USDA Farm Service Agency
U.S. DEPARTMENT OF AGRICULTURE

Minnesota FSA Newsletter: May 2021 - May 13, 2021

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State Executive Director Comments

Spring planting is well under way in Minnesota which leads to future visits, virtually or in-person, to your local FSA office. Our county offices are working diligently to make sure your acreage reporting maps are available as you prepare to provide crop reports to FSA and RMA. Producers can click here to view a brief video about what information is needed for a successful acreage reporting process.

County staff is wrapping up work on WHIP+ and the Quality Loss Adjustment Program (QLA) so the agency can determine what funds may be available for QLA and 2019 WHIP+ payments. To date, producers have received 50 percent of their 2019 WHIP+ payment and QLA payments have not been determined.

Secretary Vilsack recently announced numerous changes to the Conservation Reserve Program. The changes result in the expansion and renewal of CRP with higher payment rates, new incentives, and a focus on the program’s role in climate change mitigation. I encourage you to visit with your local FSA office to discuss details related to the recent changes.

Currently, our Minnesota service centers are allowed limited visitors, by appointment only. Appointments are limited to situations that are deemed critical and where producers cannot be served through phone, email, or other online tools. Staff continues to promote our electronic options for sharing and signing FSA forms. Visitors will be required to complete a COVID screening questionnaire prior to their appointment, wear a mask while in the service center, and practice social distancing. Your compliance with the safety protocol is appreciated and allows us to continue to provide some limited in-person service.

In closing, I want to express my appreciation for your patience and willingness to use some of the new tools available to exchange paperwork and signatures. Your cooperation has allowed local FSA staff to continue to serve you as efficiently as possible during challenging times. I wish you the best as you wrap up planting and move on to spraying, cultivating, and haying season.

Respectfully, Michelle Page, Acting State Executive Director

USDA Announces 2021 Signup Period for its Soil Health and Income Protection Program

Producers in the Prairie Pothole states can now sign up for the Soil Health and Income Protection Program (SHIPP), which provides a short-term option to plant cover on less productive agricultural lands while improving soil health and carbon sequestration.

The U.S. Department of Agriculture (USDA) made improvements to this pilot program available in South Dakota, North Dakota, Iowa, Minnesota and Montana, and signup runs from today to July 16, 2021.

"SHIPP is part of a suite of resources we have under the Conservation Reserve Program and part of a much larger effort across USDA to invest in, support, and promote climate-smart agricultural practices to create a win-win for both the environment and our farmers," Vilsack said. "We're excited to remove unnecessary hurdles from the previous sign-up and offer this streamlined pilot program for a second year, and we're grateful to U.S. Senator John Thune and others who helped create this new option for producers."

"SHIPP pays farmers to take their most unprofitable land out of annual crop production, while at the same time improving soil health, providing wildlife habitat and supporting livestock producers by allowing appropriate haying and grazing," said Zach Ducheneaux, Administrator for USDA's Farm Service Agency (FSA).

Improvements to SHIPP include:

- **Boosting rental rates:** A change to the rental rate calculation method to use a rate equivalent to 50% percent of the county average rental rate for every offer in the county, regardless of the soil productivity in the offer. This removes the current practice of adjusting the rate by soil productivity factors, which may reduce the soil rental rate further.
- **Changes to offer selection for producers:** Producers can now self-certify that the acres they want to offer are less productive or prone to drought or flood damage. Additionally, they can now use field boundaries and straight lines to delineate the offers. This is a change to the previous policy, which required using soil map unit boundaries and the associated soil productivity values, which created difficulty for producers by generating unusual and impractical sizes and shapes of land.

More Information

Minnesota producers interested in SHIPP can learn more at fsa.usda.gov/crp or by contacting their local USDA Service Center. 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 Service Center 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 farmers.gov/coronavirus.

SHIPP is part of the options available through the Conservation Reserve Program, and the updates that FSA has made to SHIPP are part of a broader group of changes to increase enrollment and climate-smart outcomes. Read more in the April 21, 2021 news release or "What's New with CRP" fact sheet.

Under the Biden-Harris Administration, USDA is engaged in a whole-of-government effort to combat the climate crisis and conserve our nation's lands, biodiversity, and natural resources including our soil, air and water. Through conservation practices and partnerships, 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.

FSA Offers Joint Financing Option on Direct Farm Ownership Loans

The USDA Farm Service Agency's (FSA) Direct Farm Ownership loans can help farmers and ranchers become owner-operators of family farms, improve and expand current operations, increase agricultural productivity, and assist with land tenure to save farmland for future generations.

There are three types of Direct Farm Ownership Loans: regular, down payment and joint financing. FSA also offers a Direct Farm Ownership Microloan option for smaller financial needs up to $50,000.

Joint financing allows FSA to provide more farmers and ranchers with access to capital. FSA lends up to 50 percent of the total amount financed. A commercial lender, a State program or the seller of the property being purchased, provides the balance of loan funds, with or without an FSA guarantee. The maximum loan amount for a joint financing loan is $600,000, and the repayment period for the loan is up to 40 years.

The operation must be an eligible farm enterprise. Farm Ownership loan funds cannot be used to finance nonfarm enterprises and all applicants must be able to meet general eligibility requirements. Loan applicants are also required to have participated in the business operations of a farm or ranch for at least three years out of the 10 years prior to the date the application is submitted. The applicant must show documentation that their participation in the business operation of the farm or ranch was not solely as a laborer.

For more information about farm loans, contact your local USDA Service Center or visit fsa.usda.gov.

Policy Updates for Acreage Reporting

The USDA Farm Service Agency (FSA) recently made several policy updates for acreage reporting for cover crops, revising intended use, late-filed provisions, grazing allotments as well as updated the definitions of "idle" and "fallow."

Reporting Cover Crops:

Cover crop types can be chosen from the following four categories:

- **Cereals and other grasses**
- **Legumes**
- **Brassicas and other broadleaves**
- **Mixtures**

If the cover crop is harvested for any use other than forage or grazing and is not terminated according to policy guidelines, then that crop will no longer be considered a cover crop and the acreage report must be revised to reflect the actual crop.

Permitted Revision of Intended use After Acreage Reporting Date:

New operators or owners who pick up a farm after the acreage reporting deadline has passed and the crop has already been reported on the farm, have 30 calendar days from the date when the new operator or owner acquired the lease on land, control of the land or ownership and new producer crop share interest in the previously reported crop acreage. Under this policy, appropriate documentation must be provided to the County Committee's satisfaction to determine that a legitimate operator or ownership and producer crop share interest change occurred to permit the revision.

Acreage Reports:

In order to maintain program eligibility and benefits, you must timely file acreage reports. Failure to file an acreage report by the crop acreage reporting deadline may result in ineligibility for future program benefits. FSA will not accept acreage reports provided more than a year after the acreage reporting deadline.

Reporting Grazing Allotments:

FSA offices can now accept acreage reports for grazing allotments. You will use form "FSA-578" to report grazing allotments as animal unit months (AUMs) using the "Reporting Unit" field. Your local FSA office will need the grazing period start and end date and the percent of public land.

Definitions of Terms

FSA defines "idle" as cropland or a balance of cropland within a Common Land Unit (CLU) (field/subfield) which is not planted or considered not planted and does not meet the definition of fallow or skip row.

Fallow is considered unplanted cropland acres which are part of a crop/fallow rotation where cultivated land that is normally planted is purposely kept out of production during a regular growing season.

For more information, contact your local USDA Service Center or visit fsa.usda.gov.

USDA Expands and Renews Conservation Reserve Program in Effort to Boost Enrollment and Address Climate Change

USDA will open enrollment in the Conservation Reserve Program (CRP) with higher payment rates, new incentives, and a more targeted focus on the program's role in climate change mitigation. Additionally, USDA is announcing investments in partnerships to increase climate-smart agriculture, including $330 million in 85 Regional Conservation Partnership Program (RCPP) projects and $25 million for On-Farm Conservation Innovation Trials.

Conservation Reserve Program

USDA's goal is to enroll up to 4 million new acres in CRP by raising rental payment rates and expanding the number of incentivized environmental practices allowed under the program. CRP is one of the world's largest voluntary conservation programs with a long track record of preserving topsoil, sequestering carbon, and reducing nitrogen runoff, as well providing healthy habitat for wildlife.

CRP is a powerful tool when it comes to climate mitigation, and acres currently enrolled in the program mitigate more than 12 million metric tons of carbon dioxide equivalent (CO_2e). If USDA reaches its goal of enrolling an additional 4 million acres into the program, it will mitigate an additional 3 million metric tons of

CO_2 equivalent and prevent 90 million pounds of nitrogen and 33 million tons of sediment from running into our waterways each year.

New Climate-Smart Practice Incentive

To target the program on climate change mitigation, FSA is introducing 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. The Climate-Smart Practice Incentive is annual, and the amount is based on the benefits of each practice type.

Higher Rental Rates and New Incentives

In 2021, CRP is capped at 25 million acres, and currently 20.8 million acres are enrolled. Furthermore, the cap will gradually increase to 27 million acres by 2023. To help increase producer interest and enrollment, FSA is:

- **Adjusting soil rental rates.**This enables additional flexibility for rate adjustments, including a possible increase in rates where appropriate.
- **Increasing payments for Practice Incentives from 20% to 50%.**This incentive for continuous CRP practices is based on the cost of establishment and is in addition to cost share payments.
- **Increasing payments for water quality practices.**Rates are increasing from 10% to 20% for certain water quality benefiting practices available through the CRP continuous signup, such as grassed waterways, riparian buffers, and filter strips.
- **Establishing a CRP Grassland minimum rental rate.**This benefits more than 1,300 counties with rates currently below the minimum.

To learn more about updates to CRP, download our “What’s New with CRP” fact sheet.

Report Noninsured Crop Disaster Assistance Program (NAP) Losses

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.

To receive payment, you had to purchase NAP coverage for 2021 crops and file a notice of loss the earlier of 15 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.

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

Applying for FSA Direct Loans

FSA offers direct farm ownership and direct farm operating loans to producers who want to establish, maintain, or strengthen their farm or ranch. Direct loans are processed, approved and serviced by FSA loan officers.

Direct farm operating loans can be used to purchase livestock and feed, farm equipment, fuel, farm chemicals, insurance, and other costs including family living expenses. Operating loans can also be used to finance minor improvements or repairs to buildings and to refinance some farm-related debts, excluding real estate.

Direct farm ownership loans can be used to purchase farmland, enlarge an existing farm, construct and repair buildings, and to make farm improvements.

The maximum loan amount for direct farm ownership loans is $600,000 and the maximum loan amount for direct operating loans is $400,000 and a down payment is not required. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

Please contact your local FSA office for more information or to apply for a direct farm ownership or operating loan.

USDA Announces Updates for Honeybee Producers

The Farm Service Agency (FSA) announced updates to the Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP) specific to honeybee producers. For honeybees, ELAP covers colony losses, honeybee hive losses (the physical structure) and honeybee feed losses in instances where the colony, hive or feed has been destroyed by a natural disaster or, in the case of colony losses, because of Colony Collapse Disorder. Colony losses must be in excess of normal mortality.

Updates include:

- Starting in 2020, you have 15 days from when the loss is first apparent, instead of 30 days, to file a honeybee notice of loss, which provides consistency between ELAP and the Noninsured Crop Disaster Assistance Program, which also has a 15-day notice of loss period for honey.
- ELAP will now run according to the calendar year. Since you are still required to apply for payment within 30 calendar days of the end of the program year, the new signup deadline for calendar year 2021 losses is January 30, 2022.
- If you were paid for the loss of a honeybee colony or hive in either or both of the previous two years, you will be required to provide additional documentation to substantiate how your current year inventory was acquired.
- If the honeybee colony loss was caused by Colony Collapse Disorder, you must provide a producer certification that the loss was a direct result of at least three of the five symptoms of Colony Collapse Disorder, which include:
- the loss of live queen and/or drone bee populations inside the hives;
- rapid decline of adult worker bee population outside the hives, leaving brood poorly or completely unattended;

- absence of dead adult bees inside the hive and outside the entrance of the hive;
- absence of robbing collapsed colonies; and
- at the time of collapse, varroa mite and Nosema populations are not at levels known to cause economic injury or population decline.

For more information contact your local USDA Service Center or visit farmers.gov/recover.

USDA Fruit, Vegetable and Wild Rice Planting Rules Unchanged in 2018 Farm Bill

If you intend to participate in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs, you are subject to an acre-for-acre payment reduction when fruits and nuts, vegetables or wild rice are planted on payment acres of a farm. Payment reductions do not apply to mung beans, dry peas, lentils or chickpeas. Planting fruits, vegetables or wild rice on acres not considered payment acres will not result in a payment reduction. Farms that are eligible to participate in ARC/PLC but are not enrolled for a particular year may plant unlimited fruits, vegetables and wild rice for that year but will not receive ARC/PLC payments. Eligibility for succeeding years is not affected.

Planting and harvesting fruits, vegetables and wild rice on ARC/PLC acreage is subject to the acre-for-acre payment reduction when those crops are planted on more than 15 percent of the base acres of an ARC enrolled farm using the county coverage or PLC, or more than 35 percent of the base acres of an ARC enrolled farm using the individual coverage.

Fruits, vegetables and wild rice that are planted in a double-cropping practice will not cause a payment reduction if the farm is in a double-cropping region as designated by the USDA's Commodity Credit Corporation.

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