
USDA Provides 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.

USDA Opens 2022 Signup for Dairy Margin Coverage, Expands Program for Supplemental Production

As part of the Biden-Harris Administration's ongoing efforts to support dairy farmers and rural communities, today the U.S. Department of Agriculture (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 will provide $580 million to better help small- and mid-sized dairy operations that have increased production over the years but were not able to enroll the additional production. Now, they will be able to retroactively receive payments for that supplemental production. Additionally, USDA's Farm Service Agency (FSA) updated how feed costs are calculated, which will make the program more reflective of actual dairy producer expenses.

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.

Additional Dairy Assistance

Today's announcement is part of a broader package to help the dairy industry respond to the pandemic and other challenges. USDA is also amending Dairy Indemnity Payment Program (DIPP) regulations to add provisions for the indemnification of cows that are likely to be not marketable for longer durations, as a result, for example, of per- and polyfluoroalkyl substances. FSA also worked closely with USDA's Natural Resources Conservation Service to target assistance through the Environmental Quality Incentives Program) and other conservation programs to help producers safely dispose of and address resource concerns created by affected cows. Other recent dairy announcements include $350 million through the Pandemic Market Volatility Assistance Program and $400 million for the Dairy Donation Program.

Additional details on these changes to DMC and DIPP can be found in a rule that will be published soon in the *Federal Register*. This rule also included information on the new Oriental Fruit Fly Program as well as changes to FSA conservation programs. A copy of the rule is available here.

More Information

To learn more or to participate in DMC or DIPP, producers should contact 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 are open to limited visitors. Producers should contact their 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.

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.

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.

USDA Invests $2 Million in Risk Management Education for Historically Underserved and Small-Scale Producers

The U.S. Department of Agriculture (USDA) is investing up to $2 million in cooperative agreements this year for risk management education and training programs that support historically underserved producers, small-scale farmers, and conservation practices. USDA's Risk Management Agency (RMA) is investing in organizations, such as nonprofit organizations, universities, and county cooperative extension offices, to develop training and education tools to help producers learn how to effectively manage long-term risks and challenges.

RMA works with partners to assist producers, especially historically underserved, farmers and ranchers, in effectively managing long-term risks and challenges. RMA re-established its support of risk management education in 2021, investing nearly $1 million in nine risk management education projects. From 2002 to 2018, RMA provided annual funding for risk management education projects, supporting more than $126 million worth of projects in historically underserved communities.

How Organizations Can Apply

A broad range of risk management training activities are eligible for funding consideration, including training on Federal crop insurance options, record keeping, financial management, non-insurance-based risk management tools, and natural disaster preparedness among others. Partners can also train farmers at all levels on risk management options that help secure local food systems.

This selection process is competitive, and RMA will prioritize projects focused on underserved, organic, and specialty crop producers. Additionally, organizations providing training related to climate change, wildfire response, local foods, and urban ag will also be given stronger consideration.

Interested organizations must apply by 5:59 pm Eastern Time on March 11 through the Results Verification System at [rvs.umn.edu](rvs.umn.edu).

Learn more.

NRCS Announces Conservation Funding Opportunities for 2022

USDA has several fiscal year 2022 assistance opportunities for agricultural producers and private landowners for key programs, such as the Environmental Quality Incentives Program (EQIP), Conservation Stewardship Program (CSP), Agricultural Conservation Easement Program (ACEP), Regional Conservation Partnership Program (RCPP) and Agricultural Management Assistance (AMA) program.

Through conservation programs, USDA's Natural Resources Conservation Service (NRCS) provides technical and financial assistance to help producers and landowners make conservation improvements on their land that benefit natural resources, build resiliency and contribute to the nation's broader effort to combat the impacts of climate change.

Applying for Assistance

NRCS accepts applications for its conservation programs year-round. State Technical Committees, composed of representatives from conservation and agricultural-related organizations, work with NRCS to set state-specific, ranking dates to evaluate applications for funding. These dates account for producer needs, staff workload and ensure potential participants have ample opportunity to apply. Producers should apply by their state's ranking dates to be considered for funding in the current cycle.

Funding is provided through a competitive process. State-specific, ranking dates for all programs are available. Applications received after ranking dates will be automatically deferred to the next funding period.

Program Options

EQIP provides cost share assistance for producers to use 170-plus conservation practices to address a wide variety of resource concerns. Within EQIP, Conservation Incentive Contracts allow producers to further target priority resource concerns. CSP helps producers take their conservation activities to the next level through comprehensive conservation and advanced conservation activities. ACEP helps producers enroll wetlands, grasslands and farmlands into easements for long-term protection. Additionally, through RCPP, producers and landowners can work with partners who are co-investing with NRCS on targeted projects.

Historically Underserved Producer Benefits

Special provisions are also available for historically underserved producers. For EQIP, historically underserved producers are eligible for advance payments to help offset costs related to purchasing materials or contracting services up front. In addition, historically underserved producers can receive higher EQIP payment rates (up to 90% of average cost). NRCS sets aside EQIP, CSP and ACEP funds for historically underserved producers.

Conservation Practices and Climate

NRCS conservation programs play a critical role in USDA's commitment to partnering with farmers, ranchers, forest landowners and local communities to deliver climate solutions that strengthen agricultural operations and rural America. States may prioritize a variety of voluntary conservation practices through these NRCS programs, including those that support climate-smart agriculture and forestry (CSAF).

In fiscal year 2022, EQIP and CSP will provide targeted funding for CSAF practices, and Conservation Incentive Contracts – a new EQIP program – will be available nationwide with an emphasis on CSAF practices. Building on these efforts, NRCS will also prioritize climate investments through ACEP, RCPP and Conservation Innovation Grants.

Producers, landowners and forest managers interested in applying for assistance should contact the NRCS at their local USDA Service Center.

Be on the Lookout: New Form Required for Some NRCS Customers

If you are a producer or landowner who participates in USDA's Natural Resources Conservation Service (NRCS) conservation programs, the Farm Service Agency (FSA) may be reaching out by mail with information about a form you'll need to fill out.

Starting this year, all producers and landowners participating or applying to participate in certain NRCS conservation programs must complete form CCC-902, Farm Operating Plan. Historically, to participate in these programs, legal entities could file either the CCC-901, Member Information or the CCC-902, while individuals were not specifically required to file the CCC-902 with FSA. Now, to ensure FSA and NRCS are properly determining payment eligibility and maximum payment limitations, all customers must have a CCC-902 on file to establish eligibility.

These changes will not affect participants who already have a Form CCC-902 with a "determined" status recorded with FSA. Customers that do not have a CCC-902 on file with FSA will be sent a letter in the mail in the coming weeks with detailed information on what is needed and how to file the form. The letter requests that the form be completed within 30 days of receiving the letter.

For added convenience, USDA is offering options for remote or in-person submission of the CCC-902. Fiscal year 2021 is considered a transition year to ensure all NRCS program participants can meet this updated filing requirement. Beginning in FY 2022, if form CCC-902 is not on file your payments may be impacted.

We can help: NRCS and FSA staff are available at USDA Service Centers nationwide to provide information and assistance to walk you through meeting this filing requirement. For more information, see the NRCS National Bulletin 300-21-7 or FSA Notice PL-293.

FSA is Accepting CRP Continuous Enrollment Offers

The Farm Service Agency (FSA) is accepting offers for specific conservation practices under the Conservation Reserve Program (CRP) Continuous Signup.

In exchange for a yearly rental payment, farmers enrolled in the program agree to remove environmentally sensitive land from agricultural production and to plant species that will improve environmental health and quality. The program's long-term goal is to re-establish valuable land cover to improve water quality, prevent soil erosion, and reduce loss of wildlife habitat. Contracts for land enrolled in CRP are 10-15 years in length.

Under continuous CRP signup, environmentally sensitive land devoted to certain conservation practices can be enrolled in CRP at any time. Offers for continuous enrollment are not subject to competitive bidding during specific periods. Instead they are automatically accepted provided the land and producer meet certain eligibility requirements and the enrollment levels do not exceed the statutory cap.

For more information, including a list of acceptable practices, contact your local County USDA Service Center or visit fsa.usda.gov/crp.

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.

FSA Outlines MAL and LDP Policy

The 2018 Farm Bill extends loan authority through 2023 for Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs).

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, pulse crops, rice, peanuts, cotton, wool and honey. MALs provide you with interim financing after harvest to help you meet cash flow needs without having to sell your commodities when market prices are typically at harvest-time lows. The loan term is 9 months. The grain can be stored on farm the farm or an approved warehouse. A producer who is eligible to obtain a loan, but agrees to forgo the loan, may obtain an LDP if such a payment is available. Marketing loan provisions and LDPs are not available for sugar and extra-long staple cotton.

FSA is now accepting requests for 2021 MALs and LDPs for all eligible commodities after harvest. Requests for loans and LDPs shall be made on or before the final availability date for the respective commodities.

Commodity certificates are available to loan holders who have outstanding nonrecourse loans for wheat, upland cotton, rice, feed grains, pulse crops (dry peas, lentils, large and small chickpeas), peanuts, wool, soybeans and designated minor oilseeds. These certificates can be purchased at the posted county price (or adjusted world price or national posted price) for the quantity of commodity under loan, and must be immediately exchanged for the collateral, satisfying the loan. MALs redeemed with commodity certificates are not subject to Adjusted Gross Income provisions.

To be considered eligible for an LDP, you must have form CCC-633EZ, Page 1 on file at your local FSA Office before losing beneficial interest in the crop. Pages 2, 3 or 4 of the form must be submitted when payment is requested.

Marketing loan gains (MLGs) and loan deficiency payments (LDPs) are no longer subject to payment limitations, actively engaged in farming and cash-rent tenant rules.

Adjusted Gross Income (AGI) provisions state that if your total applicable three-year average AGI exceeds $900,000, then you're not eligible to receive an MLG or LDP. You must have a valid CCC-941 on file to earn a market gain of LDP. The AGI does not apply to MALs redeemed with commodity certificate exchange.

For more information and additional eligibility requirements, contact your Local County USDA Service Center or visit fsa.usda.gov.

Applying for Farm Storage Facility Loans

The Farm Service Agency's (FSA) Farm Storage Facility Loan (FSFL) program provides low-interest financing to help you build or upgrade storage facilities and to purchase portable (new or used) structures, equipment and storage and handling trucks. A variety of structures and equipment are eligible for the FSFL including augers, grain trailers, and, hay trailers.

Eligible commodities include corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley, minor oilseeds harvested as whole grain, pulse crops (lentils, chickpeas and dry peas), hay, honey, renewable biomass, fruits, nuts and vegetables for cold storage facilities, floriculture, hops, maple sap, rye, milk, cheese, butter, yogurt, meat and poultry (unprocessed), eggs, and aquaculture (excluding systems that maintain live animals through uptake and discharge of water). Qualified facilities include grain bins, hay barns and cold storage facilities for eligible commodities.

Loans up to $100,000 can be secured by a promissory note/security agreement, and loans exceeding $100,000 require additional security.

You do not need to demonstrate the lack of commercial credit availability to apply. The loans are designed to assist a diverse range of farming operations, including small and mid-sized businesses, new farmers, operations supplying local food and farmers markets, non-traditional farm products, and underserved producers.

For more information, contact your Local County USDA Service Center or visit fsa.usda.gov/pricesupport.

Submit Loan Requests for Financing Early

The Farm Loan team in your County is already working on operating loans for spring 2022 and asks potential borrowers to submit their requests early so they can be timely processed. The farm loan team can help determine which loan programs are best for applicants.

FSA offers a wide range of low-interest loans that can meet the financial needs of any farm operation for just about any purpose. The traditional **farm operating and farm ownership loans** can help large and small farm operations take advantage of early purchasing discounts for spring inputs as well expenses throughout the year.

Microloans are a simplified loan program that will provide up to $50,000 for both Farm Ownership and Operating Microloans to eligible applicants. These loans, targeted for smaller and non-traditional operations, can be used for operating expenses, starting a new operation, purchasing equipment, and other needs associated with a farming operation. Loans to beginning farmers and members of underserved groups are a priority.

Other types of loans available include:

Marketing Assistance Loans allow producers to use eligible commodities as loan collateral and obtain a 9-month loan while the crop is in storage. These loans provide cash flow to the producer and allow them to market the crop when prices may be more advantageous.

Farm Storage Facility Loans can be used to build permanent structures used to store eligible commodities, for storage and handling trucks, or portable or permanent handling equipment. A variety of structures are eligible under this loan, including bunker silos, grain bins, hay storage structures, and refrigerated structures for vegetables and fruit. A producer may borrow up to $500,000 per loan**.**

Higher Loan Limit Now Available for USDA Guaranteed Farm Loans

The U.S. Department of Agriculture (USDA) announced a higher loan limit will be available for borrowers seeking a guaranteed farm loan starting Oct. 1, 2021, from $1.776 million to $1.825 million.

FSA farm loans offer access to funding for a wide range of producer needs, from securing land to financing the purchase of equipment. Guaranteed loans are financed and serviced by commercial lenders. FSA provides up to a 95% guarantee against possible financial loss of principal and interest. Guaranteed loans can be used for both farm ownership and operating purposes.

In fiscal year 2021, FSA saw continued strong demand for guaranteed loans. FSA obligated more than $3.4 billion in guaranteed farm ownership and operating loans. This includes nearly $1.2 billion for beginning farmers. The number of guaranteed borrowers has grown by 10% to more than 38,750 farmers and ranchers over the last decade. FSA expects the increasing demand for farm loans to continue into fiscal year 2022.

Disaster Set-Aside Extension

USDA has additional support available to producers given the recent outbreaks of the COVID-19 Delta variant and has extended the availability of COVID-19 Disaster Set-Aside (DSA) for installments due through Jan. 31, 2022. In addition, FSA will permit a second DSA for COVID-19 and a second DSA for natural disasters for those who had an initial COVID-19 DSA. Requests for a COVID-19 DSA or a second DSA must be received no later than May 1, 2022.

Last year, FSA broadened the use of the DSA. Normally used in the wake of natural disasters, the DSA can now allow farmers with USDA farm loans who are affected by COVID-19 and determined to be eligible, to have their next payment set aside. The set-aside payment’s due date is moved to the final maturity date of the loan or extended up to twelve months in the case of an annual operating loan. Any principal set-aside will continue to accrue interest until it is repaid. This will improve the borrower’s cashflow in the current production cycle.

More Information

Producers can explore available options on all FSA loan options at fsa.usda.gov 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.

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