U.S. DEPARTMENT OF AGRICULTURE

Virginia April Newsletter Articles and Updates - April 2024

Farm Service Agency | **Natural Resources Conservation Service** | **Risk Management Agency**

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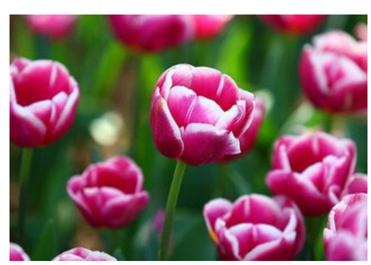

Every Spring planting season is an act of hope for Virginia farmers.

As the State Executive Director, I find energy, strength and determination in springtime. This month is spring planting season for our farmers. We all love to plant in the spring. It is a great time for us to plant the plants we love. Spring planting allows us to enjoy the spring blooms and sun warming the earth. Spring is a highly anticipated season opens a time of new growth and field preparation. Farmers use springtime to decide what crops to plant and when to plant them.

Much of the springtime is dedicated to planning. There are six things' farmers should keep in mind with the arrival of spring: weather forecasts, commodity prices, fertilizer prices, preparing the soil, selecting seeds and pest management.

Spring is an exciting time for farmers to set their fields for success. We wish growers a prolific year!

Dr. Ronald M. Howell, Jr., State Executive Director

NRCS Director Message

I'm using my space this month to direct readers to the item in this newsletter that references a joint venture by Virginia NRCS and Virginia Tech that's giving the state's agricultural producers an exciting and valuable new resource – a mentor farmer program that pairs knowledgeable farmers with less experienced growers. As a concept, we and our partners at Tech think it makes all the sense in the world. In reality, the program is attaining high levels of exposure and success despite being in its virtual infancy.

If you're interested at all in becoming or obtaining a mentor, we'd like you to meet Lydia Fitzgerald, who is administering our initial mentor program for cropland farmers. You can also get to know Matt Booher, who is beginning to gear up a companion program for grassland producers.

It's a new wrinkle and one that I'm very excited about.   One thing you'll always hear about agriculture as a career is that it has a long learning curve. Mentorships have the potential to shorten the curve while increasing profits and production. We at NRCS have seen the many positive outcomes of this initiative, including education, outreach and the creating of strong bonds in our agriculture community. For more details, contact your local NRCS field office.

Dr. Edwin Martinez Martinez, Virginia NRCS State Conservationist

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RD State Director Message

Spring is a time of new beginnings with more hours of daylight and warmth to help young plants grow. It's also a time when USDA Rural Development (RD) offers funding and resources that can better position cooperatives to nurture farms and small businesses.

Two recently announced grant opportunities could not only help expand access to new and better markets for Virginia's agricultural producers but also level the playing field by ensuring that people of all backgrounds have the resources they need to survive and thrive.

We're making $5.8 million in funding available under the Rural Cooperative Development Grant (RCDG) program to start, improve or expand cooperatives and other mutually owned businesses that will help improve economic conditions in rural areas. Nonprofit organizations and institutions of higher education are eligible to apply for these grants to provide technical and cooperative development assistance to individuals and businesses.

USDA RD is also seeking applications for another $3 million in grants to strengthen new and existing rural cooperatives that include and serve people from socially disadvantaged groups. Cooperatives and Cooperative Development Centers like our own Virginia Foundation for Agriculture, Innovation & Rural Sustainability (FAIRS) are eligible to apply for these funds to strengthen hands-on assistance like leadership training and strategic planning offered to small business owners and agricultural producers from these groups.

Electronic applications for both offerings must be submitted to grants.gov by 11:59 p.m. Eastern Time on **June 3, 2024**. If you'd like to learn more about these programs or the application process, please reach out to Joe Boatwright, Director of Business and Cooperative Programs, at 540-319-6468 or joe.boatwright@usda.gov.

Perry Hickman, State Director

Obtaining Payments Due to Deceased Producers

In order to claim a Farm Service Agency (FSA) payment on behalf of a deceased producer, all program conditions for the payment must have been met before the applicable producer's date of death.

If a producer earned a FSA payment prior to his or her death, the following is the order of precedence for the representatives of the producer:

- administrator or executor of the estate
- the surviving spouse
- surviving sons and daughters, including adopted children
- surviving father and mother
- surviving brothers and sisters
- heirs of the deceased person who would be entitled to payment according to the State law

For FSA to release the payment, the legal representative of the deceased producer must file a form FSA-325 to claim the payment for themselves or an estate. The county office will verify that the application, contract, loan agreement, or other similar form requesting payment issuance, was signed by the applicable deadline by the deceased or a person legally authorized to act on their behalf at that time of application.

If the application, contract or loan agreement form was signed by someone other than the deceased participant, FSA will determine whether the person submitting the form has the legal authority to submit the form.

Payments will be issued to the respective representative's name using the deceased program participant's tax identification number. Payments made to representatives are subject to offset regulations for debts owed by the deceased.

FSA is not responsible for advising persons in obtaining legal advice on how to obtain program benefits that may be due to a participant who has died, disappeared or who has been declared incompetent.

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 County USDA Service Center or visit fsa.usda.gov/crp.

Report Banking Changes to FSA

Farm Service Agency (FSA) program payments are issued electronically into your bank account. In order to receive timely payments, you need to notify your FSA servicing office if you close your account or if your bank information is changed for any reason (such as your financial institution merging or being purchased). Payments can be delayed if FSA is not notified of changes to account and bank routing numbers.

For some programs, payments are not made until the following year. For example, payments for crop year 2019 through the Agriculture Risk Coverage and Price Loss Coverage program aren't paid until 2020. If the bank account was closed due to the death of an individual or dissolution of an entity or partnership before the payment was issued, please notify your local FSA office as soon as possible to claim your payment.

The Importance of Responding to NASS Surveys

USDA's National Agricultural Statistics Service (NASS) conducts hundreds of surveys every year and prepares reports covering virtually every aspect of U.S. agriculture.

If you receive a survey questionnaire, please respond quickly and online if possible.

The results of the surveys help determine the structure of USDA farm programs, such as soil rental rates for the Conservation Reserve Program and prices and yields used for the Agriculture Risk Coverage and Price Loss Coverage programs. This county-level data is critical for USDA farm payment determinations. Survey responses also help associations, businesses and policymakers advocate for their industry and help educate others on the importance of agriculture.

NASS safeguards the privacy of all respondents and publishes only aggregate data, ensuring that no individual operation or producer can be identified.

NASS data is available online at [nass.usda.gov/Publications]() and through the searchable [Quick Stats database](). Watch a video on how NASS data is used at [youtube.com/watch?v=m-4zjnh26io&feature=youtu.be]().

Environmental Review Required Before Project Implementation

The National Environmental Policy Act (NEPA) requires Federal agencies to consider all potential environmental impacts for federally funded projects before the project is approved.

For all Farm Service Agency (FSA) programs, an environmental review must be completed before actions are approved, such as site preparation or ground disturbance. These programs include, **but are not limited to**, the Emergency Conservation Program (ECP), Farm Storage Facility Loan (FSFL) program and farm loans. If project implementation begins before FSA has completed an environmental review, the request will be denied. Although there are exceptions regarding the Stafford Act and emergencies, it's important to wait until you receive written approval of your project proposal before starting any actions.

Applications cannot be approved until FSA has copies of all permits and plans. Contact your local FSA office early in your planning process to determine what level of environmental review is required for your program application so that it can be completed timely.

Dairy Producers Can Enroll for 2024 Dairy Margin Coverage Through April 29

Starting Feb. 28, dairy producers will be able to enroll for 2024 Dairy Margin Coverage (DMC), an important safety net program offered through the U.S. Department of Agriculture (USDA) that provides producers with price support to help offset milk and feed price differences. This year's DMC signup begins Feb. 28, 2024, and ends April 29, 2024. For those who sign up for 2024 DMC coverage, payments may begin as soon as March 4, 2024, for any payments that triggered in January 2024.

USDA's Farm Service Agency (FSA) has revised the regulations for DMC to allow eligible dairy operations to make a one-time adjustment to established production history. This adjustment will be accomplished by combining previously established supplemental production history with DMC production history for those dairy operations that participated in Supplemental Dairy Margin Coverage during a prior coverage year. DMC has also been authorized through calendar year 2024. Congress passed a 2018 Farm Bill extension requiring these regulatory changes to the program.

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. In 2023, Dairy Margin Coverage payments triggered in 11 months including two months, June and July, where the margin fell below the catastrophic level of $4.00 per hundredweight, a first for Dairy Margin Coverage or its predecessor Margin Protection Program.

2024 DMC Coverage and Premium Fees FSA has revised DMC regulations to extend coverage for calendar year 2024, which is retroactive to Jan. 1, 2024, and to provide an adjustment to the production history for dairy operations with less than 5 million pounds of production. In previous years, smaller dairy operations could establish a supplemental production history and receive Supplemental Dairy Margin Coverage. For 2024, dairy producers can establish one adjusted base production history through DMC for each participating dairy operation to better reflect the operation's current production.

For 2024 DMC enrollment, dairy operations that established supplemental production history through Supplemental Dairy Margin Coverage for coverage years 2021 through 2023, will combine the supplemental production history with established production history for one adjusted base production history.

For dairy operations enrolled in 2023 DMC under a multi-year lock-in contract, lock-in eligibility will be extended until Dec. 31, 2024. In addition, dairy operations enrolled in multi-year lock-in contracts are eligible for the discounted DMC premium rate during the 2024 coverage year. To confirm 2024 DMC lock-in coverage or opt out in favor of an annual contract for 2024, dairy operations having lock-in contracts must enroll during the 2024 DMC enrollment period.

DMC offers different levels of coverage, even an option that is free to producers, minus a $100 administrative fee. The administrative fee is waived for dairy producers 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.

DMC Payments DMC payments are calculated 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.

More Information USDA also 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 milk 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.

Before You Break Out New Ground, Ensure Your Farm Meets Conservation Compliance

The term "sodbusting" is used to identify the conversion of land from native vegetation to commodity crop production after December 23, 1985. As part of the conservation provisions of the Food Security Act of 1985, if you're proposing to produce agricultural commodities (crops that require annual tillage including one pass planting operations and sugar cane) on land that has been determined highly erodible and that has no crop history prior to December

23, 1985, that land must be farmed in accordance with a conservation plan or system that ensures no substantial increase in soil erosion.

Eligibility for many USDA programs requires compliance with a conservation plan or system on highly erodible land (HEL) used for the production of agricultural commodities. This includes Farm Service Agency (FSA) loan, disaster assistance, safety net, price support, and conservation programs; Natural Resources Conservation Service (NRCS) conservation programs; and Risk Management Agency (RMA) Federal crop insurance.

Before you clear or prepare areas not presently under production for crops that require annual tillage, you are required to file Form AD-1026 “Highly Erodible Land Conservation and Wetland Conservation Certification,” with FSA indicating the area to be brought into production. The notification will be referred to NRCS to determine if the field is considered highly erodible land. If the field is considered HEL, you are required to implement a conservation plan or system that limits the erosion to the tolerable soil loss (T) for the predominant HEL soil on those fields.

In addition, prior to removing trees or conducting any other land manipulations that may affect wetlands, remember to update form AD-1026, to ensure you remain in compliance with the wetland conservation provisions.

Prior to purchasing or renting new cropland acres, it is recommended that you check with your local USDA Service Center to ensure your activities will be in compliance with the highly erodible land and wetland conservation provisions.

For additional information on highly erodible land conservation and wetland conservation compliance, contact your local USDA Service Center.

Reporting Organic Crops

If you want to use the Noninsured Crop Disaster Assistance Program (NAP) organic price and you select the "organic" option on your NAP application, you must report your crops as organic.

When certifying organic acres, the buffer zone acreage must be included in the organic acreage. You must also provide a current organic plan, organic certificate or documentation from a certifying agent indicating an organic plan is in effect. Documentation must include:

- name of certified individuals
- address
- telephone number
- effective date of certification
- certificate number
- list of commodities certified
- name and address of certifying agent
- a map showing the specific location of each field of certified organic, including the buffer zone acreage

Certification exemptions are available for producers whose annual gross agricultural income from organic sales totals $5,000 or less. Although exempt growers are not required to provide a written certificate, they are still required to provide a map showing the specific location of each field of certified organic, transitional and buffer zone acreage.

For questions about reporting organic crops, contact your County USDA Service Center.

Preauthorized Debit Available for Farm Loan Borrowers

USDA's Farm Service Agency (FSA) has implemented pre-authorized debit (PAD) for Farm Loan Program (FLP) borrowers. PAD is a voluntary and alternative method for making weekly, bi-weekly, monthly, quarterly, semi-annual or annual payments on loans.

PAD payments are pre-authorized transactions that allow the National Financial and Accounting Operations Center (NFAOC) to electronically collect loan payments from a customer's account at a financial institution.

PAD may be useful if you use nonfarm income from regular wages or salary to make payments on loans or adjustment offers or for payments from seasonal produce stands. PAD can only be established for future payments.

To request PAD, customers, along with their financial institution, must fill out form RD 3550-28. This form has no expiration date, but a separate form RD 3550-28 must be completed for each loan to which payments are to be applied. A fillable form can be accessed on the USDA Rural Development (RD) website at rd.usda.gov/publications/regulations-guidelines. Click forms and search for "Form 3550-28."

If you have a "filter" on the account at your financial institution, you will need to provide the financial institution with the following information: Origination ID: 1220040804, Agency Name: USDA RD DCFO.

PAD is offered by FSA at no cost. Check with your financial institution to discuss any potential cost. Preauthorized debit has no expiration date, but you can cancel at any time by submitting a written request to your local FSA office. If a preauthorized debit agreement receives three payment rejections within a three-month period, the preauthorized debit agreement will be cancelled by FSA. The payment amount and due date of your loan is not affected by a cancellation of preauthorized debit. You are responsible to ensure your full payment is made by the due date.

For more information about PAD, contact your County USDA Service Center or visit fsa.usda.gov.

Borrower Training for Farm Loan Customers

Borrower training is available for all Farm Service Agency (FSA) customers. This training is required for all direct loan applicants, unless the applicant has a waiver issued by the agency.

Borrower training includes instruction in production and financial management. The purpose is to help the applicants develop and improve skills that are necessary to successfully operate a farm and build equity in the operation. It aims to help the producer become financially successful. Borrower training is provided, for a fee, by agency approved vendors. Contact your local FSA Farm Loan Manager for a list of approved vendors.

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.

Virginia NRCS and Virginia Tech Conducting Mentor Farmer Pilot Project

Farmers trust and learn best from other farmers. To capitalize on this, Virginia NRCS has been funding a partnership project with Virginia Tech that's exploring how to best leverage the experience and knowledge of role-model growers in the promotion of soil health and resource conservation.

The underlying strategy is basic. We're not asking farmer volunteers to give up their time to mentor their peers; instead, we're seeking out growers who truly love sharing their ideas and passion for agriculture and paying them to allow participation without financial sacrifice.

Now into its third year, our Virginia Tech/NRCS Integrated Conservation Agronomy (ICA) farmer-to-farmer mentoring pilot has already had some well-publicized successes. What's new this spring are some statistics documenting how much impact the program has had in just 30 months.

The ICA project kicked off in the fall of 2021 with the hiring of Partnership Agronomist Lydia Fitzgerald. She quickly assembled a group of a half dozen experienced, exceptional growers and allowed them to get to work.

In the 30 months since the program's inception, these mentors have served as hosts, guest speakers or panelists at 80 different events that featured education in either conservation or agronomy. These events ranged from meetings with farmers on their properties to appearances at indoor winter conferences to on-farm training sessions for new NRCS staff members.

The amount of one-on-one coaching our mentors have provided to growers who requested it shows the developing reach of the program. To date, Fitzgerald's small team of mentors has provided 465 hours of direct assistance to 72 different Virginia farmers. This assistance took many forms, ranging from short phone calls to full-day farm visits.

The ICA project has entered a new phase with the recent addition of a second partnership agronomist, Matt Booher. His focus on grassland clients will complement Fitzgerald's existing emphasis on cropland producers. Booher is currently assembling his own team of grassland farmer mentors to work alongside Fitzgerald’s group, which will greatly extend the reach of a promising and exciting partnership.

Selected Interest Rates for April 2024

90-Day Treasury Bill	5.375%
Farm Operating Loans — Direct	5.125%
Farm Ownership Loans — Direct	5.375%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.5%
Emergency Loans	3.75%
Farm Storage Facility Loans - (7 years)	4.250%
Commodity Loans 1996-Present	6.000%

Virginia FSA State Office

1606 Santa Rosa Road, Suite 138
Richmond, VA 23229

Phone: 804-287-1503 Fax: 855 -621-5866

Office Hours 7:30 a.m. - 4:30 p.m.

Dr. Ronald M. Howell, Jr.
State Executive Director

Sherina Logan
Administrative Officer

Dorine Ross
Chief Farm Loan Programs

H.L. Kellam
Rodney Young
Chief Farm Programs

Diane Lenoir-Giles
Public Relations/Outreach Specialist