USDA Farm Service Agency
U.S. DEPARTMENT OF AGRICULTURE

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Report Cover Crop Acreage by June 15 for Pandemic Cover Crop Program

The USDA Risk Management Agency's Pandemic Cover Crop Program (PCCP) provides premium support to producers who insured their spring crop with most insurance policies and planted a qualifying cover crop during the 2021 crop year. The premium support is $5 per acre, but no more than the full premium owed.

To receive the benefit for this program, producers must file a Report of Acreage form (FSA-578) for cover crops with USDA's Farm Service Agency (FSA) by June 15, 2021, which is distinct from the normal acreage reporting date. The normal acreage reporting deadline with FSA has not changed, but to receive the premium benefit, producers must file their cover crop acreage reports by June 15. The cover crop fields reported on the Report of Acreage form must match what the producer reported to their insurance company for crop insurance policies. To file the form, producers must contact and make an appointment with their local USDA Service Center.

Cover Crop Guidelines

The Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS) and Risk Management Agency (RMA) worked together to develop consistent, simple and a flexible policy for cover crop practices.

Cover crops, such as grasses, legumes and forbs, can be planted: with no subsequent crop planted, before a subsequent crop, after prevented planting acreage, after a planted crop, or into a standing crop.

Reporting

The intended use of cover only will be used to report cover crops. This includes crops

that were terminated by tillage and reported with an intended use code of green manure. An FSA policy change will allow cover crops to be hayed and grazed. Program eligibility for the cover crop that is being hayed or grazed will be determined by each specific program.

If the crop reported as cover only is harvested for any use other than forage or grazing and is not terminated properly, then that crop will no longer be considered a cover crop.

Crops reported with an intended use of cover only will not count toward the total cropland on the farm. In these situations, a subsequent crop will be reported to account for all cropland on the farm.

Termination

The cover crop termination guidelines provide the timeline for terminating cover crops, are based on zones and apply to non-irrigated cropland. To view the zones and additional guidelines visit nrcs.usda.gov/wps/portal/nrcs/main/national/landuse/crops/ and click "Cover Crop Termination Guidelines."

The cover crop may be terminated by natural causes, such as frost, or intentionally terminated through chemical application, crimping, rolling, tillage or cutting. A cover crop managed and terminated according to NRCS Cover Crop Termination Guidelines is **not** considered a crop for crop insurance purposes.

Crop Reporting for Industrial Hemp

To comply with USDA and Michigan Department of Agriculture and Rural Development (MADARD) regulations, all registered hemp growers must report their hemp crop acreage to the USDA Farm Service Agency.

Hemp producers are required to file acreage reports with FSA, which includes these steps:

- Obtain a hemp production license or authorization number issued by USDA, state, or tribe.
- File an acreage report with FSA, including the license or authorization number and identifying each field or subfield where hemp is planted. These fields could be referred to as a "lot" and includes greenhouses.
- Identify the intended use of the reported hemp acreage.

Intended use categories for industrial hemp include:

- Fiber – used for cloth, pressed plastics, ropes, animal bedding, paper, biofuel, packaging, concrete additives, spill cleanup.
- Cannabidiol (CBD) – grown for extraction of plant resin, which includes CBD and other phytocannabinoids to be extracted from the flower. Subject to FDA regulations, resin may be used in oils, lotions, cleansers, bath or other pharmaceutical or topical products.
- Grain – used for hemp hearts, crushed seed oil (not CBD), protein supplements (human or animal consumption)
- Seed – used for propagation stock, hybrids (non-human consumption)

Acreage reports are due by July 15, 2021. Reports filed after July 15 may incur a late-filing fee.

For more information about the MDARD hemp program, email MDARD-IndustrialHemp@michigan.gov.

For more information on USDA programs for hemp producers, visit farmers.gov/hemp. Contact your local FSA county office to report industrial hemp and other crop acreage.

Cropland Along Agricultural Drains May be Eligible for Water Quality Conservation Practices under the USDA Conservation Reserve Program

Land along agricultural drains and other bodies of water may be used to help protect the water quality of the Great Lakes and be eligible to receive annual rental payments under the USDA Conservation Reserve Program (CRP) as a filter strip or riparian buffer.

Filter strips, as well as other buffer practices, play an important part in intercepting undesirable contaminates from runoff before they enter a waterbody. Buffer practices slow the velocity of water, allowing the settling out of suspended soil particles, infiltration of runoff and soluble pollutants, adsorption of pollutants on soil and plant surfaces, and uptake of soluble pollutants by plants. Buffers can remove more than 50 percent of nutrients and pesticides, 60 percent of some pathogens and 75 percent of sediment from field water runoff.

Michigan farmers currently have over 18 thousand acres voluntarily dedicated to CRP buffer strips, which filter runoff from their cropland and protect the quality of waters that feed into the Great Lakes. The average rental rate in Michigan for a filter strip practice in CRP is currently $214 per acre, while the average rental rate for all CRP practices is $124 per acre.

Cropland immediately adjacent and parallel to an agricultural drain may be eligible for enrollment in CRP under the Filter Strips and Riparian Buffer practices after the NRCS conducts a site visit to identify and document the type of eligible water body.

The NRCS must determine whether the offered cropland immediately adjacent and parallel to the agriculture drain is a stream having perennial flow or seasonal or intermittent flow, like an intermittent stream. Seasonal or intermittent flow means it contains water for only part of the year but more than just during or after a rainfall or snowmelt.

To help grow interest and enrollment, FSA recently increased payments for practice incentive rates for continuous CRP practices from 20% to 50%. It also increased soil rental payments for certain water quality practice rates from 10% to 20%, including riparian buffers, and filter strips. Contract terms for land enrolled in CRP is 10 to 15 years.

By enrolling in CRP, producers are improving water quality, reducing soil erosion, and creating or restoring habitat for wildlife. This, in turn, supports hunting, fishing, recreation, tourism, and other economic development across Michigan.

USDA Announces New Initiative to Quantify Climate Benefits of Conservation Reserve Program

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) announced an initiative to quantify the climate benefits of Conservation Reserve Program (CRP) contracts. This multi-year effort will enable USDA to better target CRP toward climate outcomes and improve existing models and conservation planning tools while supporting USDA's goal of putting American agriculture and forestry at the center of climate-smart solutions to address climate change.

CRP Monitoring, Assessment and Evaluation Projects

FSA has historically worked with partners to identify Monitoring, Assessment and Evaluation (MAE) projects to quantify CRP environmental benefits to water quality and quantity, wildlife and rural economies. The agency will now invest $10 million through this program to measure and monitor the soil carbon sequestration and other climate and environmental benefits of conservation practices over the life of CRP contracts.

This effort will allow USDA to better target climate outcomes through CRP while gaining critical data to calibrate, validate and further improve quantification methods within existing models and tools. One model of focus is the Daily Century Model, or DayCent, which simulates the movement of carbon and nitrogen through agricultural systems and informs the National Greenhouse Gas Inventory. Data will also be used to strengthen the COMET-Farm and COMET-Planner tools, which enable producers to evaluate potential carbon sequestration and greenhouse gas emission reductions based on specific management scenarios.

Request for Proposals

USDA is seeking proposals for projects to survey, sample and measure the climate benefits of land enrolled in the following CRP practice types over time:

- Predominately Perennial grass with legumes and shrubs, depending on the practice
- Tree
- Wetland, including both mineral and organic soils and both floodplain and non-floodplain wetlands

A project can cover one or more of the above practice types and should be for a three- to five-year term, with the potential for renewal. Projects should be a minimum of $1 million and not exceed $9 million.

Applications are welcome from all types of organizations, including public, private and nonprofit institutions. Project proposals can be from a single entity or from a group of partners who coordinate efforts. Applications from or in partnership with Historically Black Colleges & Universities (HBCU), Tribal Colleges & Universities (TCU) and Hispanic-Serving Institutions (HSI) or organizations will be considered as part of the selection process.

The deadline for proposals is July 2, 2021. Visit the request for proposals for more information on requirements, project deliverables, evaluation criteria and how to submit your proposal. Visit FSA's Monitoring, Assessment and Evaluation page for additional information on CRP MAEs.

Conservation Reserve Program

CRP is one of the world's largest voluntary conservation programs with an established track record of preserving topsoil, sequestering carbon, reducing nitrogen runoff and providing healthy habitat for wildlife.

In exchange for a yearly rental payment, agricultural producers enrolled in the program agree to remove environmentally sensitive land from production and plant species that will improve environmental health and quality. Land is enrolled in CRP for 10 to 15 years, with the option of re-enrollment. FSA offers multiple CRP signups, including the general signup and continuous signup – both currently open – as well as CRP Grasslands and pilot programs focused on soil health and clean water.

In April, USDA announced updates to CRP including higher payment rates, new incentives for environmental practices and a more targeted focus on the program's role in climate change mitigation. This included a new Climate-Smart Practice Incentive for CRP general and continuous signups that aims to increase carbon sequestration and reduce greenhouse gas emissions. Climate-Smart CRP practices include establishment of trees and permanent grasses, development of wildlife habitat and wetland restoration. Download our "What's New" fact sheet to learn more about program updates.

USDA to Begin Loan Payments to Socially Disadvantaged Borrowers under American Rescue Plan Act Section 1005

USDA expects payments to begin this month and continue on a rolling basis. A subsequent notice addressing guaranteed loan balances and direct loans that no longer have collateral and have been previously referred to the Department of Treasury for debt collection for offset, will be published within 120 days.

Section 1005 of the American Rescue Plan Act of 2021 (ARPA) provides funding and authorization for USDA FSA to pay up to 120 percent of direct and guaranteed loan outstanding balances as of January 1, 2021, for socially disadvantaged farmers and ranchers as defined in Section 2501(a) of the Food, Agriculture Conservation, and Trade Act of 1990 (7 U.S.C. 2279(a)). Section 2501(a) defines a socially disadvantaged farmer or rancher as a farmer or rancher who is a member of a socially disadvantaged group, which is further defined as a group whose members have been subjected to racial or ethnic prejudice because of their identity as members of a group without regard to their individual qualities. Qualifying loans are certain direct loans under the Farm Loan Programs (FLP) and Farm Storage Facility Loan Program (FSFL).

For much of the history of the USDA, socially disadvantaged farmers and ranchers have faced discrimination—sometimes overt and sometimes through deeply embedded rules and policies—that have prevented them from achieving as much as their counterparts who do not face these documented acts of discrimination. Over the past 30 years, several major civil rights lawsuits have compensated farmers for specific acts of discrimination—including Pigford I and Pigford II, Keepseagle, and the Garcia cases. However, those settlements and other related actions did not address the systemic and cumulative impacts of discrimination over a number of decades that the American Rescue Plan now begins to address.

Sections 1005 and 1006 of ARPA provide USDA with new tools to address longstanding inequities for socially disadvantaged borrowers. Section 1006 of ARPA provides additional funding to begin long-term racial equity work within USDA, including to address heirs property claims and to stand up an Equity Commission to identify barriers to access USDA programming.

To learn more about the loan payments to socially disadvantaged farmers and ranchers, visit www.farmers.gov/americanrescueplan.

June 2021 Lending Rates for Agricultural Producers

USDA's FSA loans provide important access to capital to help agricultural producers start or expand their farming operation, purchase equipment and storage structures, or meet cash flow needs.

FSA offers farm ownership and operating loans with favorable interest rates and terms to help eligible agricultural producers, whether multi-generational, long-time or new to the industry, obtain financing needed to start, expand or maintain a family agricultural operation. For many loan options, FSA sets aside funding for historically disadvantaged producers, including beginning, women, American Indian or Alaskan Native, Asian, Black or African American, Native Hawaiian or Pacific Islander, and Hispanic farmers and ranchers.

Operating and Ownership Loans

Interest rates for Operating and Ownership loans for June 2021 are as follows:

- Farm Operating Loans (Direct): 1.875%
- Farm Ownership Loans (Direct): 3.250%
- Farm Ownership Loans (Direct, Joint Financing): 2.500%
- Farm Ownership Loans (Down Payment): 1.500%
- Emergency Loan (Amount of Actual Loss): 2.875%

FSA also offers guaranteed loans through commercial lenders at rates set by those lenders. You can find out which of these loans may be right for you by using our Farm Loan Discovery Tool.

Commodity and Storage Facility Loans

Additionally, FSA provides low-interest financing to producers to build or upgrade on-farm storage facilities and purchase handling equipment and loans that provide interim financing to help producers meet cash flow needs without having to sell their commodities when market prices are low. Funds for these loans are provided through the Commodity Credit Corporation (CCC) and are administered by FSA.

- Commodity Loans (less than one year disbursed): 1.125%
- Farm Storage Facility Loans:
- Three-year loan terms: 0.375%
- Five-year loan terms: 0. 875%
- Seven-year loan terms: 1.250%
- Ten-year loan terms: 1.625%
- Twelve-year loan terms: 1.750%
- Sugar Storage Facility Loans (15 years): 2.000%

Producers can explore available options on all FSA loan options at fsa.usda.gov or by contacting your local USDA Service Center.

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