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## Availability of Low-Interest Physical Loss Loans for Producers Affected by Natural Disasters

Physical loss loans can help producers repair or replace damaged or destroyed physical property essential to the success of the agricultural operation, including livestock losses. Examples of property commonly affected include essential farm buildings, fixtures to real estate, equipment, livestock, perennial crops, fruit and nut bearing trees and harvested or stored crops and hay.

State: Arizona

Triggering Disaster: Wildfire that occurred June 1, 2021 and continuing.

Application Deadline: **Feb. 28, 2022**

Primary Counties Eligible: **Gila and Pinal**

**Contiguous Counties also Eligible:** Coconino, Graham, Maricopa, Navajo, Pima and Yavapai

#### **More Resources**

On farmers.gov, the [Disaster Assistance Discovery Tool](#), [Disaster-at-a-Glance fact sheet](#), and [Farm Loan Discovery Tool](#) can help you determine program or loan options. To file a Notice of Loss or to ask questions about available programs, contact your local [USDA Service Center](#).

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## **USDA Designates Maricopa County, Arizona, as a Primary Natural Disaster Area**

This Secretarial natural disaster designation allows the United States Department of Agriculture (USDA) Farm Service Agency (FSA) to extend much-needed emergency credit to producers recovering from natural disasters through [emergency loans](#). Emergency loans can be used to meet various recovery needs including the replacement of essential items such as equipment or livestock, reorganization of a farming operation or the refinance of certain debts. FSA will review the loans based on the extent of losses, security available and repayment ability.

**Impacted Area:** Arizona

**Triggering Disaster Event:** Rain, flash floods and winds that occurred from August 1 through August 13, 2021.

**Application Deadline:** May 13, 2022

**Primary County Eligible:** Maricopa

**Contiguous Counties Also Eligible:** Gila, La Paz, Pima, Pinal, Yavapai and Yuma

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## **Deadline Extended to Enroll in 2022 Dairy Margin Coverage and Supplemental Dairy Margin Coverage**

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**Impacted Area:** Arizona

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### **More Resources**

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USDA has extended the deadline to enroll in Dairy Margin Coverage (DMC) and Supplemental Dairy Margin Coverage (SDMC) for program year 2022. The deadline to apply for 2022 coverage is now **March 25, 2022**. As part of the Biden-Harris Administration's ongoing efforts to support dairy farmers and rural communities, USDA's Farm Service Agency (FSA) opened DMC and SDMC signup in December 2021 to help producers manage economic risk brought on by milk price and feed cost disparities.

Enrollment for 2022 DMC is currently at 55% of the 2021 program year enrollment. Producers who enrolled in DMC for 2021 received margin payments each month, January through November for a total of \$1.2 billion, with an average payment of \$60,275 per operation.

The DMC program, created by the 2018 Farm Bill, offers reasonably priced protection to dairy producers when the difference between the all-milk price and the average feed cost (the margin) falls below a certain dollar amount selected by the producer.

Supplemental DMC will provide \$580 million to better help small- and mid-sized dairy operations that have increased production over the years but were not able to enroll the additional production. Now, they will be able to retroactively receive payments for that supplemental production.

After making any revisions to 2021 DMC contracts for Supplemental DMC, producers can sign up for 2022 coverage. DMC provides eligible dairy producers with risk management coverage that pays producers when the difference between the price of milk and the cost of feed falls below a certain level. So far in 2021, DMC payments have triggered for January through November for more than \$1 billion.

For DMC enrollment, producers must certify with FSA that the operation is commercially marketing milk, sign all required forms and pay the \$100 administrative fee. The fee is waived for farmers who are considered limited resource, beginning, socially disadvantaged, or a military veteran. To determine the appropriate level of DMC coverage for a specific dairy operation, producers can use the [online dairy decision tool](#).

USDA has also changed the DMC feed cost formula to better reflect the actual cost dairy farmers pay for high-quality alfalfa hay. FSA now calculates payments using 100% premium alfalfa hay rather than 50%. In December 2021, following publication of the new feed cost policy, \$102 million was paid to producers as a result of the revised high quality alfalfa feed cost formula.

The amended feed cost formula will make DMC payments more reflective of actual dairy producer expenses and DMC payments. Higher DMC feed cost calculations due to the premium alfalfa adjustment could more frequently trigger DMC indemnity payments for dairy operations having DMC coverage in 2022.

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## NRCS Announces Application Deadline for the Arizona Urban Agriculture Initiative

Apply by **February 18, 2022** for funding consideration in this ranking cycle

The U.S. Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS) in Arizona announces **February 18, 2022** as the deadline for agricultural producers to apply for the FY22 Arizona Urban Agriculture Initiative.

This initiative provides technical and financial assistance to producers to improve soil health, increase water efficiency and add pollinator habitat in these metropolitan areas:

- [Flagstaff](#)
- [Prescott](#)
- [Phoenix](#)
- [Tucson](#)

Producers in these metropolitan areas who are currently growing crops or raising livestock are eligible to apply for assistance through this initiative.

NRCS accepts applications for conservation programs year-round. Applications received after **February 18, 2022** will be considered in the next funding period.

For more information about this initiative, email [AZUrbanAg.NRCS@usda.gov](mailto:AZUrbanAg.NRCS@usda.gov) or contact your local [USDA Service Center](#).

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## USDA Accepting Applications for the Conservation Stewardship Program in Arizona

Apply by **February 11<sup>th</sup>** to be considered for this round of funding

The U.S. Department of Agriculture's Natural Resources Conservation Service (NRCS) encourages agriculture producers who want to enhance their current conservation efforts to apply for the Conservation Stewardship Program (CSP) by **February 11, 2022**.

Through the program, NRCS provides financial and technical assistance to participants for the conservation, protection, and improvement of soil, water, energy and other related natural resources and for any similar conservation purpose as determined by the agency.

The program also encourages the adoption of cutting-edge technologies and new management techniques such as precision agriculture applications, on-site water management, and advanced grazing to improve soil health and plant diversity.

While applications for CSP are accepted year-round, applicants must apply by **February 11, 2022**, to their local field office to be considered for this funding period.

Applicants may apply for all categories for which they are eligible.

**There are five funding opportunities listed under this announcement:**

- Beginning Farmer and Rancher (BFR)
- Socially-disadvantage Farmer and Rancher (SDFR)
- Organic and transitioning-to-organic producers
- Agricultural land, including cropland, pasture, or rangeland
- Nonindustrial private forest land (NIPF)

**Required Application Information:**

- [Form NRCS-CPA-1200, "Conservation Program Application"](#)
- Provide a map that identifies and delineates the boundaries of all eligible land uses and acres included in the operation.
- Identify any ineligible land that is part of the operation as described above in section.

Producers interested in applying for the program should contact their [local NRCS field office](#).

For more information, visit the [Conservation Stewardship Program website](#).

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## **USDA Announces Inaugural Federal Advisory Committee for Urban Agriculture**

Agriculture Secretary Tom Vilsack selected 12 members to serve on the U.S. Department of Agriculture's (USDA) inaugural Secretary's Advisory Committee for Urban Agriculture to provide input on policy development and to help identify barriers to urban agriculture as USDA works to promote urban farming and the economic opportunities it provides in cities across the country.

The new Secretary's Advisory Committee is part of USDA's efforts to support urban agriculture, creating a network for feedback. Urban agriculture plays an important role in producing fresh, healthy food in areas where grocery stores are scarce, and also provides jobs and beautifies neighborhoods.

### **Secretary's Advisory Committee for Urban Agriculture**

The Committee is made up of agricultural producers, and representatives from the areas of higher education or extension programs, non-profits, business and economic development, supply chains and financing. Members include:

- **Jerry Ann Hebron**, Mich., Urban Producer
- **Bobby Wilson**, Ga., Urban Producer
- **Viraj Puri**, N.Y., Innovative Producer
- **Kaben Smallwood**, Okla., Innovative Producer
- **Sally Brown**, Wash., Higher Education
- **John Erwin**, Md., Higher Education
- **Carl Wallace**, Ohio, Non-Profit Representative
- **John Lebeaux**, Mass., Business and Economic Development Representative
- **Zachari Curtis**, D.C., Supply Chain Experience
- **Allison Paap**, Calif., Financing Entity Representative
- **Tara Chadwick**, Fla., Related Experience
- **Angela Mason**, Ill., Related Experience USDA and the Office of Urban Agriculture and Innovative Production peer reviewed more than 300 nominees, and Vilsack made the final selections. Selections ensured geographic, racial and gender diversity and a broad range of agricultural experience. The new members will serve terms of one to three years. **USDA and Urban Agriculture**
- The advisory committee and county committees are part of a broad USDA investment in urban agriculture. Other efforts include:
- The first meeting of this inaugural committee, which will be open to the public, will take place in late February. More details will be available in the *Federal Register* and at [farmers.gov/urban](http://farmers.gov/urban) and the new [Federal Advisory Committee for Urban Agriculture website](#).
- Grants that target areas of food access, education, business and start-up costs for new farmers, and development of policies related to zoning and other needs of urban production.
- Cooperative agreements that develop and test strategies for planning and implementing municipal compost plans and food waste reduction plans.
- Investing \$260,000 for risk management training and crop insurance education for historically underserved and urban producers through partnerships between USDA's [Risk Management Agency](#) (RMA) and the University of Maryland, University of Connecticut, and Michigan State University Center for Regional Food Systems.
- Providing technical and financial assistance through conservation programs offered by USDA's [Natural Resources Conservation Service](#) (NRCS).
- Organizing 11 [Farm Service Agency](#) (FSA) urban and suburban county committees. FSA will organize additional committees.

The Office of Urban Agriculture and Innovative Production was established through the 2018 Farm Bill. It is led by 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 at [farmers.gov/urban](https://farmers.gov/urban) and the new [Federal Advisory Committee for Urban Agriculture website](#).

Additional resources that may be of interest to urban agriculture entities include grants from USDA's [Agricultural Marketing Service](#) and [National Institute of Food and Agriculture](#) as well as [FSA loans](#).

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## USDA Adds Mycoplasma Bovis (M. bovis) As Eligible Bison Disease for Livestock Indemnity Program

Farm Service Agency's (FSA) [Livestock Indemnity Program \(LIP\)](#) provides benefits to eligible livestock owners or contract growers for livestock deaths exceeding normal mortality caused by eligible loss conditions, including eligible adverse weather, eligible disease and attacks by animals reintroduced into the wild by the federal government or protected by federal law, including wolves and avian predators. In addition, LIP assists eligible livestock owners that must sell livestock at a reduced price because of an injury from an eligible loss condition.

Regarding losses due to eligible disease, research indicates that the bacteria M. bovis is transmitted from bison to bison through instances of adverse weather conditions that cause stressors for bison and enhance transmission and symptoms. Once symptomatic, it is nearly impossible to treat M. bovis in bison.

There is no vaccine currently labeled to mitigate the effects of the bacteria in bison which often results in the death of eligible livestock. No acceptable management practices to treat the disease exist for bison that are stricken with M. bovis.

LIP eligibility for M. bovis bison deaths due to eligible adverse weather events are established by FSA State Offices.

***The deadline to file a notice of loss and submit a LIP application for payment specifically for M. bovis bison deaths that occurred in 2021 is Feb. 28, 2022.*** At the time of application, producers should be prepared to provide proof of bison death losses due to M. bovis.

For bison deaths resulting from M. bovis in 2022 and future years, producers are required to file a notice of loss for livestock that died as a direct result of an eligible loss condition within 30 calendar days from the ending date of the eligible loss condition.

For more information or to report losses and file a LIP application for payment, contact your local [USDA Service Center](#).

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## Applying for FSA Direct Loans

FSA offers direct farm ownership and direct farm operating loans to producers who want to establish, maintain, or strengthen their farm or ranch. Direct loans are processed, approved and serviced by FSA loan officers.

Direct farm operating loans can be used to purchase livestock and feed, farm equipment, fuel, farm chemicals, insurance, and other costs including family living expenses. Operating loans can also be used to finance minor improvements or repairs to buildings and to refinance some farm-related debts, excluding real estate.

Direct farm ownership loans can be used to purchase farmland, enlarge an existing farm, construct and repair buildings, and to make farm improvements.

The maximum loan amount for direct farm ownership loans is \$600,000 and the maximum loan amount for direct operating loans is \$400,000 and a down payment is not required. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

Please contact your local FSA office for more information or to apply for a direct farm ownership or operating loan.

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## 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 County USDA Service Center or visit [fsa.usda.gov](https://fsa.usda.gov).





## **Arizona / FPAC USDA**

230 N. 1st Avenue, Suite 506/509  
Phoenix, Arizona 85003-1726

### **Arizona Farm Service Agency**

Phoenix Office: 602-285-6300

### **Arizona Natural Resource Conservation Service**

Phoenix Office: 602-280-8801

### **Risk Management Agency**

Davis, CA Office: 530-792-5870