



U.S. DEPARTMENT OF AGRICULTURE

USDA News - Lone Star State Edition - November 24, 2022

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## From the FSA State Executive Director

As we gather with our families and friends to reflect on our blessing over the past year, I am grateful for the hard work of the farmers and ranchers across Texas in keeping America fed and clothed in the face of another challenging year, and our devoted staff for delivering our extensive array of programs to keep farmers and ranchers going.

Last week, [USDA announced the upcoming rollout](#) of the Emergency Relief Program Phase Two and the Pandemic Assistance Revenue Program. These two programs will assist with covering losses in revenue for producers. Assistance will be provided to producers who have suffered substantial disaster



and pandemic related losses, and we encourage producers to stay tuned for implementation details.

Focusing on current programs, election and enrollment for the [Agriculture Risk Coverage \(ARC\) and Price Loss Coverage \(PLC\) Programs](#) for the 2023 crop year is open now through **Wednesday, March 15, 2023**.

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

- [ARC and PLC Decision Tool](#), a tool available through Texas A&M that allows producers to obtain basic information regarding the decision and factors that should be taken into consideration such as future commodity prices and historic yields to estimate payments for 2022.
- [Gardner-farmdoc Payment Calculator](#), a tool available through the University of Illinois allows producers to estimate payments for farms and counties for ARC-CO and PLC.

Producers who do not complete enrollment by the close of business on March 15 will not be enrolled in ARC or PLC for the 2023 crop year and will be ineligible to receive a payment should one trigger for an eligible crop.

From an operations perspective, it is crucial that every eligible producer participates in [FSA county committees](#) elections as they are an important link between the agricultural community and USDA. Ballots were mailed to eligible voters on Nov. 7, 2022. The last day to return completed ballots to the USDA Service Center is Monday, Dec. 5, 2022. Newly elected county committee members will take office on Jan. 1, 2023.

I wish everyone a happy Thanksgiving!

Sincerely,

Kelly Adkins  
State Executive Director  
Farm Service Agency - Texas

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## From the NRCS State Conservationist



November is Native American Heritage Month, which is also referred to as American Indian and Alaska Native Heritage Month. This month provides an opportunity for us to reflect on how the cultures and traditions held by tribal nations are important to advance resilient economies and vibrant lands nationwide. Indigenous knowledge continues to be affirmed throughout our everyday life in our land management practices, the foods we eat, our systems of government and our stewardship of natural resources. NRCS in Texas has a long history of

working with the three federally recognized tribes in our state: Alabama-Coushatta Tribe of Texas, Kickapoo, and Ysleta Del Sur Pueblo.

This month, we're celebrating "No-till November" across NRCS. This campaign encourages farmers and ranchers to give their farms a more rugged, natural look by "keeping the stubble" on their harvested crops field. No-till farming is a cornerstone soil health conservation practice that promotes water quality while saving farmers time and money. It is also a key climate smart practice that helps store more carbon in the soil.

NRCS Texas will kick off our annual statewide Local Working Group (LWG) meetings in partnership with the local Soil and Water Conservation Districts. These locally held meetings are an opportunity for farmers, ranchers, conservationists, and others to get together to discuss natural resources and set local conservation priorities. ***The information gathered at these listening sessions is important to us.*** These listening sessions help provide NRCS the Districts, and the State Technical Committee with valuable information to set priorities and shape conservation delivery that produce positive ecological outcomes at the local and state level. LWG meetings will be held now through April 7, 2023. [Contact your local field office](#) to find the date and time of the LWG for your county.

This month we announced funding for eight agreements through our Texas Partners for Conservation Program to leverage NRCS resources, address local natural resource issues, encourage collaboration, and develop state and community level conservation leadership. [A complete list of the partners and their projects](#) can be found on our website.

The NRCS website – including our [state webpages](#) – were redesigned to streamline the way our customers access our programs and services online. One of the most exciting new features is how mobile responsive it is, meaning that it should work on a phone or tablet at easily as on a desktop computer.

Finally, I am also pleased to announce that the USDA recently expanded the People's Garden Initiative to include eligible gardens nationwide. School gardens, community gardens, urban farms, and small-scale agriculture projects in rural, suburban and urban areas can be recognized as a "People's Garden" if they register on the USDA People's Garden webpage at [usda.gov/Peoples-Garden](https://usda.gov/Peoples-Garden) and meet criteria including benefitting the community, working collaboratively, incorporating conservation practices and educating the public. The site includes an interactive map of the gardens and Texas has had quite a few gardens sign up already.

Sincerely,

Kristy Oates  
State Conservationist  
Natural Resources Conservation Service - Texas

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## USDA Previews Crop and Revenue Loss Assistance for Agricultural Producers

Agriculture Secretary Tom Vilsack today announced plans for additional emergency relief and pandemic assistance from the U.S. Department of Agriculture (USDA). USDA is preparing to roll out the [Emergency Relief Program \(ERP\)](#) Phase Two as well as the new [Pandemic Assistance Revenue Program \(PARP\)](#), which are two programs to help offset crop and

revenue losses for producers. USDA is sharing early information to help producers gather documents and train front-line staff on the new approach.

ERP Phase Two will assist eligible agricultural producers who suffered eligible crop losses, measured through decreases in revenue, due to wildfires, hurricanes, floods, derechos, excessive heat, winter storms, freeze (including a polar vortex), smoke exposure, excessive moisture and qualifying droughts occurring in calendar years 2020 and 2021.

PARP will assist eligible producers of agricultural commodities who experienced revenue decreases in calendar year 2020 compared to 2018 or 2019 due to the COVID-19 pandemic. PARP will help address gaps in previous pandemic assistance, which was targeted at price loss or lack of market access, rather than overall revenue losses.

### **Emergency Relief Program Phase Two**

ERP is authorized under the *Extending Government Funding and Delivering Emergency Assistance Act*, which includes \$10 billion in assistance to agricultural producers impacted by wildfires, droughts, hurricanes, winter storms and other eligible disasters experienced during calendar years 2020 and 2021.

Phase Two builds on ERP Phase One, which was [rolled out in May 2022](#) and has since paid more than \$7.1 billion to producers who incurred eligible crop losses that were covered by federal crop insurance or Non-insured Crop Disaster Assistance Program.

ERP Phase Two includes producers who suffered eligible losses but may not have received program benefits in Phase One. To be eligible for Phase Two, producers must have suffered a loss in allowable gross revenue as defined in forthcoming program regulations in 2020 or 2021 due to necessary expenses related to losses of eligible crops from a qualifying natural disaster event.

Eligible crops include both traditional insurable commodities and specialty crops that are produced in the United States as part of a farming operation and are intended to be commercially marketed. Like other emergency relief and pandemic assistance programs, USDA's Farm Service Agency (FSA) continues to look for ways to simplify the process for both staff and producers while reducing the paperwork burden. The design of ERP Phase Two is part of that effort.

In general, ERP Phase Two payments are expected to be based on the difference in certain farm revenue between a typical year of revenue as will be specified in program regulations for the producer and the disaster year. ERP Phase Two assistance is targeted to the remaining needs of producers impacted by qualifying natural disaster events, while avoiding windfalls or duplicative payments. Details will be available when the rule is published later this year.

### **Deadline for Emergency Relief Program Phase One**

Producers who are eligible for assistance through ERP Phase One have until Friday, Dec. 16, 2022, to contact FSA at their local [USDA Service Center](#) to receive program benefits. Going forward, if any additional ERP Phase One prefilled applications are generated due to corrections or other circumstances, there will be a 30-day deadline from the date of notification for that particular application.

## **Pandemic Assistance Revenue Program**

PARP is authorized and funded by the Consolidated Appropriations Act of 2021.

To be eligible for PARP, an agricultural producer must have been in the business of farming during at least part of the 2020 calendar year and had a certain threshold decrease in allowable gross revenue for the 2020 calendar year, as compared to 2018 or 2019. Exact details on the calculations and eligibility will be available when the forthcoming rule is published.

### **How Producers Can Prepare**

ERP Phase Two and PARP will use revenue information that is readily available from most tax records. FSA encourages producers to have their tax documents from the past few years and supporting materials ready, as explained further below. Producers will need similar documentation to what was needed for the Coronavirus Food Assistance Program (CFAP) Phase Two, where a producer could use 2018 or 2019 as the benchmark year relative to the disaster year.

In the coming weeks, USDA will provide additional information on how to apply for assistance through ERP Phase Two and PARP. In the meantime, producers are encouraged to begin gathering supporting documentation including:

- Schedule F (Form 1040); and
- *Profit or Loss from Farming* or similar tax documents for tax years 2018, 2019, 2020, 2021 and 2022 for ERP and for calendar years 2018, 2019 and 2020 for PARP.

Producers should also have, or be prepared to have, the following forms on file for both ERP and PARP program participation:

- Form AD-2047, *Customer Data Worksheet* (as applicable to the program participant);
- Form CCC-902, *Farm Operating Plan* for an individual or legal entity;
- Form CCC-901, *Member Information for Legal Entities* (if applicable); and
- Form AD-1026 *Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification*.

Most producers, especially those who have previously participated in FSA programs, will likely have these required forms on file. However, those who are uncertain or want to confirm should contact FSA at their local [USDA Service Center](#).

In addition to the forms listed above, underserved producers are encouraged to register their status with FSA, using Form CCC-860, *Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification*, as certain existing permanent and ad-hoc disaster programs provide increased benefits or reduced fees and premiums.

Through proactive communications and outreach, USDA will keep producers and stakeholders informed as program eligibility, application and implementation details unfold.

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## USDA Requests Public Input on Implementation of Inflation Reduction Act Funding

USDA is asking for public input through a Federal Register request for information on implementation of more than \$19 billion provided by the Inflation Reduction Act (IRA). The Natural Resources Conservation Service (NRCS) will use the investments provided through IRA-funded conservation programs to support farmers and ranchers in adopting and expanding climate-smart activities and systems. NRCS asks for comments on how to target program benefits, quantify impact, and improve program delivery and outreach, especially for underserved producers. Comments are due December 21. Learn more and submit comments. <[USDA Requests Public Input on Implementation of Inflation Reduction Act Funding | Natural Resources Conservation Service](#)>

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## RMA Workshop on Crop Insurance for Specialty Crop, Organic Producers

Do you farm in the Rio Grande Valley area? Want to learn more about crop insurance options, including those designed for agricultural producers who grow specialty and organic crops?

Join USDA's Risk Management Agency (RMA) for a free in-person workshop **on Dec. 6<sup>th</sup> at 9:30 a.m.** The workshop will cover the ins and outs of the Whole-Farm Revenue Protection and Micro Farm programs, which are great insurance options for specialty crop, organic, urban, and other producers with diverse operations. RMA subject matter experts will provide an in-depth look at these policies.

[Learn more](#)

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## Farmers Can Now Make 2023 Crop Year Elections, Enroll in Agriculture Risk Coverage and Price Loss Coverage Programs

Agricultural producers can now change election and enroll in the [Agriculture Risk Coverage \(ARC\) and Price Loss Coverage](#) programs for the 2023 crop year, two key safety net programs offered by the U.S. Department of Agriculture (USDA). Signup began Monday, and producers have until March 15, 2023, to enroll in these two programs. Additionally, USDA's Farm Service Agency (FSA) has started issuing payments totaling more than \$255 million to producers with 2021 crops that have triggered payments through ARC or PLC.

### 2023 Elections and Enrollment

Producers can elect coverage and enroll in ARC-County (ARC-CO) or PLC, which provide crop-by-crop protection, or ARC-Individual (ARC-IC), which protects the entire farm. Although election changes for 2023 are optional, producers must enroll through a signed contract each

year. Also, if a producer has a multi-year contract on the farm and makes an election change for 2023, they must sign a new contract.

If producers do not submit their election by the March 15, 2023 deadline, their election remains the same as their 2022 election for crops on the farm. Farm owners cannot enroll in either program unless they have a share interest in the farm.

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.

### **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](#), a tool available through the University of Illinois allows producers to estimate payments for farms and counties for ARC-CO and PLC.
- [ARC and PLC Decision Tool](#), a tool available through Texas A&M that allows producers to obtain basic information regarding the decision and factors that should be taken into consideration such as future commodity prices and historic yields to estimate payments for 2022.

### **2021 Payments and Contracts**

ARC and PLC payments for a given crop year are paid out the following fall to allow actual county yields and the Market Year Average prices to be finalized. This month, FSA processed payments to producers enrolled in 2021 ARC-CO, ARC-IC and PLC for covered commodities that triggered for the crop year.

For ARC-CO, producers can view the [2021 ARC-CO Benchmark Yields and Revenues](#) online database, for payment rates applicable to their county and each covered commodity. For PLC, payments have triggered for rapeseed and peanuts.

For ARC-IC, producers should contact their local FSA office for additional information pertaining to 2021 payment information, which relies on producer-specific yields for the crop and farm to determine benchmark yields and actual year yields when calculating revenues.

### **By the Numbers**

In 2021, producers signed nearly 1.8 million ARC or PLC contracts, and 251 million out of 273 million base acres were enrolled in the programs. For the 2022 crop year signed contracts surpassed 1.8 million, to be paid in the fall of 2023, if a payment triggers.

Since ARC and PLC were first authorized by the 2014 Farm Bill and reauthorized by the 2018 Farm Bill, these safety-net programs have paid out more than \$34.9 billion to producers of covered commodities.

## Crop Insurance Considerations

ARC and PLC are part of a broader safety net provided by USDA, which also includes crop insurance and marketing assistance loans. Producers are reminded that ARC and PLC elections and enrollments can impact eligibility for some crop insurance products.

Producers on farms with a PLC election have the option of purchasing Supplemental Coverage Option (SCO) through their Approved Insurance Provider; however, producers on farms where ARC is the election are ineligible for SCO on their planted acres for that crop on that farm. Unlike SCO, the Enhanced Coverage Option (ECO) is unaffected by an ARC election. Producers may add ECO regardless of the farm program election. Upland cotton farmers who choose to enroll seed cotton base acres in ARC or PLC are ineligible for the stacked income protection plan (STAX) on their planted cotton acres for that farm.

For more information on ARC and PLC, visit the [ARC and PLC webpage](#) or contact your local [USDA Service Center](#).

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## Dairy Producers Can Now Enroll for 2023 Signup for Dairy Margin Coverage

Dairy producers can now enroll for 2023 coverage through the Dairy Margin Coverage (DMC) Program, an important safety net program from the U.S. Department of Agriculture (USDA) that helps producers manage changes in milk and feed prices. Last year, USDA's Farm Service Agency (FSA) took steps to improve coverage, especially for small- and mid-sized dairies, including offering a new Supplemental DMC program and updating its feed cost formula to better address retroactive, current and future feed costs. These changes continue to support producers through this year's signup, which begins today and ends Dec. 9, 2022.

DMC is a voluntary risk management program that 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.

So far in 2022, DMC payments to more than 17,000 dairy operations have triggered for August for more than \$47.9 million. According to DMC margin projections, an indemnity payment is projected for September as well. At \$0.15 per hundredweight for \$9.50 coverage, risk coverage through DMC is a relatively inexpensive investment.

DMC offers different levels of coverage, even an option that is free to producers, aside from a \$100 administrative fee. Limited resource, beginning, socially disadvantaged or a military veteran farmers or ranchers are exempt from paying the administrative fee, if requested. To determine the appropriate level of DMC coverage for a specific dairy operation, producers can use the [online dairy decision tool](#).

### Supplemental DMC

Last year, USDA introduced Supplemental DMC, which provided \$42.8 million in payments to better help small- and mid-sized dairy operations that had increased production over the years



but were not able to enroll the additional production. Supplemental DMC is also available for 2023.

Supplemental DMC coverage is applicable to calendar years 2021, 2022 and 2023. Eligible dairy operations with less than 5 million pounds of established production history may enroll supplemental pounds.

For producers who enrolled in Supplemental DMC in 2022, the supplemental coverage will automatically be added to the 2023 DMC contract that previously established a supplemental production history.

Producers who did not enroll in Supplemental DMC in 2022 can do so now. Producers should complete their Supplemental DMC enrollment before enrolling in 2023 DMC. To enroll, producers will need to provide their 2019 actual milk marketings, which FSA uses to determine established production history.

### **DMC Payments**

Additionally, FSA will continue to calculate DMC payments using updated feed and premium hay costs, making the program more reflective of actual dairy producer expenses. These updated feed calculations use 100% premium alfalfa hay rather than 50%. The benefits of these feed cost adjustments were realized in the recent August 2022 margin payment as current high feed and premium hay costs were considered in payment calculations.

### **More Information**

In addition to DMC, USDA offers other risk management tools for dairy producers, including the [Dairy Revenue Protection \(DRP\)](#) plan that protects against a decline in milk revenue (yield and price) and the [Livestock Gross Margin \(LGM\)](#) plan, which provides protection against the loss of the market value of livestock minus the feed costs. Both DRP and LGM livestock insurance policies are offered through the Risk Management Agency. Producers should contact their local [crop insurance agent](#) for more information.

For more information on DMC, visit the [DMC webpage](#) or contact your local [USDA Service Center](#).

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## **USDA Encourages You to Consider NAP Risk Protection Coverage Before Crop Sales Deadlines**

The Farm Service Agency encourages you to examine available USDA crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the applicable crop sales deadline.

Federal crop insurance covers crop losses from natural adversities such as drought, hail and excessive moisture. NAP covers losses from natural disasters on crops for which no permanent federal crop insurance program is available. You can determine if crops are eligible for federal crop insurance or NAP by [visiting the RMA website](#).

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

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.

Beginning, underserved, veterans and limited resource farmers are now eligible for free catastrophic level coverage.

Deadlines for coverage vary by state and crop. contact your local USDA Service Center at or visit [fsa.usda.gov](https://fsa.usda.gov).

Federal crop insurance coverage is sold and delivered solely through private insurance agents. Agent lists are available at all USDA Service Centers or at [USDA's online Agent Locator](#). You can use the [USDA Cost Estimator](#) to predict insurance premium costs.

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## Loans for Targeted Underserved Producers

The Farm Service Agency (FSA) has several loan programs to help you start or continue an agriculture production. Farm ownership and operating loans are available.

While all qualified producers are eligible to apply for these loan programs, FSA has provided priority funding for members of targeted underserved applicants.

A targeted underserved applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities.

For purposes of this program, targeted underserved groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders.

FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

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## Applying for Beginning Farmer Loans

The Farm Service Agency (FSA) assists beginning farmers to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more than 10 years

- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
- Does not own a farm in excess of 30 percent of the county's average size farm.

For more information contact, contact your local USDA Service Center or visit [fsa.usda.gov](https://fsa.usda.gov).

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## Farmers to Receive Documentation of USDA Services

The Farm Service Agency (FSA) provides a receipt to customers who request or receive assistance or information on FSA programs.

The 2014 Farm Bill requires a customer receipt to be issued for any agricultural program assistance requested from FSA, the Natural Resources Conservation Service (NRCS) and Rural Development (RD). Receipts include the date, summary of the visit and any agricultural information, program and/or loan assistance provided to an individual or entity. Electronic receipts for acreage reports began on Aug. 1, 2016.

A service is any information, program, or loan assistance provided whether through an office visit, email, fax, or letter.

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## Upcoming Events

November 29 - December 1, 2022

[Amarillo Farm and Ranch Show, Amarillo, TX](#)

December 6

[RMA Roadshow, Weslaco, TX](#)

December 7, 2022

[USA Rice Outlook Conference and Trade Show, Austin, TX](#)

December 8, 2022

[Sustainable Forestry & African American Land Retention Workshop](#)

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The logo for USDA in Texas is a dark green rectangular box with the text "USDA in Texas" in white, bold, sans-serif font centered within it.

**USDA in Texas**



**Farm Service Agency**

**State Executive Director**

Kelly Adkins

**State Committee**

Debra Barrett, Committee Chair

Armando Mandujano

Angie Martin

Wesley Ratcliff

Cody Scogin

**Natural Resources Conservation Service**

**State Conservationist**

Kristy Oates