



U.S. DEPARTMENT OF AGRICULTURE

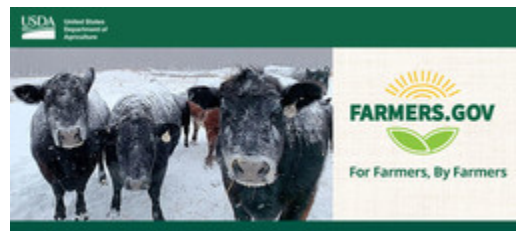
FSA News - Lone Star State Edition - February 23, 2020

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From the State Executive Director

Across Texas, we have experienced two historic winter storms, Uri and Viola, that have affected everyone. From the Piney Woods of East Texas to Big Bend Country in West Texas, from the Panhandle in the north to the Valley in the south, everyone one of us has been affected in some way.



While we all continue to assess damages and plan our recovery, FSA offers disaster assistance programs available to assist our producers in times like these. Whether you are a crop producer, livestock producer, or both, you can find information on disaster assistance programs at farmers.gov/recover. The [Disaster At A Glance brochure](#) also includes information on programs available from FSA, in addition to the Natural Resources Conservation Service (NRCS) and Risk Management Agency (RMA).

Along with recovering from the storm, there are still rapidly approaching deadlines to program signups. [Agriculture Risk Coverage \(ARC\) and Price Loss Coverage \(PLC\)](#)

programs have an election and enrollment deadline of March 15, 2021. If you are eligible and have not completed this process for the 2021 crop year, it is imperative to contact your local office as soon as possible for an appointment.

Signup for the [Quality Loss Adjustment \(QLA\) Program](#) began on Jan. 6, 2021. The deadline to apply for QLA is Friday, March 5, 2021. This new program provides assistance to producers who suffered eligible crop quality losses due to natural disasters occurring in 2018 and 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. Information on eligible counties can be found [here](#).

The [Conservation Reserve Program \(CRP\)](#) signup period was extended beyond the previous deadline and remains open. The program provides annual rental payments for 10 to 15 years for land devoted to conservation purposes, as well as other types of payments. Producers wishing to submit enrollment offers are encouraged to contact local offices to complete enrollment.

As a reminder, many offices across the state are not accepting visitors into the office due to coronavirus. Please call your [local Service Center](#) before you visit. You can also check the status of your local Service Center online at farmers.gov/coronavirus/service-center-status.

Farmers and ranchers can also contact the FSA Customer Call Center to receive one-on-one assistance from FSA employees ready to help. By calling 877-508-8364, customers can ask questions about FSA programs.

Texans are resilient and we will recover. Be assured that FSA will be here to assist every step of the way.

Sincerely,

Erasmio (Eddie) Trevino
Acting State Executive Director
Farm Service Agency – Texas

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) announced that signup for the Quality Loss Adjustment (QLA) Program began 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.

March 15 is Deadline to Make Elections and Complete Enrollment in 2021 Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Programs

Agricultural producers can now make elections and enroll in the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs for the 2021 crop year.

Enrollment for the 2021 crop year closes March 15, 2021.

ARC provides income support payments on historical base acres when actual crop revenue declines below a specified guaranteed level. PLC provides income support payments on historical base acres when the effective price for a covered commodity falls below its reference price.

Covered commodities include barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long

grain rice, medium and short grain rice, safflower seed, seed cotton, sesame, soybeans, sunflower seed and wheat.

2021 Elections and Enrollment

Producers can elect coverage and enroll in crop-by-crop ARC-County or PLC, or ARC-Individual for the entire farm, for the 2021 crop year. Although election changes for 2021 are optional, enrollment (signed contract) is required for each year of the program. If a producer has a multi-year contract on the farm and makes an election change for 2021, it will be necessary to sign a new contract.

If an election is not submitted by the deadline of March 15, 2021, the election defaults to the current election for crops on the farm from the prior crop year.

For crop years 2022 and 2023, producers will have an opportunity to make new elections during those signups. Farm owners cannot enroll in either program unless they have a share interest in the farm.

Web-Based Decision Tools

In partnership with USDA, the University of Illinois and Texas A&M University offer web-based decision tools to assist producers in making informed, educated decisions using crop data specific to their respective farming operations. Tools include:

- [Gardner-farmdoc Payment Calculator](#), the University of Illinois tool that offers farmers the ability to run payment estimate modeling for their farms and counties for ARC-County and PLC.
- [ARC and PLC Decision Tool](#), the Texas A&M tool allows producers to analyze payment yield updates and expected payments for 2021. Producers who have used the tool in the past should see their username and much of their farm data already available in the system.

More Information

For more information on ARC and PLC, including two online decision tools that assist producers in making enrollment and election decisions specific to their operations, visit the [ARC and PLC webpage](#).

For additional questions and assistance, contact your local USDA service center. To locate your local FSA office, visit farmers.gov/service-locator.

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.

Reminders for FSA Direct and Guaranteed Borrowers with Real Estate Security

Farm loan borrowers who have pledged real estate as security for their Farm Service Agency (FSA) direct or guaranteed loans are responsible for maintaining loan collateral. Borrowers must obtain prior consent or approval from FSA or the guaranteed lender for any transaction that affects real estate security. These transactions include, but are not limited to:

- Leases of any kind
- Easements of any kind
- Subordinations
- Partial releases
- Sales

Failure to meet or follow the requirements in the loan agreement, promissory note, and other security instruments could lead to nonmonetary default which could jeopardize your current and future loans.

It is critical that borrowers keep an open line of communication with their FSA loan staff or guaranteed lender when it comes to changes in their operation. For more information on borrower responsibilities, read [Your FSA Farm Loan Compass](#).

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](#).

Filing CCC-941 Adjusted Gross Income (AGI) Certifications

If you have experienced delays in receiving Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) payments, Loan Deficiency Payments (LDPs) and Market Gains on Marketing Assistance Loans (MALs), it may be because you have not filed form CCC-941, *Adjusted Gross Income Certification*.

If you don't have a valid CCC-941 on file for the applicable crop year you will not receive payments. All farm operator/tenants/owners who have not filed a CCC-941 and have pending payments should IMMEDIATELY file the form with their recording county FSA office. Farm operators and tenants are encouraged to ensure that their landowners have filed the form.

FSA can accept the CCC-941 for 2018, 2019, 2020 and 2021. Unlike the past, you must have the CCC-941 certifying your AGI compliance before any payments can be issued.

Submitting Production Losses for Disaster Declarations

Farmers and ranchers know all too well that natural disasters can be a common, and likely a costly, variable to their operation. The Farm Service Agency (FSA) has emergency assistance programs to provide assistance when disasters strike, and for some of those programs, a disaster designation may be the eligibility trigger. When natural disaster occurs, there is a process for requesting a USDA Secretarial disaster designation for a county. You can play a vital role in this process.

If you have experienced a production loss as a result of a natural disaster, you may submit a request to your local FSA county office for your county to be evaluated for a Secretarial disaster designation. Once a request is received, the county office will collect disaster data and create a Loss Assessment Report. The County Emergency Board will review the Loss Assessment Report and determine if a recommendation is sent forward to the U.S. Secretary of Agriculture for the designation.

For more information on FSA disaster programs and disaster designations, contact your local [USDA Service Center](#) or visit fsa.usda.gov/disaster.

FSA is Accepting CRP Continuous Enrollment Offers

The Farm Service Agency (FSA) is accepting offers for specific conservation practices under the [Conservation Reserve Program \(CRP\) Continuous Signup](#).

In exchange for a yearly rental payment, farmers enrolled in the program agree to remove environmentally sensitive land from agricultural production and to plant species that will improve environmental health and quality. The program's long-term goal is to re-establish valuable land cover to improve water quality, prevent soil erosion, and reduce loss of wildlife habitat. Contracts for land enrolled in CRP are 10-15 years in length.

Under continuous CRP signup, environmentally sensitive land devoted to certain conservation practices can be enrolled in CRP at any time. Offers for continuous enrollment are not subject to competitive bidding during specific periods. Instead they are automatically accepted provided the land and producer meet certain eligibility requirements and the enrollment levels do not exceed the statutory cap.

For more information, including a list of acceptable practices, contact your local [USDA Service Center](#) or visit fsa.usda.gov/crp.

USDA NRCS Extends Agricultural Conservation Easement Application Date to March 10, 2021

The USDA Natural Resources Conservation Service in Texas has extended its application deadline for the [Agricultural Conservation Easement Program \(ACEP\)](#) from March 1, 2021, to March 10, 2021, due to recent weather-related power outages across Texas. While NRCS accepts easement applications on a continuous basis, applications for the next funding consideration must be submitted by March 10, 2021.

ACEP Agricultural Land Easements provide financial assistance to eligible partners for purchasing easements that protect the agricultural use and conservation values of eligible land. In the case of working farms, the program helps farmers and ranchers keep their land in agriculture.

ACEP Wetlands Reserve Easements allow landowners to successfully restore, enhance and protect habitat for wildlife on their lands, reduce damage from flooding, recharge groundwater and provide outdoor recreational and educational opportunities. Tribal landowners also have the option of enrolling in 30-year contracts.

To learn about ACEP and other technical and financial assistance available through NRCS, call your local [USDA Service Center](#) or visit www.nrcs.usda.gov.



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