U.S. DEPARTMENT OF AGRICULTURE

Oregon FSA Newsletter - February 2022

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

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Acting State Executive Director's Message

We started our crop year with much needed rain and our snowpack was looking good during November through January. February has been rather dry so far, but hopefully we will get more mountain snow and good spring rains for planting season.

In September, President Biden signed into law the *Extending Government Funding and Delivering Emergency Assistance Act* (P.L. 117-43). This phased disaster assistance program may also apply to our Oregon Ag producers affected by the extreme weather events and drought during 2020 and 2021. https://www.fsa.usda.gov/news-room/news-releases/2022/usda-provides-update-on-implementation-of-forthcoming-disaster-assistance?utm_medium=email&utm_source=govdelivery

Here are some other recent program announcements and reminders:

- **The General** Conservation Reserve Program (CRP) **signup will run from Jan. 31 to March 11.** 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. **The Grassland CRP signup will run from April 4 to May 13.** 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.
- The ARC/PLC 2022 Crop Year Election/Enrollment period opened on Oct. 18, 2021 and **runs through March 15, 2022**. Producers can now make or change elections and enroll for 2022 ARC or PLC, providing future protections against market fluctuations.

- FSA will permit a second Disaster Set-Aside (DSA) for COVID-19 and a second DSA for natural disaster for direct loan borrowers 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. Click here for further information.

As always, we appreciate you all and look forward to providing you with FSA program information and loan assistance during the year. For further assistance please contact your local USDA Service Center.

Josh Hanning
Acting State Executive Director

Interest Rates-February 2022

Farm Operating Loans – Direct, 2.250%
Farm Operating – Microloans, 2.250%
Farm Ownership Loans – Direct, 2.875%
Farm Ownership – Microloan, 2.875%
Farm Ownership-Direct, Joint Financing, 2.500%
Farm Ownership-Down Payment, 1.500%
Emergency Loans Actual Loss, 3.250%
Farm Storage Facility Loans - 3 Years, 1.125%
Farm Storage Facility Loans - 5 Years, 1.375%
Farm Storage Facility Loans - 7 Years, 1.625%
Farm Storage Facility Loans - 10 Years, 1.625%

FSA also offers guaranteed loans through commercial lenders at rates set by those lenders. You can find out which of these loans may be right for you by using our Farm Loan Discovery Tool.

Important Dates

- **Feb. 21, 2022:** Presidents' Day Federal Holiday, offices closed.
- **Feb. 25, 2022:** Spot Market Hog Pandemic Program (SMHPP) applications due February 25, 2022.
- **March 11, 2022:** General CRP signup ends.
- **March 15, 2022:** ARC/PLC Election and Enrollments ends.
- **March 25, 2022:** Dairy Margin Coverage (DMC) Program and Supplemental Dairy Margin Coverage (SDMC) signups end.
- **May 1, 2022:** Deadline for Second Farm Loan Disaster Set-Aside (DSA) requests.
- **May 13, 2022:** Grassland CRP signup ends.

Click here to learn more about local deadlines and ongoing programs.

https://www.farmers.gov/working-with-us/program-deadlines

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

Funding Opportunity Opens to Pilot New Revenue Streams for America's Climate-Smart Farmers, Ranchers and Forest Landowners

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 usda.gov for additional information including Partnerships for Climate-Smart Commodities and resources to support your application.

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 online dairy decision tool.

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.

What’s New and Improved for Specialty Crop Producers?

Does your operation include specialty crops? Whether you grow fruits, vegetables, tree nuts, dried fruits, horticulture, or nursery crops - USDA is here for you.

Over the past year, USDA has stepped up our support of specialty crop producers and local and regional food systems. USDA believes specialty crop producers are integral to the food system of the future, and we are working to improve available options for specialty crop producers as well as ensure equity in program delivery.

What’s New?

The Risk Management Agency (RMA) rolled out a new insurance option for small-scale producers who sell locally, which is named **Micro Farm.** This new insurance coverage option simplifies record keeping and covers post-production costs, such as washing and value-added products. It is available now, and you can learn more from an Approved Insurance Provider or your RMA specialty crop liaison.

In addition to Micro Farm, RMA rolled out other new insurance options in the past year, including: California Citrus Trees, Florida Citrus, Production and Revenue History option for Florida strawberries, and Hurricane Insurance Protection-Wind Index (HIP-WI). These new options either fill gaps in coverage or offer advantages over other policies. Since 2020, producers weathered several major hurricanes. The new HIP-WI played a crucial role in recovery with more than $250 million in indemnities paid so far with most payments issued in a matter of weeks following a hurricane.

Interest in growing and insuring specialty crops has grown significantly with $1 billion in liabilities for 1990 to $22 billion in liabilities for 2021. (For more details, check out reports on our Specialty Crops webpage.)

The Farm Service Agency (FSA) also offered pandemic assistance for organic producers. The new **Organic and Transitional Education and Certification Program** (OTECP) provided assistance to help cover loss of markets, increased costs, labor shortages and expenses related to obtaining or renewing their organic certification.

What’s Improved?

In the past year, RMA made improvements to existing policies -- including **Whole-Farm Revenue Protection**, a key insurance option for specialty crop producers. Beginning in the 2021 crop year, direct market producers could report two or more commodities using a new combined direct marketing code.

This reduced a tremendous burden for diversified producers and allowed them to receive a premium rate discount for diversification. For 2022, RMA increased coverage for organic and aquaculture producers and enabled organic producers to report certified organic acreage as long as the request for certification had been made by the reporting date, which provides additional flexibility to producers.

Want to Learn More?

These new and improved options for specialty crop producers are but a few of USDA’s strides over the past year to build a fairer, more transparent food system rooted in local and regional production. To learn more, please read USDA’s January 19, 2022, news release.

For crop insurance, visit RMA's Specialty Crops webpage or contact your specialty crop liaison.

Also, if there is not a standard offer for the crop you would like insured, you may still be able to get a written agreement for coverage. RMA Regional Offices review these requests to help provide coverage. These requests also provide Regional Offices the opportunity to review the possible expansion of the policy to your county.

Lastly, you can read our Specialty Crops webpage on farmers.gov and question-and-answer with two specialty crop liaisons, Adrienne Steinacher and Matt Wilkin.

Loans for Targeted Underserved Producers

The Farm Service Agency (FSA) has several loan programs to help you start or continue an agriculture production. Farm ownership and operating loans are available.

While all qualified producers are eligible to apply for these loan programs, FSA has provided priority funding for members of targeted underserved applicants.

A targeted underserved applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities.

For purposes of this program, targeted underserved groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders.

FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere. Click here for more information about FSA Farm Loans. https://www.fsa.usda.gov/programs-and-services/farm-loan-programs/index

Get your copy of the 2022 USDA in Oregon calendar! The calendar provides how to sign up for USDA's GovDelivery service for electronic newsletters and/or text messages, Farmers.gov resources, program and deadline reminders, and great photos from Oregon producers and FSA staff. Stop by or call your local USDA Service Center. https://offices.sc.egov.usda.gov/locator/app

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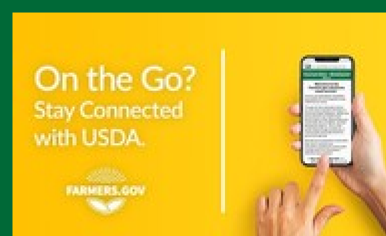
How can we help you? Submit questions or requests for further information to ASK.USDA.GOV or 1-833-ONE-USDA

Sign up for important text message alerts from your local county FSA office! To subscribe, text FSANOW (372-669).



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