

Let USDA Help You Prepare for Tax Season

If you participate in USDA programs, including our farm loan program, it's time to start preparing for tax season. USDA technical assistance is free, but it is important to not overlook USDA payments when calculating your taxes. USDA issues documentation for your taxes, including 1098 forms for USDA farm loans and 1099 forms for farmer payments. Whether you are filing your taxes on your own or working with a professional accountant or tax preparer, you have 24/7 access to your loan information through a new feature on Farmers.gov.

The "My Financial Information" portal makes it easier for customers to track loan transactions and payments and saves trips to the USDA service center to obtain loan-related information. It enables you to view:

- Loans and financial information.
- Interest payments (including year-to-date interest paid for the past five years).
- Loan history.
- Paid-in-full and restructured loans, and alerts. For example, an account alert will be displayed if a loan is past due.

To access your loan information, visit farmers.gov and sign into the site's authenticated portal, available on the menu at the top right of the site. To use the portal, you will need a Level 2 USDA eAuthentication account. If you do not have a Level 2 USDA eAuthentication account, you can sign up for one here.

Loan information retrieved from the "My Financial Information" portal should be compared to your records and reviewed with your tax preparer if you are working with one. Contact your <u>local USDA Service Center</u> if you have questions about the information on My Financial Information.

Currently, only producers doing business as an individual can view information. Entities, such as an LLC or Trust, or producers doing business on behalf of another customer cannot access the portal at this time, but access is being planned. Google Chrome, Mozilla Firefox and Microsoft Edge are the recommended browsers to access the feature.

As you are preparing your taxes, here is a checklist of things to do or consider:

- Gather all 1098, 1099 and other tax forms issued by USDA.
- If you have a Farm Loan, visit the self-service website at the top right corner of farmers.gov to view your loan information, history, and payments.
- Crop insurance proceeds must be included in your farm income.

Farmers can deduct certain conservation-related expenses. According to the IRS, you may
deduct up to 25 percent of your gross farm income for conservation expenses.

Keeping good expense records will help you and your tax preparer determine the tax deductions you may claim. Here are some helpful websites to help you compile the record

- https://www.irs.gov/publications/p225 (Publication 225 (2019), Farmer's Tax Guide)
- https://newfarmers.usda.gov/taxes (New farmer resources from USDA)
- https://ffsc.org (Record keeping assistance)

The "My Financial Information" portal on Farmers.gov is just one of many features designed to help you manage your loans. The USDA team building farmers.gov prioritized this feature based on feedback from USDA field-level staff and customers. Being able to access loan information and payment history online will help you with this year's taxes, and future features will continue to expand your self-service opportunities.

Be on the Lookout: New Form Required for Some NRCS Customers

If you are a producer or landowner who participates in USDA's Natural Resources Conservation Service (NRCS) conservation programs, the Farm Service Agency (FSA) may be reaching out by mail with information about a form you'll need to fill out.

Starting this year, all producers and landowners participating or applying to participate in certain NRCS conservation programs must complete form CCC-902, Farm Operating Plan. Historically, to participate in these programs, legal entities could file either the CCC-901, Member Information or the CCC-902, while individuals were not specifically required to file the CCC-902 with FSA. Now, to ensure FSA and NRCS are properly determining payment eligibility and maximum payment limitations, all customers must have a CCC-902 on file to establish eligibility.

These changes will not affect participants who already have a Form CCC-902 with a "determined" status recorded with FSA. Customers that do not have a CCC-902 on file with FSA will be sent a letter in the mail in the coming weeks with detailed information on what is needed and how to file the form. The letter requests that the form be completed within 30 days of receiving the letter.

For added convenience, USDA is offering options for remote or in-person submission of the CCC-902. Fiscal year 2021 is considered a transition year to ensure all NRCS program participants can meet this updated filing requirement. Beginning in FY 2022, if form CCC-902 is not on file your payments may be impacted.

We can help: NRCS and FSA staff are available at <u>USDA Service Centers</u> nationwide to provide information and assistance to walk you through meeting this filing requirement. For more information, see the <u>NRCS National Bulletin 300-21-7</u> or <u>FSA Notice PL-293</u>.

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 County USDA Service Center or visit fsa.usda.gov/pricesupport.

Caroline, Kent and Queen Anne's County is Eligible for Emergency Loans

Kent County, Delaware was declared a primary natural disaster area due to excessive rain that occurred from August 1 through September 1, 2020. Under this designation, if you have operations in any primary or contiguous county, you are eligible to apply for low interest emergency loans.

Producers in the contiguous counties listed below are also eligible to apply for emergency loans:

- Delaware: New Castle and Sussex
- Maryland: Caroline, Kent and Queen Anne's

Emergency loans help you recover from production and physical losses due to drought, flooding and other natural disasters or guarantine.

You have eight months from the date of the declaration to apply for emergency loan assistance. FSA will consider each loan application on its own merits, taking into account the extent of losses, security available and repayment ability. You can borrow up to 100 percent of actual production or physical losses, to a maximum amount of \$500,000. The deadline to apply for these emergency loans is October 12, 2021.

For more information about emergency loans, contact the Caroline County USDA Service Center at 410-479-1202 or visit fsa.usda.gov.

USDA Extends Application Deadline for the Quality Loss Adjustment Program

The U.S. Department of Agriculture (USDA) is extending the deadline from March 5 to April 9 for agricultural producers to apply for the Quality Loss Adjustment (QLA) Program because of recent winter storms and some clarifications to program rules. This program assists producers who suffered crop quality losses due to qualifying 2018 and 2019 natural disasters.

The QLA program assists producers whose eligible crops suffered quality losses due to qualifying drought, excessive moisture, flooding, hurricanes, snowstorms, tornadoes, typhoons, volcanic activity, or wildfires.

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.

Assistance is available in counties that received a Presidential Emergency Disaster Declaration or Secretarial Disaster Designation, or for drought, a county rated by the U.S. Drought monitor as having a D3 (extreme drought) or higher. Producers in counties that did not receive a qualifying declaration or designation may still apply but must also provide supporting documentation.

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.

More Information

FSA began accepting applications on January 6 and has received more than 8,100 applications so far.

To apply, contact your local <u>USDA Service Center</u>. Additional information is also available at <u>farmers.gov/quality-loss</u>. Producers can also obtain one-on-one support with applications by calling 877-508-8364.

While USDA offices are currently closed to visitors because of the pandemic, Service Center staff continue to work with agricultural producers via phone, email, and other digital tools. To conduct business, please contact your local <u>USDA Service Center</u>. Additionally, more information related to USDA's response and relief for producers can be found at <u>farmers.gov/coronavirus</u>.

USDA Microloans Help Farmers Purchase Farmland and Improve Property

Farmers can use USDA farm ownership microloans to buy and improve property. These microloans are especially helpful to beginning or underserved farmers, U.S. veterans looking for a career in farming, and those who have small and mid-sized farming operations.

Microloans have helped farmers and ranchers with operating costs, such as feed, fertilizer, tools, fencing, equipment, and living expenses since 2013.

Microloans can also help with farmland and building purchases and soil and water conservation improvements. FSA designed the expanded program to simplify the application process, expand eligibility requirements and expedite smaller real estate loans to help farmers strengthen their operations. Microloans provide up to \$50,000 to qualified producers and can be issued to the applicant directly from the USDA Farm Service Agency (FSA).

To learn more about the FSA microloan program, contact your County USDA Service Center or visit fsa.usda.gov/microloans.

Current Interest Rates

Farm Operating Loans- Direct 1.375% Farm Ownership Loans- Direct 2.750% Farm Ownership Loans- Direct Down 1.50% **Payment**

Emergency Loans 2.375% Farm Storage Facility Loans (7 Years) 0.875%

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).