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### **Dates to Remember**

June 7, 2022: USDA-NRCS Public Conservation Virtual Meeting

**June 10, 2022:** Deadline to Submit applications for funding through the <u>Partnerships for Climate-Smart Commodities</u>

**June 13, 2022:** Deadline to submit New or Modified Proposals for <u>State Acres for Wildlife</u> <u>Enhancement Program (SAFE)</u>

June 20, 2022: USDA Service Centers Closed in Observance of Juneteenth

July 4, 2022: USDA Service Centers Closed in Observance of Independence Day

**July 15, 2022:** Acreage Reporting Deadline for Barley, Corn Dry Beans, Forage Seeding, Grain Sorghum, Green Peas, Mint, Oats, Onions, Popcorn, Potatoes, Soybeans, Sweet Corn and Whole Farm Revenue

# USDA to Allow Producers to Request Voluntary Termination of Conservation Reserve Program Contract

The U.S. Department of Agriculture (USDA) will allow Conservation Reserve Program (CRP) participants who are in the final year of their CRP contract to request voluntary termination of their CRP contract following the end of the primary nesting season for fiscal year 2022. Participants approved for this one-time, voluntary termination will not have to repay rental payments, a flexibility implemented this year to help mitigate the global food supply challenges caused by the Russian invasion of Ukraine and other factors. Today, USDA also announced additional flexibilities for the Environmental Quality Incentives Program (EQIP) and Conservation Stewardship Program (CSP).

FSA is <u>mailing letters to producers</u> with expiring acres that detail this flexibility and share other options, such as re-enrolling sensitive acres in the CRP Continuous signup and considering growing organic crops. Producers will be asked to make the request for voluntary termination in writing through their local USDA Service Center.

If approved for voluntary termination, preparations can occur after the conclusion of the <u>primary nesting season</u>. Producers will then be able to hay, graze, begin land preparation activities and plant a fall-seeded crop before October 1, 2022. For land in colder climates, this flexibility may allow for better establishment of a winter wheat crop or better prepare the land for spring planting.

#### **Organic Considerations**

Since CRP land typically does not have a recent history of pesticide or herbicide application, USDA is encouraging producers to consider organic production. USDA's Natural Resources Conservation Service (NRCS) provides technical and financial assistance to help producers plan and implement conservation practices, including those that work well for organic operations, such as pest management and mulching. Meanwhile, FSA offers cost-share for certification costs and other fees.

#### Other CRP Options

Participants can also choose to enroll all or part of their expiring acres into the Continuous CRP signup for 2022. Important conservation benefits may still be achieved by re-enrolling sensitive acres such as buffers or wetlands. Expiring water quality practices such as filter strips, grass waterways, and riparian buffers may be eligible to be reenrolled under the Clean Lakes, Estuaries, and Rivers (CLEAR) and CLEAR 30 options under CRP. Additionally, expiring continuous CRP practices such as shelterbelts, field windbreaks, and other buffer practices may also be re-enrolled to provide benefits for organic farming operations.

If producers are not planning to farm the land from their expiring CRP contract, the Transition Incentives Program (TIP) may also provide them two additional annual rental payments after their contract expires on the condition that they sell or rent their land to a beginning or veteran farmer or rancher or a member of a socially disadvantaged group.

Producers interested in the Continuous CRP signup, CLEAR 30, or TIP should contact FSA by Aug. 5, 2022.

#### **NRCS Conservation Programs**

USDA also encourages producers to consider NRCS conservation programs, which help producers integrate conservation on croplands, grazing lands and other agricultural landscapes. EQIP and CSP can help producers plant cover crops, manage nutrients and improve irrigation and grazing systems. Additionally, the Agricultural Conservation Easement Program (ACEP), or state or private easement programs, may be such an option. In many cases, a combination of approaches can be taken on the same parcel. For example, riparian areas or other sensitive parts of a parcel may be enrolled in continuous CRP and the remaining land that is returned to farming can participate in CSP or EQIP and may be eligible to receive additional ranking points.

#### Other Flexibilities to Support Conservation

Additionally, NRCS is also offering a new flexibility for EQIP and CSP participants who have cover cropping including in their existing contracts. NRCS will allow participants to either modify their plans to plant a cover crop (and instead shift to a conservation crop rotation) or delay their cover crop plans a year, without needing to terminate the existing contract. This will allow for flexibility to respond to market signals while still ensuring the conservation benefits through NRCS financial and technical assistance for participating producers.

#### **More Information**

Producers and landowners can learn more about these options by contacting FSA and NRCS at their local <u>USDA Service Center</u>.

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 usda.gov.

# **USDA Reminds Producers Considering Broadcast Seeding of Crop Insurance Options**

The U.S. Department of Agriculture (USDA) reminds agricultural producers of the option to request an Unrated Practice or Type (TP) written agreement through their insurance company to insure broadcast seeded crops when the policy prohibits the practice or is unavailable for the crop in the county. The broadcast practice may be suitable when

producers are delayed from planting timely because of cold, wet weather during the planting period.

If the requirements of a written agreement request are met, broadcast seeding may be made insurable under the non-conventional practice, which is a crop that is planted in a two-step operation:

- the seed is first broadcast by any method onto the surface of a seedbed, which
  has been properly prepared for the planting method and production practice; and
- the seed is subsequently incorporated into the soil at the proper depth in a timely manner.

**Read More** 

### **Current FSA Loan Interest Rates**

Current loan rates as of June 1, 2022.

#### Farm Loan Interest Rates:

Farm Operating - Direct	3.625%
Farm Operating - Microloan	5.000%
Farm Ownership - Direct	3.750%
Farm Ownership - Microloan	5.000%
Farm Ownership - Direct, Joint Financing	2.500%
Farm Ownership - Down Payment	1.500%
Emergency - Amount of Actual Loss	3.750%

#### Farm Storage Facility Loans (FSFL):

3-year FSFL	2.875%
5-year FSFL	2.875%
7-year FSFL	3.000%
10-year FSFL	2.875%
12-year FSFL	3.000%

Please visit the Farm Loan Program webpage for more information.

# USDA to Provide \$6 billion to Commodity and Specialty Crop Producers Impacted by 2020 and 2021 Natural Disasters

The U. S Department of Agriculture (USDA) announced that commodity and specialty crop producers impacted by natural disaster events in 2020 and 2021 will soon begin receiving emergency relief payments totaling approximately \$6 billion through the Farm

Service Agency's (FSA) new <u>Emergency Relief Program (ERP)</u> to offset crop yield and value losses.

#### **Background**

On September 30, 2021, President Biden signed into law the *Extending Government Funding and Delivering Emergency Assistance Act* (P.L. 117-43), which includes \$10 billion in assistance to agricultural producers impacted by wildfires, droughts, hurricanes, winter storms, and other eligible disasters experienced during calendar years 2020 and 2021. FSA recently made payments to ranchers impacted by drought and wildfire through the first phase of the Emergency Livestock Relief Program (ELRP). ERP is another relief component of the Act.

For impacted producers, existing Federal Crop Insurance or Noninsured Crop Disaster Assistance Program (NAP) data is the basis for calculating initial payments. USDA estimates that phase one ERP benefits will reach more than 220,000 producers who received indemnities for losses covered by federal crop insurance and more than 4,000 producers who obtained NAP coverage for 2020 and 2021 crop losses.

#### **ERP Eligibility - Phase One**

ERP covers losses to crops, trees, bushes, and vines due to a qualifying natural disaster event in calendar years 2020 and 2021. Eligible crops include all crops for which crop insurance or NAP coverage was available, except for crops intended for grazing. Qualifying natural disaster events include wildfires, hurricanes, floods, derechos, excessive heat, winter storms, freeze (including a polar vortex), smoke exposure, excessive moisture, qualifying drought, and related conditions.

For drought, ERP assistance is available if any area within the county in which the loss occurred was rated by the U.S. Drought Monitor as having a:

- D2 (severe drought) for eight consecutive weeks; or
- D3 (extreme drought) or higher level of drought intensity.

Lists of <u>2020</u> and <u>2021</u> drought counties eligible for ERP is available on the emergency relief website.

To streamline and simplify the delivery of ERP phase one benefits, FSA will send pre-filled application forms to producers where crop insurance and NAP data are already on file. This form includes eligibility requirements, outlines the application process and provides ERP payment calculations. Producers will receive a separate application form for each program year in which an eligible loss occurred. Receipt of a pre-filled application is not confirmation that a producer is eligible to receive an ERP phase one payment.

Additionally, producers must have the following forms on file with FSA within 60 days of the ERP phase one deadline, which will later be announced by FSA's Deputy Administrator for Farm Programs:

• Form AD-2047, Customer Data Worksheet.

- Form CCC-902, Farm Operating Plan for an individual or legal entity.
- Form CCC-901, Member Information for Legal Entities (if applicable).
- Form FSA-510, Request for an Exception to the \$125,000 Payment Limitation for Certain Programs (if applicable).
- Form CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification, if applicable, for the 2021 program year.
- A highly erodible land conservation (sometimes referred to as HELC) and wetland conservation certification (Form AD-1026 Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification) for the ERP producer and applicable affiliates.

Most producers, especially those who have previously participated in FSA programs, will likely have these required forms on file. However, those who are uncertain or want to confirm the status of their forms can contact their <u>local FSA</u> county office.

#### **ERP Payment Calculations - Phase One**

For crops covered by crop insurance, the ERP phase one payment calculation for a crop and unit will depend on the type and level of coverage obtained by the producer. Each calculation will use an ERP factor based on the producer's level of crop insurance or NAP coverage.

- **Crop Insurance** the ERP factor is 75% to 95% depending on the level of coverage ranging from catastrophic to at least 80% coverage.
- **NAP** the ERP factor is 75% to 95% depending on the level of coverage ranging from catastrophic to 65% coverage.

Full ERP payment calculation factor tables are available on the emergency relief website and in the program <u>fact sheet</u>.

Applying ERP factors ensures that payments to producers do not exceed available funding and that cumulative payments do not exceed 90% of losses for all producers as required by the Act.

Also, there will be certain payment calculation considerations for area plans under crop insurance policies.

The ERP payment percentage for historically underserved producers, including beginning, limited resource, socially disadvantaged, and veteran farmers and ranchers will be increased by 15% of the calculated payment for crops having insurance coverage or NAP.

To qualify for the higher payment percentage, eligible producers must have a CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification, form on file with FSA for the 2021 program year.

Because the amount of loss due to a qualifying disaster event in calendar years 202 and 2021 cannot be separated from the amount of loss caused by other eligible causes of loss as defined by the applicable crop insurance or NAP policy, the ERP phase one payment will be calculated based on the producer's loss due to all eligible causes of loss.

#### **Future Insurance Coverage Requirements**

All producers who receive ERP phase one payments, including those receiving a payment based on crop, tree, bush, or vine insurance policies, are statutorily required to purchase crop insurance, or NAP coverage where crop insurance is not available, for the next two available crop years, as determined by the Secretary. Participants must obtain crop insurance or NAP, as may be applicable:

- At a coverage level equal to or greater than 60% for insurable crops; or
- At the catastrophic level or higher for NAP crops.

Coverage requirements will be determined from the date a producer receives an ERP payment and may vary depending on the timing and availability of crop insurance or NAP for a producer's particular crops. The final crop year to purchase crop insurance or NAP coverage to meet the second year of coverage for this requirement is the 2026 crop year.

#### **Emergency Relief – Phase Two (Crop and Livestock Producers)**

Today's announcement is only phase one of relief for commodity and specialty crop producers. Making the initial payments using existing safety net and risk management data will both speed implementation and further encourage participation in these permanent programs, such as Federal crop insurance, as Congress intended.

The second phase of both ERP and ELRP programs will fill gaps and cover producers who did not participate in or receive payments through the existing programs that are being leveraged for phase one implementation. When phase one payment processing is complete, the remaining funds will be used to cover gaps identified under phase two.

Through proactive communication and outreach, USDA will keep producers and stakeholders informed as program details are made available. More information on ERP can be found in the <u>Notice of Funding Availability</u>.

#### **Additional Commodity Loss Assistance**

The Milk Loss Program and On-Farm Stored Commodity Loss Program are also funded through the *Extending Government Funding and Delivering Emergency Assistance Act* and will be announced in a future rule in the Federal Register.

#### More Information

Additional USDA disaster assistance information can be found on farmers.gov,

including the <u>Disaster Assistance Discovery Tool</u>, <u>Disaster-at-a-Glance fact sheet</u>, and <u>Farm Loan Discovery Tool</u>. For FSA and Natural Resources Conservation Service programs, producers should contact their local <u>USDA Service Center</u>. For assistance with a crop insurance claim, producers and landowners should contact their crop insurance agent.

# First Round of Proposals for Partnerships for Climate-Smart Commodities Shows Strong Interest

Agriculture Secretary Tom Vilsack announced that the first round of funding through the new Partnerships for Climate-Smart Commodities received over 450 proposals ranging from \$5 million to \$100 million each. The deadline for these large-scale proposals closed on Friday, May 6, 2022. The applications USDA received came from over 350 groups, including nonprofit, for-profit and government entities; farmer cooperatives; conservation, energy and environmental groups; state, tribal and local governments; universities (including minority serving institutions); small businesses and large corporations. The applications covered every state in the nation as well as tribal lands, D.C. and Puerto Rico, which demonstrates the tremendous geographic scope of this need.

Proposals in the first funding pool include large-scale pilot projects that emphasize the greenhouse gas benefits of climate-smart commodity production and include direct, meaningful benefits to a representative cross-section of production agriculture, including small and/or historically underserved producers.

Prior to the first deadline, a detailed informational webinar on all aspects of the funding opportunity was shared with over 1,000 registrants and was recorded and posted on USDA's website for many more to view. USDA also hosted six meet and greet webinars with a unique opportunity for partners from all backgrounds to connect and share or seek expertise for the funding opportunity. These participant lists from the meet and greet webinars are also posted on USDA's website to allow for additional connections.

Over the next few months, USDA will evaluate these applications for completeness and rank them based on the technical criteria provided in the funding opportunity. Awards for the first round of funding are anticipated later this summer.

#### **Second Funding Pool Deadline**

The deadline for the second round of funding is on Friday, June 10, 2022, at 11:59 p.m. Eastern. This funding pool includes proposals from \$250,000 to \$4,999,999 that emphasize the enrollment of small and/or underserved producers, and/or monitoring, reporting and verification activities developed at minority-serving institutions.

#### **More Information**

# 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>.

# USDA Accepting Applications to Help Cover Costs of Organic, Transitioning Producers

Agricultural producers and handlers who are certified organic, along with producers and handlers who are transitioning to organic production, can now apply for the U.S. Department of Agriculture's (USDA) <u>Organic and Transitional Education Certification Program</u> (OTECP) and <u>Organic Certification Cost Share Program</u> (OCCSP), which help producers and handlers cover the cost of organic certification, along with other related expenses. Applications for OTECP and OCCSP are both due October 31, 2022.

#### OTECP covers:

- Certification costs for organic producers and handlers (25% up to \$250 per category).
- Eligible expenses for transitional producers, including fees for pre-certification inspections and development of an organic system plan (75% up to \$750).
- Registration fees for educational events (75% up to \$200).

• Soil testing (75% up to \$100).

Meanwhile, OCCSP covers 50% or up to \$500 per category of certification costs in 2022.

This cost share for certification is available for each of these categories: crops, wild crops, livestock, processing/handling and State organic program fees.

Producers can receive cost share through both OTECP and OCCSP. Both OTECP and OCCSP cover costs incurred from October 1, 2021, to September 30, 2022. Producers have until October 31, 2022 to file applications, and FSA will make payments as applications are received.

To apply, producers and handlers should contact the Farm Service Agency (FSA) at their local USDA Service Center. As part of completing the OCCSP applications, producers and handlers will need to provide documentation of their organic certification and eligible expenses. Organic producers and handlers may also apply for OCCSP through participating State agencies.

Additional details can be found on the OTECP and OCCSP webpages.

## **Know your Final Planting Dates**

All producers are encouraged to contact their local FSA office for more information on the final planting date for specific crops. The final planting dates vary by crop, planting period and county so please contact your local FSA office for a list of county-specific planting deadlines. The timely planting of a crop, by the final planting date, may prevent loss of program benefits.

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