

U.S. DEPARTMENT OF AGRICULTURE

USDA- Missouri State Office Newsletter - March 14, 2022

Farm Service Agency | Natural Resources Conservation Service | Risk Management Agency

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Producers with Crop Insurance to Receive Premium Benefit for Cover Crops

Agricultural producers who have coverage under most crop insurance policies are eligible for a premium benefit from the U.S. Department of Agriculture (USDA) if they planted cover crops during the 2022 crop year. To receive the benefit from this year's Pandemic Cover Crop Program (PCCP), producers must report cover crop acreage by **March 15**, **2022**.

PCCP, offered by USDA's Risk Management Agency (RMA), helps farmers maintain their cover crop systems, despite the financial challenges posed by the pandemic and is part of USDA's <u>Pandemic Assistance for Producers</u> initiative, a bundle of programs to bring financial assistance to farmers, ranchers and producers who felt the impact of COVID-19 market disruptions.

PCCP provides premium support to producers who insured their crop with most insurance policies and planted a qualifying cover crop during the 2022 crop year. The premium support is \$5 per acre, but no more than the full premium amount owed.

< Pandemic Cover Crop Program >

Agricultural Producers Have Until March 15 to Enroll in USDA's Key Commodity Safety Net Programs

Agricultural producers who have not yet enrolled in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs for the 2022 crop year have until March 15, 2022, to sign a contract. The U.S. Department of Agriculture (USDA) offers these two safety net programs to provide vital income support to farmers experiencing substantial declines in crop prices or revenues.

Producers can elect coverage and enroll in ARC-County or PLC, which are both crop-by-crop, or ARC-Individual, which is for the entire farm. Although election changes for 2022 are optional, producers must enroll through a signed contract each year. Also, if a producer has a multi-year contract on the farm and makes an election change for 2022, it will be necessary to sign a new contract.

If an election is not submitted by the March 15, 2022, deadline, the election remains the same as the 2021 election for crops on the farm. Farm owners cannot enroll in either program unless they have a share interest in the crop.

Producers have completed 976,249 contracts to date, representing 54% of the more than 1.8 million expected contracts.

Producers who do not complete enrollment by the deadline will not be enrolled in ARC or PLC for the 2022 crop year and will not receive a payment if triggered.

Producers are eligible to enroll farms with base acres for the following commodities: barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain

sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium and short grain rice, safflower seed, seed cotton, sesame, soybeans, sunflower seed, and wheat.

Decision Tools

In partnership with USDA, two web-based decision tools are available to assist producers in making informed, educated decisions using crop data specific to their respective farming operations:

- <u>Gardner-farmdoc Payment Calculator</u>, a tool available through the University of Illinois allows producers to estimate payments for farms and counties for ARC-CO and PLC.
- ARC and PLC Decision Tool, a tool available through Texas A&M that allows
 producers to estimate payments and yield updates and expected payments for
 2022.

Crop Insurance Considerations and Decision Deadline

ARC and PLC are part of a broader safety net provided by USDA, which also includes crop insurance and marketing assistance loans.

Producers are reminded that ARC and PLC elections and enrollments can impact eligibility for some crop insurance products.

Producers on farms with a PLC election have the option of purchasing Supplemental Coverage Option (SCO) through their Approved Insurance Provider; however, producers on farms where ARC is the election are ineligible for SCO on their planted acres for that crop on that farm.

Unlike SCO, the Enhanced Coverage Option (ECO) is unaffected by an ARC election. Producers may add ECO regardless of the farm program election.

Upland cotton farmers who choose to enroll seed cotton base acres in ARC or PLC are ineligible for the stacked income protection plan (STAX) on their planted cotton acres for that farm.

Producers should contact their crop insurance agent to make certain that the election and enrollment made at FSA follows their intention to participate in STAX or SCO coverage. Producers have until March 15, 2022, to make the appropriate changes or cancel their ARC or PLC contract.

More Information

In addition to the March 15 deadline for ARC and PLC, other important deadlines include:

- March 1, <u>Livestock Indemnity Program</u>
- March 11, Conservation Reserve Program General Signup
- March 15, <u>Pandemic Cover Crop Program</u>
- March 25, <u>Dairy Margin Coverage</u>

For more information on ARC and PLC, producers can visit the <u>ARC and PLC webpage</u> or contact their local USDA Service Center. In those service centers where COVID cases exceed safety levels, staff continue to work with agricultural producers via phone, email and other digital tools. Producers with <u>level 2 eauthentication access</u> can electronically sign contracts or may make arrangements to drop off signed contracts at the FSA county office. Because of the pandemic, some <u>USDA Service</u> <u>Centers</u> are open to limited visitors.

Deadline Extended to Enroll in 2022 Dairy Margin Coverage and Supplemental Dairy Margin Coverage

USDA has extended the deadline to enroll in Dairy Margin Coverage (DMC) and Supplemental Dairy Margin Coverage (SDMC) for program year 2022. **The deadline to apply for 2022 coverage is now March 25, 2022.** As part of the Biden-Harris Administration's ongoing efforts to support dairy farmers and rural communities, USDA's Farm Service Agency (FSA) opened DMC and SDMC signup in December 2021 to help producers manage economic risk brought on by milk price and feed cost disparities.

Enrollment for 2022 DMC is currently at 55% of the 2021 program year enrollment. Producers who enrolled in DMC for 2021 received margin payments each month, January through November for a total of \$1.2 billion, with an average payment of \$60,275 per operation.

The DMC program, created by the 2018 Farm Bill, offers reasonably priced protection to dairy producers when the difference between the all-milk price and the average feed cost (the margin) falls below a certain dollar amount selected by the producer.

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.

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 November for more than \$1 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 <u>online dairy decision tool</u>.

USDA has also changed the DMC feed cost formula to better reflect the actual cost dairy farmers pay for high-quality alfalfa hay. FSA now calculates payments using 100% premium alfalfa hay rather than 50%. In December 2021, following publication of the new

feed cost policy, \$102 million was paid to producers as a result of the revised high quality alfalfa feed cost formula.

The amended feed cost formula will make DMC payments more reflective of actual dairy producer expenses and DMC payments. Higher DMC feed cost calculations due to the premium alfalfa adjustment could more frequently trigger DMC indemnity payments for dairy operations having DMC coverage in 2022.

USDA Extends Deadline for Spot Market Hog Pandemic Program

Hog producers who sold hogs through a spot market sale during the COVID-19 pandemic now have until April 15, 2022, to submit their applications for the U.S. Department of Agriculture's (USDA) Spot Market Hog Pandemic Program (SMHPP). SMHPP, which is part of USDA's <u>Pandemic Assistance for Producers</u> initiative, originally had a deadline to submit applications by Feb. 25, 2022.

SMHPP assists hog producers who sold hogs through a spot market sale from April 16, 2020, through Sept. 1, 2020, the period during which these producers faced the greatest reduction in market prices due to the pandemic. USDA is offering SMHPP in response to a reduction in packer production and supply chain issues due to the COVID-19 pandemic, which resulted in fewer negotiated hogs being procured and subsequent lower market prices. USDA's Farm Service Agency (FSA) began accepting applications for SMHPP on Dec. 15, 2021.

In response to stakeholder feedback and our analysis of the program to date, USDA will be making adjustments to clarify the definition of a spot market sale and to hog eligibility, while including documentation requirements to prevent erroneous payments. USDA will also be announcing those updates soon and wants to assure hog producers that there will be ample time to submit their applications for assistance.

Applying for Assistance

Eligible hog producers can apply for SMHPP by completing the FSA-940, Spot Market Hog Pandemic Program application. Visit <u>farmers.gov/smhpp</u> to learn more.

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 their local FSA office, producers can visit farmers.gov/service-locator. Hog producers can also call 877-508-8364 to speak directly with a USDA employee ready to offer assistance. 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.

First Meeting of Federal Advisory Committee for Urban Agriculture and Innovative Production to

Take Place March 23-24, 2022

The public is encouraged to attend and submit comments by March 18, 2022

The U.S. Department of Agriculture (USDA) will host the first public meeting of the inaugural Federal Advisory Committee for Urban Agriculture and Innovative Production on March 23-24, 2022. The public – including urban producers– is encouraged to attend.

The new federal advisory committee is part of USDA's efforts to support urban agriculture, creating a network for feedback. <u>Members were announced</u> last month, and include agricultural producers, and representatives from the areas of higher education or extension programs, non-profits, business and economic development, supply chains and financing.

About the Meeting

USDA's Office of Urban Agriculture and Innovative Production is coordinating the meeting, which runs from 11 a.m. to 3:30 p.m. ET on March 23 and 24, 2022. To attend, <u>register by March 18, 2022</u>.

At the meeting, committee members will discuss administrative matters and consult on the National Institute of Food and Agriculture's Notice of Funding Opportunity for the Urban, Indoor and Emerging Agriculture grants.

Members of the public who wish to submit comments or questions related to urban agriculture may submit them via www.regulations.gov.

Comments must be submitted by March 18, 2022.

For special accommodations, please contact Leslie Glover at (602) 395-9536 or UrbanAgricultureFederalAdvisoryCommittee@usda.gov.

Additional details are available in the <u>Federal Register notice</u> and online at <u>farmers.gov/urban</u> or on the <u>committee's webpage</u>.

USDA and **Urban** Agriculture

The Federal Advisory Committee for Urban Agriculture and Innovative Production is part of a broad USDA investment in urban agriculture. Other efforts include:

- Grants that target areas of food access, education, business and start-up costs for new farmers, and policy development related to zoning and other urban production needs.
- Cooperative agreements that develop and test strategies for planning and implementing municipal compost plans and food waste reduction plans.
- Investing \$260,000 for risk management training and crop insurance education for historically underserved and urban producers through partnerships between USDA's <u>Risk Management Agency</u> (RMA) and the University of Maryland, University of Connecticut, and Michigan State University Center for Regional Food Systems.
- Providing technical and financial assistance through conservation programs offered by USDA's <u>Natural Resources Conservation Service</u> (NRCS).

Organizing 11 <u>Farm Service Agency</u> (FSA) urban and suburban county committees.
 FSA will organize additional committees.

The Office of Urban Agriculture and Innovative Production was established through the 2018 Farm Bill. It is led by NRCS and works in partnership with numerous USDA agencies that support urban agriculture. Its mission is to encourage and promote urban, indoor, and other emerging agricultural practices, including community composting and food waste reduction.

More information is available at <u>farmers.gov/urban</u> and the new Federal Advisory Committee for Urban Agriculture and Innovative Production website at <u>www.usda.gov/partnerships/advisory-committee-urban-ag-innovative-production</u>.

Additional resources that may be of interest to urban agriculture entities include grants from USDA's <u>Agricultural Marketing Service</u> and <u>National Institute of Food and Agriculture</u> as well as <u>FSA loans</u>.

USDA touches the lives of all Americans each day in so many positive ways. Under 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 usda.gov.

USDA Updates Farm Loan Programs to Increase Equity

The U.S. Department of Agriculture (USDA) is updating its farm loan programs to better support current borrowers, including historically underserved producers. These improvements are part of USDA's commitment to increase equity in all programs, including farm loans that provide important access to capital for covering operating expenses and purchasing land and equipment.

The 2018 Farm Bill authorized FSA to provide equitable relief to certain direct loan borrowers, who are non-compliant with program requirements due to good faith reliance on a material action of, advice of, or non-action from an FSA official. Previously, borrowers may have been required to immediately repay the loan or convert it to a non-program loan with higher interest rates, less favorable terms, and limited loan servicing.

Now, FSA has additional flexibilities to assist borrowers in such situations. If the agency provided incorrect guidance to an existing direct loan borrower, the agency may provide equitable relief to that borrower. FSA may assist the borrower by allowing the borrower to keep their loans at current rates or other terms received in association with the loan which was determined to be noncompliant or the borrower may receive other equitable relief for the loan as the Agency determines to be appropriate.

USDA encourages producers to reach out to their local loan officials to ensure they fully understand the wide range of loan and servicing options available that can assist them in starting, expanding or maintaining their operation.

Additional Updates

Equitable relief is one of several changes authorized by the 2018 Farm Bill that USDA has made to the direct and guaranteed loan programs. Other changes that were previously implemented include:

- Modifying the existing three-year farming experience requirement for Direct Farm Ownership loans to include additional items as acceptable experience.
- Allowing socially disadvantaged and beginning farmer applicants to receive a guarantee equal to 95%, rather than the otherwise applicable 90% guarantee.
- Expanding the definition of and providing additional benefits to veteran farmers.
- Allowing borrowers who received restructuring with a write down to maintain eligibility for an Emergency loan.
- Expanding the scope of eligible issues and persons covered under the agricultural Certified Mediation Program.

Additional information on these changes is available in the March 8, 2022 <u>rule on the Federal Register</u>.

More Background

FSA has taken other recent steps to increase equity in its programs. Last summer, USDA announced it was providing \$67 million in competitive loans through its new Heirs' Property Relending Program to help agricultural producers and landowners resolve heirs' land ownership and succession issues. FSA also invested \$4.7 million to establish partnerships with organizations to provide outreach and technical assistance to historically underserved farmers and ranchers, which contributed to a fourfold increase in participation by historically underserved producers in the Coronavirus Food Assistance Program 2 (CFAP 2), a key pandemic assistance program, since April 2021.

Additionally, in January 2021, Secretary Vilsack announced a <u>temporary suspension of past-due debt collection and foreclosures</u> for distressed direct loan borrowers due to the economic hardship imposed by the COVID-19 pandemic.

Producers can explore available loan options using the <u>Farm Loan Discover Tool on farmers.gov</u> (<u>also available in Spanish</u>) or by contacting their local <u>USDA Service Center</u>. Service Center staff continue to work with agricultural producers via phone, email, and other digital tools. Due to the pandemic, some USDA Service Centers are open to limited visitors. Producers can <u>contact their local Service Center</u> to set up an in-person or phone appointment to discuss loan options.

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 <u>usda.gov</u>.

The Missouri Outdoor Recreational Access Program Missouri's Walk-in Access Program

Have you heard about the new Missouri Outdoor Recreational Access Program (MRAP)? MRAP is Missouri's walk-in access program similar to walk-in hunting programs that have been available in Kansas (WIHA), Iowa (IHAP), and South Dakota (WIA) for many years. MRAP is a voluntary program that provides landowners an opportunity to generate extra income by opening their property for public recreational activities such as hunting, angling, and wildlife viewing. MRAP is administered by the Missouri Department of Conservation (MDC) and is supported by a USDA grant called the Voluntary Public Access and Habitat Incentives Program.

The MRAP provides \$15 – \$25 per acre, per year, incentive payments and habitat improvement cost-share to participating landowners in return for allowing public access to their land for recreational activities. Public access on all MRAP properties is walk-in only. Participating landowners can choose the recreational activities allowed on their property by selecting one of the following MRAP access types: all access hunting and fishing, small game and turkey hunting, youth only hunting and fishing, archery hunting, fishing only, or wildlife viewing. All access hunting and fishing, fishing only, wildlife viewing, and youth hunting and fishing access types are open to the public year-round, whereas archery hunting and small game and turkey access types are open only during relevant legal seasons. Additionally, participating landowners are offered liability protection from Missouri's Recreational Use Immunity Law.

Offered lands must meet minimum eligibility requirements such as being 40 contiguous acres in size (5 contiguous acres for wildlife viewing access types or 1 pond acre for fishing only access types). The standard landowner commitment period is three years, with annual renewal opportunities. To be eligible for the program, MRAP properties must also consist of at least 20% quality wildlife habitat such as native grass fields, crop field buffers, or managed woodlands. Many CRP practices will qualify as quality wildlife habitat!

To apply for to the MRAP program, fill out the Landowner Application Form located https://mdc.mo.gov/your-property/missouri-outdoor-recreational-access-program-mrap

Interest rates for March 2022:

- 0.875 percent per annum for CCC borrowing rate-based interest charges;
- 1.875 percent per annum for crop year commodity loans, including MAL, less than 1 year;

- 1.500 percent per annum for FSFL CCC-185's "approved pending funding" during March 2022 by the COC's or STC's with 3-year loan terms;
- 1.750 percent per annum for FSFL CCC-185's "approved pending funding" during March 2022 by the COC's or STC's with 5-year loan terms;
- 1.875 percent per annum for FSFL CCC-185's "approved pending funding" during March 2022 by the COC's or STC's with 7-year loan terms;
- 1.875 percent per annum for FSFL CCC-185's "approved pending funding" during March 2022 by the COC's or STC's with 10-year loan terms;
- 2.000 percent per annum for FSFL CCC-185's "approved pending funding" during March 2022 by the COC's or STC's with 12-year loan terms;

Ask the Expert: A Farm Operating Loan Q&A with Jack Carlile

In this Ask the Expert, Jack Carlile, Farm Loan Manager for the USDA Farm Service Agency (FSA), answers questions about farm operating loans and when producers should apply in order to secure funds for the current crop year.

As the Farm Loan Manager for the Cherokee County Service Center, Jack is responsible for managing the loan making and loan servicing activities for five counties in northeast Oklahoma. His office provides services for over 650 farm loan customers. Jack was raised on a cross bred cow/calf operation that his grandparents started. Over the years, each generation has added to the operation by purchasing additional pasture. The operation also grows and bales their own hay. Jack's agriculture background and degree in agriculture economics from Oklahoma State University help him better understand the financing needs of his producers.

Who can apply for FSA Farm Loans?

Anyone can apply for FSA's loan programs. Applications will be considered on basic eligibility requirements. To apply for a loan, you must meet the following general eligibility requirements including:

- · Be a U.S. citizen or qualified alien.
- Operator of a family farm or ranch.
- · Have a satisfactory credit history.
- Unable to obtain credit elsewhere at reasonable rates and terms to meet actual needs.
- Not be delinquent on any federal debts.

What can I purchase with operating loans?

<u>Farm Operating Loans</u> are traditionally used for purchasing capital items such as farm machinery, equipment, or livestock. Loan funds can also be used to help pay typical operating expenses for farming and ranching operations. For example, a rancher may use

an operating loan to purchase forage for his cattle to feed them through the winter or a row crop producer may use an operating loan for paying for inputs like seed or fertilizer.

What is the maximum loan amount and terms?

The maximum loan amount for a Direct Farm Operating Loan is \$400,000. Direct loans are made and serviced by FSA.

Producers can also apply for <u>Guaranteed Operating Loans</u> that are made by your commercial lender, and guaranteed against loss by FSA. The maximum loan amount for a Guaranteed Farm Operating Loan is \$1,825,000. Loan terms for operating loans range from one to seven years.

How do I apply?

If you're interested in applying for a farm loan, you can pick up an application by visiting your local FSA office. Visit <u>farmers.gov</u> to find the USDA Service Center nearest you.

When applying for a loan, you will need a business plan, which must include:

- Your mission, vision, and goals for your farm or ranch.
- · Your current assets and liabilities.
- Marketing Plan (what your operation will produce and where you will market and sell your products.)
- Whether the amount of income your operation generates will be enough to pay your business and family living expenses.

When should I apply for an operating loan?

I would recommend beginning the application process a few months in advance of needing the funds to allow time for the request to be processed, and for any necessary security checks and searches to be completed. That allows time for the funds to be available for your use when most needed.

Where can I find more information?

To learn more about FSA loans visit <u>farmers.gov/loans</u> or <u>fsa.usda.gov/farmloans</u>. Fact sheets and application packages are also available at your USDA Service Center. To learn more about other types of FSA loans or to find the right loan for your operation, use the Farm Loan Discovery Tool by visiting <u>farmers.gov/loans/farm-loan-discovery-tool</u>.

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.

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 more information, contact your local County USDA Service Center or visit <u>fsa.usda.gov/pricesupport</u>.

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 before shearing or slaughter and before losing beneficial interest in the wool, mohair or pelts. 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

USDA Announces Conservation Reserve Program Signups for 2022

Agricultural producers and landowners can sign up soon for the Conservation Reserve Program (CRP), a cornerstone conservation program offered by the U.S. Department of Agriculture (USDA) and a key tool in the Biden-Harris

Administration effort to address climate change and achieve other natural resource benefits. The General CRP signup will run from **Jan. 31 to March 11**, and the Grassland CRP signup will run from **April 4 to May 13.**

Producers and landowners enrolled 4.6 million acres into CRP signups in 2021, including 2.5 million acres in the largest Grassland CRP signup in history. There are currently 22.1 million acres enrolled, and FSA is aiming to reach the 25.5-million-acre cap statutorily set for fiscal year 2022.

CRP Signups

General CRP helps producers and landowners establish long-term, resource-conserving plant species, such as approved grasses or trees, to control soil erosion, improve water quality and enhance wildlife habitat on cropland.

Meanwhile, Grassland CRP is a working lands program, helping 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 to deliver lasting climate outcomes.

Alongside these programs, producers and landowners can enroll acres in Continuous CRP under the ongoing sign up, which includes projects available through the Conservation Reserve Enhancement Program (CREP) and State Acres for Wildlife Enhancement (SAFE).

Climate Benefits

Last year, FSA enacted a Climate-Smart Practice Incentive for CRP General and Continuous signups, to better target CRP on addressing climate change. This incentive aims to increase carbon sequestration and reduce greenhouse gas emissions. CRP's climate-smart 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.

Additionally, in order to better target the program toward climate outcomes, USDA invested \$10 million last year in the CRP Monitoring, Assessment and Evaluation (MAE) program to measure and monitor the soil carbon and climate resilience impacts of conservation practices over the life of new CRP contracts. This will enable the agency to further refine the program and practices to provide producers tools for increased climate resilience.

More Information on CRP

Landowners and producers interested in CRP should contact their local <u>USDA Service</u>
<u>Center</u> to learn more or to apply for the program -- for General CRP before the **March 11 deadline**, and for Grassland CRP before the **May 13 deadline**. Service Center staff continue to work with agricultural producers via phone, email, and other digital tools. Due

to the pandemic, some <u>USDA Service Centers</u> are open to limited visitors. Additionally, fact sheets and other resources are available at <u>fsa.usda.gov/crp</u>.

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.

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.

New River Forecast Model Integrates Artificial Intelligence for Better Water Management in the West

Water supply forecasts are important for any crop year. But for farmers, ranchers, foresters, and water managers in the West facing extreme and debilitating drought conditions, those forecasts have never been more critical to their operations and livelihoods.

Since the Dust Bowl of the 1930s, NRCS has helped America's producers plan for their operations through the Snow Survey and Water Supply Forecast program. The program runs a massive network of mountain climate and snow monitoring sites across the western U.S. called SNOTEL. This is coupled with other data and computer models to predict the amount of river runoff in the upcoming spring and summer. These water supply forecasts are used by America's producers to plan their operations for the year, by helping guide choices like crop selection, water rights rentals, and whether to leave land fallow.

Over the decades, that information has grown to be used by many other groups for many purposes – from optimizing hydroelectric power generation, to assessing seasonal flood risk, to complying with legal decisions around endangered species and international treaties governing transboundary rivers. The value of water managed using these forecasts is easily in the billions of dollars, and even modest increases in accuracy can create over \$100 million a year in public benefit for just one river basin.

However, major forecasting improvements are needed because of narrowing margins between water supply and water demand in the ever-more-thirsty American West. Those tighter margins reflect a combination of climate change and population growth, and they mean there's less room for error than ever before in water management, requiring improved efficiency and accuracy in everything we do.

NRCS has unveiled a new computer application to address this pressing need: the multi-model machine learning metasystem, or M⁴. This first-of-its-kind model will be the largest migration of artificial intelligence, also known as AI, into real-world river prediction programs.

Researchers first experimented with machine learning, a branch of AI, for hydrologic forecasting a quarter-century ago. But they couldn't jump the research-to-applications gap – the needed step of getting from what works in the lab to what works in the field. Ironically, scientists and engineers working outside the tech sector have often been the last to adopt AI into their everyday practices. Unlike some other areas, STEM fields have long used sophisticated math and computer models. AI had to successfully compete with those existing methods to gain widespread acceptance, which in many fields, including earth and environmental science, is only starting to happen now. The average hydrologist is still more likely to use AI – in a smartphone app, for example – to find the quickest route to the office in the morning, than to apply it in their work when they get there!

We aimed to change that. Applied scientists at NRCS took a pragmatic approach: they looked in detail at what they needed in the next generation of their operational river forecast system, and then created a new tailor-made solution from existing building blocks. That included adopting automated machine learning, which makes it easier and faster to use, and radically improving the explainability of the results, putting to bed a long-standing worry about so-called 'black box' Al technologies. Testing proves the system is more accurate, robust, and simple-to-use than ever before, while keeping features that worked in the older models.

Our hope is that M⁴ will help farmers, ranchers, and foresters – our customers – better plan for their operations and continue to have the means to provide for people in the U.S. and around the world who depend on American agriculture. And given how many other water users and government agencies also rely on NRCS forecasts, we're also looking forward to seeing how the migration of Al into real-world, high-stakes environmental information systems like M⁴ will help everyone in the American West use increasingly pressured water resources more effectively while protecting our shared natural environment.

To read more about this new system, see the <u>recent paper published in the Journal of Hydrology</u>, the top-ranked, peer-reviewed scientific journal in water resources. For more information about the Snow Survey and Water Supply program, <u>visit our website</u>.

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 Program (CSP), Agricultural 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. <u>State-specific, ranking dates</u> 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 <u>historically underserved producers</u>. 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 <u>USDA Service Centers</u> nationwide to provide information and assistance to walk you through meeting this filing requirement. For more information, see the <u>NRCS National Bulletin 300-21-7</u> or <u>FSA Notice PL-293</u>.

USDA to Invest \$1 Billion in Climate Smart Commodities, Expanding Markets, Strengthening Rural America

Agriculture Secretary Tom Vilsack announced on February 7 that the U.S. Department of Agriculture is delivering on its promise to expand markets by investing \$1 billion in partnerships to support America's climate-smart farmers, ranchers and forest landowners. The new Partnerships for Climate-Smart Commodities opportunity will finance pilot projects that create market opportunities for U.S. agricultural and forestry products that use climate-smart practices and include innovative, cost-effective ways to measure and verify greenhouse gas benefits. USDA is now accepting project applications for fiscal year 2022.

For the purposes of this funding opportunity, a climate-smart commodity is defined as an agricultural commodity that is produced using agricultural (farming, ranching or forestry) practices that reduce greenhouse gas emissions or sequester carbon.

Funding will be provided to partners through the USDA's Commodity Credit Corporation for pilot projects to provide incentives to producers and landowners to:

- implement climate-smart production practices, activities, and systems on working lands,
- measure/quantify, monitor and verify the carbon and greenhouse gas (GHG) benefits associated with those practices, and
- develop markets and promote the resulting climate-smart commodities.

Funding will be provided in two funding pools, and applicants must submit their applications via Grants.gov by 11:59 p.m. Eastern Time on:

- April 8, 2022, for the first funding pool (proposals from \$5 million to \$100 million),
 and
- May 27, 2022, for the second funding pool (proposals from \$250,000 to \$4,999,999).

A wide range of organizations may apply, but the primary applicant must be an entity, not an individual.

USDA is committed to equity in program delivery and is specifically seeking proposals from entities serving all types of producers, including small or historically underserved producers.

Visit <u>usda.gov</u> for additional information including Partnerships for Climate-Smart Commodities and resources to support your application.

New Online Tool Allows Farmers, Ranchers to Easily Report Anticompetitive Practices

Farmers, ranchers, and other producers and growers now have a one-stop shop to help ensure they are treated fairly. The new <u>farmerfairness.gov</u> portal developed jointly by the U.S. Department of Agriculture (USDA) and Department of Justice (DOJ) allows you to report potential violations of livestock and poultry antitrust laws, including the Packers and Stockyards Act. <u>Read More</u>

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.

Linkage Requirements for Payments Received Under WHIP+ and/or QLA

If you received a payment under the Wildfires and Hurricanes Indemnity Program+ (WHIP+) or the Quality Loss Adjustment Program (QLA) for crop production and/or quality losses occurring in 2018, 2019, or 2020 crop years, you are required to meet linkage requirements by obtaining federal crop insurance or Non-Insured Crop Disaster Assistance Program (NAP) coverage at the 60/100 level, or higher, for both the 2022 and 2023 crop years.

When applying for WHIP+ or QLA, form FSA-895 (Crop Insurance and/or NAP Coverage Agreement) was submitted acknowledging the requirement to obtain federal crop insurance, if available, or NAP coverage if federal crop insurance is not available. The coverage requirement is applicable to the physical location county of the crop that received WHIP+ and/or QLA benefits.

Producers should not delay contacting their federal crop insurance agent or local county FSA Office to inquire about coverage options, as **failure to obtain the applicable coverage by the sales/application closing date will result in the required refund of WHIP+ benefits received on the applicable crop, plus interest.** You can determine if crops are eligible for federal crop insurance or NAP by <u>visiting the RMA website</u>.

For more information, contact your local county USDA Service Center or visit <u>fsa.usda.gov</u>.

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