

In This Issue:

- Conservation Reserve Program Grasslands Signup Closes Aug. 20
- Pandemic Assistance for Timber Harvesters and Haulers
- Help for Those in Hunger
- Applying for NAP Payments
- Producers Can Now Hay, Graze and Chop Cover Crops Anytime and Still Receive Full Prevented Planting Payment
- Environmental Review Required Before Project Implementation
- August 2021 Lending Rates

Conservation Reserve Program Grasslands Signup Closes Aug. 20

Agricultural producers and landowners in Michigan can apply for the <u>Conservation Reserve Program</u> (CRP) Grasslands signup until August 20. This year, the USDA updated signup options to provide greater incentives for producers and increased the program's conservation and climate benefits, including setting a minimum rental rate and identifying two national priority zones.



The CRP Grassland signup is competitive, and FSA will provide for annual rental payments for land devoted to conservation purposes.

Grasslands Signup

CRP Grasslands helps Michigan 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.

FSA has updated the Grasslands Signup to establish a minimum rental rate of \$15 per acre, which will benefit 1,300 counties.

To focus on important wildlife corridors, FSA also identified National Grassland Priority Zones, providing extra incentives to producers for enrolling grasslands in important migratory corridors and environmentally sensitive areas – the Greater Yellowstone Elk Migration Corridor and the Severe Wind Erosion – Dust Bowl Zone. Counties within these two zones get extra ranking points as well as \$5 added to their rental rate. The CRP Grasslands Ranking Factors fact sheet has additional information.

How to Sign Up

To enroll in the CRP Grasslands signup, producers and landowners should contact USDA by the August 20 deadline. 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 <u>Service Center</u> 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 <u>farmers.gov/coronavirus</u>.

More Information on 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. The program marked its 35-year anniversary this past December.

Pandemic Assistance for Timber Harvesters and Haulers

USDA is providing up to \$200 million in relief to timber harvesting and timber hauling businesses that have experienced losses due to COVID-19 as part of USDA's Pandemic Assistance for Producers initiative.

Loggers and truckers can apply for assistance through FSA through Oct. 15, 2021. The Pandemic Assistance for Timber Harvesters and Haulers program (PATHH) is administered by FSA in partnership with the U.S. Forest Service.



The Consolidated Appropriations Act, 2021, authorized this critical assistance for the timber industry. Timber harvesting and hauling businesses that have experienced a gross revenue loss of at least 10% during the period of Jan. 1 and Dec. 1, 2020, compared to the period of Jan. 1 and Dec. 1, 2019, are encouraged to apply.

Program Details

To be eligible for payments, individuals or legal entities must be a timber harvesting or timber hauling business where 50% or more of its gross revenue is derived from one or more of the following:

- Cutting timber.
- Transporting timber.
- Processing of wood on-site on the forest land (chipping, grinding, converting to biochar, cutting to smaller lengths, etc.).

Payments will be based on the applicant's gross revenue received from Jan. 1, 2019, through Dec. 1, 2019, minus gross revenue received from Jan. 1, 2020, through Dec. 1, 2020, multiplied by 80%. FSA will issue an initial payment equal to the lesser of the calculated payment amount or \$2,000 as applications are approved. A second payment will be made after the signup period has ended based upon remaining PATHH funds.

The maximum amount that a person or legal entity may receive directly is \$125,000.

Applying for Assistance

Loggers and truckers can apply for PATHH beginning on July 22 by completing form FSA-1118, Pandemic Assistance for Timber Harvesters and Haulers Program application, and certifying to their gross revenue for 2019 and 2020 on the application. Additional documentation may be required. Visit farmers.gov/pathh for 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 a local FSA office, loggers and truckers can visit farmers.gov/service-locator. They can also call 877-508-8364 to speak directly with a USDA employee ready to offer assistance.

Help for Those in Hunger

The USDA National Hunger Clearinghouse aides low-income individuals or communities by providing food assistance and other nutrition and social services information, serving as an important tool in combating hunger and promoting economic mobility. The clearinghouse is accessible two ways:



By Phone

Call the USDA National Hunger Hotline, which operates from 7:00 AM – 10:00 PM Eastern Time. If you need food assistance, call 1-866-3-HUNGRY or 1-877-8-HAMBRE to speak with a representative who will find food resources such as meal sites, food banks, and other social services available near your location.

By Text

Text "97779" to the automated service with a question that may contain a keyword such as "food", "summer", "meals", etc. to receive an automated response to resources located near an address and/or zip code.

The USDA National Hunger Clearinghouse is currently operated by Hunger Free America

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 USDA Service Center or visit fsa.usda.gov/nap.

Producers Can Now Hay, Graze and Chop Cover Crops Anytime and Still Receive Full Prevented Planting Payment

Agricultural producers with crop insurance can hay, graze or chop cover crops for silage, haylage or baleage at any time and still receive 100% of the prevented planting payment. Previously, cover crops could only be hayed, grazed or chopped after November 1, otherwise the prevented planting payment was reduced by 65%.



USDA's Risk Management Agency (RMA) added this flexibility as part of a broader effort to encourage producers to use cover crops, an important conservation and good forming provides. Cover crops are appointly important on fields provented from planting

farming practice. Cover crops are especially important on fields prevented from planting as they help reduce soil erosion and boost soil health.

RMA recognizes that cover crops are not planted as an agricultural commodity but rather with the primary purpose for conservation benefits. For the 2021 crop year and beyond, RMA will not consider a cover crop planted following a prevented planting claim to be a second crop. But RMA will continue to consider a cover crop harvested for grain or seed to be a second crop, and it remains subject to a reduction in the prevented planting indemnity in accordance with the policy.

This decision to allow flexibility for the 2021 crop year and to make the change permanent for future years builds on the advanced research and identified benefits cover crops have supporting healthy soils and cropland sustainability efforts.

More Information

To learn more about this policy change, visit RMA's <u>Prevented Planting webpage</u>. The webpage also has the latest Cover Crop Termination Guidelines, which USDA updated in 2019 as a result of greater flexibilities provided in the 2018 Farm Bill. Crop insurance is sold and delivered solely through private crop insurance agents. A list of crop insurance agents is available at all USDA Service Centers and online at the <u>RMA Agent Locator</u>. Learn more about crop insurance and the modern farm safety net at <u>rma.usda.gov</u>.

Environmental Review Required Before Project Implementation

The National Environmental Policy Act (NEPA) requires Federal agencies to consider all potential environmental impacts for federally funded projects before the project is approved.

For all Farm Service Agency (FSA) programs, an environmental review must be completed before actions are approved, such as site preparation or ground disturbance. These programs include, **but are not limited to**, the Emergency Conservation Program



(ECP), Farm Storage Facility Loan (FSFL) program and farm loans. If project implementation begins before FSA has completed an environmental review, the request will be denied. Although there are exceptions regarding the Stafford Act and emergencies, it's important to wait until you receive written approval of your project proposal before starting any actions.

Applications cannot be approved until FSA has copies of all permits and plans. Contact your local FSA office early in your planning process to determine what level of environmental review is required for your program application so that it can be completed timely.

August 2021 Lending Rates

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.

Operating, Ownership and Emergency Loans

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. FSA also offers emergency loans to help producers recover from production and physical losses due to drought, flooding, other natural disasters or quarantine. For many loan options, FSA sets aside funding for historically underserved producers, including beginning, women, American Indian or Alaskan Native, Asian, Black or African American, Native Hawaiian or Pacific Islander, and Hispanic farmers and ranchers.

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

- <u>Farm Operating Loans</u> (Direct): 1.750%
- Farm Ownership Loans (Direct): 3.250%
- <u>Farm Ownership Loans</u> (Direct, Joint Financing): 2.500%
- Farm Ownership Loans (Down Payment): 1.500%
- Emergency Loan (Amount of Actual Loss): 2.750%

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: 0.500%
Five-year loan terms: 0.875%
Seven-year loan terms: 1.125%
Ten-year loan terms: 1.375%
Twelve-year loan terms: 1.500%

Sugar Storage Facility Loans (15 years): 1.750%

Pandemic Support

Through September 1, 2021, FSA's Disaster Set-Aside provision is available to direct loan borrowers who have been impacted by the pandemic. This enables an upcoming annual installment to be set aside for the

year and added to the final installment. For annual operating loans, the loan maturity date may be extended up to twelve months in order to set aside the installment. This provision is normally used in the wake of natural disasters, and a second Disaster Set-Aside may be available for direct loan borrowers who already have a DSA in place on a loan due to another designated natural disaster.

More Information

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

Michigan Farm Service Agency

3001 Coolidge Road, Suite 350 East Lansing, MI 48823 517-324-5110

State Executive Director

David P. Russ (acting)

Farm Loan Programs Chief
Price Support Programs Chief
Conservation Programs Chief
Production Adjustment Programs Chief

David P. Russ Ken Schapman Dale Allen Kyle Knapp

USDA is an equal opportunity provider, employer and lender. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).

SHARE

USDA Farm Service Agency www.fsa.usda.gov | contact us











SUBSCRIBER SERVICES: Manage Subscriptions | Help