

U.S. DEPARTMENT OF AGRICULTURE

USDA News - Lone Star State Edition - February 24, 2022

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

In This Issue:

- From the FSA State Executive Director
- From the NRCS State Conservationist
- Agricultural Producers Have Until March 15 to Enroll in USDA's Key Commodity Safety Net Programs
- <u>Deadline Extended to Enroll in 2022 Dairy Margin Coverage and</u>
 Supplemental Dairy Margin Coverage
- USDA Extends Deadline for Spot Market Hog Pandemic Program
- USDA Announces Conservation Reserve Program Signups for 2022
- Loans for Targeted Underserved Producers
- FSA Offers Loan Servicing Options
- <u>Texas NRCS Announces Additional 2022 Sign-up Period for</u> Partnership Led Conservation Program
- <u>USDA Targets Funds in Texas to Help Producers with Infrastructure</u> Repairs Along Southern Border
- RMA Extends Crop Insurance Flexibilities to June Due to COVID-19

From the FSA State Executive Director

Here at FSA, we strive to deliver programs to farmers and ranchers to support the safety net of American agriculture. It is important that producers enroll in these programs prior to established deadlines to remain eligible for financial assistance that may be offered through program participation.



The election and enrollment period for Agriculture Risk Coverage/Price Loss

<u>Coverage</u> for the 2022 crop year opened Oct. 18 and runs through March 15, 2022. If an election is not submitted by the deadline of March 15, 2022, the election remains as the election made for crops on the farm from the prior crop year. Producers who do not complete enrollment (sign a contract) by the close of business on March 15 will not be

enrolled in ARC or PLC for the 2022 crop year and will be ineligible to receive a payment should one trigger for an eligible crop.

Signup for General Conservation Reserve Program (CRP) runs from Jan. 31 to March 11, and signup for Grassland CRP runs from April 4 to May 13. Landowners and producers interested in CRP should contact their local <u>USDA Service 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.

USDA has extended the deadline to enroll in <u>Dairy Margin Coverage</u> (DMC) and Supplemental Dairy Margin Coverage (SDMC) for program year 2022. The deadline to apply for 2022 coverage is now March 25, 2022. In 2021, DMC payment triggered for 11 months (January through November) for a total of \$1.2 billion paid to producers who enrolled in DMC for the 2021 program year, with an average payment of \$60,275 per operation.

Through the <u>Spot Market Hog Pandemic Program</u> (SMHPP), USDA will make payments to hog producers for financial losses on negotiated hogs and negotiated formula hogs sold by producers from April 16, 2020, through Sept. 1, 2020. FSA will be accepting applications for SMHPP until April 15, 2022. USDA extended the deadline which was set to end on February 25, 2022.

While most FSA offices are accepting scheduled, in-person appointments, our offices continue to take phone and virtual appointments, and we encourage you to prepare and complete as much business as you can during your appointment. Please be sure to call first to make an appointment before visiting your local FSA office.

Sincerely,

Benancio Cano, Jr. State Executive Director Farm Service Agency - Texas

From the NRCS State Conservationist



As we head into spring, our NRCS staff are assisting agricultural producers with accepting applications and developing conservation plans. Recently, we announced the Environmental Quality Incentives Program (EQIP) Southern Border Infrastructure Initiative for 34 counties along the border. There are 26 eligible practices identified for this initiative, including fencing, watering facility, range planting, livestock pipeline, and more. NRCS accepts applications

for conservation programs year-round; however, producers and landowners should apply by July 5, 2022, to be considered for this year's funding.

NRCS offices are accepting applications for the Environmental Quality Incentives
Program (EQIP) as part of the Regional Conservation Partnership Program (RCPP). This effort will only include the Oaks and Prairies Joint Venture (OPJV) - Grassland Restoration Incentives Program (GRIP) Partnership. Producers and landowners should apply by March 18, 2022, for this round of funding. We are accepting applications for National

<u>Water Quality Initiative</u> (NWQI) in Grayson, Collin, Fannin, Hunt Counties for the Lavon Lake watershed and Lampasas and Burnet Counties for the Lampasas River watershed. Interested landowners should apply by April 29.

Additionally, NRCS is working with agricultural producers and conservation partners to restore longleaf forests through the <u>Longleaf Pine Initiative</u> (LLPI), with applications being accepted until April 29 for current year's funding. This year, Texas NRCS will hold a special Environmental Quality Incentives Program (EQIP) sign-up for financial assistance for Sustainable Forestry and African American Land Retention (SFLR) participants in eight east Texas counties to address natural resource concerns while meeting their land management goals and objectives. Applications must be submitted by April 29 for producers to be considered for this year's funding.

I am proud to share this great success story of how partnership efforts can protect vital Texas agricultural land, <u>Honey Creek Spring Ranch Becomes Latest Conservation Achievement in Central Texas</u>. The Nature Conservancy, Texas Parks and Wildlife Department, and the Natural Resources Conservation Service helped protect 621 acres of key habitat in the Texas Hill Country.

Each February, we have the honor of celebrating generations of Black Americans whose courage, advocacy and patriotism have enriched our communities and strengthened our country. We will continue to fight for equity and increased access in our programs and services.

The <u>Inaugural Advisory Committee on Urban Agriculture</u> was announced. This committee includes 12 members who will provide input on policy development and help identify barriers to urban agriculture as USDA works to promote urban farming and the economic opportunities it provides in cities across the country.

A joint letter of support issued by USDA NRCS Chief Cosby and FSA Administrator Zach Ducheneaux was shared with staff to ensure everyone has the same understanding and guidance regarding urban conservation. Main key points in the letter:

- USDA services are available to those who produce food or fiber in urban areas.
- Land and other areas used for food production in urban areas, regardless of size, is eligible for farm and tract numbers.
- There is not a specific program for our urban agriculture efforts. We will use our existing program authorities to provide assistance.
- Many urban lands are suitable for providing foods to their local communities.
- For conservation programs, there is no minimum income level to be eligible to participate.

NRCS staff were invited to present at the Texas Organic Farmers and Gardeners Conference (TOFGA) in Georgetown with an attendance of 200, and a tour of a FarmShare Austin high tunnel building for 30 urban ag producers. NRCS also participated in the Grow Local South Texas small producer conference in Corpus Christi to share how our agency is working with smaller producers, organic and historically underserved farmers and ranchers on conservation efforts tailored for urban ag. The No Till Texas Soil Health Symposium was held in Amarillo and producers learned from experts, on new soil health techniques to assist in sustainability and profitability.

Sincerely,

Kristy Oates State Conservationist Natural Resources Conservation Service - Texas

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:

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

For more information on ARC and PLC, producers can visit the ARC and PLC webpage 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 level 2 eauthentication access can electronically sign contracts or may make arrangements to drop off signed contracts at the FSA county office. Because of the pandemic, some USDA Service Centers 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 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.

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.

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 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.

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.

FSA Offers Loan Servicing Options

There are options for Farm Service Agency (FSA) loan customers during financial stress. If you are a borrower who is unable to make payments on a loan, contact your local FSA Farm Loan Manager to learn about your options.

Texas NRCS Announces Additional 2022 Sign-up Period for Partnership Led Conservation Program

The USDA-Natural Resources Conservation Service (NRCS) in Texas is accepting applications for the Environmental Quality Incentives Program (EQIP) as part of the Regional Conservation Partnership Program (RCPP). This effort will only include the Oaks and Prairies Joint Venture (OPJV) – Grassland Restoration Incentives Program (GRIP) Partnership.

This special RCPP EQIP initiative is open to applicants in the Texas counties that have been described and approved as focal counties for the project. Producers and landowners can apply by March 18, 2022. All applications must be received by NRCS Field Offices by this date to be considered for this funding cycle. All interested and eligible producers in the project's identified counties are encouraged to apply.

The OPJV-GRIP RCPP project is available for production acreage in 30 counties: Archer, Austin, Baylor, Callahan, Clay, Colorado, Delta, Dewitt, Edwards, Ellis, Fayette, Fannin, Gonzales, Hunt, Karnes, Kinney, Lamar, Lavaca, Montague, Navarro, Real, Red River,

Shackelford, Stephens, Throckmorton, Uvalde, Val Verde, Washington, Wilson and Wise counties. The NRCS EQIP-RCPP assists landowners and producers who voluntarily implement conservation and management practices that aim to improve the conservation elements of their agriculture and grazing lands.

Producers should visit their <u>local USDA service center</u> before on March 18, 2022, to apply for this opportunity. If already a USDA client, a producer can submit applications online via Conservation <u>farmers.gov</u>; applications need to be directed through the established vetting process with the Oaks and Prairies Joint Venture to receive full consideration.

USDA Targets Funds in Texas to Help Producers with Infrastructure Repairs Along Southern Border

The U.S. Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS) in Texas is offering financial assistance to farmers and ranchers along the southern border currently impacted by damage to fields and farming infrastructure, including fencing and water structures.

Eligible counties in Texas include Brewster, Brooks, Cameron, Crockett, Culberson, Dimmit, Duval, Edwards, El Paso, Frio, Hidalgo, Hudspeth, Jeff Davis, Jim Hogg, Jim Wells, Kenedy, Kinney, Kleberg, La Salle, Live Oak, Maverick, McMullen, Pecos, Presidio, Reeves, Starr, Sutton, Terrell, Uvalde, Val Verde, Webb, Willacy, Zapata, and Zavala.

Funding is available through the <u>Environmental Quality Incentive Program</u> (EQIP), which provides financial and technical assistance to agricultural producers to address natural resource concerns and deliver environmental benefits.

NRCS accepts applications for conservation programs year-round, however, producers and landowners should apply by July 5, 2022 to be considered for this year's funding. Applications for this enrollment opportunity will be selected for funding by August 5, 2022. NRCS is allowing early start waivers and a shorter enrollment period.

Eligible producers can use the funds to implement eligible practices including fencing, watering facility, range planting, livestock pipeline, and more. To apply for EQIP assistance, producers should contact their <u>local USDA Service Center</u>.

El USDA destina fondos en Texas para ayudar a los productores a completar reparaciones de infraestructura en la frontera sur EQIP Border Initiative Fact Sheet - FY22 (PDF; 342 KB)

First Visit (PDF; 935 KB)

NRCS in a Nutshell (PDF; 184 KB)

NRCS in a Nutshell - Spanish (PDF; 702 KB)

RMA Extends Crop Insurance Flexibilities to June Due to COVID-19

Because of the ongoing impacts of the COVID-19 pandemic, the U.S. Department of Agriculture (USDA) is extending program flexibilities to Approved Insurance Providers (AIPs) and agricultural producers until June 30, 2022 or later.

Extended flexibilities include:

- Allowing notifications to be sent electronically, including policy related information over the phone or other electronic methods to select policy elections by sales closing, acreage reporting and production reporting dates, including options, endorsements and their forms. Producers may sign electronically or within 60 calendar days.
- Allowing producers to submit a request for a written agreement after the sales closing date.
- Allowing producers with inability to physically sign a written agreement because of COVID-19 to do so after the expiration date.
- Providing additional time for AIPs to accept Regional Office Determined Yield, Master Yield, and Irrigated Determined Yield requests for Category B (annual) crops.
- Allowing AIPs to request a 30-day extension to submit Determined Yield requests for Category C (perennial) crops.
- Waiving the witness signature requirement for approval of Assignments of Indemnity.

Additional details can be found in <u>RMA's Jan. 20, 2022 Manager's Bulletin</u>, the <u>frequently</u> asked questions or farmers.gov/coronavirus.

Additional Pandemic Assistance

These flexibilities are part of USDA's broader response to the COVID-19 pandemic. In 2021, RMA recently provided \$59.5 million in premium support for producers who planted cover crops on 12.2 million acres through the new Pandemic Cover Crop Program. Also, USDA's Pandemic Assistance for Producers has provided additional support for producers by improving and retargeting existing programs and creating new efforts, like PCCP, to reach a broader set of producers. USDA is currently accepting applications for the Spot Market Hog Pandemic Program by Apr. 15, 2022.

Crop insurance is sold and delivered solely through private crop insurance agents. A list of crop insurance agents is available at all USDA Service Centers and online at the RMA
Agent Locator. Learn more about crop insurance and the modern farm safety net at rma.usda.gov.



USDA in Texas

Farm Service Agency State Executive Director

Benancio Cano, Jr.

Farm Service Agency State Committee

Debra Barrett

Natural Resources Conservation Service State Conservationist

Kristy Oates