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Just Around the Corner

Dairy

Feb. 18 is the deadline to sign up for the [Dairy Margin Coverage Program](#) and Supplemental DMC.

Hogs

Feb. 25 is the deadline to apply for the [Spot Market Hog Pandemic Program \(SMHPP\)](#).

Honey & Maple Sap

Feb. 1 is the [acreage reporting](#) deadline for 2022 maple sap production.

Mar. 31 is the deadline to apply for a [Marketing Assistance Loan or Loan Deficiency Payment](#) for 2021 harvested honey.

Organic

Feb. 4 is the deadline to sign up for 2020 and 2021 [Organic and Transitional Education and Certification Program \(OTECP\)](#).

Perennial Crops

Jan. 15 is the [acreage reporting](#) deadline for 2022 perennial fruit and nut crops.

Vegetables

Mar. 15 is the [Noninsured Crop Disaster Assistance Program \(NAP\)](#) application deadline for most 2022 vegetable crops.

Wool & Mohair

Jan. 31 is the deadline to apply for a [Marketing Assistance Loan or Loan Deficiency Payment](#) for 2021 harvested wool and mohair. It is also the deadline to apply for a LDP for 2021 unshorn pelts.



Webinar: ARC/PLC & Crop Insurance Decisions

With the deadline of March 15 approaching for FSA's [Agriculture Risk Coverage \(ARC\)](#) and [Price Loss Coverage \(PLC\)](#) and [Federal Crop Insurance](#) sign up, many farmers are faced with big decisions for the 2022 crop year.

To help inform those decisions, experts from Michigan State University Extension and USDA Farm Service Agency will host two webinars to provide information to help them evaluate their risk and make decisions regarding Agriculture Risk Coverage and Price Loss Coverage sign up and new crop insurance options.

2022 Farm Bill Program & Crop Insurance Decisions – What Fits Your Farm?

The free webinars will take place on **Jan. 20 from 11 a.m. to 12:30 p.m.** and **Feb. 17, from 6:30 to 8 p.m.** online via the Zoom platform.

Participants can register at <https://events.anr.msu.edu/farmbill2022/>.

At these meetings producers will:

- Hear highlights from the 2021 decisions and how those decisions played out across the state.
- Learn the latest changes regarding ARC and PLC
- Learn about the current and new crop insurance options available to you
- Work through case examples using the MSU Extension Farm Bill Calculator to help make better decisions on ARC versus PLC (Each crop and FSA farm number may result in a different choice.).
- Discuss specific program details with experts

Accommodations for persons with disabilities may be requested by contacting Roger Betz at betz@msu.edu or 517-230-0110 or Stan More at moorest@msu.edu or 231-350-0400 prior to the start of the event.

2022 Crop Year ARC/PLC Enrollment

The election and enrollment period opened on Oct. 18, 2021 and runs through March 15, 2022. Producers can now make or change elections and enroll for 2022 ARC or PLC, providing future protections against market fluctuations.

The ARC-CO program provides income support tied to historical base acres, not current production, of covered commodities. ARC-CO payments are issued when the actual county crop revenue of a covered commodity is less than the ARC-CO guarantee for the covered commodity.

PLC program payments are issued when the effective price of a covered commodity is less than the respective reference price for that commodity. The effective price equals the higher of the market year average price (MYA) or the national average loan rate for the covered commodity.

Don't Delay, Enroll Today!

Producers are encouraged to beat the rush and sign up early for ARC/PLC. Once signed up, modifications can be made up until the deadline of March 15.

For more information about USDA safety net programs, contact your [local County USDA Service Center](#) or visit fsa.usda.gov.



Deadline Extended to Apply for Pandemic Support for Certified Organic and Transitioning Operations

The U.S. Department of Agriculture (USDA) has extended the deadline for agricultural producers who are certified organic, or transitioning to organic, to apply for the [Organic and Transitional Education and Certification Program \(OTECP\)](#). This program provides pandemic assistance to cover certification and education expenses. The deadline to apply for 2020 and 2021 eligible expenses is now Feb. 4, 2022, rather than the original deadline of Jan. 7, 2022.



Sign up by Feb. 4.

Signup for OTECP, administered by USDA's Farm Service Agency (FSA), began Nov. 8.

Certified operations and transitional operations may apply for OTECP for eligible expenses paid during the 2020, 2021 and 2022 fiscal years. Signup for the 2022 fiscal year will be announced at a later date.

For each year, OTECP covers 25% of a certified operation's eligible certification expenses, up to \$250 per certification category (crop, livestock, wild crop, handling and State Organic Program fee). This includes application fees, inspection fees, USDA organic certification costs, state organic program fees and more.

Crop and livestock operations transitioning to organic production may be eligible for 75% of a transitional operation's eligible expenses, up to \$750, for each year. This includes fees charged by a certifying agent or consultant for pre-certification inspections and development of an organic system plan.

For both certified operations and transitional operations, OTECP covers 75% of the registration fees, up to \$200, per year, for educational events that include content related to organic production and handling in order to assist operations in increasing their knowledge of production and marketing practices that can improve their operations, increase resilience and expand available marketing opportunities. Additionally, both certified and transitional operations may be eligible for 75% of the expense of soil testing required under the National Organic Program (NOP) to document micronutrient deficiency, not to exceed \$100 per year.

Producers apply through their local FSA office and can also obtain one-on-one support with applications by calling 877-508-8364. The program application and additional information can be found at farmers.gov/otecp.

Additional Organic Support

OTECP builds upon USDA's [Organic Certification Cost Share Program \(OCCSP\)](#) which provides cost share assistance of 50%, up to a maximum of \$500 per scope, to producers and handlers of agricultural products who are obtaining or renewing their certification under the NOP. Although the application period for OCCSP ended Nov. 1, 2021, FSA will consider late-filed applications for those operations who still wish to apply.

Meanwhile, USDA's Risk Management Agency (RMA) recently [made improvements to Whole-Farm Revenue Protection](#) to make it more flexible and accessible to organic producers.

To learn more about USDA's broader assistance for organic producers, visit usda.gov/organic.

Dairy Margin Coverage Program Updates

USDA opened signup for the [Dairy Margin Coverage \(DMC\)](#) program and expanded the program to allow dairy producers to better protect their operations by enrolling supplemental production. This signup period – which runs from Dec. 13, 2021 to Feb. 18, 2022 – enables producers to get coverage through this important safety-net program for another year as well as get additional assistance through the new Supplemental DMC.



Supplemental DMC Enrollment

Eligible dairy operations with less than 5 million pounds of established production history may enroll supplemental pounds based upon a formula using 2019 actual milk marketings, which will result in additional payments. Producers will be required to provide FSA with their 2019 Milk Marketing Statement.

Supplemental DMC coverage is applicable to calendar years 2021, 2022 and 2023. Participating dairy operations with supplemental production may receive retroactive supplemental payments for 2021 in addition to payments based on their established production history.

Supplemental DMC will require a revision to a producer's 2021 DMC contract and must occur before enrollment in DMC for the 2022 program year. Producers will be able to revise 2021 DMC contracts and then apply for 2022 DMC by contacting their local [USDA Service Center](#).

DMC 2022 Enrollment

After making any revisions to 2021 DMC contracts for Supplemental DMC, producers can sign up for 2022 coverage. DMC provides eligible dairy producers with risk management coverage that pays producers when the difference between the price of milk and the cost of feed falls below a certain level. So far in 2021, DMC payments have triggered for January through October for more than \$1.0 billion.

For DMC enrollment, producers must certify with FSA that the operation is commercially marketing milk, sign all required forms and pay the \$100 administrative fee. The fee is waived for farmers who are considered limited resource, beginning, socially disadvantaged, or a military veteran. To determine the appropriate level of DMC coverage for a specific dairy operation, producers can use the [online dairy decision tool](#).

Updates to Feed Costs

USDA is also changing the DMC feed cost formula to better reflect the actual cost dairy farmers pay for high-quality alfalfa hay. FSA will calculate payments using 100% premium alfalfa hay rather than 50%. The amended feed cost formula will make DMC payments more reflective of actual dairy producer expenses.

To learn more or to participate in DMC or DIPP, producers should contact their local [USDA Service Center](#).

Additional Pandemic Assistance to Hog Producers

The U.S. Department of Agriculture (USDA) announced a new program to assist hog producers who sold hogs through a negotiated sale during the period in which these producers faced the greatest reduction in market prices due to the COVID-19 pandemic. The Spot Market Hog Pandemic Program (SMHPP) is part of USDA's [Pandemic Assistance for Producers](#) initiative and addresses gaps in previous assistance for hog



producers. USDA's Farm Service Agency (FSA) will accept applications Dec. 15, 2021 through Feb. 25, 2022.

SMHPP provides assistance to hog producers who sold hogs through a negotiated sale from April 16, 2020 through Sept. 1, 2020. Negotiated sale, or negotiated formula sale, means a sale of hogs by a producer to a packer under which the base price for the hogs is determined by seller-buyer interaction and agreement on a delivery day. USDA is offering SMHPP as packer production was reduced due to the COVID-19 pandemic due to employee illness and supply chain issues, resulting in fewer negotiated hogs being procured and subsequent lower market prices.

The Department has set aside up to \$50 million in pandemic assistance funds through the Coronavirus Aid, Relief and Economic Security (CARES) Act for SMHPP.

SMHPP Program Details

Eligible hogs include hogs sold through a negotiated sale by producers between April 16, 2020, and Sept. 1, 2020. To be eligible, the producer must be a person or legal entity who has ownership in the hogs and whose production facilities are located in the United States, including U.S. territories. Contract producers, federal, state and local governments, including public schools and packers are not eligible for SMHPP.

SMHPP payments will be calculated by multiplying the number of head of eligible hogs, not to exceed 10,000 head, by the payment rate of \$54 per head. FSA will issue payments to eligible hog producers as applications are received and approved.

Applying for Assistance

Eligible hog producers can apply for SMHPP starting Dec. 15, 2021, by completing the FSA-940, Spot Market Hog Pandemic Program application. Additional documentation may be required. Visit farmers.gov/smhpp for a copy of the Notice of Funds Availability, information on applicant eligibility and 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 your local FSA office, visit farmers.gov/service-locator. Hog producers can also call 877-508-8364 to speak directly with a USDA employee ready to offer assistance.

Preauthorized Debit Available for Farm Loan Borrowers

FSA implemented pre-authorized debit (PAD) for Farm Loan Program (FLP) borrowers. PAD is a voluntary and alternative method for making weekly, bi-weekly, monthly, quarterly, semi-annual or annual payments on loans.

PAD payments are pre-authorized transactions that allow the National Financial and Accounting Operations Center (NFAOC) to electronically collect loan payments from a customer's account at a financial institution.

PAD may be useful if you use nonfarm income from regular wages or salary to make payments on loans or adjustment offers or for payments from seasonal produce stands. PAD can only be established for future payments.

Requesting PAD

To request PAD, customers, along with their financial institution, must fill out form RD 3550-28. This form has no expiration date, but a separate form RD 3550-28 must be completed for each loan to which payments are to be applied. A fillable form can be accessed on the USDA Rural Development (RD) website at rd.usda.gov/publications/regulations-guidelines. Click forms and search for "Form 3550-28."



If you have a “filter” on the account at your financial institution, you will need to provide the financial institution with the following information:

- Origination ID: 1220040804
- Agency Name: USDA RD DCFO.

More Information

PAD is offered by FSA at no cost. Check with your financial institution to discuss any potential cost. Preauthorized debit has no expiration date, but you can cancel at any time by submitting a written request to your local FSA office. If a preauthorized debit agreement receives three payment rejections within a three-month period, the preauthorized debit agreement will be cancelled by FSA. The payment amount and due date of your loan is not affected by a cancellation of preauthorized debit. You are responsible to ensure your full payment is made by the due date.

For more information about PAD, contact your [local County USDA Service Center](#) or visit fsa.usda.gov.

January 2022 Lending Rates

USDA announced loan interest rates for January 2022, which are effective Jan. 3. 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.

Interest rates for Operating and Ownership loans for January 2022 are as follows:

- [Farm Operating Loans](#) (Direct): 2.125%
- [Farm Ownership Loans](#) (Direct): 3.000%
- [Farm Ownership Loans](#) (Direct, Joint Financing): 2.500%
- [Farm Ownership Loans](#) (Down Payment): 1.500%
- [Emergency Loan](#) (Amount of Actual Loss): 3.125%

FSA also offers guaranteed loans through commercial lenders at rates set by those lenders.

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): 1.250%
- [Farm Storage Facility Loans](#):
 - Three-year loan terms: 0.875%
 - Five-year loan terms: 1.250%

- Seven-year loan terms: 1.375%
- Ten-year loan terms: 1.500%
- Twelve-year loan terms: 1.625%
- [Sugar Storage Facility Loans](#) (15 years): 1.750%

More Information

For many loan options, FSA sets aside funding for historically underserved producers, including veterans, beginning, women, American Indian or Alaskan Native, Asian, Black or African American, Native Hawaiian or Pacific Islander, and Hispanic farmers and ranchers.

You can find out which FSA loans may be right for you by using our [Farm Loan Discovery Tool](#) or by contacting your [local USDA Service Center](#).

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