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FSA Acting State Director Message

A New Year and a New Day for Virginia

Virginia FSA welcomes 2022! We are looking forward to another year serving our Virginia producers. FSA county offices are presently busy with several new programs. We encourage you to reach out to your local USDA Service Center for more information to schedule an appointment.

The month of January is a time of new beginnings, from acreage reporting and working on your financial plans to recovering from previous disasters experienced in your area. I am

proud of the work our employees do every day to ensure that our farmers can continue to produce the food and fiber in Virginia.

There is some important business we can take care of now to free up time later in the year when field work calls. You can prepare by proactively contacting your local office about information on enrollment for main commodity crop safety net programs, disaster assistance available for livestock, deadline for pandemic support for certified organic and transitioning operations, provides additional pandemic assistance to hog producers, Non Insured Crop Disaster Assistance Program, and Dairy Margin Coverage Program signup.

There is no time like the present to address important farm records changes, such as address or banking information updates that may seem minor, but could potentially delay program benefit distribution later in the year.

As producers look to finalize their financing for the season, our county office farm loan staff also is extremely busy making and servicing loans. Contact your local FLP office to discuss a new loan or to review options available to you after developing your plan of action.

Virginia FSA may offer limited or no physical access to the county offices, but know that we are still here to serve you through phone calls and email!

NRCS State Conservationist's Message

Like many of you, I recently engaged in the very traditional practice of setting goals and priorities for the next 12 months. These “resolutions” help us focus our activities on achieving continuous improvements in our personal and professional lives. As I embark on my second full year as state conservationist, I am committed to fostering greater collaboration with producers and partners to help Virginia agriculture thrive.

Last month, I outlined NRCS priorities for Fiscal Year 2022. Now, I'm using this forum to share the goals I have set for myself and my team so that we can be on the same page in achieving a shared vision of protecting natural resources on privately owned lands throughout the commonwealth:

- Keep Virginia at the forefront of conservation planning, delivery and implementation while providing outstanding customer service.
- Sustain and enhance collaboration with local, state and federal agencies as well as with neighboring states.
- Ensure NRCS team members receive core technical training while exploring innovative conservation planning approaches.
- Expand our partner network to increase awareness of agency programs and services among all target audiences (young, beginning, small, veteran and historically underserved farmers).
- Continue focusing on water quality and soil health to further enhance delivery of conservation solutions across Virginia.

While January is a wonderful time for setting goals, I want the months ahead to be marked by our progress in achieving them. With that in mind, I and my team at NRCS extend our best

wishes to all members of the Virginia ag community for a successful and prosperous new year.

Dr. Edwin Martinez Martinez, NRCS State Conservationist

Disaster Assistance Available for Livestock Losses

The Livestock Indemnity Program (LIP) provides assistance to you for livestock deaths in excess of normal mortality caused by adverse weather, disease and attacks by animals reintroduced into the wild by the federal government or protected by federal law.

For disease losses, FSA county committees can accept veterinarian certifications that livestock deaths were directly related to adverse weather and unpreventable through good animal husbandry and management.

For 2022 livestock losses, you must file a notice within 30 calendar days of when the loss is first apparent. You then must provide the following supporting documentation to your local FSA office no later than 60 calendar days after the end of the calendar year in which the eligible loss condition occurred.

- Proof of death documentation
- Copy of grower's contracts
- Proof of normal mortality documentation

USDA has established normal mortality rates for each type and weight range of eligible livestock, i.e. Adult Beef Cow = 1.5% and Non-Adult Beef Cattle (less than 250 pounds) = 5%. These established percentages reflect losses that are considered expected or typical under "normal" conditions.

In addition to filing a notice of loss, you must also submit an application for payment by March 1, 2022.

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

Keeping Livestock Inventory Records

Livestock inventory records are necessary in the event of a natural disaster, so remember to keep them updated.

When disasters strike, the USDA Farm Service Agency (FSA) can help you if you've suffered excessive livestock death losses and grazing or feed losses due to eligible natural disasters.

To participate in livestock disaster assistance programs, you'll be required to provide verifiable documentation of death losses resulting from an eligible adverse weather event and must submit a notice of loss to your local FSA office within 30 calendar days of when the loss of livestock is apparent. For grazing or feed losses, you must submit a notice of loss to your local FSA office within 30 calendar days of when the loss is apparent and should maintain documentation and receipts.

You should record all pertinent information regarding livestock inventory records including:

- Documentation of the number, kind, type, and weight range of livestock
- Beginning inventory supported by birth recordings or purchase receipts.

For more information on documentation requirements, contact your local County USDA Service Center or visit fsa.usda.gov.

Deadline Extended to Apply for Pandemic Support for Certified Organic and Transitioning Operations

The U.S. Department of Agriculture (USDA) has extended the deadline for agricultural producers who are certified organic, or transitioning to organic, to apply for the Organic and Transitional Education and Certification Program (OTECP). This program provides pandemic assistance to cover certification and education expenses. The deadline to apply for 2020 and 2021 eligible expenses is now Feb. 4, 2022, rather than the original deadline of Jan. 7, 2022.

Signup for OTECP, administered by USDA's Farm Service Agency (FSA), began Nov. 8.

Certified operations and transitional operations may apply for OTECP for eligible expenses paid during the 2020, 2021 and 2022 fiscal years. Signup for the 2022 fiscal year will be announced at a later date.

For each year, OTECP covers 25% of a certified operation's eligible certification expenses, up to \$250 per certification category (crop, livestock, wild crop, handling and State Organic Program fee). This includes application fees, inspection fees, USDA organic certification costs, state organic program fees and more.

Crop and livestock operations transitioning to organic production may be eligible for 75% of a transitional operation's eligible expenses, up to \$750, for each year. This includes fees charged by a certifying agent or consultant for pre-certification inspections and development of an organic system plan.

For both certified operations and transitional operations, OTECP covers 75% of the registration fees, up to \$200, per year, for educational events that include content related to organic production and handling in order to assist operations in increasing their knowledge of production and marketing practices that can improve their operations, increase resilience and expand available marketing opportunities. Additionally, both certified and transitional operations may be eligible for 75% of the expense of soil testing required under the National Organic Program (NOP) to document micronutrient deficiency, not to exceed \$100 per year.

Producers apply through their local FSA office and can also obtain one-on-one support with applications by calling 877-508-8364. The program application and additional information can be found at farmers.gov/otecp.

Additional Organic Support

OTECP builds upon USDA's [Organic Certification Cost Share Program \(OCCSP\)](#) which provides cost share assistance of 50%, up to a maximum of \$500 per scope, to producers and

handlers of agricultural products who are obtaining or renewing their certification under the NOP. Although the application period for OCCSP ended Nov. 1, 2021, FSA will consider late-filed applications for those operations who still wish to apply.

Meanwhile, USDA's Risk Management Agency (RMA) recently [made improvements to Whole-Farm Revenue Protection](#) to make it more flexible and accessible to organic producers.

To learn more about USDA's broader assistance for organic producers, visit usda.gov/organic.

USDA Provides Additional Pandemic Assistance to Hog Producers

The U.S. Department of Agriculture (USDA) announced a new program to assist hog producers who sold hogs through a negotiated sale during the period in which these producers faced the greatest reduction in market prices due to the COVID-19 pandemic. The Spot Market Hog Pandemic Program (SMHPP) is part of USDA's [Pandemic Assistance for Producers](#) initiative and addresses gaps in previous assistance for hog producers. USDA's Farm Service Agency (FSA) will accept applications Dec. 15, 2021 through Feb. 25, 2022.

SMHPP provides assistance to hog producers who sold hogs through a negotiated sale from April 16, 2020 through Sept. 1, 2020. Negotiated sale, or negotiated formula sale, means a sale of hogs by a producer to a packer under which the base price for the hogs is determined by seller-buyer interaction and agreement on a delivery day. USDA is offering SMHPP as packer production was reduced due to the COVID-19 pandemic due to employee illness and supply chain issues, resulting in fewer negotiated hogs being procured and subsequent lower market prices.

The Department has set aside up to \$50 million in pandemic assistance funds through the Coronavirus Aid, Relief and Economic Security (CARES) Act for SMHPP.

SMHPP Program Details

Eligible hogs include hogs sold through a negotiated sale by producers between April 16, 2020, and Sept. 1, 2020. To be eligible, the producer must be a person or legal entity who has ownership in the hogs and whose production facilities are located in the United States, including U.S. territories. Contract producers, federal, state and local governments, including public schools and packers are not eligible for SMHPP.

SMHPP payments will be calculated by multiplying the number of head of eligible hogs, not to exceed 10,000 head, by the payment rate of \$54 per head. FSA will issue payments to eligible hog producers as applications are received and approved.

Applying for Assistance

Eligible hog producers can apply for SMHPP starting Dec. 15, 2021, by completing the FSA-940, Spot Market Hog Pandemic Program application. Additional documentation may be required. Visit farmers.gov/smhpp for a copy of the Notice of Funds Availability, information on applicant eligibility and more information on how to apply.

Applications can be submitted to the FSA office at any USDA Service Center nationwide by mail, fax, hand delivery or via electronic means. To find your local FSA office, visit farmers.gov/service-locator. Hog producers can also call 877-508-8364 to speak directly with a USDA employee ready to offer assistance.

USDA Opens 2022 Signup for Dairy Margin Coverage, Expands Program for Supplemental Production

As part of the Biden-Harris Administration's ongoing efforts to support dairy farmers and rural communities, today the U.S. Department of Agriculture (USDA) opened signup for the Dairy Margin Coverage (DMC) program and expanded the program to allow dairy producers to better protect their operations by enrolling supplemental production. This signup period – which runs from Dec. 13, 2021 to Feb. 18, 2022 – enables producers to get coverage through this important safety-net program for another year as well as get additional assistance through the new Supplemental DMC.

Supplemental DMC will provide \$580 million to better help small- and mid-sized dairy operations that have increased production over the years but were not able to enroll the additional production. Now, they will be able to retroactively receive payments for that supplemental production. Additionally, USDA's Farm Service Agency (FSA) updated how feed costs are calculated, which will make the program more reflective of actual dairy producer expenses.

Supplemental DMC Enrollment

Eligible dairy operations with less than 5 million pounds of established production history may enroll supplemental pounds based upon a formula using 2019 actual milk marketings, which will result in additional payments. Producers will be required to provide FSA with their 2019 Milk Marketing Statement.

Supplemental DMC coverage is applicable to calendar years 2021, 2022 and 2023. Participating dairy operations with supplemental production may receive retroactive supplemental payments for 2021 in addition to payments based on their established production history.

Supplemental DMC will require a revision to a producer's 2021 DMC contract and must occur before enrollment in DMC for the 2022 program year. Producers will be able to revise 2021 DMC contracts and then apply for 2022 DMC by contacting their local [USDA Service Center](#).

DMC 2022 Enrollment

After making any revisions to 2021 DMC contracts for Supplemental DMC, producers can sign up for 2022 coverage. DMC provides eligible dairy producers with risk management coverage that pays producers when the difference between the price of milk and the cost of feed falls below a certain level. So far in 2021, DMC payments have triggered for January through October for more than \$1.0 billion.

For DMC enrollment, producers must certify with FSA that the operation is commercially marketing milk, sign all required forms and pay the \$100 administrative fee. The fee is waived

for farmers who are considered limited resource, beginning, socially disadvantaged, or a military veteran. To determine the appropriate level of DMC coverage for a specific dairy operation, producers can use the [online dairy decision tool](#).

Updates to Feed Costs

USDA is also changing the DMC feed cost formula to better reflect the actual cost dairy farmers pay for high-quality alfalfa hay. FSA will calculate payments using 100% premium alfalfa hay rather than 50%. The amended feed cost formula will make DMC payments more reflective of actual dairy producer expenses.

Additional Dairy Assistance

Today's announcement is part of a broader package to help the dairy industry respond to the pandemic and other challenges. USDA is also amending Dairy Indemnity Payment Program (DIPP) regulations to add provisions for the indemnification of cows that are likely to be not marketable for longer durations, as a result, for example, of per- and polyfluoroalkyl substances. FSA also worked closely with USDA's Natural Resources Conservation Service to target assistance through the Environmental Quality Incentives Program) and other conservation programs to help producers safely dispose of and address resource concerns created by affected cows. Other recent dairy announcements include \$350 million through the Pandemic Market Volatility Assistance Program and \$400 million for the Dairy Donation Program.

Additional details on these changes to DMC and DIPP can be found in a rule that will be published soon in the *Federal Register*. This rule also included information on the new Oriental Fruit Fly Program as well as changes to FSA conservation programs. A copy of the rule is available [here](#).

More Information

To learn more or to participate in DMC or DIPP, producers should contact their local [USDA Service Center](#). Service Center staff continue to work with agricultural producers via phone, email and other digital tools. Because of the pandemic, some are open to limited visitors. Producers should contact their Service Center to set up an in-person or phone appointment. Additionally, more information related to USDA's response and relief for producers can be found at farmers.gov/coronavirus.

Filing CCC-941 Adjusted Gross Income 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, 2021, and 2022. Unlike the past, you must have the CCC-941 certifying your AGI compliance before any payments can be issued.

County Producers Urged to Consider NAP Risk Protection Coverage Before Crop Sales Deadlines

The USDA Farm Service Agency (FSA) encourages you to review available USDA crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the crop deadline of February 15.

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.

The following crops in have a NAP application deadline of February 15: perennial forage for haying and/or grazing, perennial fruits (excluding strawberries), vegetables and coarse grains.

The following crop has a NAP application deadline of March 15: hemp.

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. 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.

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.

For more information on NAP, service fees, sales deadlines, contact your local County USDA Service Center or visit fsa.usda.gov.

Qualified veteran farmers or ranchers are eligible for a service fee waiver and premium reduction, if the NAP applicant meets certain eligibility criteria.

Foreign Buyers Notification

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA within 90 days of the closing. Failure to submit the [AFIDA form](#) could result in civil penalties of up to 25 percent of the fair market value of the property. County government offices, realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements. The data gained from these disclosures is used in the preparation of periodic reports to the President and Congress concerning the effect of such holdings upon family farms and rural communities. Click [here](#) for more information on AFIDA.

Higher Loan Limit Now Available for USDA Guaranteed Farm Loans

The U.S. Department of Agriculture (USDA) announced a higher loan limit will be available for borrowers seeking a guaranteed farm loan starting Oct. 1, 2021, from \$1.776 million to \$1.825 million.

FSA farm loans offer access to funding for a wide range of producer needs, from securing land to financing the purchase of equipment. Guaranteed loans are financed and serviced by commercial lenders. FSA provides up to a 95% guarantee against possible financial loss of principal and interest. Guaranteed loans can be used for both farm ownership and operating purposes.

In fiscal year 2021, FSA saw continued strong demand for guaranteed loans. FSA obligated more than \$3.4 billion in guaranteed farm ownership and operating loans. This includes nearly \$1.2 billion for beginning farmers. The number of guaranteed borrowers has grown by 10% to more than 38,750 farmers and ranchers over the last decade. FSA expects the increasing demand for farm loans to continue into fiscal year 2022.

Disaster Set-Aside Extension

USDA has additional support available to producers given the recent outbreaks of the COVID-19 Delta variant and has extended the availability of COVID-19 Disaster Set-Aside (DSA) for installments due through Jan. 31, 2022. In addition, FSA will permit a second DSA for COVID-19 and a second DSA for natural disasters for those who had an initial COVID-19 DSA. Requests for a COVID-19 DSA or a second DSA must be received no later than May 1, 2022.

Last year, FSA broadened the use of the DSA. Normally used in the wake of natural disasters, the DSA can now allow farmers with USDA farm loans who are affected by COVID-19 and determined to be eligible, to have their next payment set aside. The set-aside payment's due date is moved to the final maturity date of the loan or extended up to twelve months in the case of an annual operating loan. Any principal set-aside will continue to accrue interest until it is repaid. This will improve the borrower's cashflow in the current production cycle.

More Information

Producers can explore available options on all FSA loan options at fsa.usda.gov or by contacting their [local USDA Service Center](#). Service Center staff continue to work with agricultural producers via phone, email, and other digital tools. Because of the pandemic, some [USDA Service Centers](#) are open to limited visitors. Contact your Service Center to set up an in-person or phone appointment. Additionally, more information related to USDA's response and relief for producers can be found at farmers.gov/coronavirus.

FSA Implements Set-Aside Loan Provision for Customers Impacted by COVID-19

Set-Aside Delays Loan Payments for Borrowers

USDA's Farm Service Agency (FSA) will broaden the use of the Disaster Set-Aside (DSA) loan provision, normally used in the wake of natural disasters, to allow farmers with USDA farm loans who are affected by COVID-19, and are determined eligible, to have their next payment set aside. In some cases, FSA may also set aside a second payment for farmers who have already had one payment set aside because of a prior designated disaster.

FSA direct loan borrowers will receive a letter with the details of the expanded Disaster Set-Aside authorities, which includes the possible set-aside of annual operating loans, as well as explanations of the additional loan servicing options that are available. To discuss or request a loan payment Set-Aside, borrowers should call or email the farm loan staff at their local FSA county office.

The set-aside payment's due date is moved to the final maturity date of the loan or extended up to twelve months in the case of an annual operating loan. Any principal set-aside will continue to accrue interest until it is repaid. This aims to improve the borrower's cashflow in the current production cycle.

FSA previously announced it was relaxing the loan-making process and adding flexibilities for servicing direct and guaranteed loans to provide credit to producers in need. Direct loan applicants and borrowers are encouraged to contact their local FSA county office to discuss loan making and servicing flexibilities and other needs or concerns. Customers participating in FSA's guaranteed loan programs are encouraged to contact their lender. Information on these flexibilities, and office contact information, can be found on farmers.gov/coronavirus.

FSA will be accepting most forms and applications by facsimile or electronic signature. Some services are also available online to customers with an eAuth account, which provides access to the farmers.gov portal where producers can view USDA farm loan information and certain program applications and payments. Customers can track payments, report completed practices, request conservation assistance and electronically sign documents. Customers who do not already have an eAuth account can enroll at farmers.gov/sign-in.

Building More Flood Resilient Communities One Watershed at a Time

Virginia is home to nine major watersheds that offer numerous recreational opportunities while also providing drinking water for communities. When those waters rise to dangerous levels, scenic wonders can become hazards to life and property. While not technically “first responders,” the team from USDA’s Natural Resources Conservation Service (NRCS) offers three programs to help address public safety concerns and alleviate imminent dangers following natural disasters:



- The Watershed and Flood Prevention Program (WFPO).
- The Watershed Rehabilitation Program (REHAB).
- The Emergency Watershed Protection Program (EWP)

Since 1950, Virginia NRCS has helped local sponsors construct 150 dams in 35 watersheds and 27 counties. Between 2005 and 2021, we helped communities rehabilitate 13 of those dams. EWP is also being used to help landowners in the town of Hurley (Buchanan County) rebuild after severe flooding in August 2021.

Additional funding is now available through the Infrastructure Investment and Jobs Act (IIJA) to assist communities in improving land and water resources across the commonwealth. NRCS works through eligible project sponsors like state governments, local municipalities, conservation districts and federally recognized tribal organizations to provide financial and technical assistance for these restoration efforts.

Potential sponsors with watershed concerns are invited to contact State Conservation Engineer Mathew Lyons at mathew.lyons@usda.gov or 804-287-1653 as soon as possible to ensure their requests can be included in the current funding queue for new and existing applications. NRCS will give additional consideration to projects in historically underserved communities and socially disadvantaged communities that directly benefit limited resource areas. More information on all three programs is available at www.nrcs.usda.gov.

Selected Interest Rates for January 2022

90-Day Treasury Bill	0.125%
Farm Operating Loans — Direct	2.125%
Farm Ownership Loans — Direct	3.00%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency Loans	3.125%
Farm Storage Facility Loans - (7 years)	1.375%
Commodity Loans 1996-Present	1.25%

Dates to Remember

1/30 ELAP Application for Payment Deadline for 2021

2/4 OTECP Sign-up Extended Deadline

2/15 NAP Application for Coverage Deadline for vegetables, most fruits, coarse grains, perennial forages for 2022

2/18 DMC/SMDC Sign-up Deadline for 2022

2/25 SMHPP Signup Deadline

3/1 LIP Application for Payment Deadline for 2021

3/15 NAP Application for Coverage Deadline for hemp for 2022



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