

Pennsylvania State Newsletter - October 2021

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

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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 2021 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 <u>local USDA Service</u> Center.

USDA Accepting Applications to Help Cover Costs for Organic Certification

USDA's Farm Service Agency (FSA) announced that organic producers and handlers can apply for USDA funds to assist with the cost of receiving and maintaining organic certification through the <u>Organic Certification Cost Share Program</u> (OCCSP). Applications for eligible certification expenses paid between Oct. 1, 2020, and Sept. 30, 2021, are due Nov. 1, 2021.

OCCSP provides cost-share assistance to producers and handlers of agricultural products for the costs of obtaining or maintaining organic certification under the USDA's National Organic Program. Eligible producers include any certified producers or handlers who have paid organic certification fees to a USDA-accredited certifying agent. Producers can be reimbursed for expenses including application fees, inspection costs, fees related to equivalency agreement and arrangement requirements, travel expenses for inspectors, user fees, sales assessments and postage.

For 2021, OCCSP will reimburse 50 percent of a certified operation's allowable certification costs, up to a maximum of \$500 for each of the following categories or "scopes:"

- crops
- wild crops
- livestock
- processing/handling
- State organic program fees.

Organic farmers and ranchers may apply through an FSA county office or a participating state agency.

More Information

To learn more about organic certification cost share, please visit the OCCSP webpage, visit usda.gov/organic, or contact your local USDA Service Center.

USDA Expands Assistance to Cover Feed Transportation Costs for Drought-Impacted Ranchers

In response to the severe drought conditions in the West and Great Plains, the U.S. Department of Agriculture (USDA) announced today its plans to help cover the cost of transporting feed for livestock that rely on grazing. USDA is updating the Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP) to immediately cover feed transportation costs for drought impacted ranchers. USDA's Farm Service Agency (FSA) will provide more details and tools to help ranchers get ready to apply at their local USDA Service Center later this month at fsa.usda.gov/elap.

ELAP provides financial assistance to eligible producers of livestock, honeybees, and farmraised fish for losses due to disease, certain adverse weather events or loss conditions as determined by the Secretary of Agriculture.

ELAP already covers the cost of hauling water during drought, and this change will expand the program beginning in 2021 to cover feed transportation costs where grazing and hay resources have been depleted. This includes places where:

- Drought intensity is D2 for eight consecutive weeks as indicated by the <u>S. Drought Monitor</u>;
- Drought intensity is D3 or greater; or
- USDA has determined a shortage of local or regional feed availability.

Cost share assistance will also be made available to cover eligible cost of treating hay or feed to prevent the spread of invasive pests like fire ants.

Under the revised policy for feed transportation cost assistance, eligible ranchers will be reimbursed 60% of feed transportation costs above what would have been incurred in a normal year. Producers qualifying as underserved (socially disadvantaged, limited resource, beginning or military veteran) will be reimbursed for 90% of the feed transportation cost. above what would have been incurred in a normal year.

A national cost formula, as established by USDA, will be used to determine reimbursement costs which will not include the first 25 miles and distances exceeding 1,000 transportation miles. The calculation will also exclude the normal cost to transport hay or feed if the producer normally purchases some feed. For 2021, the initial cost formula of \$6.60 per mile will be used (before the percentage is applied), but may be adjusted on a state or regional basis.

To be eligible for ELAP assistance, livestock must be intended for grazing and producers must have incurred feed transportation costs on or after Jan. 1, 2021. Although producers will self-certify losses and expenses to FSA, producers are encouraged to maintain good records and retain receipts and related documentation in the event these documents are requested for review by the local FSA County Committee. The deadline to file an application for payment for the 2021 program year is Jan. 31, 2022.

USDA offers a comprehensive portfolio of disaster assistance programs. On farmers.gov, the <u>Disaster Assistance Discovery Tool</u>, <u>Disaster Assistance-at-a-Glance fact sheet</u>, and <u>Farm</u>

<u>Loan Discovery Tool</u> can help producers and landowners determine all program or loan options available for disaster recovery assistance.

More information on this expansion to ELAP is forthcoming. In the meantime, more information is available at fsa.usda.gov/elap or by contacting a local USDA Service Center.

Higher Loan Limit Now Available for USDA Guaranteed Farm Loans

The U.S. Department of Agriculture (USDA) announced a higher loan limit will be available for borrowers seeking a guaranteed farm loan starting Oct. 1, 2021, from \$1.776 million to \$1.825 million.

FSA farm loans offer access to funding for a wide range of producer needs, from securing land to financing the purchase of equipment. Guaranteed loans are financed and serviced by commercial lenders. FSA provides up to a 95% guarantee against possible financial loss of principal and interest. Guaranteed loans can be used for both farm ownership and operating purposes.

In fiscal year 2021, FSA saw continued strong demand for guaranteed loans. FSA obligated more than \$3.4 billion in guaranteed farm ownership and operating loans. This includes nearly \$1.2 billion for beginning farmers. The number of guaranteed borrowers has grown by 10% to more than 38,750 farmers and ranchers over the last decade. FSA expects the increasing demand for farm loans to continue into fiscal year 2022.

Disaster Set-Aside Extension

USDA has additional support available to producers given the recent outbreaks of the COVID-19 Delta variant and has extended the availability of COVID-19 Disaster Set-Aside (DSA) for installments due through Jan. 31, 2022. In addition, FSA will permit a second DSA for COVID-19 and a second DSA for natural disasters for those who had an initial COVID-19 DSA. Requests for a COVID-19 DSA or a second DSA must be received no later than May 1, 2022.

Last year, FSA broadened the use of the DSA. Normally used in the wake of natural disasters, the DSA can now allow farmers with USDA farm loans who are affected by COVID-19 and determined to be eligible, to have their next payment set aside. The set-aside payment's due date is moved to the final maturity date of the loan or extended up to twelve months in the case of an annual operating loan. Any principal set-aside will continue to accrue interest until it is repaid. This will improve the borrower's cashflow in the current production cycle.

More Information

Producers can explore available options on all FSA loan options at <u>fsa.usda.gov</u> or by contacting their <u>local USDA Service Center</u>. 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 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 <u>farmers.gov/coronavirus</u>.

Fill the Feed and Feed the World for #Harvest2021

Fall on the farm presents us with a symphony of sounds: tractor and combine engines turning, machines whirring, grain falling into siloes, birdsong in the morning, and insects chirping in the evening.

As America's farmers harvest the crops that feed, clothe, and fuel our world, let's fill the @FarmersGov social media feed with their stories about this year's harvest season. We'd also like to see how it's going for farmers that participated in our #Plant2021 campaign in the spring.

To share your experience on @FarmersGov social media and our <u>national storymap</u>, follow these steps:

- Collect photos or a video depicting what's happening on your operation as you harvest. Show us those crops!
- If you're comfortable, we'd love to see the people that make it happen, like friends and family.
- Write an email to FP.Social@usda.gov, attach your photos/video, and tell us:
- Your name, the location of your operation, and the name of your operation
- Your operation's Facebook, Instagram, and/or Twitter pages, if you have them
- What are you harvesting this year?
- Where does your harvest go? How is it used?
- What are your personal thoughts on this year's harvest season?

Please note that by submitting your photo/video, you are granting USDA permission to use these materials for outreach and education purposes.

USDA Unveils New Climate Partnership Initiative, Requests Public Input

The U.S. Department of Agriculture (USDA) is committed to partnering with agriculture, forestry and rural communities to develop climate solutions that strengthen rural America. The Department has outlined and requested public comments on a new climate partnership initiative designed to create new revenue streams for producers via market opportunities for commodities produced using climate-smart practices.

Guided by science, USDA will support a set of pilot projects that provide incentives to implement climate-smart conservation practices on working lands and to quantify and monitor the carbon and greenhouse gas benefits associated with those practices. The Department published a Request for Information (RFI) seeking public comment and input on design of the new initiative. Stakeholders interested in providing comments may do so on or before 11:59 p.m. EST on November 1, 2021, via the Federal Register, Docket ID: USDA-2021-0010.

USDA Launches First Phase of Soil Carbon Monitoring Efforts through CRP

The U.S. Department of Agriculture (USDA) is investing \$10 million in a new initiative to sample, measure, and monitor soil carbon on Conservation Reserve Program (CRP) acres to better quantify the climate outcomes of the program. CRP is an important tool in the Nation's fight to reduce the worst impacts of climate change facing our farmers, ranchers, and foresters. This initiative will begin implementation in fall 2021 with three partners. Today's announcement is part of a broader, long-term soil carbon monitoring effort across agricultural lands that supports USDA's commitment to deliver climate solutions to agricultural producers and rural America through voluntary, incentive-based solutions.

These models include the Daily Century Model, or DayCent, which simulates the movement of carbon and nitrogen through agricultural systems and informs the <u>National Greenhouse Gas Inventory</u>. Data will also be used to strengthen the <u>COMET-Farm</u> and <u>COMET-Planner</u> tools, which enable producers to evaluate potential carbon sequestration and greenhouse gas emission reductions based on specific management scenarios.

USDA partners will conduct soil carbon sampling on three categories of CRP practice types: perennial grass, trees, and wetlands.

Perennial grasses: In consultation with USDA, Michigan State University will sample and measure soil carbon and bulk density of CRP grasslands (including native grass plantings, rangelands, and pollinator habitat plantings) at an estimated 600 sites across the U.S. with a focus in the central states during this five-year project. This information will be used to model and compare the climate benefits of CRP. Partners include the University of Wisconsin-Madison, the University of Arkansas at Pine Bluff, Deveron, an agriculture technology company, and Woods End Laboratories.

Trees: Mississippi State University will partner with Alabama A&M University to collect above and below ground data at 162 sites across seven states documenting CRP-related benefits to soil and atmospheric carbon levels. Information will help further calibrate the DayCent model. This five-year project will focus within the Mississippi Delta and Southeast states.

Wetlands: Ducks Unlimited and its partners will collect data on carbon stocks in wetland soils as well as vegetation carbon levels at 250 wetland sites across a 15-state area in the central U.S. Data will support the DayCent and additional modeling. Partners for this five-year project include: Migratory Bird Joint Venture, Intertribal Research and Resource Center at United Tribes Technical College, Clemson University, Kenyon College, Lincoln University, Pennsylvania State University, the University of Missouri, and the University of Texas at Austin.

CRP Monitoring, Assessment, and Evaluation Projects

These three Climate Change Mitigation Assessment Initiative projects are funded through FSA's program to work with partners to identify <u>Monitoring</u>, <u>Assessment and Evaluation</u> (<u>MAE</u>) projects to quantify CRP environmental benefits to water quality and quantity, wildlife, and rural economies.

Applications for projects were welcome from all organizations, including public, private, nonprofit institutions, and educational institutions including historically Black

colleges and universities, Tribal colleges and universities and Hispanic-serving institutions or organizations.

For more details on the all the awarded MAE projects, visit the <u>FSA Monitoring Assessment & Evaluation webpage</u>.

About the Conservation Reserve Program

CRP is one of the world's largest voluntary conservation programs, with an established track record of preserving topsoil, sequestering carbon, reducing nitrogen runoff and providing healthy habitat for wildlife.

In exchange for a yearly rental payment, agricultural producers enrolled in the program agree to remove environmentally sensitive land from production and plant species that will improve environmental health and quality. In general, land is enrolled in CRP for 10 to 15 years, with the option of re-enrollment. <u>FSA offers multiple CRP signups</u>, including the general signup and continuous signup, as well as Grassland CRP and pilot programs focused on soil health and clean water. In 2021, producers and landowners enrolled more than 5.3 million acres in CRP signups, surpassing USDA's 4-million-acre goal.

Earlier this year, <u>USDA announced updates to CRP</u> including higher payment rates, new incentives for environmental practices, and a more targeted focus on the program's role in climate change mitigation. This included a new Climate-Smart Practice Incentive for CRP general and continuous signups that aims to increase carbon sequestration and reduce greenhouse gas emissions. Climate-Smart CRP practices include establishment of trees and permanent grasses, development of wildlife habitat, and wetland restoration. Download the <u>"What's New" fact sheet</u> to learn more about CRP updates.

More Information

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 and partnerships, USDA aims to enhance economic growth and create new streams of income for farmers, ranchers 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 healthy and nutritious food in all communities, building new markets and streams of income for farmers and other 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.



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