

Alaska FSA Newsletter - March 1, 2022

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Agricultural Producers Have Until March 15 to Enroll in USDA's Key Commodity Safety Net Programs

Call Today About 2022 Crop Year Eligibility

Agricultural producers who have not yet enrolled in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs for the 2022 crop year have until March 15, 2022, to sign a contract. The U.S. Department of Agriculture (USDA) offers these two safety net programs to provide vital income support to farmers experiencing substantial declines in crop prices or revenues.

Producers can elect coverage and enroll in ARC-County or PLC, which are both crop-by-crop, or ARC-Individual, which is for the entire farm. Although election changes for 2022 are optional, producers must enroll through a signed contract each year. Also, if a producer has a multi-year contract on the farm and makes an election change for 2022, it will be necessary to sign a new contract.

If an election is not submitted by the March 15, 2022, deadline, the election remains the same as the 2021 election for crops on the farm. Farm owners cannot enroll in either program unless they have a share interest in the crop.

Producers have completed 976,249 contracts to date, representing 54% of the more than 1.8 million expected contracts.

Producers who do not complete enrollment by the deadline will not be enrolled in ARC or PLC for the 2022 crop year and will not receive a payment if triggered.

Producers are eligible to enroll farms with base acres for the following commodities: barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium and short grain rice, safflower seed, seed cotton, sesame, soybeans, sunflower seed, and wheat.

Decision Tools

In partnership with USDA, two web-based decision tools are available to assist producers in making informed, educated decisions using crop data specific to their respective farming operations:

- Gardner-farmdoc Payment Calculator, a tool available through the University of Illinois allows producers to estimate payments for farms and counties for ARC-CO and PLC.
- ARC and PLC Decision Tool, a tool available through Texas A&M that allows producers to estimate payments and yield updates and expected payments for 2022.

Crop Insurance Considerations and Decision Deadline

ARC and PLC are part of a broader safety net provided by USDA, which also includes crop insurance and marketing assistance loans.

Producers are reminded that ARC and PLC elections and enrollments can impact eligibility for some crop insurance products.

Producers on farms with a PLC election have the option of purchasing Supplemental Coverage Option (SCO) through their Approved Insurance Provider; however, producers on farms where ARC is the election are ineligible for SCO on their planted acres for that crop on that farm.

Unlike SCO, the Enhanced Coverage Option (ECO) is unaffected by an ARC election. Producers may add ECO regardless of the farm program election.

Upland cotton farmers who choose to enroll seed cotton base acres in ARC or PLC are ineligible for the stacked income protection plan (STAX) on their planted cotton acres for that farm.

Producers should contact their crop insurance agent to make certain that the election and enrollment made at FSA follows their intention to participate in STAX or SCO coverage. Producers have until March 15, 2022, to make the appropriate changes or cancel their ARC or PLC contract.

More Information

In addition to the March 15 deadline for ARC and PLC, other important deadlines include:

- March 1, <u>Livestock Indemnity Program</u>
- March 11, Conservation Reserve Program General Signup
- March 15, <u>Pandemic Cover Crop Program</u>
- March 25, <u>Dairy Margin Coverage</u>

For more information on ARC and PLC, producers can visit the <u>ARC and PLC webpage</u> or contact their local USDA Service Center. In those service centers where COVID cases exceed safety levels, staff continue to work with agricultural producers via phone, email and other digital tools. Producers with <u>level 2 eauthentication access</u> can electronically sign contracts or may make arrangements to drop off signed contracts at the FSA county office. Because of the pandemic, some <u>USDA Service Centers</u> are open to limited visitors.

USDA Encourages Producers to Consider NAP Risk Protection Coverage Before Crop Sales Deadlines

The Farm Service Agency encourages producers to examine available USDA crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the applicable crop sales deadline.

Producers are reminded that crops not covered by insurance may be eligible for NAP. Beginning, underserved and limited resource farmers are now eligible for free catastrophic level coverage.

Federal crop insurance covers crop losses from natural adversities such as drought, hail and excessive moisture. NAP covers losses from natural disasters on crops for which no permanent federal crop insurance program is available, including perennial grass forage and grazing crops, fruits, vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

Producers can determine if crops are eligible for federal crop insurance or NAP by visiting https://webapp.rma.usda.gov/apps/ActuarialInformationBrowser2018/CropCriteria.aspx?utm_medium=email&utm_source=govdelivery.

The 2018 Farm Bill reinstates higher levels of coverage, from 50 to 65 percent of expected production in 5 percent increments, at 100 percent of the average market price. Producers of organics and crops marketed directly to consumers also may exercise the "buy-up" option to obtain NAP coverage of 100 percent of the average market price at the coverage levels of between 50 and 65 percent of expected production. NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production.

For all coverage levels, the NAP service fee is the lesser of \$325 per crop or \$825 per producer per county, not to exceed a total of \$1,950 for a producer with farming interests in multiple counties.

For Alaska, 2022 Spring deadlines for crop year 2022 coverage:

The following crops in Alaska have a NAP application deadline of **March 15**, **2022 Spring planted annual crops (vegetables)**

For Alaska, 2022 Fall deadlines for crop year 2023 coverage:

The following crops in Alaska have a NAP application deadline of **September 01**, **2022**: **Floriculture (Peonies)**, **Aquaculture**, **Turf Grass**

The following crops in Alaska have a NAP application deadline of **September 30**, **2022**: **Perennial Grass Forage (Perennial Grasses intended use seed)**, **Honey**

Deadlines for coverage vary by state and crop. To learn more about NAP visit www.fsa.usda.gov/nap or contact your local USDA Service Center. To find your local USDA Service Centers go to http://offices.usda.gov.

Federal crop insurance coverage is sold and delivered solely through private insurance agents. Agent lists are available at all USDA Service Centers or at USDA's online Agent Locator: http://prodwebnlb.rma.usda.gov/apps/AgentLocator/#. Producers can use the USDA Cost Estimator.

https://ewebapp.rma.usda.gov/apps/costestimator/Default.aspx?utm_medium=email&utm_so_urce=govdelivery, to predict insurance premium costs.

USDA Announces Conservation Reserve Program Signups for 2022

Agricultural producers and landowners can sign up soon for the Conservation Reserve Program (CRP), a cornerstone conservation program offered by the U.S. Department of Agriculture (USDA) and a key tool in the Biden-Harris Administration effort to address climate change and achieve other natural resource benefits. The General CRP signup will run from Jan. 31 to March 11, and the Grassland CRP signup will run from April 4 to May 13.

Producers and landowners enrolled 4.6 million acres into CRP signups in 2021, including 2.5 million acres in the largest Grassland CRP signup in history. There are currently 22.1 million acres enrolled, and FSA is aiming to reach the 25.5-million-acre cap statutorily set for fiscal year 2022.

CRP Signups

General CRP helps producers and landowners 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.

Meanwhile, Grassland CRP is a working lands program, helping landowners and operators protect grassland, including rangeland and pastureland and certain other lands, while maintaining the areas as working grazing lands. Protecting grasslands contributes positively to the economy of many regions, provides biodiversity of plant and animal populations and provides important carbon sequestration benefits to deliver lasting climate outcomes.

Alongside these programs, producers and landowners can enroll acres in Continuous CRP under the ongoing sign up, which includes projects available through the Conservation Reserve Enhancement Program (CREP) and State Acres for Wildlife Enhancement (SAFE).

Climate Benefits

Last year, FSA enacted a Climate-Smart Practice Incentive for CRP General and Continuous signups, to better target CRP on addressing climate change. This incentive aims to increase carbon sequestration and reduce greenhouse gas emissions. CRP's climate-smart practices include establishment of trees and permanent grasses, development of wildlife habitat and wetland restoration. The Climate-Smart Practice Incentive is annual, and the amount is based on the benefits of each practice type.

Additionally, in order to better target the program toward climate outcomes, USDA invested \$10 million last year in the CRP Monitoring, Assessment and Evaluation (MAE) program to measure and monitor the soil carbon and climate resilience impacts of conservation practices over the life of new CRP contracts. This will enable the agency to further refine the program and practices to provide producers tools for increased climate resilience.

More Information on CRP

Landowners and producers interested in CRP should contact their local <u>USDA Service</u> <u>Center</u> to learn more or to apply for the program -- for General CRP before the **March 11 deadline**, and for Grassland CRP before the **May 13 deadline**. Service Center staff continue to work with agricultural producers via phone, email, and other digital tools. Due to the pandemic, some <u>USDA Service Centers</u> are open to limited visitors. Additionally, fact sheets and other resources are available at fsa.usda.gov/crp.

Signed into law in 1985, CRP is one of the largest voluntary private-lands conservation programs in the United States. It was originally intended to primarily 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.

Applying for Youth Loans

The Farm Service Agency (FSA) makes loans to youth to establish and operate agricultural income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5,000.

Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Comply with FSA's general eligibility requirements
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the youth loan applicant, along with providing adequate supervision.

For help preparing the application forms, contact your local <u>USDA Service Center</u> or visit <u>fsa.usda.gov</u>.

Maintaining Good Credit History

Farm Service Agency (FSA) loans require applicants to have a satisfactory credit history. A credit report is requested for all FSA direct farm loan applicants. These reports are reviewed to verify outstanding debts, see if bills are paid timely and to determine the impact on cash flow

Information on your credit report is strictly confidential and is used only as an aid in conducting FSA business.

Our farm loan staff will discuss options with you if you have an unfavorable credit report and will provide a copy of your report. If you dispute the accuracy of the information on the credit report, it is up to you to contact the issuing credit report company to resolve any errors or inaccuracies.

There are multiple ways to remedy an unfavorable credit score:

- Make sure to pay bills on time
 - Setting up automatic payments or automated reminders can be an effective way to remember payment due dates.
- Pay down existing debt
- Keep your credit card balances low
- Avoid suddenly opening or closing existing credit accounts

FSA's farm loan staff will guide you through the process, which may require you to reapply for a loan after improving or correcting your credit report.

For more information about farm loans, please contact the Northern County FSA office at 907-895-4242 ext 150 and the Southern County FSA Office at 907-761-7773.

Conservation Assistance for Alaska agricultural producers from the USDA Natural Resources Conservation Service

The USDA Natural Resources Conservation Service (NRCS) is a federal government agency under the United States Department of Agriculture. The primary mission of NRCS is to help people help the land. NRCS offers financial assistance programs and conservation planning assistance to agricultural producers of all races, ethnicities, and backgrounds, free of charge. Participation in NRCS conservation programs is entirely voluntary. Producers who choose to work with NRCS can improve soil health, crop productivity, livestock animal health, wildlife habitat, water use, and more.

Assistance is available to producers who own, manage or lease land used for agricultural production, including cropland, rangeland, pastureland and non-industrial private forestland. In Alaska, lands managed for subsistence hunting, harvesting and gathering are considered agricultural lands and are also eligible for NRCS programs.

NRCS works with Alaska Native Tribes, farmers, ranchers and forest owners to identify natural resource concerns on the land and develop solutions to address them. A resource concern is a problem that NRCS identifies on the land that negatively impacts the sustainability or intended use of soil, water, air, plants, animals, or energy. For example, soil erosion caused by wind and water is a common resource concern in Alaska. NRCS can help producers fix the erosion on their property by installing various conservation practices, such as planting cover crops. A conservation practice is an action that producers willingly apply on their land with guidance from NRCS. Another example of a resource concern is poor crop/plant health. A seasonal high tunnel is a popular conservation practice in Alaska that can help growers improve plant health by protecting crops from frost and extending the growing season.

The first step in working with NRCS is to develop a conservation plan. Contact your local NRCS Service Center and make an appointment with a conservation planner to get started. A conservation plan is a written record of resource concerns and conservation practices that the farmer plans to implement and maintain on the property. Once a producer has completed their conservation plan with NRCS, they can apply for financial assistance to perform the activities identified in their plan.

The most common financial assistance program offered by NRCS is the Environmental Quality Incentives Program (EQIP). EQIP works similar to a mail-in rebate—producers typically pay the costs up-front to perform the conservation practice, then NRCS will reimburse them for a portion of the cost after the work has been completed. There is also an advanced payment option in which NRCS will pay at least half of the cost up-front.

For more information about working with NRCS for the first time, view the online Welcome Packet for new customers at http://bit.ly/AKEQIPnew or contact a local NRCS office and speak with a conservation planner:

- Fairbanks (907) 479-3159
- Delta Junction (907) 895-4241
- Wasilla (907) 479-3159
- Juneau (907) 586-7220
- Kenai (907) 283-8732
- Homer (907) 235-8177
- Kodiak (907) 486-5598

USDA to Invest \$1 Billion in Climate Smart Commodities, Expanding Markets, Strengthening Rural America

Funding Opportunity Opens to Pilot New Revenue Streams for America's Climate-Smart Farmers, Ranchers and Forest Landowners

Agriculture Secretary Tom Vilsack announced on February 7 that the U.S. Department of Agriculture is delivering on its promise to expand markets by investing \$1 billion in partnerships to support America's climate-smart farmers, ranchers and forest landowners. The new Partnerships for Climate-Smart Commodities opportunity will finance pilot projects that create market opportunities for U.S. agricultural and forestry products that use climate-smart practices and include innovative, cost-effective ways to measure and verify greenhouse gas benefits. USDA is now accepting project applications for fiscal year 2022.

For the purposes of this funding opportunity, a climate-smart commodity is defined as an agricultural commodity that is produced using agricultural (farming, ranching or forestry) practices that reduce greenhouse gas emissions or sequester carbon.

Funding will be provided to partners through the USDA's Commodity Credit Corporation for pilot projects to provide incentives to producers and landowners to:

- implement climate-smart production practices, activities, and systems on working lands,
- measure/quantify, monitor and verify the carbon and greenhouse gas (GHG) benefits associated with those practices, and
- develop markets and promote the resulting climate-smart commodities.

Funding will be provided in two funding pools, and applicants must submit their applications via Grants.gov by 11:59 p.m. Eastern Time on:

April 8, 2022, for the first funding pool (proposals from \$5 million to \$100 million), and

May 27, 2022, for the second funding pool (proposals from \$250,000 to \$4,999,999).

A wide range of organizations may apply, but the primary applicant must be an entity, not an individual.

USDA is committed to equity in program delivery and is specifically seeking proposals from entities serving all types of producers, including small or historically underserved producers.

Visit <u>usda.gov</u> for additional information including Partnerships for Climate-Smart Commodities and resources to support your application.

Persons with disabilities who require accommodations to attend or participate in these meetings and/or events should contact the Northern County FSA Service Center, at (907) 895-4242, ext. 150, Southern County FSA Service Center, at (907) 761-7773, or dial 7-1-1 to access telecommunication relay services.

Alaska State Farm Service Agency

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Hours: County Committee Meetings

Monday-Friday 8:00 a.m. - 4:30 p.m. Northern Co March 2, 9:00 a.m.

www.fsa.usda.gov/ak Southern Co March 8, 7:30 a.m.

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