

Idaho FSA Newsletter - July 12, 2022

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

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Important Dates

- July 15, 2022: Final acreage reporting date for all spring crops
- August 1, 2022: Nominations Close for 2022 County Committee (COC) elections
- September 5, 2022: Office Closed in Observance of Labor Day

Click here to learn more about local deadlines and ongoing programs

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</u> <u>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 USDA Service Center.

FSA Outlines MAL and LDP Policy

The 2018 Farm Bill extends loan authority through 2023 for Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs).

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, pulse crops, rice, peanuts, cotton, wool and honey. MALs provide you with interim financing after harvest to help you meet cash flow needs without having to sell your commodities when market prices are typically at harvest-time lows. A producer who is eligible to obtain a loan, but agrees to forgo the loan, may obtain an LDP if such a payment is available. Marketing loan provisions and LDPs are not available for sugar and extra-long staple cotton.

FSA is now accepting requests for 2022 MALs and LDPs for all eligible commodities after harvest. Requests for loans and LDPs shall be made on or before the final availability date for the respective commodities.

Commodity certificates are available to loan holders who have outstanding nonrecourse loans for wheat, upland cotton, rice, feed grains, pulse crops (dry peas, lentils, large and small chickpeas), peanuts, wool, soybeans and designated minor oilseeds. These certificates can be purchased at the posted county price (or adjusted world price or national posted price) for the quantity of commodity under loan, and must be immediately exchanged for the collateral, satisfying the loan. MALs redeemed with commodity certificates are not subject to Adjusted Gross Income provisions.

To be considered eligible for an LDP, you must have form CCC-633EZ, Page 1 on file at your local FSA Office before losing beneficial interest in the crop. Pages 2, 3 or 4 of the form must be submitted when payment is requested.

Marketing loan gains (MLGs) and loan deficiency payments (LDPs) are no longer subject to payment limitations, actively engaged in farming and cash-rent tenant rules.

Adjusted Gross Income (AGI) provisions state that if your total applicable three-year average AGI exceeds \$900,000, then you're not eligible to receive an MLG or LDP. You must have a valid CCC-941 on file to earn a market gain of LDP. The AGI does not apply to MALs redeemed with commodity certificate exchange.

For more information and additional eligibility requirements, contact your local County USDA Service Center or visit <u>fsa.usda.gov</u>.

Policy Updates for Acreage Reporting

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Eligibility for Nominations for the 2022 County Committee Elections

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) county committees are a critical component of the day-to-day operations of FSA and allow grassroots input and local administration of federal farm programs.

Committees are comprised of locally elected agricultural producers responsible for the fair and equitable administration of FSA farm programs in their counties. Committee members are accountable to the Secretary of Agriculture. If elected, members become part of a local decision making and farm program delivery process.

A county committee is composed of three to 11 elected members from local administrative areas (LAA). Each member serves a three-year term. To be eligible for nomination and hold office as a committee member or alternate, a person must fulfill each of the following requirements: (1) be a producer with an interest in farming or ranching operations, (2) participate or cooperate in any FSA program provided for by law, (3) be a U.S. citizen, (4) be of legal voting age, (5) meet the basic eligibility requirements, and (6) reside in the county or multi-county jurisdiction in which they will be serving. A cooperating producer is someone who has provided information about their farming or ranching operation(s) but may not have applied or received FSA program benefits.

All nomination forms for the 2022 election must be postmarked or received in the local USDA Service Center by Aug. 1, 2022. For more information on FSA county committee elections and appointments, refer to the FSA fact sheet: *Eligibility to Vote and Hold Office as a COC Member* available online at: **fsa.usda.gov/elections.**

USDA Has Issued More Than \$4 Billion in Emergency Relief Program Payments to Date

Agriculture Secretary Tom Vilsack announced that to date, agricultural producers have already received more than \$4 billion through the Emergency Relief Program (ERP), representing approximately 67% of the more than \$6 billion projected to be paid through this first phase of the program. The U.S. Department of Agriculture (USDA) mailed out pre-filled applications in late May to producers with crop insurance who suffered losses due to natural disasters in 2020 and 2021. Commodity and specialty crop producers have until July 22 to complete applications.

USDA is implementing ERP and ELRP in two phases, with the first phase utilizing existing claim data to provide relief expediently, and the second phase focusing on ensuring producers not covered by other programs receive assistance. For phase one, USDA used crop insurance and Noninsured Crop Disaster Assistance Program (NAP) claim data.

Both ERP and the previously announced Emergency Livestock Relief Program (ELRP) are funded by the *Extending Government Funding and Delivering Emergency Assistance Act*, which President Biden signed into law in 2021. The law provided \$10 billion to help agricultural producers impacted by wildfires, droughts, hurricanes, winter storms and other eligible disasters experienced during calendar years 2020 and 2021, of which \$750 million is committed to livestock producers who experienced losses to drought or wildfire in calendar year 2021. Eligible livestock producers received ELRP payments totaling more than \$590 million since the program was rolled out in late March.

Pre-Filled Applications

Eligible producers with eligible crop insurance claims have received pre-filled applications, which included eligibility requirements and payment calculations. Producers received a separate application form for each program year in which they experienced an eligible loss.

Producers should check with the Farm Service Agency (FSA) at their local <u>USDA Service Center</u> to confirm eligibility and to ensure that all required farm program participation, adjusted gross income and conservation compliance forms are on file. Producers who have previously participated in FSA programs likely have these required forms already on file.

ERP provisions allow for a higher payment percentage for historically underserved producers, including beginning, limited resource, socially disadvantaged and military veteran producers. To qualify for the higher payment rate, individuals must have a Form CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification on file.

To receive a payment, producers must complete and submit their forms by the July 22 deadline. Once the completed ERP application for payment is submitted to and signed by the FSA, producers enrolled in direct deposit should look for their payment within three business days.

Additional Assistance through Phase One

FSA will be sending pre-filled applications for about 9,000 eligible producers with NAP coverage in mid-July.

The Federal crop insurance data used to populate ERP phase one pre-filled applications included claim data on file with USDA's Risk Management Agency (RMA) as of May 2, 2022. At that time, claim data for the Supplemental Coverage Option (SCO), Enhanced Coverage Option (ECO), Stacked Income Protection Plan (STAX), Margin Protection Plan (MP) or Area Risk Protection Insurance (ARPI) were not complete, so crop/units including these coverage options were not included in the pre-filled ERP application form. In late summer 2022, updated claim information will be used to generate a second pre-filled application for those crop/units with eligible losses on file with RMA not included in the first mailing.

More Information

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.

All producers who receive ERP phase one payments are statutorily required to purchase crop insurance or NAP coverage where crop insurance is not available for the next two available crop years.

Producers should contact their local <u>Service Center</u> if they have questions. Additionally, other resources include:

- ERP fact sheet
- ERP Webpage
- "Top 6 Emergency Relief Program Checklist" blog on farmers.gov
- May 16, 2022, news release

The second phase of both ERP and ELRP will be aimed at filling gaps and providing assistance to producers who did not participate in or receive payments through the existing programs that are being leveraged for phase one implementation. Through proactive communication and outreach, USDA will keep producers and stakeholders informed as program details are made available.

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 farmers.gov 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>.



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Note: To check the status of your FSA Farm Loan (FLP) account, call 1-888-518-4983 or check with your local office. To find contact information for your local office go to www.fsa.usda.gov/id