Maryland USDA Updates

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U.S. DEPARTMENT OF AGRICULTURE

Maryland USDA Updates - July 21, 2021

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

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USDA Reminds Maryland Producers to File Crop Acreage Reports

Agricultural producers who have not yet completed their <u>cropacreage reports</u> after spring planting should make an appointment with their County Farm Service Agency (FSA) before the applicable *July 15th* deadline.

An acreage report documents a crop grown on a farm or ranch and its intended uses. Filing an accurate and timely acreage report for all crops and land uses, including failed acreage and prevented planted acreage, can prevent the loss of benefits.



How to File a Report

Service Center staff continue to work with agricultural producers via phone, email, and other digital tools. Because of the pandemic, some <u>USDA Service Centers</u> are open to limited visitors. Contact your County FSA office to set up an in-person or phone appointment.

To file a crop acreage report, you will need to provide:

- Crop and crop type or variety.
- Intended use of the crop.
- Number of acres of the crop.
- Map with approximate boundaries for the crop.
- Planting date(s).
- Planting pattern, when applicable.
- Producer shares.
- Irrigation practice(s).
- Acreage prevented from planting, when applicable.
- Other information as required.

Acreage Reporting Details

The following exceptions apply to acreage reporting dates:

- If the crop has not been planted by the acreage reporting date, then the acreage must be reported no later than 15 calendar days after planting is completed.
- If a producer acquires additional acreage after the acreage reporting date, then the acreage must be reported no later than 30 calendar days after purchase or acquiring the lease. Appropriate documentation must be provided to the county office.

Producers should also report crop acreage they intended to plant, but due to natural disaster, were unable to plant. Prevented planting acreage must be reported on form CCC-576, Notice of Loss, no later than 15 calendar days after the final planting date as established by FSA and USDA's Risk Management Agency.

Noninsured Crop Disaster Assistance Program (NAP) policy holders should note that the acreage reporting date for NAP-covered crops is the earlier of the dates listed above or 15 calendar days before grazing or harvesting of the crop begins.

More Information

For questions, please contact your local County FSA office.

USDA Announces Dates for Conservation Reserve Program General and Grasslands Signups

The U.S. Department of Agriculture (USDA) has set a **July 23**, **2021**, deadline for agricultural producers and landowners to apply for the Conservation Reserve Program (CRP) General

signup 56. Additionally, USDA's Farm Service Agency (FSA) will accept applications for CRP Grasslands from **July 12 to August 20.** This year, USDA updated both signup options to provide greater incentives for producers and increase its conservation benefits, including reducing the impacts of climate change.

Both signups are competitive and will provide for annual rental payments for land devoted to conservation purposes.

"Bottom line, CRP now makes more financial sense for producers while also providing a bigger return on investment in terms of natural resource benefits. The General and Grasslands signups are part of a broader suite of tools available through CRP to integrate key conservation practices on our nation's working lands."

General Signup

Through CRP, 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. Lands enrolled in CRP also play a key role in mitigating impacts from climate change, and FSA has added a new Climate-Smart Practice Incentive for practices that sequester carbon and reduce greenhouse gas emissions.

FSA is also adding a one-time "inflationary" adjustment for payment rates, as well as having more flexibility on adjusting soil rental rates.

FSA opened the <u>General Signup</u> in January 2021 and extended the original deadline to July 23, 2021, to enable producers to consider FSA's new improvements to the program.

Grasslands Signup

<u>CRP Grasslands</u> helps landowners and operators protect grassland, including rangeland, and pastureland and certain other lands, while maintaining the areas as grazing lands. Protecting grasslands contributes positively to the economy of many regions, provides biodiversity of plant and animal populations, and improves environmental guality.

FSA has updated the Grasslands Signup to establish a minimum rental rate of \$15 per acre, as well as new National Grassland Priority Zones.

How to Sign Up

To enroll in the CRP General signup, producers and landowners should contact their local <u>USDA Service Center</u> by the July 23 deadline. To enroll in the CRP Grasslands signup, they should contact USDA by the August 20 deadline. While USDA offices may have limited visitors because of the pandemic, Service Center staff continue to work with agricultural producers via phone, email, and other digital tools. To work with FSA, producers and landowners should contact their local <u>USDA Service Center</u>. Contact information can be found at farmers.gov/service-locator.

More Information on 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. The program marked its 35-year anniversary this past December.

Under the Biden-Harris Administration, USDA is engaged in a whole-of-government effort to combat the climate crisis and conserve and protect our nation's lands, biodiversity, and natural resources, including our soil, air and water. Through conservation practices, USDA aims to enhance economic growth and create new streams of income for farmers, ranchers, producers and private foresters. Successfully meeting these challenges will require USDA and our agencies to pursue a coordinated approach alongside USDA stakeholders, including state, local, and tribal governments. 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 www.usda.gov.

USDA to Begin Payments for Producers Impacted by 2018 and 2019 Natural Disasters

More than \$1 billion in payments will be released over the next several weeks starting June 15 for agricultural producers with approved applications for the Quality Loss Adjustment (QLA) Program and for producers who have already received payments through the Wildfire and Hurricane Indemnity Program Plus (WHIP+). These U.S. Department of Agriculture (USDA) programs provide disaster assistance to producers who suffered losses to 2018 and 2019 natural disasters.

Producers weathered some significant natural disasters in 2018 and 2019, and USDA's Farm Service Agency (FSA) provided support for crop value and production losses through QLA and crop quantity losses through WHIP+.

QLA Payments

QLA provides assistance to crop and forage producers who suffered a quality loss due to qualifying natural disasters occurring in 2018 or 2019. FSA will begin issuing payments to producers on June 15. FSA accepted applications from Jan. 6 to April 9, 2021. Based on these QLA applications, producers will receive 100% of the calculated assistance under QLA.

For each crop year, 2018, 2019 and 2020, the maximum amount that a person or legal entity may receive, directly or indirectly, is \$125,000. Payments made to a joint operation (including a general partnership or joint venture) will not exceed \$125,000, multiplied by the number of persons and legal entities that comprise the ownership of the joint operation. A person or legal entity is ineligible for QLA payment if the person's or legal entity's average Adjusted Gross

Income exceeds \$900,000, unless at least 75% is derived from farming, ranching or forestry-related activities.

Second WHIP+ Payments

WHIP+ provides payments to producers to offset production losses due to hurricanes, wildfires, and other qualifying natural disasters that occurred in 2018 and 2019. WHIP+ covered losses of crops, trees, bushes and vines that occurred as a result of those disaster events.

Producers who applied for and have received their first WHIP+ payment can expect to receive the second payment beginning in mid-June for eligible crop losses. Due to budget constraints, producers received an initial WHIP+ payment for 2019 crop losses equal to 50% of the calculated payment. This second payment will be equal to 40% of the calculated payment for a total 90% WHIP+ program payment. This second round of WHIP+ payments are expected to exceed \$700 million. A third round of payments may be issued if sufficient funds become available. Producers with 2018 crop losses have already been compensated at 100%.

Future Insurance Coverage Requirements

All producers receiving QLA Program and WHIP+ payments are required to purchase <u>federal crop insurance</u> or <u>Noninsured Crop Disaster Assistance Program</u> (NAP) coverage for the next two available crop years at the 60% coverage level or higher. If eligible, QLA participants may meet the insurance purchase requirement by purchasing <u>Whole-Farm Revenue</u> <u>Protection coverage offered through USDA's Risk Management Agency.</u>

More Information

USDA offers a comprehensive portfolio of disaster assistance programs. On farmers.gov, the <u>Disaster Assistance Discovery Tool</u>, <u>Disaster-at-a-Glance fact sheet</u>, and <u>Farm Loan Discovery Tool</u> can help producers and landowners determine all program or loan options available for disaster recovery assistance. For assistance with a crop insurance claim, producers and landowners should contact their <u>crop insurance agent</u>. For FSA and NRCS programs, they should contact their local <u>USDA Service Center</u>.

USDA Opens Signup for CLEAR30, Expands Pilot to Be Nationwide



Landowners and agricultural producers currently enrolled in the Conservation Reserve Program (CRP) now have a wider opportunity to enroll in a 30-year contract through the Clean Lakes, Estuaries, And Rivers initiative, called CLEAR30. The U.S. Department of Agriculture (USDA) is expanding CLEAR30 – a water-quality focused option available through CRP – to be nationwide now.

Interested producers with CRP contracts expiring September 30, 2021, should sign up by August 6, 2021. CLEAR30 provides an opportunity for producers to receive incentives for a 30-year commitment to water quality practices on their CRP land, building on their original 10-to 15-year CRP contracts.

These long-term contracts ensure that practices remain in place for 30 years, which improves water quality through reducing sediment and nutrient runoff and helping prevent algal blooms.

About CLEAR30

CLEAR30 was created by the 2018 Farm Bill to better address water quality concerns. Originally, CLEAR30 was only available in the Great Lakes and Chesapeake Bay watersheds. Now, access is expanded to agricultural producers nationwide.

Eligible producers must have certain water quality benefitting practices currently enrolled under continuous CRP or through the Conservation Reserve Enhancement Program (CREP), under contracts that are expiring on September 30, 2021.

These long-term contracts will help ensure that conservation impacts and benefits remain in place for 30 years, reducing sediment and nutrient runoff and, ultimately, algal blooms. Conservation in riparian areas also provides important carbon sequestration benefits. Traditional CRP contracts run from 10 to 15 years.

Annual rental payments for landowners who enroll in CLEAR30 will be equal to the current Continuous CRP annual payment rate plus a 20% water quality incentive and annual rate adjustment of 27.5%.

How to Sign Up

To sign up for CLEAR30, contact your local USDA Service Center by August 6, 2021. While USDA offices may be closed to visitors because of the pandemic, Service Center staff continue to work with agricultural producers via phone, email, and other digital tools. To conduct business, please contact your local USDA Service Center. Contact information can be found at farmers.gov/service-locator.

More Information

CLEAR30 is an option available through CRP, which is one of the world's largest voluntary conservation programs with a long track record of preserving topsoil, sequestering carbon and reducing nitrogen runoff, as well providing healthy habitat for wildlife.

Under the Biden-Harris Administration, USDA is engaged in a whole-of-government effort to combat the climate crisis and conserve and protect our nation's lands, biodiversity, and natural resources including our soil, air and water. As such, CLEAR30 contracts receive a water quality incentive and a climate-smart practice incentive. Through conservation practices and partnerships, USDA aims to enhance economic growth and create new streams of income for farmers, ranchers, producers, and private foresters. Successfully meeting these

challenges will require USDA and our agencies to pursue a coordinated approach alongside USDA stakeholders, including state, local, and tribal governments.

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 enroll in CLEAR30, please contact your local USDA Service Center. For more information on CRP, visit the Conservation Reserve Program.

New Farmers.gov Features Help You Manage Your USDA Business Online

Last June, NRCS' Conservation Client Gateway moved to farmers.gov enabling USDA customers to access multiple conservation features through a platform that provides a customer-centric digital experience. Farmers.gov provides a secure, single desktop- and mobile device-accessible authenticated portal for FSA, NRCS and RMA customer-facing features.

As we've continued to add more content and capabilities, farmers.gov has quickly become the premier online hub for customers to find resources, submit applications and assistance requests, and make connections.

Another new feature is coming to farmers.gov to help you manage your USDA business. You'll now receive an email letting you know that an NRCS document needs your signature, which you can quickly and easily sign online in the portal.

The farmers.gov portal also enables you to:

- View, upload, download, and e-sign documents.
- Request financial assistance, including submitting a program application.
- View and submit conservation requests.
- View technical references and submit questions.
- Access information on current and past conservation practices and plans.
- Report practice completion and request practice certification.
- View detailed information on all previous and ongoing contracts.
- Have the authority as an FSA and/or NRCS customer to work in the portal and act on behalf of your active power-of-attorney entitlements and your current authorities for business entities.

These conservation features join several others already available through the farmers.gov portal, including the ability to view farm loan information. We'll continue to update you about new features as they become available.

If you do not have login information for farmers.gov, you can create your login profile, or eAuthentication by following the instructions at <u>farmers.gov/sign-in</u>.

The <u>Conservation Features User Guide</u> gives you step-by-step instructions on how to navigate farmers.gov and the <u>how-to video instructions</u> explain some of the popular features. If you need additional help, personal assistance is available at the farmers.gov Service Desk by selecting the "Help" link located at the top of the all authenticated portal pages and submitting a "Contact Us" request. NRCS field office staff are always available to assist you with your conservation questions and other needs.

Using FSA Direct Farm Ownership Loans for Construction

The USDA Farm Service Agency's (FSA) <u>Direct Farm Ownership loans</u> are a resource to help farmers and ranchers become owner-operators of family farms, improve and expand current operations, increase agricultural productivity, and assist with land tenure to save farmland for future generations.

There are three types of Direct Farm Ownership Loans: regular, down payment and joint financing. FSA also offers a <u>Direct Farm Ownership Microloan</u> option for smaller financial needs up to \$50,000.

Direct Farm Ownership Loans can be used to construct, purchase or improve farm dwellings, service buildings or other facilities, and to make improvements essential to an operation.

Applicants must provide FSA with an estimate of the total cost of all planned development that completely describe the work, prior to loan approval and must show proof of sufficient funds to pay for the total cost of all planned development at or before loan closing. In some instances, applicants may be asked to provide certified plans, specifications or contract documents. The applicant cannot incur any debts for materials or labor or make any expenditures for development purposes prior to loan closing with the expectation of being reimbursed from FSA funds.

Construction and development work may be performed either by the contract method or the borrower method. Under the contract method, construction and development contractors perform work according to a written contract with the applicant or borrower. If applying for a direct loan to finance a construction project, the applicant must obtain a surety bond that guarantees both payment and performance in the amount of the construction contract from a construction contractor.

A surety bond is required when a contract exceeds \$100,000. An authorized agency official determines that a surety bond appears advisable to protect the borrower against default of the

contractor or a contract provides for partial payments in excess of the amount of 60 percent of the value of the work in place.

Under the borrower method, the applicant or borrower will perform the construction and development work. The borrower method may only be used when the authorized agency official determines, based on information from the applicant, that the applicant possesses or arranges to obtain the necessary skill and managerial ability to complete the work satisfactorily and that such work will not interfere with the applicant's farming operation or work schedule.

Potential applicants should visit with FSA early in the initial project planning process to ensure environmental compliance.

For more eligibility requirements and information about FSA Loan programs, contact your Local County USDA Service Center or visit <u>fsa.usda.gov</u>.

Selected June 2021 Interest Rates

Farm Operating Loans — Direct	1.875%
Farm Ownership Loans — Direct	3.250%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	
	2.50%
Emergency Loans	2.875%
Farm Storage Facility Loans	
(7 years)	1.250%



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