

USDA- Missouri State Office Newsletter - July 29, 2022

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"What's Happening Today at FSA"

I hope that you are having a good summer, although it is very hot and dry in many areas of our state. As of the last week in July, we had 28 southern counties that are considered to be in drought status according to the National Drought Monitor. We may have more counties qualify in the coming weeks. FSA has some programs to provide relief assistance to producers in drought-designated counties. These include the Emergency Conservation Program



(ECP) that helps provide water for livestock, the Conservation Reserve Program (CRP) to assist with hay and grazing grasses for livestock, and the Livestock Forage Program (LFP). Be sure and check with your local FSA office to see which programs are available in your county.

We also have ongoing signup for phase 1 of the Emergency Relief Program (ERP), which provides assistance to producers who suffered crop losses in 2020 or 2021 due to the Coronavirus Pandemic. FSA also announced this week that producers are now eligible to apply for the ERP program for uninsured crop for 2020 and 2021. Visit your local FSA office for more details.

Finally, we appreciate all producers who timely and accurately certified your spring-planted crops to our offices by the July 15th deadline. As you know, this is a very important report in determining eligibility for various FSA

programs.

Thank you for being involved with FSA and let us know when we can be of service to you.

This week I got a chance to visit with Allen Powell, Conservation Chief in the Missouri State office, about FSA programs available for drought assistance.

Click Here to view the video.

Joe Aull State Executive Director

USDA Drought Assistance Information

Additional USDA disaster assistance information can be found on farmers.gov, including USDA resources specifically for producer impacted by <u>drought</u> and the <u>Disaster Assistance Discovery Tool</u>, <u>Disaster-at-a-Glance fact sheet</u>, and <u>Farm Loan Discovery Tool</u>. For FSA and Natural Resources Conservation Service programs, producers should contact their local <u>USDA Service Center</u>. For assistance with a crop insurance claim, producers and landowners should contact their crop insurance agent.

Urban Producers, Public Invited to Attend Federal Advisory Committee for Urban Agriculture and Innovative Production

Meeting to be held August 5, 2022

USDA encourages urban producers and others to attend the second public meeting of the Federal Advisory Committee for Urban Agriculture and Innovative Production on August 5. The Committee will discuss new urban conservation practices, focus areas and priorities for the Commission, and the new Farm Service Agency (FSA) urban county committees, among other topics. Read more and register- Click Here.

USDA Accepts More than 3.1 Million Acres in Grassland CRP Signup

The U.S. Department of Agriculture (USDA) is accepting offers for more than 3.1 million acres from agricultural producers and private landowners through this year's Conservation Reserve Program (CRP) Grassland Signup, the highest in history. The signup's results include 146 acres in Missouri. This program allows producers and landowners to continue grazing and haying practices while protecting grasslands and promoting plant and animal biodiversity and conservation, and it's part of the Biden-Harris administration's broader effort to address climate change and to conserve natural resources.

Nationwide, this year's Grassland CRP signup surpassed last year's 2.5 million acres by 22%. So far this year, producers have enrolled 2 million acres through the General Signup and more than 464,000 acres have been submitted through the Continuous CRP Signup. This means about 5.6 million acres are entering CRP in 2023, surpassing the 3.9 million acres expiring this year.

Other highlights include:

 Top states included Colorado (642,000 acres), South Dakota (nearly 425,000 acres) and Nebraska (nearly 422,000 acres). • States with the highest increase in acres compared with last year include Arizona (141% increase), California (129% increase), and Utah (122% increase).

Because Grassland CRP supports not only grazing operations but also biodiversity and conserving environmentally sensitive land such as that prone to wind erosion, USDA's Farm Service Agency (FSA) created two National Priority Zones in 2021: the Greater Yellowstone Migration Corridor and Dust Bowl Zone. For this year's signup, FSA expanded the Greater Yellowstone Wildlife Migration Corridor Priority Zone to include seven additional counties across Montana, Wyoming, and Utah, to help protect the big-game animal migration corridor associated with Wyoming elk, mule deer and antelope. FSA accepted offers on more than 1.4 million acres in these two zones.

Grasslands enrolled in CRP help sequester carbon in vegetation and soil, while enhancing resilience to drought and wildfire. Meanwhile, producers can still conduct common grazing practices, such as haying, mowing, or harvesting seed from the enrolled land, which supports ag production.

Broadening Reach of Program — As part of the Agency's Justice40 efforts, producers and landowners who are historically underserved, including beginning farmers and military veterans, will receive 10 additional ranking points to enhance their offers. From more than 5,000 underserved producers, USDA accepted offers of more than 1.9 million acres, about 87% of those who submitted applications. — Additionally, USDA is working to broaden the scope and reach of Grassland CRP by leveraging the Conservation Reserve Enhancement Program (CREP) to engage historically underserved communities. CREP is a partnership program that enables states, Tribal governments, and non-profit entities to partner with FSA to implement CRP practices and address high priority conservation and environmental objectives. Interested entities are encouraged to contact FSA.

Producers can still make an offer to participate in CRP through the <u>Continuous CRP Signup</u>, which is ongoing, by contacting the FSA at their local <u>USDA Service Center</u>.

USDA Begins Issuing Payments for Spot Market Hog Pandemic Program

The U.S. Department of Agriculture (USDA) is increasing the amount of funding available for the <u>Spot Market Hog Pandemic Program</u> (SMHPP) and expects to issue approximately \$62.8 million in pandemic assistance payments to hog producers starting this week. SMHPP assists eligible producers who sold hogs through a spot market sale from April 16, 2020, through Sept. 1, 2020. USDA's Farm Service Agency (FSA) accepted SMHPP applications through April 29, 2022.

SMHPP Payments

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 originally planned to apply a payment factor if calculated payments exceeded the allocated \$50 million in pandemic assistance funds for SMHPP. Payments are not expected to be factored due to Agriculture Secretary Tom Vilsack's decision to increase funding enabling producers to receive 100% of the calculated SMHPP payment.

There is no per person or legal entity payment limitation on SMHPP payments.

SMHPP Background

USDA offered SMHPP in response to a reduction in packer production due to the COVID-19 pandemic, which resulted in fewer negotiated hogs being procured and subsequent lower market prices. The program is part of USDA's broader Pandemic Assistance for Producers initiative and addresses gaps in previous assistance for hog producers.

Ask The Expert: Saving America's Grasslands Q&A with Dr. Dirac Twidwell

In this Ask the Expert, Dr. Dirac Twidwell, Natural Resources Conservation Service (NRCS) Working Lands for Wildlife (WLFW) Science Advisor and Associate Professor at the University of Nebraska outlines how landowners can work together to protect and conserve grasslands through conservation. Dr. Twidwell is responsible for conserving grasslands on the Great Plains through science-backed efforts that span ownership boundaries. His research and publications have <u>identified the largest remaining continuous grasslands in the United States</u> and have outlined a 'call to action' to protect and preserve these invaluable biomes.

He also runs the Large-Scale Rangeland Conservation Lab at the University of Nebraska-Lincoln, which focuses on providing a framework for ecosystem management across multiple states. Dr. Twidwell recently co-authored <u>Reducing Woody Encroachment in Grasslands: A Guide for Understanding Risk and Vulnerability</u> that provides the first-ever framework for addressing woody encroachment in the Great Plains.

To read the full blog visit farmers.gov/blog/ask-expert-saving-americas-grasslands-qa-with-dr-dirac-twidwell.

USDA Renews People's Garden Initiative

Agriculture Secretary Tom Vilsack recently planted a tree to announce the reopening of the USDA's People's Garden Initiative. People's Gardens across the country will grow fresh, healthy food and support resilient, local food systems; teach people how to garden using conservation practices; nurture habitat for pollinators and wildlife and create greenspace for neighbors. The garden at USDA headquarters in Washington, D.C. will be joined by 17 flagship gardens located in urban communities nationwide.

The Washington, D.C. People's Garden is growing plants in a variety of ways, from small containers to wheelchair accessible raised beds. Active beehives are on the rooftop of the USDA Whitten Building. In early spring, cool weather crops like peas, kale, collards, radishes, cilantro, parsley, carrots, lettuces, beets, chard and spinach are planted, followed by warm weather crops like beans, tomatoes, peppers, eggplant, squash, and pumpkins in late spring and early summer. Conservation practices like cover crops and pollinator plantings are being used to conserve natural resources. Meanwhile, USDA has plans to launch flagship gardens in urban communities. Those cities include:

- Albuquerque, N.M.
- Atlanta, Ga.
- · Chicago, III.
- · Cleveland, Ohio
- · Dallas, Texas
- · Detroit, Mich.
- · Grand Rapids, Mich.
- · Los Angeles, Calif.

- · Minneapolis, Minn.
- · New Orleans, La.
- New York, N.Y.
- · Oakland, Calif.
- · Philadelphia, Pa.
- · Phoenix, Ariz.
- · Portland, Ore.
- · Richmond, Va.
- St. Louis, Mo.

USDA plans to expand the initiative to other communities later this year. School gardens, community gardens, urban farms, and small-scale agriculture projects in rural and urban areas can be recognized as a "People's Garden" if they:

- Benefit the community by providing food, green space, wildlife habitat, education space.
- Are a collaborative effort. This can include groups working together with USDA agencies, food banks,
 Girl Scouts, Master Gardeners, conservation districts, etc.
- Incorporate conservation management practices, such as using native plant species, rain barrels, integrated pest management, xeriscaping.
- Educate the public about sustainable gardening practices and the importance of local, diverse, and resilient food systems providing healthy food for the community.

USDA originally launched the People's Garden Initiative in 2009. It's named for the "People's Department," former President Abraham Lincoln's nickname for USDA, which was established during his presidency in 1862. To watch these gardens grow, visit our People's Garden Webpage or follow the hashtag #PeoplesGarden on USDA's social media channels.

Maintaining Good Credit History

Farm Service Agency (FSA) loans require applicants to have a satisfactory credit history. A credit report is requested for all FSA direct farm loan applicants. These reports are reviewed to verify outstanding debts, see if bills are paid timely and to determine the impact on cash flow.

Information on your credit report is strictly confidential and is used only as an aid in conducting FSA business.

Our farm loan staff will discuss options with you if you have an unfavorable credit report and will provide a copy of your report. If you dispute the accuracy of the information on the credit report, it is up to you to contact the issuing credit report company to resolve any errors or inaccuracies.

There are multiple ways to remedy an unfavorable credit score:

- Make sure to pay bills on time
 - Setting up automatic payments or automated reminders can be an effective way to remember payment due dates.
- · Pay down existing debt

- · Keep your credit card balances low
- · Avoid suddenly opening or closing existing credit accounts

FSA's farm loan staff will guide you through the process, which may require you to reapply for a loan after improving or correcting your credit report.

For more information on FSA farm loan programs, contact your Local County USDA Service Center or visit <u>fsa.usda.gov</u>.

Progression Lending from FSA

Farm Service Agency (FSA) farm loans are considered progression lending. Unlike loans from a commercial lender, FSA loans are intended to be temporary in nature. Our goal is to help you graduate to commercial credit, and our farm loan staff is available to help borrowers through training and credit counseling.

The FSA team will help borrowers identify their goals to ensure financial success. FSA staff will advise borrowers on developing strategies and a plan to meet your goals and graduate to commercial credit. FSA borrowers are responsible for the success of their farming operation, but FSA staff will help in an advisory role, providing the tools necessary to help you achieve your operational goals and manage your finances.

For more information on FSA farm loan programs, contact your Local County USDA Service Center or visit <u>fsa.usda.gov</u>.

Implementing Fire Management on CRP Acres

FSA encourages you to be proactive in preventing the spread of wildfire. If you participate in the Conservation Reserve Program (CRP), you are responsible for fire management on your CRP acreage. The goal is to suppress the amount of fuel in the event of a wildfire while still promoting the diversity of the conservation cover.

One fire management practice includes installing firebreaks, which should be included in the contract support document and installed according to NRCS firebreak standards. Barren firebreaks will only be allowed in high risk areas, such as transportation corridors, rural communities, and adjacent farmsteads. A conservationist must certify that there will not be an erosion hazard from the barren firebreak. If erosion becomes a problem, remedial action will be taken.

You must complete the necessary management activities outside of the Primary Nesting Season. In Missouri, the Primary Nesting Season is May 1 through July 15. Remember that Prescribed Burning technical practices should be outlined in your Conservation Plan of Operations (CPO).

Transitioning Expiring CRP Land to Beginning, Veteran or Underserved Farmers and Ranchers

CRP contract holders are encouraged to transition their Conservation Reserve Program (CRP) acres to beginning, veteran or socially disadvantaged farmers or ranchers through the Transition Incentives Program (TIP). TIP provides annual rental payments to the landowner or operator for up to two additional years after the CRP contract expires.

CRP contract holders no longer need to be a retired or retiring owner or operator to transition their land. TIP participants must agree to sell, have a contract to sell, or agree to lease long term (at least five years) land enrolled in an expiring CRP contract to a beginning, veteran, or socially disadvantaged farmer or rancher who is not a family member.

Beginning, veteran or social disadvantaged farmers and ranchers and CRP participants may enroll in TIP beginning two years before the expiration date of the CRP contract. The TIP application must be submitted prior to completing the lease or sale of the affected lands. New landowners or renters that return the land to production must use sustainable grazing or farming methods.

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

Maintaining ARC/PLC Acreage

If you're enrolled in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs, you must protect all cropland and noncropland acres on the farm from wind and water erosion and noxious weeds. By signing ARC county or individual contracts and PLC contracts, you agree to effectively control noxious weeds on the farm according to sound agricultural practices. If you fail to take necessary actions to correct a maintenance problem on your farm that is enrolled in ARC or PLC, the County Committee may elect to terminate your contract for the program year.

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, handling equipment and storage and handling trucks. Some eligible equipment may include augers, dryers, grain carts, grain trailers, hay bale wrappers and hay bale accumulators. For a complete list of eligible equipment please see the link below.

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 \$50,000 can be secured by a promissory note/security agreement, loans between \$50,000 and \$100,000 may require additional security, 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 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.

For more information, contact your Local County USDA Service Center or visit https://www.fsa.usda.gov/programs-and-services/price-support/facility-loans/farm-storage/index

Wool, Mohair and Pelts May be eligible for Loan Deficiency Payment

If you have wool, mohair or pelts, you may be eligible for loan deficiency payments (LDPs) from the USDA's Farm Service Agency (FSA).

LDPs and marketing assistance loans (MALs) are marketing tools that are available after shearing each year. For the crop year 2022, producers should sign the CCC-633 EZ, page 1 <u>before shearing or slaughter and before losing beneficial interest in the wool, mohair or pelts</u>. Producers can then apply for the LDP payment from January 1, 2022 through January 31, 2023. MALs help producers meet cash flow needs without selling commodities when market prices are at harvest-time lows. Producers who are eligible for marketing loans, but choose to forgo the loan, are eligible for LDPs if the posted county price falls below the county loan rate.

Producers can purchase a commodity certificate that may be exchanged for the outstanding loan collateral. Daily LDP rates are available online in the link below. Rules related to payment limitations, actively engaged in farming and cash-rent tenant no longer apply to LDPs. However, 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 a Market Loan Gain (MLG) or LDP. You must have a valid CCC-941 on file to earn a market gain of LDP. The AGI provision does not apply to MALs redeemed with commodity certificate exchange.

For more information, contact your County USDA Service Center or visit https://www.fsa.usda.gov/programs-and-services/price-support/loan-deficiency/index

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