USDA Farm Service Agency
U.S. DEPARTMENT OF AGRICULTURE

New Hampshire FSA Newsletter February 2022

In This Issue:

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 USDA Service Center 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 USDA Service Centers are open to limited visitors. Additionally, fact sheets and other resources are available at fsa.usda.gov/crp.

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.

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.

Signature Policy

Using the correct signature when doing business with FSA can save time and prevent a delay in program benefits.

The following are FSA signature guidelines:

- A married woman must sign her given name: Mrs. Mary Doe, not Mrs. John Doe
- For a minor, FSA requires the minor's signature and one from the minor's parent

Note, by signing a document with a minor, the parent is liable for actions of the minor and may be liable for refunds, liquidated damages, etc.

When signing on one's behalf the signature must agree with the name typed or printed on the form or be a variation that does not cause the name and signature to be in disagreement. Example - John W. Smith is on the form. The signature may be John W. Smith or J.W. Smith or J. Smith. Or Mary J. Smith may be signed as Mrs. Mary Joe Smith, M.J. Smith, Mary Smith, etc.

FAXED signatures will be accepted for certain forms and other documents provided the acceptable program forms are approved for FAXED signatures. Producers are responsible for the successful transmission and receipt of FAXED information.

Spouses may sign documents on behalf of each other for FSA and CCC programs in which either has an interest, unless written notification denying a spouse this authority has been provided to the county office.

Spouses cannot sign on behalf of each other as an authorized signatory for partnerships, joint ventures, corporations or other similar entities. Likewise, a spouse cannot sign a document on behalf of the other in order to affirm the eligibility of oneself.

Any member of a general partnership can sign on behalf of the general partnership and bind all members unless the Articles of Partnership are more restrictive. Spouses may sign on behalf of each other's individual interest in a partnership, unless notification denying a spouse that authority is provided to the county office. Acceptable signatures for general partnerships, joint ventures, corporations, estates, and trusts must consist of an indicator "by" or "for" the individual's name, individual's name and capacity, or individual's name, capacity, and name of entity.

For additional clarification on proper signatures contact your local FSA office.

USDA Encourages You to Consider NAP Risk Protection Coverage Before Crop Sales Deadlines

The Farm Service Agency encourages you to examine available USDA crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the applicable crop sales deadline.

Federal crop insurance covers crop losses from natural adversities such as drought, hail and excessive moisture. NAP covers losses from natural disasters on crops for which no permanent federal crop insurance program is available. You can determine if crops are eligible for federal crop insurance or NAP by visiting the RMA website.

NAP offers higher levels of coverage, from 50 to 65 percent of expected production in 5 percent increments, at 100 percent of the average market price. Producers of organics and crops marketed directly to consumers also may exercise the "buy-up" option to obtain NAP coverage of 100 percent of the average market price at the coverage levels of between 50 and 65 percent of expected production. Buy-up levels of NAP coverage are available if the producer can show at least one year of previously successfully growing the crop for which coverage is being requested. NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production.

For all coverage levels, the NAP service fee is the lesser of $325 per crop or $825 per producer per county, not to exceed a total of $1,950 for a producer with farming interests in multiple counties.

Beginning, underserved, veterans and limited resource farmers are now eligible for free catastrophic level coverage.

Deadlines for coverage vary by state and crop. contact your local County USDA Service Center or visit fsa.usda.gov.

Federal crop insurance coverage is sold and delivered solely through private insurance agents. Agent lists are available at all USDA Service Centers or at USDA's online Agent Locator. You can use the USDA Cost Estimator to predict insurance premium costs.

FSA Offers Joint Financing Option on Direct Farm Ownership Loans

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

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

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

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

For more information about farm loans, contact your Farm Loan Team at 603-223-6003 or visit fsa.usda.gov.

Submit Loan Requests for Financing Early

The Farm Loan team 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**.**

New Hampshire FSA State Office

James C. Cleveland Federal Building
53 Pleasant Street, Room 1601
Concord, NH 03301

Phone: 603-224-7941
Fax: 855-428-0330

Marilyn Milne
Acting State Executive Director

marilyn.milne@usda.gov
603-224-7941

Rebecca Davis
Farm Loan Manager

rebecca.davis2@usda.gov
603-223-6003