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From the FSA State Executive Director

Happy New Year! I am Benancio Cano, Jr., and it is a privilege to serve the farmers, ranchers, and FSA staff in Texas as State Executive Director. While I am not new to FSA, I look forward to learning more in this role and continuing to work with FSA staff and our stakeholders across Texas in delivering vital support to our farmers and ranchers.

As a reminder, livestock producers may be eligible for assistance through the Livestock Forage Disaster Program (LFP) for 2021 grazing losses.

More than 160 counties in Texas have met the qualifying drought ratings that trigger eligibility



for LFP. Applications for 2021 losses will be accepted through Jan. 30, 2022. Visit the FSA [Texas webpage](#) for a list of eligible counties and grazing crops.

[Agriculture Risk Coverage \(ARC\) and Price Loss Coverage \(PLC\)](#) enrollment for crop year 2022 is open. FSA is encouraging producers to contact their local USDA Service Centers to make or change elections and to enroll for 2022, providing future protections against market fluctuations. The election and enrollment period opened on Oct. 18, 2021 and runs through March 15, 2022.

USDA opened signup for 2022 enrollment in the [Dairy Margin Coverage \(DMC\) Program](#) as well as expanded the program to allow dairy producers to enroll supplemental production. 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 can and retroactively receive payments. The signup period for both DMC 2022 and Supplemental DMC will run from Dec. 13 to Feb. 18.

USDA has extended the deadline for agricultural producers who are certified organic, or transitioning to organic, to apply for the [Organic and Transitional Education and Certification Program](#) (OTECP). This program provides pandemic assistance to cover certification and education expenses. The deadline to apply for 2020 and 2021 eligible expenses is now Feb. 4, 2022, rather than the original deadline of Jan. 7, 2022.

Depending on local COVID conditions, some [USDA Service Centers](#) may not be accepting visitors. Service Center staff continue to take phone and virtual appointments, and we encourage you to prepare and complete as much business as you can during your appointment.

Sincerely,

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

From the NRCS State Conservationist



During the virtual 4th annual Texas Hispanic Farmer and Rancher Conference on January 12, I shared what USDA Natural Resources Conservation Service (NRCS) offers in voluntary conservation technical and financial assistance for urban and small producer. Conference recordings will be posted [here](#) when available.

Just a reminder, we accept applications year-round for the Environmental Quality Incentive Program (EQIP), application should be submitted by Feb. 11, 2022, to be considered for conservation funding in fiscal year 2022. Contact your county NRCS office for more information on technical and financial assistance that can help you make improvements on your agricultural land.

Texas NRCS will be announcing the [Conservation Incentive Contracts](#) through the Environmental Quality Incentives Program (EQIP). Originally a pilot program in 2021, this will be offered in all states to provide financial assistance to adopt conservation activities on working landscapes. The 2018 Farm Bill created the new Conservation Incentive Contracts

option to address high-priority conservation and natural resource concerns and serve as a steppingstone between EQIP and the Conservation Stewardship Program.

There are some great events for agricultural producers coming up:

The [National Cattleman's Beef Association's CattleCon](#) and trade show will be held Feb. 1-3 in Houston at the George R. Brown Convention Center.

Grow Local South Texas will hold their [Small Producer Conference](#) in Corpus Christi on Feb. 11.

[Farming for the Future](#) will be held Feb. 15-16 in Salado and will provide detailed information on advanced regenerative ag techniques, soil health testing and interpretation, and soil carbon and nutrient cycling.

The [No Till Texas Soil Health Symposium](#) will be held February 15-16 in Amarillo and will offer an opportunity to learn from experts, interact with producers, and discover new techniques that assist in sustainability and profitability. For more upcoming agricultural events, visit the [NRCS Calendar of Events](#).

Working with our partners, Pheasants Forever and Quail Forever is seeking a [Precision Agriculture and Conservation Specialist position](#) in the Panhandle area of Texas. Application deadline is February 5, 2022 (11:59 PM Eastern Time).

Treat the soil with love for February!

Sincerely,

Kristy Oates
State Conservationist
Natural Resources Conservation Service - Texas

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.

2022 Agriculture Risk Coverage and Price Loss Coverage Elections and Enrollment

USDA's Farm Service Agency (FSA) is encouraging producers to contact their local USDA Service Centers to make or change elections and to enroll for 2022 ARC or PLC, providing future protections against market fluctuations. The election and enrollment period opened on Oct. 18, 2021 and runs through March 15, 2022.

2022 Elections and Enrollment

Producers can elect coverage and enroll in ARC-CO or PLC, which are both crop-by-crop, or ARC-IC, 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 deadline of March 15, 2022, 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 farm.

Covered commodities include 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.

Web-Based Decision Tools

In partnership with USDA, the University of Illinois and Texas A&M University offer web-based decision tools to assist producers in making informed, educated decisions using crop data specific to their respective farming operations. Tools include:

- [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 allows producers to estimate payments and yield updates and expected payments for 2022.

Crop Insurance Considerations

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.

More Information

For more information on ARC and PLC, visit the [ARC and PLC webpage](#) or contact your local [USDA Service Center](#).

Deadline Extended to Apply for Pandemic Support for Certified Organic and Transitioning Operations

The U.S. Department of Agriculture (USDA) has extended the deadline for agricultural producers who are certified organic, or transitioning to organic, to apply for the Organic and Transitional Education and Certification Program (OTECP). This program provides pandemic assistance to cover certification and education expenses. The deadline to apply for 2020 and 2021 eligible expenses is now Feb. 4, 2022, rather than the original deadline of Jan. 7, 2022.

Signup for OTECP, administered by USDA's Farm Service Agency (FSA), began Nov. 8.

Certified operations and transitional operations may apply for OTECP for eligible expenses paid during the 2020, 2021 and 2022 fiscal years. Signup for the 2022 fiscal year will be announced at a later date.

For each year, OTECP covers 25% of a certified operation's eligible certification expenses, up to \$250 per certification category (crop, livestock, wild crop, handling and State Organic Program fee). This includes application fees, inspection fees, USDA organic certification costs, state organic program fees and more.

Crop and livestock operations transitioning to organic production may be eligible for 75% of a transitional operation's eligible expenses, up to \$750, for each year. This includes fees charged by a certifying agent or consultant for pre-certification inspections and development of an organic system plan.

For both certified operations and transitional operations, OTECP covers 75% of the registration fees, up to \$200, per year, for educational events that include content related to organic production and handling in order to assist operations in increasing their knowledge of

production and marketing practices that can improve their operations, increase resilience and expand available marketing opportunities. Additionally, both certified and transitional operations may be eligible for 75% of the expense of soil testing required under the National Organic Program (NOP) to document micronutrient deficiency, not to exceed \$100 per year.

Producers apply through their local FSA office and can also obtain one-on-one support with applications by calling 877-508-8364. The program application and additional information can be found at farmers.gov/otecp.

Additional Organic Support

OTECP builds upon USDA's [Organic Certification Cost Share Program \(OCCSP\)](#) which provides cost share assistance of 50%, up to a maximum of \$500 per scope, to producers and handlers of agricultural products who are obtaining or renewing their certification under the NOP. Although the application period for OCCSP ended Nov. 1, 2021, FSA will consider late-filed applications for those operations who still wish to apply.

Meanwhile, USDA's Risk Management Agency (RMA) recently [made improvements to Whole-Farm Revenue Protection](#) to make it more flexible and accessible to organic producers.

To learn more about USDA's broader assistance for organic producers, visit usda.gov/organic.

USDA Provides Additional Pandemic Assistance to Hog Producers

The U.S. Department of Agriculture (USDA) announced a new program to assist hog producers who sold hogs through a negotiated sale during the period in which these producers faced the greatest reduction in market prices due to the COVID-19 pandemic. The Spot Market Hog Pandemic Program (SMHPP) is part of USDA's [Pandemic Assistance for Producers](#) initiative and addresses gaps in previous assistance for hog producers. USDA's Farm Service Agency (FSA) will accept applications Dec. 15, 2021 through Feb. 25, 2022.

SMHPP provides assistance to hog producers who sold hogs through a negotiated sale from April 16, 2020 through Sept. 1, 2020. Negotiated sale, or negotiated formula sale, means a sale of hogs by a producer to a packer under which the base price for the hogs is determined by seller-buyer interaction and agreement on a delivery day. USDA is offering SMHPP as packer production was reduced due to the COVID-19 pandemic due to employee illness and supply chain issues, resulting in fewer negotiated hogs being procured and subsequent lower market prices.

The Department has set aside up to \$50 million in pandemic assistance funds through the Coronavirus Aid, Relief and Economic Security (CARES) Act for SMHPP.

SMHPP Program Details

Eligible hogs include hogs sold through a negotiated sale by producers between April 16, 2020, and Sept. 1, 2020. To be eligible, the producer must be a person or legal entity who has ownership in the hogs and whose production facilities are located in the United States, including U.S. territories. Contract producers, federal, state and local governments, including public schools and packers are not eligible for SMHPP.

SMHPP payments will be calculated by multiplying the number of head of eligible hogs, not to exceed 10,000 head, by the payment rate of \$54 per head. FSA will issue payments to eligible hog producers as applications are received and approved.

Applying for Assistance

Eligible hog producers can apply for SMHPP starting Dec. 15, 2021, by completing the FSA-940, Spot Market Hog Pandemic Program application. Additional documentation may be required. Visit farmers.gov/smhpp for a copy of the Notice of Funds Availability, information on applicant eligibility and more information on how to apply.

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

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 USDA Service Center or visit fsa.usda.gov/crp.

Submit Loan Requests for Financing Early

Farm Loan teams in Texas already working on operating loans for spring 2022 and ask potential borrowers to submit their requests early so they can be timely processed. The farm loan teams 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.

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.

USDA Invests \$2 Million in Risk Management Education for Historically Underserved and Small-Scale Producers

The U.S. Department of Agriculture (USDA) is investing up to \$2 million in cooperative agreements this year for risk management education and training programs that support historically underserved producers, small-scale farmers, and conservation practices. USDA's Risk Management Agency (RMA) is investing in organizations, such as nonprofit organizations, universities, and county cooperative extension offices, to develop training and education tools to help producers learn how to effectively manage long-term risks and challenges.

RMA works with partners to assist producers, especially historically underserved, farmers and ranchers, in effectively managing long-term risks and challenges. RMA re-established its support of risk management education in 2021, investing nearly \$1 million in nine risk management education projects. From 2002 to 2018, RMA provided annual funding for risk management education projects, supporting more than \$126 million worth of projects in historically underserved communities.

How Organizations Can Apply

A broad range of risk management training activities are eligible for funding consideration, including training on Federal crop insurance options, record keeping, financial management, non-insurance-based risk management tools, and natural disaster preparedness among

others. Partners can also train farmers at all levels on risk management options that help secure local food systems.

This selection process is competitive, and RMA will prioritize projects focused on underserved, organic, and specialty crop producers. Additionally, organizations providing training related to climate change, wildfire response, local foods, and urban ag will also be given stronger consideration.

Interested organizations must apply by 5:59 pm Eastern Time on March 11 through the Results Verification System at rvs.umn.edu.

[Learn more.](#)

Conservation and Crop Insurance

America's agricultural communities are on the frontlines crafting solutions to address climate change and improve the environment. RMA is supporting conservation-minded farmers and ranchers by creating new and improving insurance options for producers. Whether it's the use of cover crops, water management for quality and quantity, methods to improve nutrient cycling and carbon sequestration, or other climate-smart practices, the right crop insurance products and programs can serve as a strong foundation for your agricultural operation.

Learn more at rma.usda.gov/topics/conservation.



USDA in Texas

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