

2021 July Newsletter - July 1,2021

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## Important Deadline: Production Due for 2020 ARC-IC Farms

Producers who elected to participate in the 2020 ARC-IC program are required to provide their harvested yields for planted covered commodities for each year of the benchmark period (2014-2018) and also for the 2020 crop year. The deadline to submit production evidence for the 2020 contract year is July 15, 2021.

Producers may submit production records by:

 Self-certification on the CCC-863 or previous certification on the CCC-658 for the ACRE program

- Commercial receipts, warehouse settlement sheets, load summaries, etc
- RMA production and yield data
- Measurement service or appraisal records

While yield certification will be accepted solely upon producer self-certification, producers are expected to be able to provide production records to FSA upon request from COC or in the event they are selected for review.

# Farm Service Agency Accepting Nominations for County Committees June 15 through Aug. 2

The nomination period for USDA Farm Service Agency (FSA) county committees runs June 15 through Aug. 2, 2021, and elections will take place starting in November.

County committees are unique to FSA and serve as a direct link between agricultural communities across the country and USDA. For more information on FSA county committees, visit fsa.usda.gov/elections.

## USDA Expands and Renews Conservation Reserve Program in Effort to Boost Enrollment and Address Climate Change

USDA has opened enrollment in the Conservation Reserve Program (CRP) with higher payment rates, new incentives, and a more targeted focus on the program's role in climate change mitigation. Additionally, USDA is announcing investments in partnerships to increase climate-smart agriculture, including \$330 million in 85 Regional Conservation Partnership Program (RCPP) projects and \$25 million for On-Farm Conservation Innovation Trials.

#### **Conservation Reserve Program**

USDA's goal is to enroll up to 4 million new acres in CRP by raising rental payment rates and expanding the number of incentivized environmental practices allowed under the program. CRP 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.

CRP is a powerful tool when it comes to climate mitigation, and acres currently enrolled in the program mitigate more than 12 million metric tons of carbon dioxide equivalent (CO2e). If USDA reaches its goal of enrolling an additional 4 million acres into the program, it will mitigate an additional 3 million metric tons of CO2 equivalent and prevent 90 million pounds of nitrogen and 33 million tons of sediment from running into our waterways each year.

#### **New Climate-Smart Practice Incentive**

To target the program on climate change mitigation, FSA is introducing 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. The Climate-Smart Practice Incentive is annual, and the amount is based on the benefits of each practice type.

#### **Higher Rental Rates and New Incentives**

In 2021, CRP is capped at 25 million acres, and currently 20.8 million acres are enrolled. Furthermore, the cap will gradually increase to 27 million acres by 2023. To help increase producer interest and enrollment, FSA is:

- Adjusting soil rental rates. This enables additional flexibility for rate adjustments, including a possible increase in rates where appropriate.
- Increasing payments for Practice Incentives from 20% to 50%. This incentive
  for continuous CRP practices is based on the cost of establishment and is in
  addition to cost share payments.
- Increasing payments for water quality practices. Rates are increasing from 10% to 20% for certain water quality benefiting practices available through the CRP continuous signup, such as grassed waterways, riparian buffers, and filter strips.
- Establishing a CRP Grassland minimum rental rate. This benefits more than 1,300 counties with rates currently below the minimum.

To learn more about updates to CRP, download our "What's New with CRP" fact sheet.

# **USDA Offers Targeted Farm Loan Funding for Underserved Groups and Beginning Farmers**

The USDA Farm Service Agency (FSA) reminds producers that FSA offers targeted farm ownership and farm operating loans to assist underserved applicants as well as beginning farmers and ranchers.

USDA defines underserved applicants as a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of the group without regard to their individual qualities. For farm loan program purposes, targeted underserved groups are women, African Americans, American Indians and Alaskan Natives, Hispanics and Asians and Pacific Islanders.

Underserved or beginning farmers and ranchers who cannot obtain commercial credit from a bank can apply for either FSA direct loans or guaranteed loans. Direct loans are made to applicants by FSA. Guaranteed loans are made by lending institutions who arrange for FSA to guarantee the loan. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan. The FSA guarantee allows lenders to make agricultural credit available to producers who do not meet the lender's normal underwriting criteria.

The direct and guaranteed loan program provides for two types of loans: farm ownership loans and farm operating loans. In addition to customary farm operating and ownership loans, FSA now offers Microloans through the direct loan program. The focus of Microloans is on the financing needs of small, beginning farmer, niche and non-traditional farm operations. Microloans are available for both ownership and operating finance needs. To learn more about microloans, visit <a href="https://www.fsa.usda.gov/microloans">www.fsa.usda.gov/microloans</a>.

To qualify as a beginning producer, the individual or entity must meet the eligibility requirements outlined for direct or guaranteed loans. Additionally, individuals and all entity members must have operated a farm for less than 10 years. Applicants must materially or substantially participate in the operation.

For more information on FSA's farm loan programs and targeted underserved and beginning farmer guidelines, visit <a href="https://www.fsa.usda.gov/farmloans">www.fsa.usda.gov/farmloans</a>.

### Final Days to File Crop Acreage Reports

Washington State producers who have not yet completed their <u>crop acreage reports</u> after planting should make an appointment with their local County Farm Service Agency (FSA) office before July 15, 2021.

"Many USDA programs require producers to file an accurate crop acreage report by the applicable deadline," said Mike Mandere, Acting State Executive Director in Washington. "Our FSA staff can assist producers in completing acreage reports, including providing maps."

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

The following remaining acreage reporting dates are applicable in Washington for the 2021 crop:

July 15, 2021 CRP Contract Acreages

**Spring Planted Crops** 

All other crops not previously reported.

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.

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.

### Report Damage or Loss of NAP Covered Crops Immediately

With the Western U.S. experiencing drought conditions, many farmers and ranchers are seeing drought related damage or loss of their NAP covered crops. If you have NAP coverage and notice weather related damage to your crops, including drought damage, remember that you must report this to your local FSA county office timely in order to be eligible for a NAP benefit.

NAP notices of loss can be initiated by phone, email, or fax, but must be submitted in writing, to your local FSA county office for weather related events or adverse natural occurrences that cause damage to or loss of the NAP covered crop. To report crop damage or loss you must complete, sign, and file the loss portion of form CCC-576 with your FSA office by the <u>earlier</u> of either of the following:

• **15 calendar days** after the disaster occurrence or date of loss or damage to the crop or commodity first becomes apparent or

15 calendar days after the normal harvest date.

Please note, producers of hand-harvested crops and certain perishable crops must notify FSA **within 72 hours** of when a loss becomes apparent.

While some FSA county offices have limited access to the public, offices will take initial NAP notice of loss notifications via phone, email, or fax. Offices will assist producers in completing the official CCC-576 Notice of Loss Form as best as possible, sending the form to producers via email, fax, or mail for final review and signature. The completed and signed CCC-576 should then be returned to the county office as soon as possible via email, fax, or mail.

As the 2021 crop year progresses, it is imperative that a notice of loss is filed (for all affected NAP covered crops) within the timeframe noted above for each weather-related event or adverse natural occurrence. This will ensure FSA is notified that your NAP covered crop or crops have been damaged or lost. If the loss event is approved, remember to provide your crop production to your local FSA county office within 60 days after harvest or request an appraisal within 60 days of the normal harvest date so that the payment portion of form CCC-576 can be filed timely.

When a covered crop is lost or damage is significant, replanting is required if feasible and the final planting date has not passed. If you determine that the crop will be <u>destroyed</u>, <u>abandoned</u>, or <u>not taken to harvest as intended</u>, you must report this to your local FSA office so a field visit can be conducted by a certified loss adjuster. Once the crop appraisal has been completed, the loss adjuster will release the field and you can destroy the covered crop acres and replant to a different crop or harvest the acres for a different use. Crops originally intended for grazing do not require an appraisal.

Remember, failure to timely notify your FSA county office of NAP covered crop damage or loss will result in denial of NAP payment benefits. Destroying NAP covered crop acres or harvesting for a different use without a loss adjuster appraisal will result in those acres being determined ineligible for NAP payment benefits.

If you have any questions about NAP policy requirements, contact your local <u>county FSA</u> <u>office</u> for more information.

# Change Policy for Filing a NAP Notice of Loss on Grazed Forage

For the 2021 and subsequent crop years, NAP forage producers with the intended use of grazing who elect to use independent assessments or other approved alternative loss percentage methods to establish their loss are no longer required to file a CCC-576 Notice of Loss with FSA. However, a CCC-576 Application for Payment form must be submitted to FSA no later than 60 calendar days after the coverage period ends.

Producers that elect to have the grazing loss determined using similar mechanically harvested units still must timely file a CCC-576 Notice of Loss within the earlier of 15 days of the disaster event or damage to the crop first becomes apparent or within 15 days of harvest.

# Marketing Assistance Loans, Loan Deficiency Payments, and Certificates Available

With the start of 2021 crop harvest, keep in mind that FSA Marketing Assistance Loans are available for harvested commodities. A loan can provide you with interim financing to meet cash flow needs without selling your harvested crop at a time when market prices are at harvest-time lows. Your 2021 harvested farm-stored or warehouse-stored commodity is used as collateral for the loan. Marketing Assistance Loans typically mature 9 months after the month loan funds are disbursed to you, with repayment due at loan maturity. Due to the pandemic, all open nonrecourse commodity loans in good standing requested by September 30, 2021 will mature 12 months after loans funds are disbursed, unless a 9-month maturity is requested. Before moving farm-stored loan collateral, you must contact the county FSA office and obtain an authorization to move the collateral. Producers who have a commodity pledged as collateral for a marketing assistance loan can purchase a commodity certificate that can be immediately exchanged for the outstanding loan collateral in situations when the loan rate exceeds the exchange rate. Producers who are eligible for marketing assistance loans can obtain a loan deficiency payments (LDPs) in lieu of a loan. LDP's are available when the posted county price for a crop falls below the county loan rate. You can check the daily LDP rates online at https://www.fsa.usda.gov/programs-and-services/price-support/Index.

For a commodity to be eligible for a loan, loan deficiency payment, or certificate, you must have beneficial interest in the commodity which is defined as having title, possession, and control of the commodity. The quality of stored collateral must be maintained, and you are responsible for loss or damage to the commodity through the term of the loan. To retain eligibility for an LDP when beneficial interest in your harvested crop will be lost upon delivery, you must file form CCC-633 EZ Page 1 with your local FSA office prior to loss of beneficial interest.

Marketing assistance loans or loan deficiency payments are available for wheat, barley, oats, corn, dry peas, lentils, small chickpeas, large chickpeas, grain sorghum, soybeans, sunflower seed, rapeseed, canola, safflower seed, flaxseed, mustard seed, crambe, sesame seed, graded and non-graded wool, mohair, and honey. Unshorn pelts are available for an LDP only. If you are interested, please contact your local FSA county office to learn more about Marketing Assistance Loans.

### 2021 Wool Triggers Loan Deficiency Payments

Wool producers may be eligible for Loan Deficiency Payments (LDP) through the Farm Service Agency. LDPs are direct payments made in lieu of a marketing assistance loan when the Commodity Credit Corporation determined value, based on the current local price, is below the applicable loan rate. For wool, the local prices and loan rates are set at a national level. The payment is the difference between the price and loan rate times the eligible quantity. Wool LDP rates are updated on a weekly basis and can be found online

<u>here</u>. Use the Weekly Commodity Rates icon to open the dropdown which includes the "Wool and Mohair LDP Rates" spreadsheet.

Unsold wool shorn during the 2021 calendar year may be eligible for a 2021 LDP. For a commodity to be eligible for an LDP, the producer must have beneficial interest in the commodity, defined as having title, possession, and control of the commodity, and responsible for loss of or damage to the commodity. All related application forms must be completed at the local FSA office prior to loss of beneficial interest. Additional eligibility requirements must be met before an LDP payment can be paid. This includes a 2021 FSA-578 acreage report for all crop acres, a CCC-941 Adjusted Gross Income Certification, a CCC-902 Farm Operating Plan, an AD-1026 Highly Erodible Land and Wetland Certification, and a direct deposit form or waiver.

In order to request an LDP for wool, producers must complete a CCC-633 EZ Loan Deficiency Payment Agreement and Request form. Page 1 is the agreement which signifies an intent to request an LDP and must be completed before a producer loses beneficial interest of the eligible commodity. Page 4 is the wool request for LDP benefits and must be submitted after page 1 is completed. Once signed and approved, page 4 cannot be cancelled and payments cannot be deferred. Payments are processed after page 4 has been submitted and approved.

For more information on LDPs, visit <a href="https://www.fsa.usda.gov/programs-and-services/price-support/Index">https://www.fsa.usda.gov/programs-and-services/price-support/Index</a> or visit your local FSA office.

### Availability of Funds for Water Hauling

Eligible livestock producers within Adams, Asotin, Benton, Columbia, Franklin, Garfield, Grant, Kittitas, Klickitat, Lincoln, Spokane, Stevens, Walla Walla, Whitman, and Yakima counties, who are facing additional costs associated with water hauling for livestock due to the current drought (determination of a D3 by the National Drought Monitor) may be eligible to receive assistance through the Emergency Livestock Assistance Program (ELAP). Eligibility is dependent on:

- transportation of water to eligible livestock that are on eligible grazing land that under normal conditions does not require water to be transported to it
- drought conditions or an approved adverse weather event

Payments under ELAP are issued on the lesser of the cost to transport water for 150 days or the actual number of gallons transported to the eligible livestock. All eligible livestock producers wishing to file an application for water hauling must provide verifiable or reliable documentation of the cost to transport water to eligible livestock.

Funding for water hauling is currently approved for the drought conditions in the counties listed above. As part of the documentation to support requests for assistance under the ELAP program it is imperative that producers keep accurate records of all associated costs with water hauling.

For more information please contact your local FSA Office.

# **Livestock Forage Program: Signup and Availability**

LFP provides financial assistance to eligible livestock producers when producers suffer grazing losses due to drought conditions reaching an intensity level of D2 for 8 consecutive weeks, or a D3 or D4 for any given length of time. Payments are based upon intensity levels and the duration at which the drought remains at that intensity level.

Eligible livestock owners or contract growers must have risk in the livestock, and also provide the eligible grazing land physically located within an eligible county. This includes land that is owned or leased with the intent of grazing. All forage ground must be accounted for on the applicant's acreage report (FSA-578) and must be filed by the reporting deadline of July 15. Late filed acreage reports will be subject to late file fees and provisions.

Current levels of payment rates are as follows for eligible livestock producers:

1-month payment	3-month payment	4-month payment
Clark	Adams	Benton
Skamania	Asotin	Columbia
	Garfield	Franklin
	Grant	Klickitat
	Kittitas	Walla Walla
	Lincoln	Whitman
	Spokane	Yakima
	Stevens	

All livestock producers within eligible counties wishing to file an application should contact their local FSA office to request an application. Producers must be prepared to provide documentation to support their LFP application. This includes inventory records for livestock, leases, grower contracts, etc.

### **Important Dates and Deadlines**

**July 5, 2021** – Monday observance of Independence Day. USDA service centers will be closed.

**July 12, 2021** – CRP Grasslands signup reopens. Deadline to sign up is August 20, 2021

**July 15, 2021** – Final acreage reporting date for perennial forage, CRP, and spring-seeded crops.

**July 15, 2021** – Deadline to report actual harvested production of 2020 NAP covered grass seeds, forages, and annually planted spring crops for actual production history (APH) purposes.

**July 15, 2021** – Final date to report 2020 production for ARC-IC.

**July 23, 2021** – Deadline to submit completed and signed offers for general CRP signup 56.

August 1, 2021 – County Committee election nominations due.

**August 6, 2021** – Deadline to submit completed and signed offers to re-enroll land in continuous CRP, CLEAR30, and CREP.

August 20, 2021 – Deadline to sign up for CRP Grasslands.

**September 6, 2021** – Labor Day. USDA service centers will be closed.

**September 30, 2021** – Deadline to obtain 2022 crop year NAP coverage for aquaculture; beets (for stecklings); Christmas trees; floriculture; garlic; mint; mushrooms; turf grass sod; biennial/perennial forages and mixed forages for hay, seed, or grazing.

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