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USDA Updates Pandemic Assistance for Livestock, Poultry Contract Producers and Specialty Crop Growers

The U.S. Department of Agriculture (USDA) is updating the Coronavirus Food Assistance Program 2 (CFAP 2) for contract producers of eligible livestock and poultry and producers of specialty crops and other sales-based commodities. CFAP 2, which assists producers who faced market disruptions in 2020 due to COVID-19, is part of USDA's broader Pandemic Assistance for Producers initiative. Additionally, USDA's Farm Service Agency (FSA) has set an Oct. 12 deadline for all eligible producers to apply for or modify applications for CFAP 2.

Assistance for Contract Producers

The Consolidated Appropriations Act, 2021, provides up to \$1 billion for payments to contract producers of eligible livestock and poultry for revenue losses from Jan. 1, 2020, through Dec. 27, 2020. Contract producers of broilers, pullets, layers, chicken eggs, turkeys, hogs and pigs, ducks, geese, pheasants and quail may be eligible for assistance. This update includes eligible breeding stock and eggs of all eligible poultry types produced under contract.

Payments for contract producers were to be based on a comparison of eligible revenue for the periods of Jan. 1, 2019, through Dec. 27, 2019, and Jan. 1, 2020, through Dec. 27, 2020.

Today's changes mean contract producers can now elect to use eligible revenue from the period of Jan. 1, 2018, through Dec. 27, 2018, instead of that date range in 2019 if it is more representative. This change is intended to provide flexibility and make the program more equitable for contract producers who had reduced revenue in 2019 compared to a normal production year. The difference in revenue is then multiplied by 80% to determine a final payment. Payments to contract producers may be factored if total calculated payments exceed the available funding and will be made after the application period closes.

Additional flexibilities have been added to account for increases to operation size in 2020 and situations where a contract producer did not have a full period of revenue from Jan. 1 to Dec. 27 for either 2018 or 2019. Assistance is also available to new contract producers who began their farming operation in 2020.

Updates for Sales-Based Commodities

USDA is amending the CFAP 2 payment calculation for sales-based commodities, which are primarily comprised of specialty crops, to allow producers to substitute 2018 sales for 2019 sales. Previously, payments for producers of sales-based commodities were based only on 2019 sales, with 2019 used as an approximation of the amount the producer would have expected to market in 2020. Giving producers the option to substitute 2018 sales for this approximation, including 2018 crop insurance indemnities and 2018 crop year Noninsured Disaster Assistance Program (NAP) and Wildfire and Hurricane Indemnity Program Plus (WHIP+) payments, provides additional flexibility to producers of sales-based commodities who had reduced sales in 2019.

Grass seed has also been added as an eligible sales commodity for CFAP 2. A complete list of all eligible sales-based commodities can be found at farmers.gov/cfap2/commodities. Producers of sales-based commodities can modify existing applications.

Applying for Assistance

Newly eligible producers who need to submit a CFAP 2 application or producers who need to modify an existing one can do so by contacting their local FSA office. Producers can find their local FSA office by visiting farmers.gov/service-locator. Producers can also obtain one-on-one support with applications by calling 877-508-8364. All new and modified CFAP 2 applications are due by the Oct. 12 deadline.

USDA Accepting Applications to Help Cover Costs for Organic Certification

USDA's Farm Service Agency (FSA) announced that organic producers and handlers can apply for USDA funds to assist with the cost of receiving and maintaining organic certification through the [Organic Certification Cost Share Program](#) (OCCSP). Applications for eligible certification expenses paid between Oct. 1, 2020, and Sept. 30, 2021, are due Nov. 1, 2021.

OCCSP provides cost-share assistance to producers and handlers of agricultural products for the costs of obtaining or maintaining organic certification under the USDA's National Organic

Program. Eligible producers include any certified producers or handlers who have paid organic certification fees to a USDA-accredited certifying agent. Producers can be reimbursed for expenses including application fees, inspection costs, fees related to equivalency agreement and arrangement requirements, travel expenses for inspectors, user fees, sales assessments and postage.

For 2021, OCCSP will reimburse 50 percent of a certified operation's allowable certification costs, up to a maximum of \$500 for each of the following categories or "scopes:"

- crops
- wild crops
- livestock
- processing/handling
- State organic program fees.

Organic farmers and ranchers may apply through an FSA county office or a participating state agency.

More Information

To learn more about organic certification cost share, please visit the [OCCSP webpage](#), visit usda.gov/organic, or contact your [local USDA Service Center](#).

Biden Administration to Invest \$67 Million to Help Heirs Resolve Land Ownership and Succession Issues

U.S. Department of Agriculture (USDA) is providing \$67 million in competitive loans through the new Heirs' Property Relending Program (HPRP), which aims to help agricultural producers and landowners resolve heirs' land ownership and succession issues. Intermediary lenders -- cooperatives, credit unions, and nonprofit organizations -- can apply for loans up to \$5 million at 1% interest once the Farm Service Agency (FSA) opens the two-month sign-up window in late August.

After FSA selects lenders, heirs can apply directly to those lenders for loans and assistance. Heirs' property issues have long been a barrier for many producers and landowners to access USDA programs and services, and this relending program provides access to capital to help producers find a resolution to these issues.

The Heirs' Property Relending Program is another example of how USDA is working to rebuild trust with America's farmers and ranchers. HPRP is a loan and will need to be repaid as directed by the 2018 Farm Bill.

The program's benefits go far beyond its participants. It will also keep farmland in farming, protect family farm legacies and support economic viability.

Eligible Lenders

To be eligible, intermediary lenders must be certified as a community development financial institution and have experience and capability in making and servicing agricultural and commercial loans that are similar in nature.

If applications exceed the amount of available funds, those applicants with at least 10 years or more of experience with socially disadvantaged farmers that are located in states that have adopted a statute consisting of enactment or adoption of the Uniform Partition of Heirs Property Act (UPHPA) will receive first preference. A list of these states is available at farmers.gov/heirs/relending. A secondary preference tier is established for those that have applications from ultimate recipients already in process, or that have a history of successfully relending previous HPRP funds. When multiple applicants are in the same tier, or there are no applicants in tier 1 or 2, applications will be funded in order of the date the application was received.

Selected intermediary lenders will determine the rates, terms, and payment structure for loans to heirs. Interest rates will be the lowest rate sufficient for intermediaries to cover cost of operating and sustaining the loan.

Additional information for lenders, including how to apply for funding, can be found in the [HPRP final rule](#) (PDF, 387 KB).

Relending to Heirs

Heirs may use the loans to resolve title issues by financing the purchase or consolidation of property interests and financing costs associated with a succession plan. This may also include costs and fees associated with buying out fractional interests of other heirs in jointly-owned property to clear the title, as well as closing costs, appraisals, title searches, surveys, preparing documents, mediation, and legal services.

Heirs may not use loans for any land improvement, development purpose, acquisition or repair of buildings, acquisition of personal property, payment of operating costs, payment of finders' fees, or similar costs.

Intermediary lenders will make loans to heirs who:

- Are individuals or legal entities with authority to incur the debt and to resolve ownership and succession of a farm owned by multiple owners;
- Are a family member or heir-at-law related by blood or marriage to the previous owner of the property;
- Agree to complete a succession plan.

More information on how heirs can borrow from lenders under HPRP will be available in the coming months.

More Information

Heirs' property is a legal term that refers to family land inherited without a will or legal documentation of ownership. It has historically been challenging for heirs to benefit from USDA programs because of the belief that they cannot get a farm number without proof of ownership or control of land. However, FSA provides alternative options that allow an heir to obtain a farm number. In states that have adopted the UHPA, producers may provide specific documents to receive a farm number. To learn more about heirs property, HPRP, or UHPA, visit farmers.gov/heirs/releasing.

USDA Accepts 2.8 Million Acres for the Conservation Reserve Program

The U.S. Department of Agriculture (USDA) has accepted 2.8 million acres in offers from agricultural producers and private landowners for enrollment into the Conservation Reserve Program (CRP) in 2021. This year, almost 1.9 million acres in offers have been accepted through the General CRP Signup, and USDA's Farm Service Agency (FSA) has accepted over 897,000 acres for enrollment through the Continuous Signup. The Continuous Signup remains open and CRP Grasslands Signup closed last week, so USDA expects to enroll more acres into all of CRP than the 3 million acres that are expiring.

The 4-million-acre shortfall in CRP would have had the following impacts:

- More than 359,000 acres less annual forage under CRP Grasslands;
- A loss of 1,500,000 acres of quality wildlife and pollinator less habitat for wildlife;
- 20% fewer apiaries in major production regions meeting critical forage thresholds;
- A loss of more than 4 million upland game and other grassland birds;
- About 90 million pounds of nitrogen entering waterways;
- Over 30 million tons of soil eroded, leading to increased pollution and sedimentation in streams and rivers; and
- Foregone sequestration of more than 3 million metric tons of CO₂.

Like other USDA conservation programs, CRP is a voluntary program that has a variety of options that can be tailored to the specific conservation issues of a state or region and desires of the landowner. The options run the gamut from working lands such as CRP Grasslands to partnerships with states and private entities to target a specific joint concern such as water quality or quantity.

Continuous CRP Signup

Continuous CRP allows USDA to target the most sensitive land like highly erodible land, the most environmentally beneficial land like wetlands and buffers along streams and rivers, or locally identified critical habitat like State Acres For Wildlife. This targeted approach also reduces the whole-farm type enrollment in CRP that was more common when it first began and helps meet the conservation goals while maintaining the majority of the land in production

agriculture. FSA has accepted offers from over 37,000 producers to enroll more than 897,000 acres through the Continuous Signup. This is double the enrollment from last year and three times the enrollment from 2018 and 2019. FSA expects this process to be completed by the end of September so contracts may start on October 1, 2021.

The growth in the targeted enrollment through Continuous Signup is due to a recommitment of USDA to incentives and partnerships that brought in nearly 1.4 million acres in 2016 and 2017. These efforts have also included the expansion of the Clean Lakes, Estuaries, and Rives Initiative 30-year (CLEAR30) from two regions to nationwide as well as moving State Acres for Wildlife Enhancement (SAFE) practices from the General to the Continuous signup. This year, offers for 20,000 acres have been submitted for CLEAR30 and 296,000 acres in SAFE practices.

General CRP Signup

FSA opened the General CRP Signup 56 in January 2021 and extended the original deadline to July 23, 2021, to enable producers to consider FSA's new improvements to the program, which included higher rental payments and more incentivized environmental practices.

Additionally, FSA introduced a new Climate-Smart Practice Incentive to increase carbon sequestration and reduce greenhouse gas emissions. This incentive provides a 3%, 5% or 10% incentive payment based on the predominate vegetation type for the practices enrolled – from grasses to trees to wetland restoration.

Through CRP, 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. In addition to the other well-documented benefits, lands enrolled in CRP is playing a key role in mitigating impacts from climate change.

A full list of changes to CRP, including those to the Continuous and General Signups, can be found in our "What's New with CRP" [fact sheet](#).

More Information

In April, [USDA announced several changes](#) to CRP to increase participation while improving climate-related and other environmental benefits. CRP sequesters carbon while preserving topsoil, mitigating greenhouse gas emissions, reducing nitrogen runoff, and providing healthy habitat for wildlife.

The 2018 Farm Bill established a nationwide acreage limit for CRP, with the total number of acres that may be enrolled capped at 25 million acres in 2021 and growing to 27 million by 2023.

Under the Biden-Harris Administration, USDA is engaged in a whole-of-government effort to combat the climate crisis and conserve and protect our nation's lands, biodiversity, and natural resources, including our soil, air, and water. Through conservation practices, USDA aims to enhance economic growth and create new streams of income for farmers, ranchers, producers, and private foresters. Successfully meeting these challenges will require USDA and our agencies to pursue a coordinated approach alongside USDA stakeholders, including state, local, and tribal governments.

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 www.usda.gov.

Reminders for FSA Direct and Guaranteed Borrowers with Real Estate Security

Farm loan borrowers who have pledged real estate as security for their Farm Service Agency (FSA) direct or guaranteed loans are responsible for maintaining loan collateral. Borrowers must obtain prior consent or approval from FSA or the guaranteed lender for any transaction that affects real estate security. These transactions include, but are not limited to:

- Leases of any kind
- Easements of any kind
- Subordinations
- Partial releases
- Sales

Failure to meet or follow the requirements in the loan agreement, promissory note, and other security instruments could lead to nonmonetary default which could jeopardize your current and future loans.

It is critical that borrowers keep an open line of communication with their FSA loan staff or guaranteed lender when it comes to changes in their operation. For more information on borrower responsibilities, read [Your FSA Farm Loan Compass](#).

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 or visit fsa.usda.gov/nap.



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