

U.S. DEPARTMENT OF AGRICULTURE

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

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From the State Executive Director

We have arrived at the time of year when our farmers are hard at work preparing for and carrying out spring plantings across the state. After a turbulent winter, we are all hoping for an uneventful, yet productive, growing season. While you are hard at work providing food, fiber and fuel for Americans and nations around the world, our staff across the



state is hard at work implementing the risk management and safety net programs designed to help farmers and ranchers recover from the impacts of of Mother Nature and market uncertainty.

The signup deadline for the <u>Quality Loss Adjustment (QLA) Program</u> was extended from March 5 to Apr. 9, 2021. This new program provides assistance to producers who suffered eligible crop quality losses due to natural disasters occurring in 2018 and 2019. Assistance is available for eligible producers in counties that received a qualifying

Presidential Emergency Disaster Declaration or Secretarial Disaster Designation because of one or more of the qualifying disaster events or related conditions. Information on eligible counties can be found here.

Farm Service Agency (FSA) has a variety of farm loan programs that offer access to funding for a wide range of production needs, from securing land to financing the purchase of equipment. The <u>Farm Loan Discovery Tool</u> is a useful tool to help you determine which farm loan program may be right for you. Additional information can be found at <u>farmers.gov/fund</u>.

I encourage you to review the "USDA Offers Disaster Assistance for Producers Facing Inclement Weather" below for producers that are still recovering from winter storms Uri and Viola. Many of these programs have rapidly approaching deadlines to file a notice of loss. If you have eligible losses and have not filed a notice of loss, please contact your local USDA Service Center.

Please be reminded that USDA Service Centers are not accepting visitors inside our offices at this time. Contact your local <u>USDA Service Center</u> before you make plans to travel to an office so local staff can determine the best way to provide service.

Sincerely,

Eddie Trevino Acting State Executive Director Farm Service Agency - Texas

USDA Offers Disaster Assistance for Producers Facing Inclement Weather

Most of the nation is facing unusually cold weather, as a winter storm moved coast-to-coast over the weekend. Winter storms create significant challenges and often result in catastrophic loss for agricultural producers, especially for those raising livestock, row crops and vulnerable crops like citrus.

Despite every attempt to mitigate risk, your operation may suffer losses. USDA offers several programs to help with recovery.

Risk Management

For producers who have risk protection through <u>Federal Crop Insurance</u> or the <u>Noninsured Crop Disaster Assistance Program</u> (NAP), we want to remind you to report crop damage to your crop insurance agent or the local Farm Service Agency (FSA) office.

If you have crop insurance, contact your agency within 72 hours of discovering damage and be sure to follow up in writing within 15 days. If you have NAP coverage, file a Notice of Loss (also called Form CCC-576) within 15 days of loss becoming apparent, except for hand-harvested crops, which should be reported within 72 hours.

Disaster Assistance

USDA also offers disaster assistance programs, which is especially important to livestock, fruit and vegetable, specialty and perennial crop producers who have fewer <u>risk</u> <u>management options</u>.

First, the <u>Livestock Indemnity Program</u> (LIP) and <u>Emergency Assistance for Livestock</u>, <u>Honeybee and Farm-raised Fish Program</u> (ELAP) reimburses producers for a portion of the value of livestock, poultry and other animals that died as a result of a qualifying natural disaster event– like these winter storms – or for loss of grazing acres, feed and forage.

Next, the <u>Tree Assistance Program</u> (TAP) provides cost share assistance to rehabilitate and replant tree, vines or shrubs loss experienced by orchards and nurseries. This complements NAP or crop insurance coverage, which cover the crop but not the plants or trees in all cases.

For LIP and ELAP, you will need to file a Notice of Loss for livestock and grazing or feed losses within 30 days and honeybee losses within 15 days. For TAP, you will need to file a program application within 90 days.

Documentation

It's critical to keep accurate records to document all losses following this devastating cold weather event. Livestock producers are advised to document beginning livestock numbers by taking time and date-stamped video or pictures prior to after the loss.

Other common documentation options include:

Purchase records
Production records
Vaccination records
Bank or other loan documents
Third-party certification

Other Programs

The <u>Emergency Conservation Program</u> and <u>Emergency Forest Restoration Program</u> can assist landowners and forest stewards with financial and technical assistance to restore damaged farmland or forests.

Additionally, FSA offers a variety of loans available including emergency loans that are triggered by disaster declarations and operating loans that can assist producers with credit needs. You can use these loans to replace essential property, purchase inputs like livestock, equipment, feed and seed, or refinance farm-related debts, and other needs.

Meanwhile, USDA's Natural Resources Conservation Service (NRCS) provides financial resources through its <u>Environmental Quality Incentives Program</u> to help with immediate needs and long-term support to help recover from natural disasters and conserve water resources. Assistance may also be available for emergency animal mortality disposal from natural disasters and other causes.

Additional Resources

Additional details – including payment calculations – can be found on our <u>NAP</u>, <u>ELAP</u>, <u>LIP</u>, and <u>TAP</u> fact sheets. On farmers.gov, the <u>Disaster Assistance</u>

<u>Discovery Tool</u>, <u>Disaster-at-a-Glance fact sheet</u>, and <u>Farm Loan Discovery Tool</u> can help you determine program or loan options.

While we never want to have to implement disaster programs, we are here to help. To file a Notice of Loss or to ask questions about available programs, contact your local USDA Service Center. All <u>USDA Service Centers</u> are open for business, including those that restrict in-person visits or require appointments because of the pandemic.

Maintaining ARC/PLC Acreage

If you're enrolled in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs, you must protect all cropland and noncropland acres on the farm from wind and water erosion and noxious weeds. By signing ARC county or individual contracts and PLC contracts, you agree to effectively control noxious weeds on the farm according to sound agricultural practices. If you fail to take necessary actions to correct a maintenance problem on your farm that is enrolled in ARC or PLC, the County Committee may elect to terminate your contract for the program year.

Communication is Key in Lending

Farm Service Agency (FSA) is committed to providing our farm loan borrowers the tools necessary to be successful. FSA staff will provide guidance and counsel from the loan application process through the borrower's graduation to commercial credit. While it is FSA's commitment to advise borrowers as they identify goals and evaluate progress, it is crucial for borrowers to communicate with their farm loan staff when changes occur. It is the borrower's responsibility to alert FSA to any of the following:

- Any proposed or significant changes in the farming operation
- Any significant changes to family income or expenses
- The development of problem situations
- Any losses or proposed significant changes in security

If a farm loan borrower can't make payments to suppliers, other creditors, or FSA on time, contact your farm loan staff immediately to discuss loan servicing options.

For more information on FSA farm loan programs, contact your local USDA Service Center or visit fsa.usda.gov.

USDA Accepting Offers for Conservation Reserve Program State Acres for Wildlife Enhancement Initiatives

The U.S. Department of Agriculture's Farm Service Agency (FSA) is now accepting new offers of enrollment for its State Acres for Wildlife Enhancement (SAFE) Initiative. SAFE Initiatives restore vital habitat in order to meet high priority state wildlife conservation

goals. The Conservation Reserve Program (CRP) provides farmers and landowners with several opportunities like this to achieve many conservation goals.

SAFE practices must be used to restore animal habitats for the following categories:

- rare, threatened and endangered species
- species that have suffered a significant population decline
- species that provide significant social or economic value to the community.

Gulf Coast Prairies SAFE Initiative

The Gulf Coast Prairies SAFE Initiative will contribute to the establishment of a network of large, high quality coastal prairie habitats that will provide alternative income and land use opportunities through the enhancement of native wildlife habitat. Grasslands and seasonal wetlands are valuable sites during winter and breeding periods to the Mottled Duck, Northern Bobwhite, Attwater's Greater Prairie-Chicken, Short-Eared Owl, Henslow's Sparrow, LeConte's Sparrow, Sprague's Pipit and other declining bird populations.

Enrollment is limited to Aransas, Austin, Brazoria, Calhoun, Chambers, Colorado, Fort Bend, Galveston, Harris, Jackson, Jefferson, Lavaca, Liberty, Matagorda, Orange, Refugio, San Patricio, Victoria, Waller and Wharton counties.

Gulf Coast Prairies SAFE Initiative Fact Sheet

Lower Rio Grande Valley Thornscrub SAFE Initiative

Participation in the Lower Rio Grande Valley Thornscrub SAFE Initiative allows landowners to restore Tamaulipan thornscrub habitat for the endangered ocelot and other wildlife species by creating and maintaining 5,000 acres of native woody shrub and grassland habitat.

Enrollment is limited to Cameron, Hidalgo, Kenedy and Willacy counties.

Lower Rio Grande Valley Thornscrub SAFE Initiative Fact Sheet

Texas Mixed Grass and Short Grass Prairie SAFE Initiative

Participation in the Texas Mixed Grass and Short Grass Prairie SAFE Initiative allows landowners to reconnect geographically and reproductively isolated populations of lesser prairie-chickens by creating, restoring, and maintaining 40,000 acres of native mixed-grass and short grass prairie habitat patches and travel corridors.

Enrollment is limited to Andrews, Bailey, Castro, Cochran, Collingsworth, Dawson, Deaf Smith, Donley, Gaines, Gray, Hemphill, Hockley, Lamb, Lipscomb, Martin, Ochiltree, Parmer, Roberts, Terry, Wheeler and Yoakum Counties.

Texas Mixed Grass and Short Grass Prairie SAFE Initiative

For Additional Information

The signup period for CRP began on Jan. 4, 2021. FSA extended the original deadline and a new deadline has not been set. For more information on CRP and SAFE Initiatives, contact your local <u>USDA Service Center</u> or visit <u>fsa.usda.gov/crp</u>.

Disaster Set-Aside (DSA) Program for Farm Loan Borrowers

Farm Service Agency (FSA) borrowers with farms located in designated primary or contiguous disaster areas who are unable to make their scheduled FSA loan payments should consider the Disaster Set-Aside (DSA) program.

DSA is available to producers who suffered losses as a result of a natural disaster and relieves immediate and temporary financial stress. FSA is authorized to consider setting aside the portion of a payment/s needed for the operation to continue on a viable scale.

Borrowers must have at least two years left on the term of their loan in order to qualify.

Borrowers have eight months from the date of the disaster designation to submit a complete application. The application must include a written request for DSA signed by all parties liable for the debt along with production records and financial history for the operating year in which the disaster occurred. FSA may request additional information from the borrower in order to determine eligibility.

All farm loans must be current or less than 90 days past due at the time the DSA application is complete. Borrowers may not set aside more than one installment on each loan.

The amount set-aside, including interest accrued on the principal portion of the set-aside, is due on or before the final due date of the loan.

For more information, contact your local USDA Service Center or visit fsa.usda.gov.

Loan Maturity for Marketing Assistance Loans

Typically, Marketing Assistance Loans (MALs) mature on demand, but no later than the last day of the 9th calendar month after the month the MAL is disbursed. However, with the passage of the Consolidated Appropriations Act of 2021, agricultural producers now have additional time to repay MALs.

The Consolidated Appropriations Act of 2021 provides an extension of the MAL maturity to 12 months. This extension is applicable to nonrecourse loans for all commodities except seed cotton and sugar. Eligible open loans must be in good standing with a maturity date on or after July 31, 2021. New crop year loans (2021) requested by September 30, 2021, will also be eligible for the twelve-month maturity.

All current, active loans will automatically be extended the additional three months. Producers who prefer a nine-month loan maturity will need to notify their local

FSA county office. Loans that are requested after September 30, 2021, will have a ninemonth maturity.

MALs have a maximum loan maturity term of 12 months, therefore loans that had the maturity extended through the Coronavirus Aid, Relief, and Economic Stability Act of 2020 (CARES Act) are not eligible for an additional extension.

Eligible commodities include barley, chickpeas (small and large), corn, cotton (upland), dry peas, grain sorghum, honey, lentils, mohair, oats, peanuts, rice (long and medium grain), soybeans, unshorn pelts, wheat, wool (graded and nongraded); and other oilseeds, including canola, crambe, flaxseed, mustard seed, rapeseed, safflower, sunflower seed, and sesame seed. Seed cotton and sugar are not eligible.

For more information on MALs, contact your local USDA Service Center or visit www.fsa.usda.gov.

Filing CCC-941 Adjusted Gross Income (AGI) Certifications

If you have experienced delays in receiving Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) payments, Loan Deficiency Payments (LDPs) and Market Gains on Marketing Assistance Loans (MALs), it may be because you have not filed form CCC-941, Adjusted Gross Income Certification.

If you don't have a valid CCC-941 on file for the applicable crop year you will not receive payments. All farm operator/tenants/owners who have not filed a CCC-941 and have pending payments should IMMEDIATELY file the form with their recording county FSA office. Farm operators and tenants are encouraged to ensure that their landowners have filed the form.

FSA can accept the CCC-941 for 2018, 2019, 2020 and 2021. Unlike the past, you must have the CCC-941 certifying your AGI compliance before any payments can be issued.

Actively Engaged Provisions for Non-Family Joint Operations or Entities

Many Farm Service Agency (FSA) programs require all program participants, either individuals or legal entities, to be "actively engaged in farming." This means participants provide a significant contribution to the farming operation, whether it is capital, land, equipment, active personal labor and/or management. For entities, each partner, stockholder or member with an ownership interest, must contribute active personal labor and/or management to the operation on a regular basis that is identifiable and documentable as well as separate and distinct from contributions of any other member. Members of joint operations must have a share of the profits or losses from the farming operation commensurate with the member's contributions to the operation and must make contributions to the farming operation that are at risk for a loss, with the level of risk being commensurate with the member's claimed share on the farming operation.

Joint operations comprised of non-family members or partners, stockholders or persons with an ownership in the farming operation must meet additional payment eligibility provisions. Joint operations comprised of family members are exempt from these additional requirements. For 2016 and subsequent crop years, non-family joint operations can have one member that may use a significant contribution of active personal management exclusively to meet the requirements to be determined "actively engaged in farming." The person or member will be defined as the farm manager for the purposes of administering these management provisions.

Non-family joint operations may request to add up to two additional managers for their farming operation based on the size and/or complexity of the operation. If additional farm managers are requested and approved, all members who contribute management are required to complete form CCC-902MR, Management Activity Record. The farm manager should use the form to record management activities including capital, labor and agronomics, which includes crop selection, planting decisions, acquisition of inputs, crop management and marketing decisions. One form should be used for each month and the farm manager should enter the number of hours of time spent for each activity under the date of the month the actions were completed. The farm manager must also document if each management activity was completed on the farm or remotely.

The records and supporting business documentation must be maintained and timely made available for review by the appropriate FSA reviewing authority, if requested.

If the farm manager fails to meet these requirements, their contribution of active personal management to the farming operation for payment eligibility purposes will be disregarded and their payment eligibility status will be re-determined for the applicable program year.

In some instances, additional persons or members of a non-family member joint operation who meet the definition of farm manager may also be allowed to use such a contribution of active personal management to meet the eligibility requirements. However, under no circumstances may the number of farm managers in a non-family joint operation exceed a total of three in any given crop and program year.

USDA Seeks Innovative Partner-led Projects Delivering Sustainable Agricultural Solutions

The U.S. Department of Agriculture (USDA) is seeking proposals to fund up to \$75 million in new, unique projects under the Regional Conservation Partnership Program's (RCPP) Alternative Funding Arrangements (AFA) that take innovative and non-traditional approaches to conservation solutions at the local, regional and landscape scales. In making selections. USDA's Natural Resources Conservation Service (NRCS) will prioritize projects related to climate smart agriculture and forestry.

NRCS will fund up to 15 projects this year through AFA, where partners have more flexibility in working directly with agricultural producers to support the development of new conservation structures and approaches that would not otherwise be effectively implemented through the classic RCPP.

A significant portion of funds will address projects related to climate smart agriculture and forestry. These include projects related to carbon markets and new technologies.

Meanwhile NRCS also strongly encourages proposals from RCPP projects that address the conservation needs of urban farmers in metropolitan areas, supporting access to healthy fresh food in historically underserved populated communities.

NRCS will execute AFAs through agreements with eligible lead partners who will be responsible for contracting directly with eligible producers and landowners to implement conservation activities on the ground.

NRCS is accepting AFA project proposals now through May 28. Proposals must be submitted through the RCPP portal at https://nrcs-sites.secure.force.com/. Information about this request for proposals is available on grants.gov. A list of last year's awarded projects can be found here.

AFA projects were initially authorized under the 2014 Farm Bill, while the 2018 Farm Bill enhanced the AFA provision and authorized NRCS to award up to 15 AFA projects annually. Project types that may be suited to AFAs, as highlighted by the 2018 Farm Bill statute include:

- Projects that use innovative approaches to leverage the federal investment in conservation.
- Projects that deploy a pay-for-performance conservation approach.
- Projects that seek large-scale infrastructure investment that generate conservation benefits for agricultural producers and nonindustrial private forest owners.

The fiscal 2021 AFA funding announcement incorporates policy updates following publication of the RCPP final rule, including:

- The revised RCPP Critical Conservation Areas (announced in August 2020).
- Updated RCPP AGI waiver policy.
- Clarifying language about when RCPP activities can be carried out on public lands.
- New policy language developed for AFA easements.
- New policy language to highlight that producer "cost-share" funding related to implementation of conservation activities, like land management practices or systems, cannot be counted as partner contributions for the project.

Farmers, ranchers and private forest landowners apply for RCPP projects through project partners, like conservation districts, producer associations, water districts, state or local governments, American Indian tribes, institutions of higher education and nongovernmental organizations.

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, 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 Invests \$28 Million in New Projects to Help Restore Lost Wetland Functions, Benefits on Agricultural Landscapes

The USDA Natural Resources Conservation Service (NRCS) is investing \$28 million in six new Wetland Reserve Enhancement Partnership (WREP) projects and four ongoing ones, which enable conservation partners and producers to work together to return critical wetland functions to agricultural landscapes. NRCS will invest \$970,000 in the first year of the Texas Mid-Coast Initiative with Ducks Unlimited, Inc.

New projects include:

Texas Mid-Coast Initiative: Ducks Unlimited, Inc.

This project seeks to enroll nearly 700 acres of wetlands to conserve priority wetland habitats for migratory birds and other state and federally listed species through restoration and enhancement efforts. The project also aims to improve habitat conditions for fish and wildlife and to improve the overall health and freshwater flows of streams and riparian areas into the coastal bays and estuaries. Land protection through wetland conservation easements and subsequent restoration activities will ensure that habitat needs are met for critical wildlife species and that these systems will function as intended to improve water quality and quantity over the landscape and eventually into the coastal bays and estuaries.

About WREP

WREP is a component of the Agricultural Conservation Easement Program – Wetland Reserve Enhancement program through which NRCS enters into agreements with eligible partners to target and leverage resources to address high priority wetland protection, restoration, and enhancement activities and improve wildlife habitat on eligible lands. WREP enables NRCS to collaborate with partners on high-priority wetland restoration projects to return critical wetland functions and improve wildlife habitat.

Through selected WREP projects, partners voluntarily work with agricultural producers to execute targeted wetland protection, restoration, and enhancement activities on eligible agriculture lands. Restoring wetland ecosystems helps filter sediments and chemicals to improve water quality downstream, enhance wildlife and aquatic habitat, reduce impacts from flooding, recharge groundwater and offers recreational benefits.

How to Get Involved

Are you looking to help restore the quality and abundance of our nation's wetlands? Check with your local <u>USDA Service Center</u> for wetland restoration project opportunities. NRCS will determine if the acres you offer are eligible for the program. Agricultural producers with high priority acres, based on competitive selection, may receive an offer.

Learn more about WREP program opportunities by visiting the WREP webpage.



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