Virginia June Newsletter Articles and Updates - June 2023

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

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## **FSA State Director Message**

## **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 <u>visiting the RMA website</u>.

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 County USDA Service Center or visit <u>fsa.usda.gov</u>.

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

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

## NRCS State Conservationist's Message

NRCS Hiring in Virginia, Across the U.S.

The Natural Resources Conservation Service, which works to improve, protect and conserve natural resources on private lands through cooperative partnership arrangements, has a "Now Hiring" sign in the window as its continues expanding its workforce in Virginia as well as in the nation as a whole.

NRCS currently employs about 165 people in Virginia, operating a State Office in suburban Richmond as well as 41 field offices distributed throughout the commonwealth. Our latest, constantly updated list of available positions can be found at <a href="usajobs.gov">usajobs.gov</a> and may include openings for soil conservationists, soil conservationist technicians, engineers and civil engineering technicians. Instructions on how to apply also are included. More jobs will be soon be added as the agency expands its staff to better fulfill its increased role outlined in last year's Inflation Reduction Act. Other specialists frequently hired by the agency include agronomists, biologists, foresters, agricultural economists, administrative assistants and financial resources specialists.

Readers who have an interest in NRCS' traditional mission of "helping people help the land" or who may know someone who does are directed the agency's national recruitment video, titled "Your Field, Your World, Your Future." It's available on YouTube at <a href="https://www.youtube.com/watch?v=FpD3vOU\_j2o&t=1s">https://www.youtube.com/watch?v=FpD3vOU\_j2o&t=1s</a>. Our agency makes recruiting local talent a top priority and there's seldom been a better opportunity to investigate the numerous and diverse career paths that fall under the general heading of "conservation."

# **USDA Reminds Producers of Continuous Certification Option for Perennial Forage**

The U.S. Department of Agriculture (USDA) reminds agricultural producers with perennial forage crops of an option to report their acreage once, without having to report that acreage in subsequent years, as long as there are no applicable changes on the farm. Interested producers can select the continuous certification option after USDA's Farm Service Agency (FSA) certifies their acreage report.

An acreage report documents a crop grown on a farm or ranch and its intended uses, including perennial crops like mixed forage, birdsfoot trefoil, chicory/radicchio, kochia (prostrata), lespedeza, perennial peanuts and perennial grass varieties. To access many USDA programs, producers must file an accurate and timely acreage report for all crops and land uses, including failed acreage and prevented planting acreage.

The perennial crop continuous certification process requires a producer to initially complete an acreage report certifying the perennial crop acreage. The producer may select the continuous certification option any time after the crop is certified. Once the continuous certification option is selected, the certified acreage will roll forward annually and does not require additional action on the producer's part in subsequent years unless the acreage report changes.

Once an producer selects continuous certification, then continuous certification is appliable to all fields on the farm for the specific crop, crop type and intended use. If continuous certification is selected by any producers sharing in the crop, then the continuous certification is appliable to fields in which the producer has a share for the specific crop, crop type and intended use.

Producers can opt out of continuous certification at any time. The continuous certification will terminate automatically if a change in the farming operation occurs.

### How to File a Report

To file a crop acreage report, producers need to provide:

- Crop and crop type or variety.
- Intended use of the crop.
- Number of acres of the crop.
- Map with approximate boundaries for the crop.
- Planting date(s).
- Planting pattern, when applicable.
- Producer shares.
- Irrigation practice(s).
- Acreage prevented from planting, when applicable.
- Other information as required.

### More Information

Producers can contact their local FSA office to see if their crops are eligible for continuous certification or to make an appointment. Producers can make an appointment to report acres by contacting their local <u>USDA Service Center</u>.

## **Policy Updates for Acreage Reporting**

The USDA Farm Service Agency (FSA) recently made several policy updates for acreage reporting for cover crops, revising intended use, late-filed provisions, grazing allotments as well as updated the definitions of "idle" and "fallow."

### **Reporting Cover Crops:**

Cover crop types can be chosen from the following four categories:

- Cereals and other grasses
- Legumes
- Brassicas and other broadleaves
- Mixtures

If the cover crop is harvested for any use other than forage or grazing and is not terminated according to policy guidelines, then that crop will no longer be considered a cover crop and the acreage report must be revised to reflect the actual crop.

### Permitted Revision of Intended use After Acreage Reporting Date:

New operators or owners who pick up a farm after the acreage reporting deadline has passed and the crop has already been reported on the farm, have 30 calendar days from the date when the new operator or owner acquired the lease on land, control of the land or ownership and new producer crop share interest in the previously reported crop acreage. Under this policy, appropriate documentation must be provided to the County Committee's satisfaction to determine that a legitimate operator or ownership and producer crop share interest change occurred to permit the revision.

### **Acreage Reports:**

In order to maintain program eligibility and benefits, you must timely file acreage reports. Failure to file an acreage report by the crop acreage reporting deadline may result in ineligibility for future program benefits. FSA will not accept acreage reports provided more than a year after the acreage reporting deadline.

### **Reporting Grazing Allotments:**

FSA offices can now accept acreage reports for grazing allotments. You will use form "FSA-578" to report grazing allotments as animal unit months (AUMs) using the "Reporting Unit" field. Your local FSA office will need the grazing period start and end date and the percent of public land.

### **Definitions of Terms**

FSA defines "idle" as cropland or a balance of cropland within a Common Land Unit (CLU) (field/subfield) which is not planted or considered not planted and does not meet the definition of fallow or skip row.

Fallow is considered unplanted cropland acres which are part of a crop/fallow rotation where cultivated land that is normally planted is purposely kept out of production during a regular growing season.

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

## **Know your Final Planting Dates**

All producers are encouraged to contact their local FSA office for more information on the final planting date for specific crops. The final planting dates vary by crop, planting period and county so please contact your local FSA office for a list of county-specific planting deadlines. The timely planting of a crop, by the final planting date, may prevent loss of program benefits.

## Maintaining ARC/PLC Acreage

If you're enrolled in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs, you must protect all cropland and noncropland acres on the farm from wind and water erosion and noxious weeds. By signing ARC county or individual contracts and PLC contracts, you agree to effectively control noxious weeds on the farm according to sound agricultural practices. If you fail to take necessary actions to correct a maintenance problem on your farm that is enrolled in ARC or PLC, the County Committee may elect to terminate your contract for the program year.

# USDA Extends Application Deadline for Revenue Loss Programs to July 14

**USDA** is extending the deadline for the Emergency Relief Program (ERP) Phase Two and Pandemic Assistance Revenue Program (PARP) to July 14, 2023, to give producers more time to apply for assistance. The original deadline was June 2.

Additionally, USDA's Farm Service Agency (FSA) is partnering with nine organizations to provide educational and technical assistance to agricultural producers and provide assistance in completing an ERP Phase Two application. The extended deadline will give producers more time to work with these partner organizations and apply for assistance.

Cooperative Agreements for ERP Phase Two Application Assistance Through cooperative agreements with FSA, the following organizations are providing free assistance to producers across the United States and territories.

Alabama State Association of Cooperatives

- Farmers Legal Action Group, INC.
- Flower Hill Institute
- Intertribal Agriculture Council, Inc
- North South Institute
- Renewing the Countryside II
- Rural Advancement Foundation International USA
- Rural Coalition
- Texas Small Farmers and Ranchers CBO

Depending on a producer's location, these nine partners can provide assistance either by phone or through online meeting software like Zoom or Microsoft Teams.

There is never a charge for technical assistance provided by FSA employees or cooperative agreement recipients. These organizations will assist producers with completing the application and any follow-up future insurance coverage requirements. Producers who receive ERP payments are statutorily required to purchase crop insurance or Noninsured Crop Disaster Assistance Program (NAP) coverage for the next two available crop years. These organizations will not collect producer records, complete or sign the application form, or act on the producer's behalf in any way throughout this process.

Find more information on FSA cooperative agreements and contact information for the nine organizations please visit <u>fsa.usda.gov/programs-and-services/cooperative-agreements/index.</u>

**PARP Application Assistance** USDA will host a webinar that focus on completing the PARP application form on June 8, 2023 from 2:00 to 4:00 p.m. eastern with members of the National Farm Income Tax Extension Committee. Register <a href="here">here</a>.

**Eligibility** To be eligible for ERP Phase Two, producers must have suffered a decrease in allowable gross revenue in 2020 or 2021 due to necessary expenses related to losses of eligible crops from a qualifying natural disaster event. Assistance will be primarily to producers of crops that were not covered by Federal Crop Insurance or NAP, since crops covered by Federal Crop Insurance and NAP were included in the assistance under ERP Phase One.

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 15% or greater decrease in allowable gross revenue for the 2020 calendar year, as compared to a baseline year.

FSA offers an online <u>ERP tool</u> and <u>PARP tool</u> that can help producers determine what is considered allowable gross revenue for each respective program.

Producers should contact their local FSA office to make an appointment to apply for ERP Phase Two and PARP assistance. Producers should also keep in mind that July 15 is a major deadline to complete acreage reports for most crops. FSA encourages producers to complete the ERP Phase Two application, PARP application and acreage reporting during the same office visit.

**More Information** For more information, view the <u>ERP Phase Two Fact Sheet</u>, <u>PARP Fact Sheet</u>, the <u>ERP Phase Two-PARP Comparison Fact Sheet</u>, <u>ERP Phase Two application video</u>

# **USDA Announces New Steps to Enhance Organic Markets and Support Producers**

The USDA is taking additional steps as part of its commitment to strengthen the market for domestically grown organic goods, and to support producers seeking organic certification. These funding opportunities are part of the U.S. Department of Agriculture's (USDA) Organic Transition Initiative, launched in fall 2022, which is a suite of offerings to help existing organic farmers and those transitioning to organic production and processing.

Consumer demand for organically produced goods surpassed \$67 billion in 2022, and multiyear trends of strong growth in the sector provide market incentives for U.S. farmers across a broad range of products. However, through public comment and listening sessions USDA has heard that producers may be less willing to commit to the three-year transition to organic certification because of risks related to inadequate organic processing, storage, and handling capacity, cost barriers due to limited markets for rotational crops, a lack of certainty about market access, and insufficient supply of certain organic ingredients. The organic livestock and processed product markets depend heavily on imported agricultural products for feed grains and key ingredients. These are longstanding market issues that were brought into sharp focus due to the impacts of the pandemic and international conflicts in critical overseas organic supply regions, resulting in limitations on certain domestic organic products in the face of rising demand.

### **Cost Share for Organic Certification**

As part of USDA's broader effort to support organic producers and in response to stakeholder feedback, this year the Farm Service Agency increased the cost share amount under the <a href="Organic Certification Cost Share Program">Organic Certification Cost Share Program</a> (OCCSP), which helps organic producers cover organic certification costs, to the maximum amount allowed by statute.

Specifically, FSA will cover up to 75% of costs associated with organic certification, up to \$750 for crops, wild crops, livestock, processing/handling and state organic program fees (California only). OCCSP will cover costs incurred from Oct. 1, 2022, through Sept. 30, 2023.

FSA begins accepting applications for OCCSP Monday, May 15. Applications are due Oct. 31, 2023. To apply, producers and handlers should contact the FSA at their local <u>USDA Service Center</u>. As part of completing the OCCSP application, producers and handlers will need to provide documentation of their organic certification and eligible expenses. Organic producers and handlers may also apply for OCCSP through participating state departments of agriculture.

FSA is also accepting applications from state departments of agriculture to administer OCCSP. FSA will post a synopsis of the funding opportunity on grants.gov and will send more information to all eligible state departments of agriculture. Additional details can be found on the OCCSP webpage. More information about these initiatives and more can be found at farmers.gov/organic-transition-initiative.

## USDA Simplifies Application Process for Noninsured Crops for Underserved Producers; Improves Risk Management Accessibility

A Message from FSA Administrator Zach Ducheneaux

Earlier this year, Farm Service Agency (FSA) made several updates to disaster assistance programs to give more farmers, ranchers, and Tribes equitable access to recovery programs. Specifically, we made changes to the Noninsured Crop Disaster Assistance Program (NAP) and simplified the application process for underserved producers.

This important policy change opens the door to risk management options for producers who may not have previously known about or been able to obtain coverage to protect their crops.

NAP provides financial assistance to producers of noninsurable crops when natural disaster events cause low yields, loss of inventory, or prevented planting.

Our policy improvements mean that, beginning with the 2022 crop year, having a CCC-860 form, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification, on file with FSA will provide producers with basic NAP coverage for all eligible crops. Specifically, FSA is waiving all NAP-related service fees for basic coverage for producers with a CCC-860 on file prior to the application closing date for each crop. These producers are also eligible to receive a 50% premium reduction if they elect higher levels of coverage before the application closing date for each crop.

At the end of January, FSA notified producers who already have the CCC-860 certification form on file regarding their eligibility for NAP basic coverage for 2022. If you suffered losses from natural disasters in 2022, you will need to contact your local FSA county office to file an acreage report, as well as a notice of loss, and an application for a NAP payment.

If you are interested in NAP coverage for 2023 and future years, your local FSA county office staff will be more than happy to provide information on eligibility, coverage options, and how to apply for additional coverage.

While these recent policy changes are intended to remove barriers to available benefits and help underserved producers manage risk, any producer of noninsurable crops can apply for NAP coverage by completing FSA form <a href="CCC-471">CCC-471</a>, Application for Coverage, and paying a service fee. Your local FSA office can verify application closing dates and ensure coverage for your crops is available.

FSA is committed to revisiting program policies and finding ways, within our authorities, to remove obstacles that prevent participation. Expanding NAP to ensure all producers of noninsured crops have access to risk coverage is the result of proactive input from producers and the willingness of FSA employees to think outside of the box for the benefit of the producers we serve.

Please contact your local <u>USDA Service Center</u> for more information on NAP coverage options.

## Farmers.gov Feature Helps Producers Find Farm Loans that Fit Their Operation

Farmers and ranchers can use the *Farm Loan Discovery Tool* on farmers.gov to find information on USDA farm loans that may best fit their operations.

USDA's Farm Service Agency (FSA) offers a variety of loan options to help farmers finance their operations. From buying land to financing the purchase of equipment, FSA loans can help.

USDA conducted field research in eight states, gathering input from farmers and FSA farm loan staff to better understand their needs and challenges.

### **How the Tool Works**

Farmers who are looking for financing options to operate a farm or buy land can answer a few simple questions about what they are looking to fund and how much money they need to borrow. After submitting their answers, farmers will receive information on farm loans that best fit their specific needs. The loan application and additional resources also will be provided.

Farmers can download application quick guides that outline what to expect from preparing an application to receiving a loan decision. There are four guides that cover loans to individuals, entities, and youth, as well as information on microloans. The guides include general eligibility requirements and a list of required forms and documentation for each type of loan. These guides can help farmers prepare before their first USDA service center visit with a loan officer.

Farmers can access the Farm Loan Discovery Tool by visiting farmers.gov/fund and clicking the "Start" button. Follow the prompts and answer five simple questions to receive loan information that is applicable to your agricultural operation. The tool is built to run on any modern browser like Chrome, Edge, Firefox, or the Safari browser, and is fully functional on mobile devices. It does not work in Internet Explorer.

### **About Farmers.gov**

In 2018, USDA unveiled farmers.gov, a dynamic, mobile-friendly public website combined with an authenticated portal where farmers will be able to apply for programs, process transactions, and manage accounts.

The Farm Loan Discovery Tool is one of many resources on farmers.gov to help connect farmers to information that can help their operations. Earlier this year, USDA launched the *My Financial Information* feature, which enables farmers to view their loan information, history, payments, and alerts by logging into the website.

USDA is building farmers.gov for farmers, by farmers. In addition to the interactive farm loan features, the site also offers a Disaster Assistance Discovery Tool. Farmers can visit <a href="mailto:farmers.gov/recover/disaster-assistance-tool#step-1">farmers.gov/recover/disaster-assistance-tool#step-1</a> to find disaster assistance programs that can help their operation recover from natural disasters.

For more information, contact your County USDA Service Center or visit farmers.gov.

## **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 County USDA Service Center or visit fsa.usda.gov.

# NRCS Virginia Has \$116.2M Earmarked for RCPP Projects

The Natural Resources Conservation Service's Regional Conservation Partnership Program (RCPP) harnesses the power of public-private partnerships to coordinate conservation initiatives that expand the agency's collective ability to address on-farm, regional and watershed natural resource concerns. Currently, Virginia NRCS is participating in eight active projects. Since the creation of RCPP in the 2014 Farm Bill, NRCS Virginia has been involved with 20 projects, some of them involving multiple states and others conducted entirely within the commonwealth.

NRCS' current total funding for RCPP is \$116.2 million, with targeted projects ranging from oyster bed restorations to watershed-scale conservation efforts. Owners of cropland, forestland and grazing land are all eligible to participate in RCPP offerings. Two new projects that were approved in 2022 and will soon be underway are:

 A headwaters restoration initiative in the Shenandoah Valley in which NRCS will partner with Trout Unlimited, and  A Preserving Working Farms and Securing Urban Agriculture partnership with the Capital Region Land Conservancy that will promote additional funding of conservation easements in the Richmond metro area.

These and other RCPP projects display and enhance NRCS' efforts to expand partnership efforts within Virginia while targeting a significant and diverse group of concerns involving resources. Organizations interested in partnership with NRCS Virginia should contact John Womack, assistant state conservationist for partnerships, at john.womack@usda.com.

### **Selected Interest Rates for June**

90-Day Treasury Bill	5.000%
Farm Operating Loans — Direct	4.500%
Farm Ownership Loans — Direct	4.750%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.500%
Emergency Loans	3.750%
Farm Storage Facility Loans - (7 years)	3.500%
Commodity Loans 1996-Present	5.750%



## **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

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