



U.S. DEPARTMENT OF AGRICULTURE

Alabama March USDA Newsletter - March 24, 2022

[Farm Service Agency](#) | [Natural Resources Conservation Service](#) | [Risk Management Agency](#)

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## Thank a Farmer for Food, Fiber, Fuel, and Our Future

March 22 is National Ag Day, a time for us to thank farmers and ranchers for feeding, sheltering and powering our nation. We also want to celebrate and recognize the pivotal role of producers in mitigating climate change through voluntary conservation efforts.

Climate change is happening, evidenced by persistent drought, frequent tornadoes and storms, and larger and more powerful wildfires. Our agricultural communities are on the frontlines. Now is the time for us to act, and Alabama producers are doing their part.

We're focused on providing producers tools to help mitigate climate change. As part of this, the Biden-Harris Administration has taken proactive steps to improve programs.

We bolstered the [Conservation Reserve Program](#), providing an incentive for climate-smart practices and investing in partnerships to better quantify the benefits of this program.

With our [Environmental Quality Incentives Program](#), we launched a new cover crop initiative as well as new conservation incentive contract option, all with a goal to make available additional funds to help producers conserve natural resources.

And finally, we're enhancing [Federal crop insurance](#) to support conservation. In 2021 and 2022, we provided producers with a premium benefit for acres planted to cover crops.

You might be wondering, why so much emphasis on cover crops? Cover crops help soil sequester more carbon, a key tool for mitigating climate change; they prevent runoff, leading to cleaner water; and they boost production through improved soil health. But cover crops are just one tool, producers in Alabama are using.

Our staff work one-on-one with producers to conserve natural resources, grow and improve their operations, and manage risk. This year's National Ag Day theme is "Growing a Climate for Tomorrow." We know from firsthand experience – farmers are doing this. On National Ag Day, and every day, we encourage you to thank a farmer or rancher for food, fiber, and fuel – and our future.

*Clifton Warren, State Executive Director for USDA's Farm Service Agency, can be reached at [Clifton.Warren@usda.gov](mailto:Clifton.Warren@usda.gov). Ben Malone, State Conservationist for USDA's Natural Resources Conservation Service, can be reached at [Ben.Malone@usda.gov](mailto:Ben.Malone@usda.gov). Davina Lee, Regional Office Director for USDA's Risk Management Agency, can be reached at [Davina.Lee@usda.gov](mailto:Davina.Lee@usda.gov). Producers interested in USDA programs are encouraged to contact their local USDA Service Center.*

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## USDA Updates Farm Loan Programs to Increase Equity

The U.S. Department of Agriculture (USDA) is updating its farm loan programs to better support current borrowers, including historically underserved producers. These improvements are part of USDA's commitment to increase equity in all programs, including farm loans that provide important access to capital for covering operating expenses and purchasing land and equipment.

The 2018 Farm Bill authorized FSA to provide equitable relief to certain direct loan borrowers, who are non-compliant with program requirements due to good faith reliance on a material action of, advice of, or non-action from an FSA official. Previously, borrowers may have been required to immediately repay the loan or convert it to a non-program loan with higher interest rates, less favorable terms, and limited loan servicing.

Now, FSA has additional flexibilities to assist borrowers in such situations. If the agency provided incorrect guidance to an existing direct loan borrower, the agency may provide equitable relief to that borrower. FSA may assist the borrower by allowing the borrower to keep their loans at current rates or other terms received in association with the loan which was determined to be noncompliant or the borrower may receive other equitable relief for the loan as the Agency determines to be appropriate.

USDA encourages producers to reach out to their local loan officials to ensure they fully understand the wide range of loan and servicing options available that can assist them in starting, expanding or maintaining their operation.

## Additional Updates

Equitable relief is one of several changes authorized by the 2018 Farm Bill that USDA has made to the direct and guaranteed loan programs. Other changes that were previously implemented include:

- Modifying the existing three-year farming experience requirement for Direct Farm Ownership loans to include additional items as acceptable experience.
- Allowing socially disadvantaged and beginning farmer applicants to receive a guarantee equal to 95%, rather than the otherwise applicable 90% guarantee.
- Expanding the definition of and providing additional benefits to veteran farmers.
- Allowing borrowers who received restructuring with a write down to maintain eligibility for an Emergency loan.
- Expanding the scope of eligible issues and persons covered under the agricultural Certified Mediation Program.

Additional information on these changes is available in the March 8, 2022 [rule on the Federal Register](#).

## More Background

FSA has taken other recent steps to increase equity in its programs. Last summer, USDA announced it was providing \$67 million in competitive loans through its new Heirs' Property Relending Program to help agricultural producers and landowners resolve heirs' land ownership and succession issues. FSA also invested \$4.7 million to establish partnerships with organizations to provide outreach and technical assistance to historically underserved farmers and ranchers, which contributed to a fourfold increase in participation by historically underserved producers in the Coronavirus Food Assistance Program 2 (CFAP 2), a key pandemic assistance program, since April 2021.

Additionally, in January 2021, Secretary Vilsack announced a [temporary suspension of past-due debt collection and foreclosures](#) for distressed direct loan borrowers due to the economic hardship imposed by the COVID-19 pandemic.

Producers can explore available loan options using the [Farm Loan Discover Tool on farmers.gov](#) ([also available in Spanish](#)) or by contacting their local [USDA Service Center](#). Service Center staff continue to work with agricultural producers via phone, email, and other digital tools. Due to the pandemic, some USDA Service Centers are open to limited visitors. Producers can [contact their local Service Center](#) to set up an in-person or phone appointment to discuss loan options.

USDA touches the lives of all Americans each day in so many positive ways. In the Biden-Harris Administration, USDA is transforming America's food system with a greater focus on more resilient local and regional food production, fairer markets for all producers, ensuring access to safe, healthy and nutritious food in all communities, building new markets and streams of income for farmers and producers using climate smart food and forestry practices, making historic investments in infrastructure and clean energy capabilities in rural America, and committing to equity across the Department by removing systemic barriers and building a workforce more representative of America. To learn more, visit [usda.gov](#).

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## USDA Announces Inaugural Federal Advisory Committee on Urban Agriculture

Agriculture Secretary Tom Vilsack selected 12 members to serve on the USDA's inaugural Secretary's Advisory Committee for Urban Agriculture to provide input on policy development and to help identify barriers to urban agriculture as USDA works to promote urban farming and the economic opportunities it provides in cities across the country.

The new Secretary's Advisory Committee is part of USDA's efforts to support urban agriculture, creating a network for feedback. Urban agriculture plays an important role in producing fresh, healthy food in areas where grocery stores are scarce, and also provides jobs and beautifies neighborhoods.

The Committee is made up of agricultural producers, and representatives from the areas of higher education or extension programs, non-profits, business and economic development, supply chains and financing.

Members include:

- **Jerry Ann Hebron**, Mich., Urban Producer
- **Bobby Wilson**, Ga., Urban Producer
- **Viraj Puri**, N.Y., Innovative Producer
- **Kaben Smallwood**, Okla., Innovative Producer
- **Sally Brown**, Wash., Higher Education
- **John Erwin**, Md., Higher Education
- **Carl Wallace**, Ohio, Non-Profit Representative
- **John Lebeaux**, Mass., Business and Economic Development Representative
- **Zachari Curtis**, D.C., Supply Chain Experience
- **Allison Paap**, Calif., Financing Entity Representative
- **Tara Chadwick**, Fla., Related Experience
- **Angela Mason, III.**, Related Experience

USDA and the Office of Urban Agriculture and Innovative Production peer reviewed more than 300 nominees, and Vilsack made the final selections. Selections ensured geographic, racial and gender diversity and a broad range of agricultural experience. The new members will serve terms of one to three years. More information is available at [farmers.gov/urban](http://farmers.gov/urban) and the new Federal Advisory Committee for Urban Agriculture website at [www.usda.gov/partnerships/advisory-committee-urban-ag-innovative-production](http://www.usda.gov/partnerships/advisory-committee-urban-ag-innovative-production).

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## Foreign Buyers Notification

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. Foreign

persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA within 90 days of the closing. Failure to submit the [AFIDA form](#) could result in civil penalties of up to 25 percent of the fair market value of the property. County government offices, realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements. The data gained from these disclosures is used in the preparation of periodic reports to the President and Congress concerning the effect of such holdings upon family farms and rural communities. Click [here](#) for more information on AFIDA.

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## USDA Extends Deadline for Spot Market Hog Pandemic Program

Hog producers who sold hogs through a spot market sale during the COVID-19 pandemic now have until April 15, 2022, to submit their applications for the U.S. Department of Agriculture's (USDA) Spot Market Hog Pandemic Program (SMHPP). SMHPP, which is part of USDA's [Pandemic Assistance for Producers](#) initiative, originally had a deadline to submit applications by Feb. 25, 2022.

SMHPP assists hog producers who sold hogs through a spot market sale from April 16, 2020, through Sept. 1, 2020, the period during which these producers faced the greatest reduction in market prices due to the pandemic. USDA is offering SMHPP in response to a reduction in packer production and supply chain issues due to the COVID-19 pandemic, which resulted in fewer negotiated hogs being procured and subsequent lower market prices. USDA's Farm Service Agency (FSA) began accepting applications for SMHPP on Dec. 15, 2021.

In response to stakeholder feedback and our analysis of the program to date, USDA will be making adjustments to clarify the definition of a spot market sale and to hog eligibility, while including documentation requirements to prevent erroneous payments. USDA will also be announcing those updates soon and wants to assure hog producers that there will be ample time to submit their applications for assistance.

### Applying for Assistance

Eligible hog producers can apply for SMHPP by completing the FSA-940, Spot Market Hog Pandemic Program application. Visit [farmers.gov/smhpp](https://farmers.gov/smhpp) to learn more.

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 their local FSA office, producers can visit [farmers.gov/service-locator](https://farmers.gov/service-locator). Hog producers can also call 877-508-8364 to speak directly with a USDA employee ready to offer assistance. Service Center staff continue to work with agricultural producers via phone, email, and other digital tools. Because of the pandemic, some [USDA Service Centers](#) are open to limited visitors. Contact your 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](https://farmers.gov/coronavirus).

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# Applying for NAP Payments

The Noninsured Crop Disaster Assistance Program (NAP) provides financial assistance to you for crops that aren't eligible for crop insurance to protect against lower yields or crops unable to be planted due to natural disasters including freeze, hail, excessive moisture, excessive wind or hurricanes, flood, excessive heat and qualifying drought (includes native grass for grazing), among others.

In order to participate, you must obtain NAP coverage for the crop year by the applicable deadline using form CCC-471 "Application for Coverage" and pay the service fee. Application closing dates vary by crop. Producers are also required to submit an acceptable crop acreage report. Additionally, NAP participants must provide:

- The quantity of all harvested production of the crop in which the producer held an interest during the crop year
- The disposition of the harvested crop, such as whether it is marketable, unmarketable, salvaged or used differently than intended
- Acceptable crop production records (when requested by FSA)

Producers who fail to report acreage and production information for NAP-covered crops could see reduced or zero NAP assistance. These reports are used to calculate the approved yield.

If your NAP-covered crops are affected by a natural disaster, notify your FSA office by completing Part B of form CCC-576 "Notice of Loss and Application for Payment." This must be completed within 15 calendar days of the occurrence of the disaster or when losses become apparent or 15 days of the final harvest date. For hand-harvested crops and certain perishable crops, you must notify FSA within 72 hours of when a loss becomes apparent.

To receive benefits, you must also complete Parts D, E, F and G of the CCC-576 "Notice of Loss and Application for Payment" within 60 days of the last day of coverage for the crop year for any NAP covered crops. The CCC-576 requires acceptable appraisal information. Producers must provide evidence of production and note whether the crop was marketable, unmarketable, salvaged or used differently than intended.

Eligible crops must be commercially produced agricultural commodities for which crop insurance is not available, including perennial grass forage and grazing crops, fruits, vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

For more information on NAP, contact your local County USDA Service Center at or visit [fsa.usda.gov/nap](https://fsa.usda.gov/nap).

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# Ask the Expert: A Farm Operating Loan Q&A with Jack Carlile

In this Ask the Expert, Jack Carlile, Farm Loan Manager for the USDA Farm Service Agency (FSA), answers questions about farm operating loans and when producers should apply in order to secure funds for the current crop year.

As the Farm Loan Manager for the Cherokee County Service Center, Jack is responsible for managing the loan making and loan servicing activities for five counties in northeast Oklahoma. His office provides services for over 650 farm loan customers. Jack was raised on a cross bred cow/calf operation that his grandparents started. Over the years, each generation has added to the operation by purchasing additional pasture. The operation also grows and bales their own hay. Jack's agriculture background and degree in agriculture economics from Oklahoma State University help him better understand the financing needs of his producers.

## Who can apply for FSA Farm Loans?

Anyone can apply for FSA's loan programs. Applications will be considered on basic eligibility requirements. To apply for a loan, you must meet the following general eligibility requirements including:

- Be a U.S. citizen or qualified alien.
- Operator of a family farm or ranch.
- Have a satisfactory credit history.
- Unable to obtain credit elsewhere at reasonable rates and terms to meet actual needs.
- Not be delinquent on any federal debts.

## What can I purchase with operating loans?

[Farm Operating Loans](#) are traditionally used for purchasing capital items such as farm machinery, equipment, or livestock. Loan funds can also be used to help pay typical operating expenses for farming and ranching operations. For example, a rancher may use an operating loan to purchase forage for his cattle to feed them through the winter or a row crop producer may use an operating loan for paying for inputs like seed or fertilizer.

## What is the maximum loan amount and terms?

The maximum loan amount for a Direct Farm Operating Loan is \$400,000. Direct loans are made and serviced by FSA.

Producers can also apply for [Guaranteed Operating Loans](#) that are made by your commercial lender, and guaranteed against loss by FSA. The maximum loan amount for a Guaranteed Farm Operating Loan is \$1,825,000. Loan terms for operating loans range from one to seven years.

## How do I apply?

If you're interested in applying for a farm loan, you can pick up an application by visiting your local FSA office. Visit [farmers.gov](https://farmers.gov) to find the USDA Service Center nearest you.

When applying for a loan, you will need a business plan, which must include:

- Your mission, vision, and goals for your farm or ranch.
- Your current assets and liabilities.
- Marketing Plan (what your operation will produce and where you will market and sell your products.)
- Whether the amount of income your operation generates will be enough to pay your business and family living expenses.

### **When should I apply for an operating loan?**

I would recommend beginning the application process a few months in advance of needing the funds to allow time for the request to be processed, and for any necessary security checks and searches to be completed. That allows time for the funds to be available for your use when most needed.

### **Where can I find more information?**

To learn more about FSA loans visit [farmers.gov/loans](https://farmers.gov/loans) or [fsa.usda.gov/farmloans](https://fsa.usda.gov/farmloans). Fact sheets and application packages are also available at your USDA Service Center. To learn more about other types of FSA loans or to find the right loan for your operation, use the Farm Loan Discovery Tool by visiting [farmers.gov/loans/farm-loan-discovery-tool](https://farmers.gov/loans/farm-loan-discovery-tool).

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## **Double-Cropping**

Each year, state committees review and approve or disapprove county committee recommended changes or additions to specific combinations of crops.

Double-cropping is approved when two specific crops have the capability to be planted and carried to maturity for the intended use, as reported by the producer, on the same acreage within a crop year under normal growing conditions. The specific combination of crops recommended by the county committee must be approved by the state committee.

Double-cropping is approved in Alabama on a county-by-county basis. Contact your local FSA Office for a list of approved double-cropping combinations for your county.

A crop following a cover crop terminated according to termination guidelines is approved double cropping and these combinations do not have to be approved by the state committee.

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## **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 local County USDA Service Center or visit [fsa.usda.gov/pricesupport](https://fsa.usda.gov/pricesupport).



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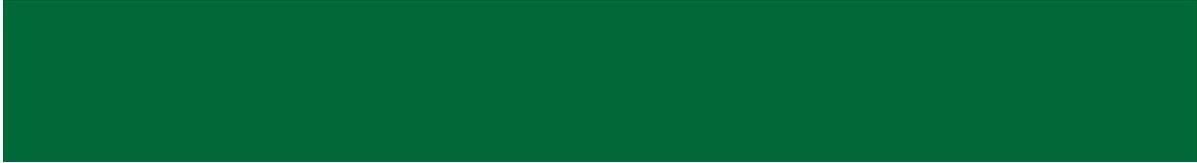
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