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Alabama FSA Newsletter

Alabama Farm Service Agency

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USDA Announces CRP General Signup Ends February 12

Agricultural producers and private landowners interested in the Conservation Reserve Program (CRP) can sign up for the popular program beginning Jan. 4, 2021, until Feb. 12, 2021. The competitive program, administered by USDA's Farm Service Agency (FSA), provides annual rental payments for land devoted to conservation purposes.

Through CRP, farmers and ranchers establish long-term, resource-conserving plant species, such as approved grasses or trees, to control soil erosion, improve water quality and enhance wildlife habitat on cropland. Farmers and ranchers who participate in CRP help provide numerous benefits to their local region and the nation's environment and economy. CRP general signup is held annually and is competitive; general signup includes increased opportunities for wildlife habitat enrollment through the State Acres For Wildlife Enhancement (SAFE) initiative.

New cropland offered in the program must have been planted for four out of six crop years from 2012 to 2017. Additionally, producers with land already enrolled but expiring on Sept. 30, 2021, can re-enroll this year. The acreage offered by producers and landowners is evaluated competitively; accepted offers will begin Oct. 1, 2021.

USDA Offers Secure New Options for Signing and Sharing Documents Online

Farmers and ranchers working with USDA's Farm Service Agency or Natural Resources Conservation Service can now sign and share documents online in just a few clicks. By using Box or OneSpan, producers can digitally complete business transactions without leaving their homes or agricultural operations. Both services are free, secure, and available for multiple FSA and NRCS programs.

Box is a secure, cloud-based site where FSA or NRCS documents can be managed and shared. Producers who choose to use Box can create a username and password to access their secure Box account, where documents can be downloaded, printed, manually signed, scanned, uploaded, and shared digitally with Service Center staff. This service is available to any FSA or NRCS customer with access to a mobile device or computer with printer connectivity.

OneSpan is a secure eSignature solution for FSA and NRCS customers. Like Box, no software downloads or eAuthentication is required for OneSpan. Instead, producers interested in eSignature through OneSpan can confirm their identity through two-factor authentication using a verification code sent to their mobile device or a personalized question and answer. Once identity is confirmed, documents can be reviewed and e-signed through OneSpan via the producer's personal email address. Signed documents immediately become available to the appropriate Service Center staff.

Box and OneSpan are both optional services for customers interested in improved efficiency in signing and sharing documents with USDA, and they do not replace existing systems using eAuthentication for digital signature. Instead, these tools provide additional digital options for producers to use when conducting business with FSA or NRCS.

USDA Service Center staff are available to help producers get started with Box and OneSpan through a few simple steps. Please visit farmers.gov/service-locator to find your local office and let Service Center staff know you're interested in signing and sharing documents through these new features. In most cases, one quick phone call will be all that is needed to initiate the process.

Visit farmers.gov/mydocs to learn more about Box and OneSpan, steps for getting started, and additional resources for conducting business with USDA online.

To learn more about program flexibilities and Service Center status during the coronavirus pandemic, visit farmers.gov/coronavirus.

Quality Loss Assistance Now Available for Eligible Producers Affected by 2018, 2019 Natural Disasters

The U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) today announced that signup for the Quality Loss Adjustment (QLA) Program will begin Wednesday, Jan. 6, 2021. Funded by the Further Consolidated Appropriations Act of 2020, this new program provides assistance to producers who suffered eligible crop quality losses due to natural disasters occurring in 2018 and 2019. The deadline to apply for QLA is Friday, March 5, 2021.

Eligible Crops

Eligible crops include those for which federal crop insurance or Noninsured Crop Disaster Assistance Program (NAP) coverage is available, except for grazed crops and value loss crops, such as honey, maple sap, aquaculture, floriculture, mushrooms, ginseng root, ornamental nursery, Christmas trees, and turfgrass sod.

Additionally, crops that were sold or fed to livestock or that are in storage may be eligible; however, crops that were destroyed before harvest are not eligible. Crop quality losses occurring after harvest, due to deterioration in storage, or that could have been mitigated, are also not eligible.

Assistance is based on a producer's harvested affected production of an eligible crop, which must have had at least a 5% quality loss reflected through a quality discount; or for forage crops, a nutrient loss, such as total digestible nutrients.

Qualifying Disaster Events

Losses must have been a result of a qualifying disaster event (hurricane, excessive moisture, flood, qualifying drought, tornado, typhoon, volcanic activity, snowstorm, or wildfire) or related condition that occurred in calendar years 2018 and/or 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.

Lists of counties with Presidential Emergency Disaster Declarations and Secretarial Disaster Designations for all qualifying disaster events for 2018 and 2019 are available here. For drought, producers are eligible for QLA if the loss occurred in an area within a county rated by the U.S. Drought Monitor as having a D3 (extreme drought) or higher intensity level during 2018 or 2019.

Producers in counties that did not receive a qualifying declaration or designation may still apply but must also provide supporting documentation to establish that the crop was directly affected by a qualifying disaster event.

To determine QLA eligibility and payments, FSA considers the total quality loss caused by all qualifying natural disasters in cases where a crop was impacted by multiple events.

Applying for QLA

When applying, producers are asked to provide verifiable documentation to support claims of quality loss or nutrient loss in the case of forage crops. For crops that have been sold, grading must have been completed within 30 days of harvest, and for forage crops, a laboratory analysis must have been completed within 30 days of harvest.

Some acceptable forms of documentation include sales receipts from buyers, settlement sheets, truck or warehouse scale tickets, written sales contracts, similar records that represent actual and specific quality loss information, and forage tests for nutritional values.

Payments Calculations and Limitations

QLA payments are based on formulas for the type of crop (forage or non-forage) and loss documentation submitted. Based on this documentation FSA is calculating payments based on the producer's own individual loss or based on the county average loss. More information on payments can be found on farmers.gov/quality-loss.

FSA will issue payments once the application period ends. If the total amount of calculated QLA payments exceeds available program funding, payments will be prorated.

For each crop year, 2018, 2019 and 2020, the maximum amount that a person or legal entity may receive, directly or indirectly, is $125,000. Payments made to a joint operation (including a general partnership or joint venture) will not exceed $125,000, multiplied by the number of persons and legal entities that comprise the ownership of the joint operation. A person or legal entity is ineligible for QLA payment if the person's or legal entity's average Adjusted Gross Income exceeds $900,000, unless at least 75% is derived from farming, ranching or forestry-related activities.

Future Insurance Coverage Requirements

All producers receiving QLA Program payments are required to purchase crop insurance or NAP coverage for the next two available crop years at the 60% coverage level or higher. Wildlife and Hurricane Indemnity Program Plus (WHIP+) participants who already met the WHIP+ requirement to purchase crop insurance or NAP coverage are considered to have thereby met the requirement to purchase crop insurance or NAP coverage for QLA. If eligible, QLA participants may meet the insurance purchase requirement by purchasing Whole-Farm Revenue Protection coverage offered through USDA's Risk Management Agency.

More Information For more information, visit farmers.gov/quality-loss, or contact your local USDA Service Center. Producers can also obtain one-on-one support with applications by calling 877-508-8364.

Farm and Financial Management Series Program III: Heirs' Property

Alabama A&M University Small Farms Research Center in collaboration with USDA Farm Service Agency and Alabama Cooperative Extension System is hosting Farm and Financial Management Series Program III: Heirs' Property.

Friday, February 12, 2021
Time: 10:00-11:30am (Central) Alabama & Mississippi
11:00am -12:30pm (Eastern)

Target Audience: Small Farmers, Landowners, Agribusinesses, Community Gardeners, Extension Agents and All interested parties.

Zoom Meeting
https://aamu.zoom.us/j/7867828976

Meeting ID: 786 782 8976
One tap mobile
+13126266799,,7867828976# US (Chicago)
+16465588656,,7867828976# US (New York)

USDA Seeks Members for Advisory Committee on Urban Agriculture

The U.S. Department of Agriculture (USDA) is seeking members for a new advisory committee on urban agriculture, part of a broader effort to focus on the needs of urban farmers. The 12-person committee will advise the Secretary of Agriculture on the development of policies and outreach relating to urban, indoor and other emerging agricultural production practices as well as identify any barriers to urban agriculture.

USDA is seeking nominations for individuals representing a broad spectrum of expertise, including:

- Four agricultural producers (two agricultural producers in an urban area or urban cluster and two agricultural producers who use innovative technology).
- Two representatives from an institution of higher education or extension program.
- One representative of a nonprofit organization, which may include a public health, environmental or community organization.
- One representative of business and economic development, which may include a business development entity, a chamber of commerce, a city government or a planning organization.
- One individual with supply chain experience, which may include a food aggregator, wholesale food distributor, food hub or an individual who has direct-to-consumer market experience.
- One individual from a financing entity.
- Two individuals with related experience or expertise in urban, indoor and other emerging agriculture production practices, as determined by the Secretary.

Any interested person or organization may nominate qualified individuals for membership. Self-nominations are also welcome.

Nominations should include a cover letter, resume and a background form. Nomination packages must be submitted by mail or email by March 5, 2021. They should be addressed to Ronald Harris, Designated Federal Officer, Director of Outreach and Partnerships, Natural Resources Conservation Service (NRCS), Department of Agriculture, 1400 Independence Avenue, S.W., Room 6006-S, Washington, D.C. 20250, or emailed to Ronald.Harris@usda.gov.

The 2018 Farm Bill established the Office of Urban Agriculture and Innovative Production and directed USDA to form this advisory committee as well as make other advancements related to urban agriculture. It is led by the NRCS and works in partnership with numerous USDA agencies that support urban agriculture. Its mission is to encourage and promote urban, indoor and other emerging agricultural practices, including community composting and food waste reduction. More information is available in this notice on the Federal Register or at farmers.gov/urban.

USDA Announces Increase to Certain Incentive Payments for Continuous Conservation Reserve Program

The U.S. Department of Agriculture is increasing incentive payments for practices installed on land enrolled in the Continuous Conservation Reserve Program (CRP). USDA's Farm Service Agency (FSA) is upping the Practice Incentive Payment for installing practices, from 5 percent to 20 percent. Additionally, producers will receive a 10 percent incentive payment for water quality practices on land enrolled in CRP's continuous signup. FSA administers CRP on behalf of the Commodity Credit Corporation.

Under continuous CRP, producers can enroll environmentally sensitive land devoted to certain conservation practices with signup available at any time. FSA automatically accepts offers provided the land and producer meet certain eligibility requirements and the enrollment levels do not exceed the number of acres FSA is allowed to enroll in CRP, which was set by the 2018 Farm Bill.

Signed into law in 1985, CRP is one of the largest private-lands conservation programs in the United States. It was originally intended primarily to control soil erosion and potentially stabilize commodity prices by taking marginal lands out of production. The program has evolved over the years, providing many conservation and economic benefits. The program marks its 35-year anniversary this month. Program successes include:

- Preventing more than 9 billion tons of soil from eroding, which is enough soil to fill 600 million dump trucks;
- Reducing nitrogen and phosphorous runoff relative to annually tilled cropland by 95% and 85%, respectively;
- Sequestering an annual average of 49 million tons of greenhouse gases, equal to taking 9 million cars off the road;
- Creating more than 3 million acres of restored wetlands while protecting more than 175,000 stream miles with riparian forest and grass buffers, which is enough to go around the world seven times: and
- Benefiting bees and other pollinators and increasing populations of ducks, pheasants, turkey, bobwhite quail, prairie chickens, grasshopper sparrows and many other birds.

The successes of CRP contribute to USDA's Agriculture Innovation Agenda and its goal of reducing the environmental footprint of U.S. agriculture by half by 2050. Earlier this year, U.S. Secretary of Agriculture Sonny Perdue announced the Department-wide initiative to align resources, programs, and research to position American agriculture to better meet future global demands.

For more information on CRP, visit fsa.usda.gov, or contact your local FSA county office.

USDA Offers New Forest Management Incentive for Conservation Reserve Program

The U.S. Department of Agriculture (USDA) is making available $12 million to forest landowners enrolled in the Conservation Reserve Program (CRP) who want to implement healthy forest management practices. Producers can now signup for the Forest Management Incentive (FMI), which provides incentives to landowners with land in CRP to encourage proper tree thinning and other practices.

Right now, less than 10% of land currently enrolled in CRP is dedicated to forestland. But these nearly 2 million acres of CRP forestland, if properly managed, can have enormous benefits for natural resources by reducing soil erosion, protecting water quality, increasing water quantity and diversifying local farm operations and rural economies.

Only landowners and agricultural producers with active CRP contracts involving forest cover can enroll. This does not include active CRP contracts that expire within two years. Existing CRP participants interested in tree thinning and prescribed burning must comply with the standards and specifications established in their CRP contract.

CRP participants receive the incentive payment once tree thinning and other authorized forest management practices are completed.

The incentive payment is the lower of these two options:

- The actual cost of completing the practice; or
- 75% of the payment rate offered by USDA's Natural Resources Conservation Service (NRCS), if the practice is offered through NRCS conservation programs.

More Information

CRP signup begins today, January 19, 2021. FSA will announce deadline later this year. Interested producers should contact their local FSA county office.

All USDA Service Centers are open for business, including some that are open to visitors to conduct business in person by appointment only. All Service Center visitors wishing to conduct business with the FSA, NRCS, or any other Service Center agency should call ahead and schedule an appointment. Service Centers that are open for appointments will pre-screen visitors based on health concerns or recent travel, and visitors must adhere to social distancing guidelines. Visitors are required to wear a face covering during their appointment. Field work will continue with appropriate social distancing. Our program delivery staff will be in the office, and they will be working with our producers in office, by phone, and using online tools. More information can be found at farmers.gov/coronavirus.

USDA and Dairy Farmers Work Together to Mitigate Risk for 2021

In an unprecedented year, USDA staff and dairy producers across the country worked together to protect dairy operations for the 2021 production year under USDA's risk management program options – the Dairy Margin Coverage (DMC), Dairy Revenue Protection (DRP), and Livestock Gross Margin for Dairy Cattle (LGM) programs. Recent enrollment data for these programs indicate that dairy operations are proactively managing their risk.

Dairy Margin Coverage
Administered by USDA's Farm Service Agency, DMC offers protection to dairy producers when the difference between the all-milk price and the average feed price (the margin) falls below a certain dollar amount selected by the producer.

Nearly three-quarters of all U.S. dairy operations with established production history are enrolled in DMC for the 2021 program year. Compared with 2020 enrollment of 13,532 operations, participation for 2021 increased to cover nearly 18,500 operations nationwide – meaning an additional 4,900 dairy operations recognized the value of DMC to their bottom line.

This enrollment success is a testament to the value of DMC to dairy operations. DMC is a cashflow-friendly program that offers enrolled operations the option to select a $4.00 catastrophic level of coverage with no premium fee or elect to buy up coverage. The premium on buy-up coverage is based on margin triggers between $4.50 and $9.50 on 5 to 95% of established production history. For coverage at the maximum margin trigger of $9.50, producers pay $0.15 per hundredweight of established milk production history.

To date, DMC has paid out more than $500 million in program benefits to dairy operations enrolled in calendar years 2019 and 2020. Margin payments triggered seven months in 2019 and four months, to date, for the 2020 DMC program year.

Additional Protection for Dairy
Approximately 3,000 operations purchased additional protection under DRP, which covers 30% of the milk supply and has provided more than $400 million in payments to covered operations since 2019. DRP, now in its second year, has grown from 2,500 policies in 2019. Additionally, 200 producers purchased coverage through LGM. Both LGM and DRP are managed by USDA's Risk Management Agency.

While DRP insures against unexpected declines in the quarterly revenue from milk sales, LGM provides protection against the loss of gross margin (market value of milk minus feed costs) on the milk produced from dairy cows.

More Information
Enrollment for 2022 coverage for DMC will take place in the fall of 2021. For more information about DMC and to use the online program decision tool, visit the farmers.gov DMC webpage, or contact your local USDA Service Center. To locate your local office, visit farmers.gov/service-center-locator.

All Federal crop insurance policies are available from Approved Insurance Providers (AIP). To learn more about DRP and LGM and other crop and livestock insurance products, contact your local AIP. A list of AIPs is available at all USDA service centers and on the RMA website at the Agent Locator Page.

All USDA Service Centers are open for business, including those that restrict in-person visits or require appointments. All Service Center visitors wishing to conduct business with FSA, Natural Resources Conservation Service, or any other Service Center agency should call ahead and schedule an appointment. Service Centers that are open for appointments will pre-screen visitors based on health concerns or recent travel, and visitors must adhere to social distancing guidelines. Visitors are also required to wear a face covering during their appointment. Our program delivery staff will continue to work with our producers by phone, email, and using online tools. More information on working with our Service Centers can be found at farmers.gov/coronavirus.

Noninsured Crop Coverage Helps Producers Manage Risks

The Farm Service Agency's (FSA) Noninsured Crop Disaster Assistance Program (NAP) helps you manage risk through coverage for both crop losses and crop planting that was prevented due to natural disasters. The eligible or "noninsured" crops include agricultural commodities not covered by federal crop insurance.

You must be enrolled in the program and have purchased coverage for the eligible crop **in the crop year in which the loss incurred** *to receive program benefits following a qualifying natural disaster.*

NAP Buy-Up Coverage Option

NAP offers higher levels of coverage, from 50 to 65 percent of expected production in 5 percent increments, at 100 percent of the average market price. Buy-up levels of NAP coverage are available if the producer can show at least one year of previously successfully growing the crop for which coverage is being requested.

Producers of organics and crops marketed directly to consumers also may exercise the "buy-up" option to obtain NAP coverage of 100 percent of the average market price at the coverage levels of between 50 and 65 percent of expected production.

NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production.

Buy-up coverage is not available for crops intended for grazing. **NAP Service Fees**

For all coverage levels, the NAP service fee is the lesser of $325 per crop or $825 per producer per county, not to exceed a total of $1,950 for a producer with farming interests in multiple counties.

NAP Enhancements for Qualified Military Veterans

Qualified veteran farmers or ranchers are eligible for a service fee waiver and premium reduction, if the NAP applicant meets certain eligibility criteria.

Beginning, limited resource and targeted underserved farmers or ranchers remain eligible for a waiver of NAP service fees and premium reduction when they file form CCC-860, "*Socially Disadvantaged, Limited Resource and Beginning Farmer or Rancher Certification.*"

For NAP application, eligibility and related program information, contact your local County USDA Service Center or visit fsa.usda.gov/nap.

Submit Loan Requests for Financing Early

Alabama Farm Loan Teams are already working on operating loans for spring 2021 and asks potential borrowers to submit their requests early so they can be timely processed. The farm loan team can help determine which loan programs are best for applicants.

FSA offers a wide range of low-interest loans that can meet the financial needs of any farm operation for just about any purpose. The traditional **farm operating and farm ownership loans** can help large and small farm operations take advantage of early purchasing discounts for spring inputs as well expenses throughout the year.

Microloans are a simplified loan program that will provide up to $50,000 for both Farm Ownership and Operating Microloans to eligible applicants. These loans, targeted for smaller and non-traditional operations, can be used for operating expenses, starting a new operation, purchasing equipment, and other needs associated with a farming operation. Loans to beginning farmers and members of underserved groups are a priority.

Other types of loans available include:

Marketing Assistance Loans allow producers to use eligible commodities as loan collateral and obtain a 9-month loan while the crop is in storage. These loans provide cash flow to the producer and allow them to market the crop when prices may be more advantageous.

Farm Storage Facility Loans can be used to build permanent structures used to store eligible commodities, for storage and handling trucks, or portable or permanent handling equipment. A variety of structures are eligible under this loan, including bunker silos, grain bins, hay storage structures, and refrigerated structures for vegetables and fruit. A producer may borrow up to $500,000 per loan.

FSA Offers Loan Servicing Options

There are options for Farm Service Agency (FSA) loan customers during financial stress. If you are a borrower who is unable to make payments on a loan, contact your local FSA Farm Loan Manager to learn about your options.
