

#### **Wisconsin Farm Service Agency - May 2021**

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#### **Dates To Remember**

May 31, 2021: USDA Service Centers closed in Observance of Memorial Day

May 31, 2021: NAP Deadline for ornamental nurseries

**June 1, 2021:** MAL for prior year harvested corn, soybeans and other oilseeds, rice, grain sorghum, and pulse crops

**July 15, 2021:** <u>Acreage Reporting Deadline</u> for Barley, Corn, Dry Beans, Forage Seeding, Grain Sorghum, Green Peas, Mint, Oats, Onions, Popcorn, Potatoes, Soybeans, Sweet Corn, Whole Farm Revenue Protections

#### **Ongoing Program Sign Ups:**

Conservation Reserve Program (CRP) - Continuous

Coronavirus Food Assistance Program (CFAP)

Conservation Reserve Program (CRP)/ State Acres for Wildlife Enhancement (SAFE) Initiative

Please Contact your local USDA Service Center for more information.

## 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 and 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 offers Microloans through the direct loan program. Microloans focus 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 fsa.usda.gov/microloans.

To qualify as a beginning producer, the individual or entity must meet the eligibility requirements outlined for direct or guaranteed loans. 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, contact your local USDA Service Center.

### FSA Opens CFAP 2 Signup for Additional Enrollment; Updates Additional CFAP Provisions

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) announced that signup has reopened for the Coronavirus Food Assistance Program 2 (CFAP 2) as part of the Pandemic Assistance for Producers initiative. The initial CFAP 2 signup ended on Dec. 11, 2020, but USDA has reopened sign-up for CFAP 2 for at least 60 days beginning April 5, 2021, for producers to apply or make modifications to existing CFAP 2 applications.

CFAP 2 provides direct financial relief to producers due to market disruptions and associated costs because of COVID-19. CFAP 2 payments will be made for three categories of commodities – Price Trigger Commodities, Flat-rate Crops and Sales Commodities. Visit <a href="mailto:farmers.gov/cfap/commodities">farmers.gov/cfap/commodities</a> for a full list of eligible commodities for each category.

#### **Price Trigger Commodities**

Price trigger commodities are major commodities that meet a minimum 5-percent price decline over a specified period of time. Eligible price trigger crops include barley, corn, sorghum, soybeans, sunflowers, upland cotton, and all classes of wheat. Payments will be based on 2020 planted acres of the crop, excluding prevented planting and experimental acres.

For broilers and eggs, payments will be based on 75 percent of the producers' 2019 production.

Dairy (cow's milk) payments will be based on actual milk production from April 1 to Aug. 31, 2020. The milk production for Sept. 1, 2020, to Dec. 31, 2020, will be estimated by FSA.

Eligible beef cattle, hogs and pigs, and lambs and sheep payments will be based on the maximum owned inventory of eligible livestock, excluding breeding stock, on a date selected by the producer, between April 16, 2020, and Aug. 31, 2020.

#### **Flat-rate Crops**

Crops that either do not meet the 5-percent price decline trigger or do not have data available to calculate a price change will have payments calculated based on eligible 2020 acres multiplied by \$15 per acre. These crops include alfalfa, extra long staple (ELS) cotton, oats, peanuts, rice, hemp, millet, mustard, safflower, sesame, triticale, rapeseed, and several others.

#### Sales Commodities

Sales commodities include specialty crops; aquaculture; nursery crops and floriculture; other commodities not included in the price trigger and flat-rate categories, turfgrass sod; pullets; goat milk; mink (including pelts); mohair; wool; and other livestock (excluding breeding stock), not included under the price trigger category that were grown for food, fiber, fur, or feathers. Payment calculations will use a sales-based approach, where producers are paid based on five payment gradations associated with their 2019 sales, and crop insurance indemnities, Noninsured Crop Disaster Assistance Program (NAP),

and Wildfire and Hurricane Indemnity Program Plus (WHIP+) payments for crop year 2019.

#### **Applying for CFAP 2**

Visit <u>farmers.gov/cfap</u> for details on all eligible commodities, producer eligibility, payment limitations and structure and additional program resources.

Producers have multiple options to apply for CFAP 2, including through an online application portal and by working directly with the FSA office. Customers seeking one-on-one support with the CFAP 2 application process can call 877-508-8364 to speak directly with a USDA employee ready to offer assistance.

#### Additional CFAP Payments for Beef and Row-Crop Producers

The Consolidated Appropriations Act, 2021, authorizes an increase in CFAP 1 payment rates for cattle. Cattle producers with approved CFAP 1 applications will automatically receive these payments and do not need to submit a new application since payments are based on previously approved CFAP 1 applications. Producers may be asked for additional information depending on how they filed the original application. Information on the additional payment rates for cattle can be found on farmers.gov/cfap.

This act also authorized additional CFAP assistance of \$20 per acre for producers of eligible CFAP 2 flat-rate or price trigger commodities. FSA will automatically issue payments to eligible producers based on the eligible acres included on their CFAP 2 applications. Eligible producers do not need to submit a new CFAP 2 application.

#### **Additional CFAP Actions**

FSA has also begun payment processing applications filed as part of the CFAP Additional Assistance program in the following categories:

- Applications filed for pullets and turfgrass sod;
- A formula correction for row-crop producer applications to allow producers with a non-Actual Production History (APH) insurance policy to use 100% of the 2019 Agriculture Risk Coverage-County Option (ARC-CO) benchmark yield in the calculation; and
- Sales commodity applications revised to include insurance indemnities,
   Noninsured Crop Disaster Assistance Program payments, and Wildfire and Hurricane Indemnity Program Plus payments.

Additional payments for swine producers and contract growers under CFAP Additional Assistance remain on hold and are likely to require modifications to the regulation as part of the broader evaluation and future assistance; however, FSA will continue to accept applications from interested producers.

## **USDA Expands and Renews Conservation Reserve Program**

Agriculture Secretary Tom Vilsack announced that USDA will open 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. Secretary Vilsack made the announcement today at the White House National Climate Task Force meeting to demonstrate USDA's commitment to putting American agriculture and forestry at the center of climate-smart solutions to address climate change.

#### **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.

CRP's long-term goal is to establish valuable land cover to help improve water quality, improve soil health and carbon sequestration, prevent soil erosion, and reduce loss of wildlife habitat. USDA's Farm Service Agency (FSA) offers a number of signups, including the general signup and continuous signup, which are both open now, as well as a CRP Grasslands and pilot programs focused on soil health and clean water.

#### **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.

#### **Enhanced Natural Resource Benefits**

To boost impacts for natural resources, FSA is:

- Moving State Acres for Wildlife Enhancement (SAFE) practices to the CRP continuous signup. Unlike the general signup, producers can sign up year-round for the continuous signup and be eligible for additional incentives.
- Establishing National Grassland Priority Zones. This aims to increase enrollment of grasslands in migratory corridors and environmentally sensitive areas.
- Making Highly Erodible Land Initiative (HELI) practices available in both the general and continuous signups.

#### **Expanding Prairie Pothole Soil Health and Watershed Programs**

CRP has two pilot programs — the Soil Health and Income Protection Program (SHIPP) and the Clean Lakes, Estuaries and Rivers 30-year contracts (CLEAR30).

- For SHIPP, which is a short-term option (3, 4, or 5-year contracts) for farmers to plant cover on less productive agricultural lands, FSA will hold a 2021 signup in the Prairie Pothole states.
- The CLEAR30 pilot, a long-term option through CRP, will be expanded from the Great Lakes and Chesapeake Bay pilot regions to nationwide.

#### **Increasing Technical Assistance Capacity and Impact Measurement**

USDA technical assistance through the Natural Resources Conservation Service (NRCS) is critical to enable producers to plan and implement conservation practices that are appropriate for their needs. To ensure increased enrollment and support for producers, USDA is increasing NRCS technical assistance capacity for CRP by \$140 million.

Additionally, in order to better target the program toward climate outcomes, USDA will invest \$10 million in the CRP Monitoring, Assessment and Evaluation (MAE) program to measure and monitor the soil carbon and climate resilience impacts of conservation practices over the life of new CRP contracts. This will enable the agency to further refine the program and practices to provide producers tools for increased climate resilience.

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

#### **Partnership Programs Contribute to Priorities**

In addition to changes to CRP, Secretary Vilsack also announced significant investments for climate-smart policies. First, NRCS is investing \$330 million in 85 locally driven, public-private partnerships under the Regional Conservation Partnership Program to address climate change and other natural resources challenges. NRCS will announce more details on the RCPP project selections on April 26.

Second, NRCS is investing \$25 million in proposals for On-Farm Trials, which are part of the Conservation Innovation Grants program. NRCS is seeking proposals through June 21. Project priorities include climate-smart agricultural solutions and soil health practices.

### **Current FSA Loan Interest Rates**

Current program interest rates as of May 1, 2021.

#### Farm Loan Interest Rates:

Farm Operating - Direct	1.750%
Farm Ownership - Direct	3.250%
Farm Ownership - Microloan	3.250%
Farm Ownership - Direct, Joint Financing	2.500%
Farm Ownership - Down Payment	1.500%
Emergency - Amount of Actual Loss	2.750%

#### Farm Storage Facility Loans (FSFL):

3-year FSFL	0.375%
5-year FSFL	0.875%
7-year FSFL	1.375%
10-year FSFL	1.625%
12-year FSFL	1.750%

Please visit the Farm Loan Program webpage for more information.

# NRCS Announces Second EQIP Signup for 2021 Funding, Apply by May 21, 2021

Farmers and forest landowners will want to plan ahead and sign up early for USDA's second round of conservation funding. Angela Biggs, <u>USDA Natural Resources Conservation</u>

<u>Service</u> (NRCS) State Conservationist in Wisconsin, announced farmers and forest landowners interested in the <u>Environmental Quality Incentives Program (EQIP)</u> need to apply by May 21, 2021, for funding in 2021. Applications are being taken at all <u>USDA Service</u> Centers in Wisconsin.

EQIP is the primary program available to farmers and landowners for farm and woodland conservation work, offering payments for over 120 basic conservation practices. Last year, Wisconsin received over \$33 million in funds for EQIP practices.

All eligible applications received by May 21, 2021, will be evaluated, prioritized and ranked for funding in 2021. Farmers may contact their local USDA Service Center to get started on producer eligibility and planning. Biggs reminds farmers who are interested in practices that may require permits, such as manure storage or streambank restoration, to begin planning and seeking permits as soon as possible. Applicants with shovel-ready projects (designs completed and permit applications submitted) will receive a higher ranking.

#### Sign up for several special initiatives focusing on conservation efforts.

Special sign-up opportunities are also now open for Conservation Activity Plans, Great Lakes Restoration Initiative, Honey Bee, as well as several landscape-based initiatives. Special initiatives are also available for socially disadvantaged and other historically underserved customers at increased payment rates. All offer technical and financial assistance through EQIP.

**Honey Bee:** The upper Midwest is the resting ground for over 65 percent of commercially managed honey bees in the country. The NRCS is helping farmers and landowners implement conservation practices that will provide safe and diverse food sources for honey bees. Pasture management, wildlife habitat and appropriate cover crops are used as tools to improve the health of our honey bees, which support more than \$15 billion worth of agricultural production.

**Great Lakes Restoration Initiative:** Through the <u>Great Lakes Restoration Initiative</u> (GLRI), NRCS offers financial assistance to agricultural producers for implementing practices that improve water quality in selected watersheds. Newly eligible watersheds for 2021 include the Pensaukee River, Oconto River and Peshtigo River. These watersheds are in addition to the existing Door-Kewaunee Rivers, Lower Fox River, Manitowoc-Sheboygan, Milwaukee River, Upper Fox River, Wolf River and Lake Winnebago watersheds.

**National Water Quality Initiative:** The National Water Quality Initiative (NWQI) is designed to help individual agricultural producers take actions to reduce the runoff of sediment, nutrients and pathogens into waterways where water quality is a critical concern. The goal is to implement conservation practices in focused watersheds in a concentrated area so that agriculture no longer contributes to the impairment of water bodies within these priority watersheds. Eligible watersheds include Bear Lake-Little Wolf River in Waupaca County and North Branch Little River in Oconto County.

Regional Conservation Partnership Program: The Regional Conservation Partnership Program (RCPP) promotes coordination between NRCS and its partners to deliver conservation assistance to producers and landowners. NRCS provides assistance to producers through partnership agreements and through program contracts or easement agreements. Current active projects for water quality improvement are located within the Oconomowoc River watershed to improve water quality and projects to improve fish and wildlife habitat stream and riparian habitat in the Driftless Area.

Landowners interested in applying for EQIP funding should contact their local NRCS office at the <u>USDA Service Center</u> for their county. For more information, visit <u>www.wi.nrcs.usda.gov.</u>

### **Heirs' Property Landowners**

USDA recently launched a new website for producers to find information on heirs' property.

Heirs' property is family owned land that is jointly owned by descendants of a deceased person whose estate did not clear probate. The descendants, or heirs, have the right to use the property, but they do not have a clear or marketable title to the property since the estate issues remain unresolved.

The 2018 Farm Bill authorized alternative documentation for heirs' property operators to establish a farm number. A farm number is required to be eligible for many different USDA programs, including lending, disaster relief programs, and participation in county committees. For more information visit farmers.gov/manage/HeirsPropertyLandowners.

## Let's share what you're planting this season on social media.

Spring has sprung and it's planting time! For many, 2020 was the first year they'd ever seen an empty shelf at the grocery store. And for the first time, many people realized how much they take farming and the people who make it possible for granted. Let's change that. Let Farmers.gov showcase your work by participating in the #Plant2021 campaign. We'll share your stories on social media and our nationwide <a href="storymap">storymap</a>. <a href="https://example.com/Here's how.

**Wisconsin Farm Service Agency** 

8030 Excelsior Drive Suite 100 Madison, WI 53717 Phone: 608-662-4422

**Acting State Executive Director** 

Tyler Radke

Farm Loan Chief

Tom Brandt

**Farm Program Chief** 

Greg Biba

**Farm Program Chief** 

John Palmer

State Committee: Lisa Condon, Chair Thomas Gillis David Heideman Tom McClellan

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