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USDA to Issue Final Pandemic Payments for Timber Harvesters and Haulers

The U.S. Department of Agriculture will begin issuing final pandemic assistance payments to timber harvesters and timber hauling businesses through the [Pandemic Assistance for Timber Harvesters and Haulers \(PATHH\) program](#) starting the week of Dec. 6. In total, \$200 million will be provided to loggers and log trucking businesses who experienced a gross revenue loss of at least 10% during the period of Jan. 1 through Dec. 1, 2020, compared to the period of Jan. 1 through Dec. 1, 2019. This support is part of USDA's broader [Pandemic Assistance for Producers initiative](#).

Eligible PATHH applicants must have derived at least 50 percent of total gross revenue from timber harvesting and/or timber hauling. Specifically, eligible activities included cutting timber, transporting timber and/or the processing of wood on-site on the forest land, such as chipping, grinding, converting to biochar or cutting to smaller lengths.

The Consolidated Appropriations Act, 2021, authorized up to \$200 million for PATHH. FSA issued initial payments up to \$2,000 as applications were approved. Now that signup has ended and FSA has evaluated remaining funds, FSA has started to issue second payments to those applicants whose calculated payment amount was over \$2,000.

Based on the number of actual PATHH applications filed, FSA will be required to lower the payment limitation for PATHH from \$125,000 to \$75,000 and apply a payment factor of 70.5% across all calculated payments to ensure program outlays do not exceed the available funding. These provisions were previously outlined in the [Notice of Funding Availability](#) in the event the revenue loss reported exceeded available funding.

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 [USDA Service Centers](#) nationwide to provide information and assistance to walk you through meeting this filing requirement. For more information, see the [NRCS National Bulletin 300-21-7](#) or [FSA Notice PL-293](#).

USDA Opens 2022 Signup for Dairy Margin Coverage, Expands Program for Supplemental Production

Signup period will run from Dec. 13, 2021 to Feb. 18, 2022.

USDA opened signup for the Dairy Margin Coverage (DMC) Program and expanded the program to allow dairy producers to better protect their operations by enrolling supplemental production. This signup period – which runs from Dec. 13, 2021 to Feb. 18, 2022 – enables producers to get coverage through this important safety-net program for another year as well as get additional assistance through the new Supplemental DMC.

Supplemental DMC will provide \$580 million to better help small- and mid-sized dairy operations that have increased production over the years but were not able to enroll the additional production. Now, they will be able to retroactively receive payments for that supplemental production. Additionally, USDA's Farm Service Agency (FSA) updated how feed costs are calculated, which will make the program more reflective of actual dairy producer expenses.

"Dairy Margin Coverage is a critical safety-net for producers, and catastrophic coverage is free. These DMC updates build on other efforts of the Biden-Harris Administration to improve DMC and other key USDA dairy programs," Under Secretary for Farm Production and Conservation Robert Bonnie said. "We encourage dairy producers to make use of the support provided by enrolling in supplemental coverage and enroll in DMC for the 2022 program year."

Supplemental DMC Enrollment

Eligible dairy operations with less than 5 million pounds of established production history may enroll supplemental pounds based upon a formula using 2019 actual milk marketings, which will result in

additional payments. Producers will be required to provide FSA with their 2019 Milk Marketing Statement.

Supplemental DMC coverage is applicable to calendar years 2021, 2022 and 2023. Participating dairy operations with supplemental production may receive retroactive supplemental payments for 2021 in addition to payments based on their established production history.

Supplemental DMC will require a revision to a producer's 2021 DMC contract and must occur before enrollment in DMC for the 2022 program year. Producers will be able to revise 2021 DMC contracts and then apply for 2022 DMC by contacting their local [USDA Service Center](#).

DMC 2022 Enrollment

After making any revisions to 2021 DMC contracts for Supplemental DMC, producers can sign up for 2022 coverage. DMC provides eligible dairy producers with risk management coverage that pays producers when the difference between the price of milk and the cost of feed falls below a certain level. So far in 2021, DMC payments have triggered for January through October for more than \$1.0 billion.

For DMC enrollment, producers must certify with FSA that the operation is commercially marketing milk, sign all required forms and pay the \$100 administrative fee. The fee is waived for farmers who are considered limited resource, beginning, socially disadvantaged, or a military veteran. To determine the appropriate level of DMC coverage for a specific dairy operation, producers can use the [online dairy decision tool](#).

Updates to Feed Costs

USDA is also changing the DMC feed cost formula to better reflect the actual cost dairy farmers pay for high-quality alfalfa hay. FSA will calculate payments using 100% premium alfalfa hay rather than 50%. The amended feed cost formula will make DMC payments more reflective of actual dairy producer expenses.

Additional Dairy Assistance

Today's announcement is part of a broader package to help the dairy industry respond to the pandemic and other challenges. USDA is also amending Dairy Indemnity Payment Program (DIPP) regulations to add provisions for the indemnification of cows that are likely to be not marketable for longer durations, as a result, for example, of per- and polyfluoroalkyl substances. FSA also worked closely with USDA's Natural Resources Conservation Service to target assistance through the Environmental Quality Incentives Program) and other conservation programs to help producers safely dispose of and address resource concerns created by affected cows. Other recent dairy announcements include \$350 million through the Pandemic Market Volatility Assistance Program and \$400 million for the Dairy Donation Program.

Additional details on these changes to DMC and DIPP can be found in a rule that will be published soon in the *Federal Register*. This rule also included information on the new Oriental Fruit Fly Program as well as changes to FSA conservation programs. A copy of the rule is available [here](#).

More Information

To learn more or to participate in DMC or DIPP, producers should contact their local [USDA Service Center](#). Service Center staff continue to work with agricultural producers via phone, email and other digital tools. Because of the pandemic, some are open to limited visitors. Producers should contact

their Service Center to set up an in-person or phone appointment. Additionally, more information related to USDA's response and relief for producers can be found at farmers.gov/coronavirus.

USDA Provides Additional Pandemic Assistance to Hog Producers

FSA Will Begin Taking Applications on Dec. 15

The U.S. Department of Agriculture (USDA) announced a new program to assist hog producers who sold hogs through a negotiated sale during the period in which these producers faced the greatest reduction in market prices due to the COVID-19 pandemic. The Spot Market Hog Pandemic Program (SMHPP) is part of USDA's [Pandemic Assistance for Producers](#) initiative and addresses gaps in previous assistance for hog producers. USDA's Farm Service Agency (FSA) will accept applications Dec. 15, 2021 through Feb. 25, 2022.

SMHPP provides assistance to hog producers who sold hogs through a negotiated sale from April 16, 2020 through Sept. 1, 2020. Negotiated sale, or negotiated formula sale, means a sale of hogs by a producer to a packer under which the base price for the hogs is determined by seller-buyer interaction and agreement on a delivery day. USDA is offering SMHPP as packer production was reduced due to the COVID-19 pandemic due to employee illness and supply chain issues, resulting in fewer negotiated hogs being procured and subsequent lower market prices.

The Department has set aside up to \$50 million in pandemic assistance funds through the Coronavirus Aid, Relief and Economic Security (CARES) Act for SMHPP.

SMHPP Program Details

Eligible hogs include hogs sold through a negotiated sale by producers between April 16, 2020, and Sept. 1, 2020. To be eligible, the producer must be a person or legal entity who has ownership in the hogs and whose production facilities are located in the United States, including U.S. territories. Contract producers, federal, state and local governments, including public schools and packers are not eligible for SMHPP.

SMHPP payments will be calculated by multiplying the number of head of eligible hogs, not to exceed 10,000 head, by the payment rate of \$54 per head. FSA will issue payments to eligible hog producers as applications are received and approved.

Applying for Assistance

Eligible hog producers can apply for SMHPP starting Dec. 15, 2021, by completing the FSA-940, Spot Market Hog Pandemic Program application. Additional documentation may be required. Visit farmers.gov/smhpp for a copy of the Notice of Funds Availability, information on applicant eligibility and more information on how to apply.

Applications can be submitted to the FSA office at any USDA Service Center nationwide by mail, fax, hand delivery or via electronic means. To find your local FSA office, visit farmers.gov/service-locator. Hog producers can also call 877-508-8364 to speak directly with a USDA employee ready to offer assistance.

NRCS Announces Conservation Funding Opportunities for 2022

USDA has several fiscal year 2022 assistance opportunities for agricultural producers and private landowners for key programs, such as the [Environmental Quality Incentives Program \(EQIP\)](#), [Conservation Stewardship Program \(CSP\)](#), [Agricultural Conservation Easement Program \(ACEP\)](#), [Regional Conservation Partnership Program \(RCPP\)](#) and [Agricultural Management Assistance \(AMA\)](#) program.

Through conservation programs, USDA's Natural Resources Conservation Service (NRCS) provides technical and financial assistance to help producers and landowners make conservation improvements on their land that benefit natural resources, build resiliency and contribute to the nation's broader effort to combat the impacts of climate change.

Applying for Assistance

NRCS accepts applications for its conservation programs year-round. State Technical Committees, composed of representatives from conservation and agricultural-related organizations, work with NRCS to set state-specific, ranking dates to evaluate applications for funding. These dates account for producer needs, staff workload and ensure potential participants have ample opportunity to apply. Producers should apply by their state's ranking dates to be considered for funding in the current cycle.

Funding is provided through a competitive process. [State-specific, ranking dates](#) for all programs are available. Applications received after ranking dates will be automatically deferred to the next funding period.

Program Options

EQIP provides cost share assistance for producers to use 170-plus conservation practices to address a wide variety of resource concerns. Within EQIP, Conservation Incentive Contracts allow producers to further target priority resource concerns. CSP helps producers take their conservation activities to the next level through comprehensive conservation and advanced conservation activities. ACEP helps producers enroll wetlands, grasslands and farmlands into easements for long-term protection. Additionally, through RCPP, producers and landowners can work with partners who are co-investing with NRCS on targeted projects.

Historically Underserved Producer Benefits

Special provisions are also available for [historically underserved producers](#). For EQIP, historically underserved producers are eligible for advance payments to help offset costs related to purchasing materials or contracting services up front. In addition, historically underserved producers can receive higher EQIP payment rates (up to 90% of average cost). NRCS sets aside EQIP, CSP and ACEP funds for historically underserved producers.

Conservation Practices and Climate

NRCS conservation programs play a critical role in USDA's commitment to partnering with farmers, ranchers, forest landowners and local communities to deliver climate solutions that strengthen agricultural operations and rural America. States may prioritize a variety of voluntary conservation practices through these NRCS programs, including those that support climate-smart agriculture and forestry (CSAF).

In fiscal year 2022, EQIP and CSP will provide targeted funding for CSAF practices, and Conservation Incentive Contracts – a new EQIP program – will be available nationwide with an emphasis on CSAF practices. Building on these efforts, NRCS will also prioritize climate investments through ACEP, RCPP and Conservation Innovation Grants.

Producers, landowners and forest managers interested in applying for assistance should contact the NRCS at their [local USDA Service Center](#).

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 local County USDA Service Center or visit fsa.usda.gov/microloans.

Applying for FSA Direct Loans

FSA offers direct farm ownership and direct farm operating loans to producers who want to establish, maintain, or strengthen their farm or ranch. Direct loans are processed, approved and serviced by FSA loan officers.

Direct farm operating loans can be used to purchase livestock and feed, farm equipment, fuel, farm chemicals, insurance, and other costs including family living expenses. Operating loans can also be used to finance minor improvements or repairs to buildings and to refinance some farm-related debts, excluding real estate.

Direct farm ownership loans can be used to purchase farmland, enlarge an existing farm, construct and repair buildings, and to make farm improvements.

The maximum loan amount for direct farm ownership loans is \$600,000 and the maximum loan amount for direct operating loans is \$400,000 and a down payment is not required. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

Please contact your local FSA office for more information or to apply for a direct farm ownership or operating loan.

Deadline Extended to Apply for Pandemic Support for Certified Organic and Transitioning Operations

The U.S. Department of Agriculture (USDA) has extended the deadline for agricultural producers who are certified organic, or transitioning to organic, to apply for the Organic and Transitional Education and Certification Program (OTECP). This program provides pandemic assistance to cover certification and education expenses. The deadline to apply for 2020 and 2021 eligible expenses is now Feb. 4, 2022, rather than the original deadline of Jan. 7, 2022.

Signup for OTECP, administered by USDA's Farm Service Agency (FSA), began Nov. 8.

Certified operations and transitional operations may apply for OTECP for eligible expenses paid during the 2020, 2021 and 2022 fiscal years. Signup for the 2022 fiscal year will be announced at a later date.

For each year, OTECP covers 25% of a certified operation's eligible certification expenses, up to \$250 per certification category (crop, livestock, wild crop, handling and State Organic Program fee). This includes application fees, inspection fees, USDA organic certification costs, state organic program fees and more.

Crop and livestock operations transitioning to organic production may be eligible for 75% of a transitional operation's eligible expenses, up to \$750, for each year. This includes fees charged by a certifying agent or consultant for pre-certification inspections and development of an organic system plan.

For both certified operations and transitional operations, OTECP covers 75% of the registration fees, up to \$200, per year, for educational events that include content related to organic production and handling in order to assist operations in increasing their knowledge of production and marketing practices that can improve their operations, increase resilience and expand available marketing opportunities. Additionally, both certified and transitional operations may be eligible for 75% of the expense of soil testing required under the National Organic Program (NOP) to document micronutrient deficiency, not to exceed \$100 per year. Producers apply through their local FSA office and can also obtain one-on-one support with applications by calling 877-508-8364. The program application and additional information can be found at farmers.gov/otecp.

Additional Organic Support

OTECP builds upon USDA's [Organic Certification Cost Share Program \(OCCSP\)](#) which provides cost share assistance of 50%, up to a maximum of \$500 per scope, to producers and handlers of agricultural products who are obtaining or renewing their certification under the NOP. Although the application period for OCCSP ended Nov. 1, 2021, FSA will consider late-filed applications for those operations who still wish to apply.

Meanwhile, USDA's Risk Management Agency (RMA) recently [made improvements to Whole-Farm Revenue Protection](#) to make it more flexible and accessible to organic producers.

To learn more about USDA's broader assistance for organic producers, visit usda.gov/organic.

Linkage Requirements for Payments Received Under WHIP+ and/or QLA

If you received a payment under the Wildfires and Hurricanes Indemnity Program+ (WHIP+) or the Quality Loss Adjustment Program (QLA) for crop production and/or quality losses occurring in 2018, 2019, or 2020 crop years, you are required to meet linkage requirements by obtaining federal crop insurance or Non-Insured Crop Disaster Assistance Program (NAP) coverage at the 60/100 level, or higher, for both the 2022 and 2023 crop years.

When applying for WHIP+ or QLA, form FSA-895 (Crop Insurance and/or NAP Coverage Agreement) was submitted acknowledging the requirement to obtain federal crop insurance, if available, or NAP coverage if federal crop insurance is not available. The coverage requirement is applicable to the physical location county of the crop that received WHIP+ and/or QLA benefits.

Producers should not delay contacting their federal crop insurance agent or local county FSA Office to inquire about coverage options, as **failure to obtain the applicable coverage by the sales/application closing date will result in the required refund of WHIP+ benefits received on the applicable crop, plus interest.** You can determine if crops are eligible for federal crop insurance or NAP by [visiting the RMA website](#).

For more information, contact your local County USDA Service Center or visit fsa.usda.gov.