



U.S. DEPARTMENT OF AGRICULTURE

USDA News - Lone Star State Edition - September 28, 2023

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From the FSA State Executive Director



Yesterday, [FSA announced](#) that we will begin issuing more than \$1.75 billion in emergency relief payments to eligible farmers and livestock producers across the country. These much-needed payments are helping farming and ranching operations recover following natural disasters in 2020, 2021 and 2022. Program payments involved in this announcement are the Emergency Livestock Relief Program Phase Two, Emergency Livestock Relief Program 2022, and the Emergency Relief

Program Phase Two. You can read more details below in the newsletter.

Last week, we also shared that rice producers that participated in the [Rice Production Program](#) will be receiving an additional payment to help offset the disproportionate economic impact on rice producers that were driven by increased input costs in 2022.

FSA is continuing to deliver assistance through Section 22006 of the Inflation Reduction Act. [Assistance for distressed borrowers](#) of FSA direct farm loan programs through cash flow-based assistance and extraordinary measure assistance. Qualifying direct loan types are Farm Ownership, Operating (including Youth and Microloans), Emergency, Conservation, and Soil and Water loans.

Cash flow-based assistance may be available for FSA direct loan borrowers who did not have sufficient cash flow to make their scheduled loan payment between Aug. 1, 2022 - Jan. 15, 2024.

Extraordinary measure assistance may be available for FSA direct loan borrowers who took extraordinary measures to keep their loan accounts current between Feb. 28, 2020 – Oct. 18, 2022.

For both sets of assistance, borrowers can apply only through the [Farmers.gov 22006 assistance portal](#), or visit with your farm loan team.

I wish you all well and we look forward to continuing to serve you.

Sincerely,

Kelly Adkins
State Executive Director
Farm Service Agency - Texas

From the NRCS State Conservationist

We are quickly headed into fall and a new fiscal year. Hopefully, we will get some relief from the unrelenting heat and drought that has plagued our state all summer.

This is a great time of year to visit with staff from your local NRCS office and discuss the conservation goals for your operation, whether it be drought resilience, improved soil health, increased wildlife habitat or more, NRCS is here to assist. [Randall Bankhead](#), a fourth-generation farmer from Roscoe, Texas, has suffered from the volatile weather conditions in



Texas, but with the help of NRCS and a new way of thinking, conditions on his operation have improved and are more resilient due in part to the conservation practices he has implemented to improve soil health on his operation. His operation is just one example of many across Texas who have reaped the benefits of climate-smart conservation practices.

The challenges faced by agricultural producers today demand innovative solutions to sustain food and fiber production. While climate change has led to more extreme weather patterns and reduced water availability for agriculture, it has also opened opportunities for growth.

Urban agriculture is on the rise, accompanied by a growing interest in local food sources and resilient food systems. NRCS is proud to support the nation's farmers and ranchers in addressing these challenges and opportunities, with science and innovation serving as the driving forces towards progress.

USDA recently [announced](#) \$65 million for funding new tools, approaches, practices, and technologies to further natural resource conservation on private lands through the [Conservation Innovation Grants \(CIG\)](#) program. Two separate CIG funding opportunities are available on [grants.gov](#): \$15 million through [CIG Classic](#) and \$50 million through [CIG On-Farm Trials](#). Applications for these opportunities are being accepted through Oct. 30, 2023.

In partnership with Prairie View A&M University Small Farm Institute and the San Antonio Food Bank, NRCS Texas recently hosted an [Urban Agriculture Forum](#) on Sept. 6, 2023, in San Antonio. Over 100 people attended the event and had the opportunity to learn more about small farm tools, soil health and function, aquaponics, backyard chickens, as well as the technical and financial assistance available for urban agriculture producers from NRCS. NRCS Texas is committed to working with farms of all sizes and in all locations, including urban areas. Forums like this provide our non-traditional customers with an avenue to receive training and information that meets their needs.

NRCS remains steadfast in its commitment to assist farmers, ranchers, private landowners, and tribal nations in building resilient agricultural operations, combatting climate change, promoting equity, and encouraging voluntary conservation efforts on working lands. Contact your [local NRCS office](#) to find out how we can assist you achieve your conservation goals.

Sincerely,

Kristy Oates
State Conservationist
Natural Resources Conservation Service - Texas

USDA to Begin Issuing \$1.75 Billion to Agricultural Producers Through Critical Emergency Relief Programs

The U.S. Department of Agriculture (USDA) today announced that it will begin issuing more than \$1.75 billion in emergency relief payments to eligible farmers and livestock producers. These much-needed payments are helping farming and ranching operations recover following natural disasters in 2020, 2021 and 2022.

Emergency Livestock Relief Program

This week, FSA will issue more than \$581 million in 2021 and 2022 drought and wildfire emergency relief to eligible ranchers.

FSA is closing out the [Emergency Livestock Relief Program](#) (ELRP) for losses suffered in 2021. ELRP Phase Two payments are estimated at \$115.7 million. Ranchers who lost grazing acres due to drought and wildfire and received assistance through ELRP Phase One will soon receive an additional payment through ELRP Phase Two. This second payment will be equal to 20% of the 2021 gross ELRP Phase One payment. ELRP Phase Two payments to producers will be automatic with no application required. In April 2022, FSA staff processed

more than 100,000 payments through ELRP Phase One and paid eligible ranchers more than \$600 million for 2021 grazing losses.

In 2022, ranchers continued to experience significant loss of grazing acres due to drought and wildfire. To help mitigate these losses, eligible ranchers will receive ELRP disaster assistance payments for increases in supplemental feed costs. To expedite payments, determine producer eligibility and calculate the ELRP 2022 payment, FSA is using livestock inventories and drought-affected forage acreage or restricted animal units and grazing days due to wildfire already reported to FSA by ranchers when they submitted their Livestock Forage Disaster Program applications. ELRP payments for 2022 losses are estimated at \$465.4 million and will be automatic with no application required.

Emergency Relief Program Phase Two

FSA is closing out Phase Two of the [Emergency Relief Program](#) (ERP) this week through the delivery of more than \$1.17 billion in crop disaster assistance payments to producers of eligible crops who suffered losses, measured through decreases in revenue, due to qualifying natural disaster events that occurred in calendar years 2020 and 2021. ERP Phase Two was intended primarily for producers of crops that were not covered by federal crop insurance or FSA's Noninsured Crop Disaster Assistance Program (NAP). Previously, through ERP Phase one, FSA staff processed more than 300,000 applications and paid an estimated 217,000 eligible producers more than \$7.4 billion.

More Information

These programs represent a few of FSA's extensive commodity, conservation, credit, disaster recovery and safety-net programs. By the close of the fiscal year on Sept. 30, for all farm and farm loan programs — including vital access to [capital for distressed borrowers](#) — USDA, through the delivery of FSA programs, will have invested more than \$19 billion in America's agricultural producers with more economic support on the way in fiscal year 2024.

For more information on available FSA programs, contact your [local USDA Service Center](#).

USDA Reminds Direct Loan Borrowers of Cash Flow-Based and Extraordinary Measures Assistance Options

USDA's Farm Service Agency (FSA) continues to accept and review individual assistance requests from: (1) direct Farm Loan Programs (FLP) borrowers who missed a recent installment or are unable to make their next scheduled installment, and (2) borrowers who took certain extraordinary measures to avoid delinquency on their direct FLP loans.

FSA direct loan borrowers with qualifying FLP loans who are unable to pay their upcoming installments or have already missed a recent installment payment can request a cash flow analysis from FSA using a recent balance sheet and operating plan to determine their eligibility. **This assistance is currently limited to installments due August 1, 2022, through January 15, 2024.** If FSA determines that a borrower qualifies for cash flow-based assistance due to an inability to develop a feasible plan for the current production cycle, FSA

will make a one-time credit to the borrower's account in the amount of the missed or upcoming direct loan installment(s). Consistent with other Section 22006 assistance provided to FSA direct loan borrowers, cash flow-based assistance is only available to borrowers who have not received prior IRA Section 22006 assistance that covered a forward direct loan installment.

Assistance is also available for borrowers who took certain extraordinary measures between February 28, 2020, through October 18, 2022, to avoid delinquency on their loans, such as monetizing long term or essential assets, incurring additional non-FSA debt, or deferring other essential payments, resulting in reduced farm and household viability. If FSA determines that a borrower qualifies for extraordinary measures assistance, the borrower will receive a direct payment equaling the amount of funds obtained through the extraordinary measure(s) that were used to make the payment(s) to FSA, with a maximum payment being the full amount of the installment paid. Borrowers may also be eligible to receive a payment covering their next loan installment due on all FLP direct loans if they have not received prior IRA Section 22006 assistance that covered a forward installment.

Borrowers can submit requests for extraordinary measures or cash flow-based assistance in person at their local FSA office or by sending in a direct request using the farmers.gov 22006 assistance request portals at farmers.gov/loans/inflation-reduction-investments/assistance. All requests for assistance must be received by December 31, 2023.

Borrowers can learn more about extraordinary measures and cash flow-based assistance, including complete eligibility requirements, at farmers.gov/loans/inflation-reduction-investments/assistance.

As USDA learns more about the types of situations financially distressed farmers are facing, the Department will continue to update borrowers and the public about new assistance for distressed borrowers. USDA will also provide regular updates about its progress in deploying this funding to farmers who need it.

USDA Offers Drought Impacted Texas Farmers and Ranchers Immediate Disaster Assistance

USDA's Farm Service Agency (FSA) offers disaster assistance and low-interest loan programs to assist you in your recovery efforts following drought. Available programs and loans include:

- **Non-Insured Crop Disaster Assistance Program (NAP)** - provides financial assistance to producers of non-insurable crops when low yields, loss of inventory, or prevented planting occur due to natural disasters including qualifying drought (includes native grass for grazing).
- **Livestock Forage Disaster Program (LFP)** – provides compensation to eligible livestock producers who suffered grazing losses for covered livestock due to drought on privately owned or cash leased land
- **Livestock Indemnity Program (LIP)** - offers payments to eligible producers for livestock death losses in excess of normal mortality due to adverse weather. Drought is not an eligible adverse weather event, except when associated with anthrax, a

condition that occurs because of drought and directly results in the death of eligible livestock.

- **Tree Assistance Program (TAP)** – provides assistance to eligible orchardists and nursery tree growers for qualifying tree, shrub and vine losses due to natural disasters including excessive wind and qualifying drought.
- **Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP)** - provides emergency relief for losses due to feed or water shortages, disease, adverse weather, or other conditions, which are not adequately addressed by other disaster programs.
- **Emergency Loan Program** – available to producers with agriculture operations located in a county under a primary or contiguous Secretarial Disaster designation. These low interest loans help producers recover from production and physical losses.
- **Emergency Conservation Program (ECP)** - provides emergency funding for farmers and ranchers to rehabilitate land severely damaged by natural disasters and to implement emergency water conservation measures in periods of severe drought.

To establish or retain FSA program eligibility, you must report prevented planting and failed acres (crops and grasses). Prevented planting acreage must be reported on form *FSA-576, Notice of Loss*, no later than 15 calendar days after the final planting date as established by FSA and Risk Management Agency (RMA).

For more information on these programs, contact your local USDA Service Center or visit fsa.usda.gov/disaster.

RMA Announces Improvements to Whole Farm Revenue and Micro Farm Insurance Options

RMA announced that it has updated crop insurance options for small and diversified farmers through improvements to the Whole-Farm Revenue Protection (WFRP) and Micro Farm insurance plans. These improvements are a direct response from feedback received from producers during the RMA roadshows last fall. Both WFRP and Micro farm policies are excellent insurance options for specialty crop, organic, urban, and direct-market producers.

[Learn more about updates to WFRP and Micro farm policies and how to find a local approved insurance provider near you.](#)

Second Production Payment for Rice Farmers Impacted by Record High Input Costs in 2022

The U.S. Department of Agriculture (USDA) announced that rice producers will receive an additional payment through the Farm Service Agency's (FSA) [Rice Production Program](#), which provides up to \$250 million in assistance to rice farmers based on 2022 rice acres.

On Dec. 29, 2022, President Biden signed into law H.R. 2617, the Consolidated Appropriations Act, 2023, which provided the authority and funding for USDA to make

payments to rice producers based on data already on file with USDA, including planted acres and acres prevented from being planted.

Payments

As part of FSA's efforts to streamline and simplify the delivery of additional Rice Production Program benefits, producers are not required to submit a new application for the additional Rice Production Program payment. Rice producers having a previously approved Rice Production Program application and who received an initial program payment, will receive an additional payment of .28 cent per pound based on previously reported data.

FSA made an initial payment to eligible producers at a reduced payment rate of one cent per pound, making the total overall payment rate \$1.28 cent per pound.

Payment Limitation

The payment limitation for the program is set by statute and is higher if the farmer's average adjusted gross farm income (income from activities related to farming, ranching or forestry) is more than 75% of their average adjusted gross income (AGI). Specifically, a person or legal entity with an average AGI of less than 75% of their average AGI cannot receive, directly or indirectly, more than \$125,000 in payments. Farmers who derive 75% or more of their average AGI from farming qualify for a \$250,000 payment limit. AGI is based on the three taxable years preceding the most immediately preceding complete tax year.

In advance of the initial payment, rice farmers were to visit their local county office to submit the appropriate form and certification (FSA-510, *Request for an Exception to the \$125,000 Payment Limitation for Certain Programs*) by Sept. 8, 2023, if they were requesting the higher payment limit.

For more information, view the [Rice Production Program fact sheet](#) or [contact your local USDA service center](#).

USDA Provides \$5 Million in Second Round of Payments to Help Organic Dairy Producers Cover Increased Costs

The U.S. Department of Agriculture (USDA) is announcing a second round of payments for dairy producers through the Organic Dairy Marketing Assistance Program (ODMAP), providing an additional \$5 million to help dairy producers mitigate market volatility, higher input and transportation costs, and unstable feed supply and prices that have created unique hardships in the organic dairy industry. USDA's Farm Service Agency (FSA) has already paid out \$15 million in the first round of payments for eligible producers, bringing total ODMAP payments to \$20 million. Producers paid during the first round will automatically receive payment in the second round and no action is needed.

USDA Announces Milk Loss Assistance for Dairy Operations Impacted by 2020, 2021 and 2022 Disaster Events

USDA announced Milk Loss Program (MLP) assistance for eligible dairy operations for milk that was dumped or removed, without compensation, from the commercial milk market due to qualifying weather events and the consequences of those weather events that inhibited delivery or storage of milk (e.g., power outages, impassable roads, infrastructure losses, etc.) during calendar years 2020, 2021 and 2022. Administered by the Farm Service Agency (FSA), signup for MLP begins Sept. 11 and runs through Oct. 16, 2023.

Background

On Dec. 29, 2022, President Biden signed into law the *Extending Government Funding and Delivering Emergency Assistance Act* (P.L. 117-43), providing \$10 billion for crop losses, including milk losses due to qualifying disaster events that occurred in calendar years 2020 and 2021. Additionally, the *Disaster Relief Supplemental Appropriations Act, 2023* (Pub. L. 117-328) provides approximately \$3 billion for disaster assistance for similar losses that occurred in calendar year 2022.

Eligibility

MLP compensates dairy operations for milk dumped or removed without compensation from the commercial milk market due to qualifying disaster events, including droughts, wildfires, hurricanes, floods, derechos, excessive heat, winter storms, freeze (including a polar vortex), and smoke exposure that occurred in the 2020, 2021 and 2022 calendar years. Tornadoes are considered a qualifying disaster event for calendar year 2022 only.

The milk loss claim period is each calendar month that milk was dumped or removed from the commercial market. Each MLP application covers the loss in a single calendar month. Milk loss that occurs in more than one calendar month due to the same qualifying weather event requires a separate application for each month.

The days that are eligible for assistance begin on the date the milk was removed or dumped and for concurrent days milk was removed or dumped. Once the dairy operation restarts milk marketing, the dairy operation is ineligible for assistance unless after restarting commercial milk marketing, additional milk is dumped due to the same qualifying disaster event. The duration of yearly claims is limited to 30 days per year for 2020, 2021 and 2022.

How to Apply

To apply for MLP, producers must submit:

- FSA-376, *Milk Loss Program Application*
- Milk marketing statement from the:
 - Month prior to the month milk was removed or dumped.
 - Affected month.

- Detailed written statement of milk removal circumstances, including the weather event type and geographic scope, what transportation limitations occurred and any information on what was done with the removed milk.
- Any other information required by the regulation.

If not previously filed with FSA, applicants must also submit all the following items within 60 days of the MLP application deadline:

- Form AD-2047, *Customer Data Worksheet*.
- Form CCC-902, *Farm Operating Plan* for an individual or legal entity.
- Form CCC-901, *Member Information for Legal Entities* (if applicable).
- Form FSA-510, *Request for an Exception to the \$125,000 Payment Limitation for Certain Programs* (if applicable).
- Form CCC-860, *Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification*, (if applicable).
- A highly erodible land conservation (sometimes referred to as HELC) and wetland conservation certification (Form AD-1026 *Highly Erodible Land Conservation (HELIC) and Wetland Conservation (WC) Certification*) for the MLP producer and applicable affiliates.

Most producers, especially those who have previously participated in FSA programs, will likely have these required forms already on file. However, those who are uncertain or want to confirm the status of their forms can contact their local [FSA county office](#).

MLP Payment Calculation

The final MLP payment is determined by factoring the MLP payment calculation by the applicable MLP payment percentage.

The calculation for determining MLP payment is:

- $((\text{Base period per cow average daily milk production} \times \text{the number of milking cows in a claim period} \times \text{the number of days milk was removed or dumped in a claim period}) \div 100) \times \text{pay price per hundredweight (cwt.)}$.

For MLP payment calculations, the milk loss base period is the first full month of production before the dumping or removal occurred.

The MLP payment percentage will be 90% for underserved producers, including socially disadvantaged, beginning, limited resource, and veteran farmers and ranchers and 75% for all other producers.

To qualify for the higher payment percentage, eligible producers must have a CCC-860, *Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification*, form on file with FSA for the 2022 program year.

Adjusted Gross Income (AGI) limitations do not apply to MLP, however the payment limitation for MLP is determined by the person's or legal entity's average adjusted gross farm income (income derived from farming, ranching and forestry operations). Specifically, a person or

legal entity, other than a joint venture or general partnership, cannot receive, directly or indirectly, more than \$125,000 in payments under MLP if their average adjusted gross farm income is less than 75% of their average AGI or more than \$250,000 if their adjusted gross farm income is at least 75% of their average AGI.

More Information

In other FSA dairy safety-net support, [Dairy Margin Coverage \(DMC\)](#) program payments have triggered every month, January through July, for producers who obtained coverage for the 2023 program year. July 2023's income over feed margin of \$3.52 per hundredweight (cwt.) is the lowest margin since DMC program benefits to dairy producers started in 2019. To date, FSA has paid more than \$1 billion in DMC benefits to covered dairy producers for the 2023 program year.

Additionally, FSA closed the [Organic Dairy Marketing Assistance Program \(ODMAP\)](#) application period on Aug. 11.

On farmers.gov, the [Disaster Assistance Discovery Tool](#), [Disaster Assistance-at-a-Glance fact sheet](#) and [Loan Assistance Tool](#) can help producers and landowners determine program or loan options. For assistance with a crop insurance claim, producers and landowners should contact their [crop insurance agent](#). For FSA and NRCS programs, they should contact their local [USDA Service Center](#).

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 USDA Service Center or visit fsa.usda.gov.

From The Battlefield to The Farm: Resources for Veterans

Monshi (Ram) Ramdass, Military Veteran Agricultural Liaison with USDA's Office of Partnerships and Public Engagement, was featured in a recent episode of [A Better Way to Farm Podcast](#). Take a listen as Ram discusses the support USDA has available for military veterans.

<https://abetterwaytofarm.com/resources/201-from-the-battlefield-to-the-farm-resources-for-veterans>

Upcoming Events

September 27-28, 2023

[2501 Partnership Symposium](#), Austin, TX

October 20-21, 2023

[Landowners Association of Texas 45th State Conference](#), Beaumont, TX

USDA in Texas



Farm Service Agency

State Executive Director
Kelly Adkins

Natural Resources Conservation Service

State Conservationist
Kristy Oates

State Committee

Debra Barrett, Committee Chair
Armando Mandujano
Angie Martin
Wesley Ratcliff
Cody Scogin

Risk Management Agency

Regional Director
Jim Bellmon