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USDA U.S. DEPARTMENT OF AGRICULTURE			
Arkansas USDA Newsletter - December 2021			
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## Message from Arkansas Farm Service Agency (FSA) Acting State Executive Director Danny Hoots

Arkansas FSA would like to thank all eligible producers that participated in the county committee elections this year. County Committee Members are a critical component of the day-to-day operations of our Agency. They help deliver programs at the county level and work to serve the needs of all local producers. All recently elected County Committee Members will take office in January 2022.

USDA has begun issuing approximately \$270 million in payments to contract producers of eligible livestock and poultry who applied for Pandemic Assistance. Earlier this year, FSA listened to feedback from producers and stakeholders and made updates to be more equitable in assistance. USDA released the improved program for contract producers to fill these gaps. Providing this support as part of USDA's broader Pandemic Assistance for Producers initiative.

Signup is open for the Dairy Margin Coverage (DMC) program. The program has expanded to allow dairy producers to better protect their operations by enrolling supplemental production. This signup period – which runs from Dec. 13, 2021 to Feb. 18, 2022 – enables producers to get coverage through this important safety-net program for another year, as well as, get additional assistance through the new Supplemental DMC.

USDA is leveraging its authorities under the <u>Conservation Reserve Enhancement</u> <u>Program</u> (CREP) to bring in new types of partners and ultimately expand opportunities in voluntary conservation for the Nation's agricultural producers and private landowners. In direct response to feedback from state agencies, Tribes, non-profits, and other groups; USDA has updated CREP's rule regarding matching fund requirements and invested in additional staff to work directly with partners for streamlined, partner-driven conservation efforts.

USDA touches the lives of all Americans each day in so many positive ways. To learn more, visit <u>www.usda.gov</u> or <u>www.farmers.gov</u>.

Best wishes to all and we hope you have a safe Holiday Season. We also wish you a New Year full of success. We value our relationship with all our customers and look forward to working with you in the future.

## Message from Arkansas Natural Resources Conservation Service (NRCS) State Conservationist Mike Sullivan

We have much to be proud of because Fiscal Year (FY) 2021 was another great year for USDA's Natural Resources Conservation Service (NRCS) assisting farmers, ranchers and foresters implement conservation practices addressing natural resource concerns on their operations. Thanks to the extra efforts of all our Arkansas NRCS employees and our conservation partners, we continued to manage our workloads during the pandemic, servicing existing Farm Bill contracts while improving conservation planning and technical assistance and servicing new Farm Bill requests.

Here's an example of some of our accomplishments:

- Farm Bill program utilization FY2021 programs funding, contracts and acres impacted
  - FY 2021 Environmental Quality Incentives Program (EQIP) 1358 contracts; \$51,535,890 obligated; 200,354 acres contracted

- FY 2021 Conservation Stewardship Program (CSP) 197 contracts; \$22,892,313; 148,610 acres contracted
- FY 2021 Mississippi River Basin Healthy Watersheds Initiative (MRBI) - FY21 Obligated \$9,445,680; Total Obligated 141; Acres 24,502; Historically Underserved Producers (HU) Contracts 49, HU Acres 7,319; HU Obligation \$ - \$3,771,735; % HU Obligated \$ -40%
- FY 2021 Regional Conservation Partnership Program (RCPP)-EQIP -FY21 Obligated \$435,903; Total Obligated 16; Acres 1,767; HU Contracts 8, HU Acres 601; HU Obligation \$ - \$152,891; % HU Obligated \$ - 35%
- FY 2021 RCPP18 FY21 Obligated \$383,693; Total Obligated 14; Acres 2663; HU Contracts 4, HU Acres 418; HU Obligation \$ \$160,234; % HU Obligated \$ 42%

We are proud of the strong conservation partnership NRCS has here in Arkansas. Through FY22, we will continue to work closely with our partners to continue progress accomplishing our goals above and beyond what we could ever achieve on our own. Through hard work and extra effort, we will continue to deliver high-quality service assisting customers address their most pressing natural resource concerns.

We are now in the winter season and I want to remind producers that NRCS offers disaster assistance for those facing inclement weather. NRCS provides financial resources through the <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.

### Important Dates to Remember

Farmers and landowners have until January 21, 2022, to apply for funding consideration during the 2022 Conservation Stewardship Program (CSP) Classic enrollment period. While applications are accepted throughout the year, interested producers should submit applications to their local NRCS office by January 21, 2022, to ensure their applications are considered for 2022 CSP Classic funding. For additional information, contact the district conservationist at <u>your local USDA Service Center</u>.

Have a safe and happy holiday season, Merry Christmas and Happy New Year.

# Ask USDA available to answer questions about FSA programs

Ask USDA is now available as a tool for FSA customers to ask questions about FSA programs and services.

Ask USDA, available at <u>ask.usda.gov</u> is similar to AskFSA, which was decommissioned Sept. 21, but it also provides information for all USDA programs. Ask USDA allows USDA

customers to search for and read answers about FSA programs and services in the same location as they read about other USDA programs and services.

Customers are able to submit questions through email, chat, and phone if they need more information. This improved customer service approach further builds on Secretary Sonny Perdue's OneUSDA vison and provides the customer a one-stop shopping experience that covers all of USDA's many programs.

## USDA Builds Pandemic Support for Certified Organic and Transitioning Operations

The U.S. Department of Agriculture (USDA) will provide pandemic assistance to cover certification and education expenses to agricultural producers who are certified organic or transitioning to organic. USDA will make \$20 million available through the new <u>Organic</u> and <u>Transitional Education and Certification Program (OTECP)</u> as part of USDA's broader <u>Pandemic Assistance for Producers initiative</u>, which provides new, broader and more equitable opportunities for farmers, ranchers and producers.

During the COVID-19 pandemic, certified organic and transitional operations faced challenges due to loss of markets, and increased costs and labor shortages, in addition to costs related to obtaining or renewing their organic certification, which producers and handlers of conventionally grown commodities do not incur. Transitional operations also faced the financial challenge of implementing practices required to obtain organic certification without being able to obtain the premium prices normally received for certified organic commodities.

### **Eligible Expenses**

OTECP funding is provided through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Certified operations and transitional operations may apply for OTECP for eligible expenses paid during the 2020, 2021 and 2022 fiscal years. For each year, OTECP covers 25% of a certified operation's eligible certification expenses, up to \$250 per certification category (crop, livestock, wild crop, handling and State Organic Program fee). This includes application fees, inspection fees, USDA organic certification costs, state organic program fees and more.

Crop and livestock operations transitioning to organic production may be eligible for 75% of a transitional operation's eligible expenses, up to \$750, for each year. This includes fees charged by a certifying agent or consultant for pre-certification inspections and development of an organic system plan.

For both certified operations and transitional operations, OTECP covers 75% of the registration fees, up to \$200, per year, for educational events that include content related to organic production and handling in order to assist operations in increasing their knowledge of production and marketing practices that can improve their operations, increase resilience and expand available marketing opportunities. Additionally, both certified and transitional operations may be eligible for 75% of the expense of soil testing

required under the National Organic Program (NOP) to document micronutrient deficiency, not to exceed \$100 per year.

### Applying for Assistance

Signup for 2020 and 2021 OTECP will be Nov. 8, 2021, through Jan. 7, 2022. Producers apply through their local Farm Service Agency (FSA) office and can also obtain one-on-one support with applications by calling 877-508-8364. Visit <u>farmers.gov/otecp</u> to learn more.

### Additional Organic Support

OTECP builds upon USDA's Organic Certification Cost Share Program (OCCSP) which provides cost share assistance of 50%, up to a maximum of \$500 per scope, to producers and handlers of agricultural products who are obtaining or renewing their certification under the NOP. This year's application period for OCCSP ended Nov. 1, 2021.

Additionally, USDA's Risk Management Agency announced improvements to the Whole-Farm Revenue Program including increasing expansion limits for organic producers to the higher of \$500,000 or 35%. Previously, small and medium size organic operations were held to the same 35% limit to expansion as conventional practice producers. Also, producers can now report acreage as certified organic, or as acreage in transition to organic, when the producer has requested an organic certification by the acreage reporting date.

To learn more about USDA's assistance for organic producers, visit usda.gov/organic.

As USDA looks for long-term solutions to build back a better food system, the Department is committed to delivery of financial assistance to farmers, ranchers and agricultural producers and businesses who have been impacted by COVID-19 market disruptions. Since USDA rolled out the Pandemic Assistance for Producers initiative in March, the Department has provided support to America's farmers and ranchers including:

- \$18 billion in <u>Coronavirus Food Assistance Program 2</u>payments, including a fourfold increase in participation by historically underserved producers since the program reopened in April 2021.
- Over \$35 million in assistance for those who had to depopulate livestock and poultry due to insufficient processing access (<u>Pandemic Livestock Indemnity</u> <u>Program</u>).
- Over \$7 million to date for the logging and log hauling industry (<u>Pandemic</u> <u>Assistance for Timber Harvesters and Haulers</u>). Final payments are being calculated to be disbursed soon.
- \$1 billion to <u>purchase healthy food for food insecure Americans and build food</u> <u>bank capacity</u>.
- \$350 million in additional dairy assistance related to market volatility.
- <u>\$500 million deployed through existing USDA programs.</u>

## Linkage Requirements for Payments Received Under WHIP+ and/or QLA

If you received a payment under the Wildfires and Hurricanes Indemnity Program+ (WHIP+) or the Quality Loss Adjustment Program (QLA) for crop production and/or quality losses occurring in 2018, 2019, or 2020 crop years, you are required to meet linkage requirements by obtaining federal crop insurance or Non-Insured Crop Disaster Assistance Program (NAP) coverage at the 60/100 level, or higher, for both the 2022 and 2023 crop years.

When applying for WHIP+ or QLA, form FSA-895 (Crop Insurance and/or NAP Coverage Agreement) was submitted acknowledging the requirement to obtain federal crop insurance, if available, or NAP coverage if federal crop insurance is not available. The coverage requirement is applicable to the physical location county of the crop that received WHIP+ and/or QLA benefits.

Producers should not delay contacting their federal crop insurance agent or local county FSA Office to inquire about coverage options, as **failure to obtain the applicable coverage by the sales/application closing date will result in the required refund of WHIP+ benefits received on the applicable crop, plus interest.** You can determine if crops are eligible for federal crop insurance or NAP by <u>visiting the RMA website</u>.

For more information, contact your local County USDA Service Center or visit <u>fsa.usda.gov</u>.

## 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.

## **Maintaining Good Credit History**

Farm Service Agency (FSA) loans require applicants to have a satisfactory credit history. A credit report is requested for all FSA direct farm loan applicants. These reports are reviewed to verify outstanding debts, see if bills are paid timely and to determine the impact on cash flow.

Information on your credit report is strictly confidential and is used only as an aid in conducting FSA business.

Our farm loan staff will discuss options with you if you have an unfavorable credit report and will provide a copy of your report. If you dispute the accuracy of the information on the credit report, it is up to you to contact the issuing credit report company to resolve any errors or inaccuracies.

There are multiple ways to remedy an unfavorable credit score:

- Make sure to pay bills on time
  - Setting up automatic payments or automated reminders can be an effective way to remember payment due dates.
- Pay down existing debt
- Keep your credit card balances low
- Avoid suddenly opening or closing existing credit accounts

FSA's farm loan staff will guide you through the process, which may require you to reapply for a loan after improving or correcting your credit report.

For more information on FSA farm loan programs, contact your local FSA County office or visit <u>fsa.usda.gov</u>.

## Preauthorized Debit Available for Farm Loan Borrowers

USDA's Farm Service Agency (FSA) has implemented pre-authorized debit (PAD) for Farm Loan Program (FLP) borrowers. PAD is a voluntary and alternative method for making weekly, bi-weekly, monthly, quarterly, semi-annual or annual payments on loans.

PAD payments are pre-authorized transactions that allow the National Financial and Accounting Operations Center (NFAOC) to electronically collect loan payments from a customer's account at a financial institution.

PAD may be useful if you use nonfarm income from regular wages or salary to make payments on loans or adjustment offers or for payments from seasonal produce stands. PAD can only be established for future payments.

To request PAD, customers, along with their financial institution, must fill out form RD 3550-28. This form has no expiration date, but a separate form RD 3550-28 must be completed for each loan to which payments are to be applied. A fillable form can be accessed on the USDA Rural Development (RD) website at rd.usda.gov/publications/regulations-guidelines. Click forms and search for "Form 3550-28."

If you have a "filter" on the account at your financial institution, you will need to provide the financial institution with the following information: Origination ID: 1220040804, Agency Name: USDA RD DCFO.

PAD is offered by FSA at no cost. Check with your financial institution to discuss any potential cost. Preauthorized debit has no expiration date, but you can cancel at any time by submitting a written request to your local FSA office. If a preauthorized debit agreement receives three payment rejections within a three-month period, the preauthorized debit agreement will be cancelled by FSA. The payment amount and due date of your loan is not affected by a cancellation of preauthorized debit. You are responsible to ensure your full payment is made by the due date.

For more information about PAD, contact your local FSA County office or visit <u>fsa.usda.gov</u>.

# NRCS Announces Conservation Funding Opportunities for 2022

USDA has several fiscal year 2022 assistance opportunities for agricultural producers and private landowners for key programs, such as the <u>Environmental Quality Incentives</u> <u>Program</u> (EQIP), <u>Conservation Stewardship Program</u> (CSP), <u>Agricultural Conservation</u> <u>Easement Program</u> (ACEP), and <u>Regional Conservation Partnership Program</u> (RCPP).

Through conservation programs, USDA's Natural Resources Conservation Service (NRCS) provides technical and financial assistance to help producers and landowners make conservation improvements on their land that benefit natural resources, build resiliency and contribute to the nation's broader effort to combat the impacts of climate change.

### Applying for Assistance

NRCS accepts applications for its conservation programs year-round. State Technical Committees, composed of representatives from conservation and agricultural-related organizations, work with NRCS to set state-specific, ranking dates to evaluate applications for funding. These dates account for producer needs, staff workload and ensure potential participants have ample opportunity to apply. Producers should apply by their state's ranking dates to be considered for funding in the current cycle.

Funding is provided through a competitive process. Specific ranking dates for all programs are available. Applications received after ranking dates will be automatically deferred to the next funding period.

#### **Program Options**

EQIP provides cost share assistance for producers to use 170-plus conservation practices to address a wide variety of resource concerns. Within EQIP, Conservation Incentive Contracts allow producers to further target priority resource concerns. CSP helps producers take their conservation activities to the next level through comprehensive

conservation and advanced conservation activities. ACEP helps producers enroll wetlands, grasslands and farmlands into easements for long-term protection. Additionally, through RCPP, producers and landowners can work with partners who are co-investing with NRCS on targeted projects.

#### **Historically Underserved Producer Benefits**

Special provisions are also available for <u>historically underserved producers</u>. For EQIP, historically underserved producers are eligible for advance payments to help offset costs related to purchasing materials or contracting services up front. In addition, historically underserved producers can receive higher EQIP payment rates (up to 90% of average cost). NRCS sets aside EQIP, CSP and ACEP funds for historically underserved producers.

#### **Conservation Practices and Climate**

NRCS conservation programs play a critical role in USDA's commitment to partnering with farmers, ranchers, forest landowners and local communities to deliver climate solutions that strengthen agricultural operations and rural America. States may prioritize a variety of voluntary conservation practices through these NRCS programs, including those that support climate-smart agriculture and forestry (CSAF).

In fiscal year 2022, EQIP and CSP will provide targeted funding for CSAF practices, and Conservation Incentive Contracts – a new EQIP program – will be available nationwide with an emphasis on CSAF practices. Building on these efforts, NRCS will also prioritize climate investments through ACEP, RCPP and Conservation Innovation Grants.

Producers, landowners and forest managers interested in applying for assistance should contact the NRCS at their <u>local USDA Service Center</u>.

# NRCS Accepting 2022 CSP Applications through Jan. 21, 2022

Farmers and landowners have until Jan. 21, 2022, to apply for funding consideration during the 2022 Conservation Stewardship Program (CSP) Classic enrollment period. Producers in portions of Chicot and Desha counties will also have the opportunity to apply for CSP in the MRBI-Canal 43 project area.

CSP offers additional opportunities to expand on existing conservation efforts by offering conservation practices, enhancements, bundles, and other conservation activities.

"CSP continues to be a very effective tool for private landowners working to achieve their conservation and management goals," said Mike Sullivan, Arkansas NRCS state conservationist.

While applications are accepted throughout the year, interested producers should submit applications to their local NRCS office by Jan. 21, 2022, to ensure their applications are considered for 2022 CSP Classic funding.

CSP is offered in Arkansas through continuous sign-ups. The program provides many benefits including increased crop yields, decreased inputs, wildlife habitat improvements and increased resilience to weather extremes. CSP is for working lands including cropland, pastureland, rangeland, nonindustrial private forest land and agricultural land under the jurisdiction of a tribe.

For additional information about CSP, contact your local USDA Service Center.

While USDA offices are currently closed to walk-in visitors because of the pandemic, service center staff continue to work with agricultural producers by appointment and via phone, email, and other digital tools. To conduct business, please contact your local USDA Service Center. Additionally, more information related to USDA's response and relief for producers can be found at farmers.gov/coronavirus.

## The Importance of Responding to NASS Surveys

USDA's National Agricultural Statistics Service (NASS) conducts hundreds of surveys every year and prepares reports covering virtually every aspect of U.S. agriculture.

If you receive a survey questionnaire, please respond quickly and online if possible.

The results of the surveys help determine the structure of USDA farm programs, such as soil rental rates for the Conservation Reserve Program and prices and yields used for the Agriculture Risk Coverage and Price Loss Coverage programs. This county-level data is critical for USDA farm payment determinations. Survey responses also help associations, businesses and policymakers advocate for their industry and help educate others on the importance of agriculture.

NASS safeguards the privacy of all respondents and publishes only aggregate data, ensuring that no individual operation or producer can be identified.

## **RMA Offers Insurance Resources**

The Risk Management Agency (RMA) serves America's agricultural producers through effective, market-based risk management tools to strengthen the economic stability of agricultural producers and rural communities. RMA is committed to increasing the availability and effectiveness of Federal crop insurance as a risk management tool.

RMA manages the Federal Crop Insurance Corporation (FCIC) to provide innovative crop insurance products to America's farmers and ranchers. Approved Insurance Providers (AIP) sell and service Federal crop insurance policies in every state and in Puerto Rico through a public-private partnership with RMA. RMA backs the AIPs who share the risks

associated with catastrophic losses due to major weather events. <u>Learn more by visiting</u> <u>RMA's website</u>.

## **Rates and Dates**

Selected Interest Rates for			
December 2021			
90-Day Treasury Bill	0.125		
Farm Operating Loans — Direct	2.000		
Farm Ownership Loans — Direct	3.000		Dates to Remember
Farm Ownership Loans — Direct Down Payment, Be- ginning Farmer or Rancher	1.500	12/15/21	Acreage reporting deadline for wheat, oats, and small grain crops
Emergency Loans	3.000	12/15/21	Final date to file prevented planted acreage for wheat &
Farm Storage Facility		1.125 12/17/21	oats
Loans (5 years)	1.125		Interim Conservation Plan for CRP deadline
Farm Storage Facility Loans (10 years)	1.625	1/7/22	Organic cost expense deadline for 2020 and 2021 operations
Commodity Loans 1996- Present	1.125	3/15/22	ARC/PLC 2022 enrollment deadline



### Arkansas USDA

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NRCS Phone: 501-301-3100 NRCS Fax: 855-681-7044

Please contact your local Service Center for questions/answers specific to your operation or county. To find contact information for your local office go to <u>www.fsa.usda.gov/ar</u>.

State Committee Meeting: 2nd Wednesday and Thursday of each Quarter.

CONTACT US:



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