



In This Issue:

- [Acting State Director Message](#)
- [NRCS State Conservationist's Message](#)
- [USDA Expands and Renews Conservation Reserve Program in Effort to Boost Enrollment and Address Climate Change](#)
- [CRP Haying and Grazing](#)
- [American Rescue Plan Socially Disadvantaged Farmer Debt Payments](#)
- [USDA Announces Increase to Certain Incentive Payments for Continuous Conservation Reserve Program](#)
- [Signature Policy](#)
- [Know your Final Planting Dates](#)
- [Report Noninsured Crop Disaster Assistance Program \(NAP\) Losses](#)
- [Farmer Participation Key to Success of New Soil Health Grants](#)
- [Maintaining Good Credit History](#)
- [Preauthorized Debit Available for Farm Loan Borrowers](#)
- [Selected Interest Rates for May 2021](#)
- [Dates to Remember](#)

Acting State Director Message

May is a busy month. Things are kicking into full gear on the farm, and there are many deadlines quickly approaching at your local Farm Service Agency (FSA) and Natural Resource Conservation Service (NRCS) Offices.

Make sure to report your planted crops as soon as possible with your local FSA Office. Most crops, including corn, soybeans, and most fruits and vegetables, must be reported **by July 15, 2021** for the 2021 program year. Acreage reports are very important. Many programs require an acreage report to be filed timely for payment eligibility. Check with your local FSA Office to find out specific crop reporting deadlines for your county. [Click here to find your local FSA Office.](#)

As you become more active on your farm, **PLEASE STAY SAFE!** We understand the many challenges that can arise on the farm, and we appreciate your commitment to stay on schedule and get tasks completed as quickly as possible—just remember to pay attention to

your surroundings and pace yourself to protect your personal safety. If ensuring your continued safety and wellbeing requires a few extra steps or minutes to finish a job, please put forth the extra time and effort to stay safe. After all, you—and others working with you—are your farm's greatest asset.

By now, you have probably heard of the American Rescue Plan Act; there is a provision in the act for the United States Department of Agriculture (USDA) to pay up to 120% of loan balances as of January 1, 2021 for FSA Direct and Guaranteed Farm Loans and Farm Storage Facility Loans (FSFL) debt relief to any socially disadvantaged producer who has a qualifying loan with FSA. This includes borrowers who are one or more of the following: Black/African American, American Indian, Alaskan native, Hispanic/Latino, Asian American, or Pacific Islander. If you are uncertain of your demographic designation on file with FSA, you can contact [your local service center](#) to verify your classification on record. If an update or correction is needed, you may either fill out USDA [Form AD-2047](#) or work with your local service center to update your record, including race and ethnicity. More information is available on [Farmers.gov/AmericanRescuePlan](#). If you need additional assistance, our call center is available at 877-508-8364.

NRCS State Conservationist's Message

While I've virtually met a number of producers and partners in my first eight months on the job, the options for making direct connections are still somewhat limited. I'm pleased to see more opportunities are now opening up, but we've got a long way to go in returning to a full schedule of outreach and educational programs. That's why newsletters like this one are such a great tool for sharing updates on programs and services with a statewide audience.

In this issue, we're highlighting our 2021 state Conservation Innovation Grant (CIG) announcement, which will ultimately offer Virginia farmers and landowners a chance to engage in new research and demonstrations that could help increase adoption of soil health management systems across the Commonwealth. NRCS looks forward to joining Kevin Bohon and the FSA team as we embark on a new and more fruitful era of direct communication with farmers, graziers and forest landowners.

Thank you for teaming with us to turn challenges into opportunities in this difficult time. We look forward to continued collaboration to strengthen and sustain Virginia agriculture!

Dr. Edwin Martinez Martinez

USDA Expands and Renews Conservation Reserve Program in Effort to Boost Enrollment and Address Climate Change

USDA will open enrollment in the Conservation Reserve Program (CRP) with higher payment rates, new incentives, and a more targeted focus on the program's role in climate change mitigation. Additionally, USDA is announcing investments in partnerships to increase climate-smart agriculture, including \$330 million in 85 Regional Conservation Partnership Program (RCPP) projects and \$25 million for On-Farm Conservation Innovation Trials.

Conservation Reserve Program

USDA's goal is to enroll up to 4 million new acres in CRP by raising rental payment rates and expanding the number of incentivized environmental practices allowed under the program. CRP is one of the world's largest voluntary conservation programs with a long track record of preserving topsoil, sequestering carbon, and reducing nitrogen runoff, as well providing healthy habitat for wildlife.

CRP is a powerful tool when it comes to climate mitigation, and acres currently enrolled in the program mitigate more than 12 million metric tons of carbon dioxide equivalent (CO₂e). If USDA reaches its goal of enrolling an additional 4 million acres into the program, it will mitigate an additional 3 million metric tons of CO₂ equivalent and prevent 90 million pounds of nitrogen and 33 million tons of sediment from running into our waterways each year.

New Climate-Smart Practice Incentive

To target the program on climate change mitigation, FSA is introducing a new **Climate-Smart Practice Incentive** for CRP general and continuous signups that aims to increase carbon sequestration and reduce greenhouse gas emissions. Climate-Smart CRP practices include establishment of trees and permanent grasses, development of wildlife habitat, and wetland restoration. The Climate-Smart Practice Incentive is annual, and the amount is based on the benefits of each practice type.

Higher Rental Rates and New Incentives

In 2021, CRP is capped at 25 million acres, and currently 20.8 million acres are enrolled. Furthermore, the cap will gradually increase to 27 million acres by 2023. To help increase producer interest and enrollment, FSA is:

- **Adjusting soil rental rates.** This enables additional flexibility for rate adjustments, including a possible increase in rates where appropriate.
- **Increasing payments for Practice Incentives from 20% to 50%.** This incentive for continuous CRP practices is based on the cost of establishment and is in addition to cost share payments.
- **Increasing payments for water quality practices.** Rates are increasing from 10% to 20% for certain water quality benefiting practices available through the CRP continuous signup, such as grassed waterways, riparian buffers, and filter strips.
- **Establishing a CRP Grassland minimum rental rate.** This benefits more than 1,300 counties with rates currently below the minimum.

To learn more about updates to CRP, download our "What's New with CRP" [fact sheet](#).

USDA Announces 2021 Cotton Loan Rate Differentials

USDA announced the 2021-crop loan rate differentials for upland and extra-long staple cotton, which are applied to the crop loan rate to determine the per bale actual loan rate.

The differentials, also referred to as loan rate premiums and discounts, were calculated based on market valuations of various cotton quality factors for the prior three years. This calculation procedure is identical to that used in the past years.

The 2021 crop differential schedules are applied to 2021 crop loan rates of 52 cents per pound for the base grade of upland cotton and 95 cents per pound for extra-long staple cotton. The 2018 Farm Bill stipulates that the loan rate for the base quality of upland cotton ranges between 45 and 52 cents per pound based on the simple average of the Adjusted World Price for the two marketing years immediately preceding the next crop planting. However, the established loan rate cannot be less than 98% of the preceding year's loan. The loan rate provided to an individual cotton bale is based on the quality of each individual bale as determined by USDA's Agricultural Marketing Service classing measurements.

These differentials are important to cotton producers because they are used to derive the actual loan rate for each bale of cotton – above (premium) or below (discount) the average per pound loan rate, depending on the grade or quality of the cotton. The actual loan rate is significant because it is used to determine any marketing loan gains and loan deficiency payments.

USDA's Commodity Credit Corporation adjusts cotton loan rates by these differentials so that cotton loan values reflect the differences in market prices for color, staple length, leaf, extraneous matter, micronaire, length uniformity and strength.

Loan rates are posted on the [Farm Service Agency website](#). Commodity loans are part of a broader suite of programs available to cotton producers. To apply for loans or other programs, contact your [local USDA service center](#).

CRP Haying and Grazing

Haying and grazing of CRP acres is authorized under certain conditions to improve the quality and performance of the CRP cover or to provide emergency relief to livestock producers due to certain natural disasters. There are two types of haying and grazing authorization: non-emergency and emergency.

Emergency haying and grazing of CRP acres may be authorized within a county to provide relief to livestock producers in areas affected by a severe drought or similar natural disaster. Emergency haying and grazing status is reviewed and authorized each Thursday using the U.S. Drought monitor. Counties are approved for emergency haying and grazing due to drought conditions on a county by county basis, when a county is designated as level "D2 Drought - Severe" according to the U.S. Drought Monitor.

In general, non-emergency haying may be utilized every three years and non-emergency grazing may be utilized every two years. Additional grazing may be available to new and beginning farmers.

CRP participants requesting emergency or non-emergency haying and grazing must file a request with their county FSA office indicating the acres to be hayed or grazed before the activity begins.

Before CRP acres are declared eligible for haying or grazing, a modified conservation plan developed by NRCS or a technical service provider must be obtained. The modified

conservation plan must be site specific, include the authorized duration and reflect local wildlife needs and concerns. The primary purpose must be to maintain vegetative cover, minimize soil erosion and protect water quality and wildlife habitat quality. These plans must ensure no long-term damage to the conservation cover is caused.

Emergency haying and grazing is authorized on all practices outside the primary nesting season including practices implemented under State Acres for Wildlife Enhancement (SAFE) such as CP38E SAFE-Grass when such activity is specifically outlined in the SAFE agreement. Contact your local office for State Specific restrictions related to SAFE. For non-emergency haying and grazing, all practices are eligible except for CP12 Wildlife Food Plot and several tree practices. Contact your FSA office for a full list of ineligible practices.

Acres ineligible for both emergency and non-emergency haying and grazing include acres devoted to:

- Useful life easements;
- Land within 20 feet of a stream or other permanent water body; and
- Any acres where haying and or grazing would cause long-term damage to the CRP cover.

For more information on CRP haying and grazing visit fsa.usda.gov/crp or contact your FSA county office. To locate your FSA office, visit farmers.gov/service-locator.

American Rescue Plan Socially Disadvantaged Farmer Debt Payments

USDA recognizes that socially disadvantaged farmers and ranchers have faced systemic discrimination with cumulative effects that have, among other consequences, led to a substantial loss in the number of socially disadvantaged producers, reduced the amount of farmland they control, and contributed to a cycle of debt that was exacerbated during the COVID-19 pandemic. During the pandemic, socially disadvantaged communities saw a disproportionate amount of COVID-19 infection rates, loss of property, hospitalizations, death, and economic hurt.

To address these systemic challenges, the American Rescue Plan Act of 2021 provides historic debt relief to socially disadvantaged producers including Black/African American, American Indian or Alaskan native, Hispanic or Latino, and Asian American or Pacific Islander.

USDA is now reviewing and working to gather feedback to implement the Act, and more guidance will be forthcoming for socially disadvantaged borrowers with direct or guaranteed farm loans as well as Farm Storage Facility Loans. As information becomes available, it will be provided directly to socially disadvantaged borrowers and stakeholder groups representing socially disadvantaged producers, posted here on farmers.gov, and shared through our social media channels, email newsletters, and the media.

Who qualifies for this debt relief?

Any socially disadvantaged borrower with direct or guaranteed farm loans as well as Farm Storage Facility Loans qualifies. The American Rescue Plan Act uses the 2501 definition of

socially disadvantaged, which includes Black/African American, American Indian or Alaskan native, Hispanic or Latino, and Asian American or Pacific Islander. Gender is not a criterion in and of itself, but of course women are included in these categories.

I qualify as socially disadvantaged under the American Rescue Plan definition, but I am not late on my payments. Do I still qualify?

Yes. Any socially disadvantaged borrower with direct or guaranteed farm loans as well as Farm Storage Facility Loans qualifies.

When will qualified borrowers begin to see a loan pay-off or other payment in response to the American Rescue Plan?

USDA is now reviewing and working to gather feedback to implement the Act, and more guidance will be forthcoming for socially disadvantaged borrowers with direct or guaranteed farm loans as well as Farm Storage Facility Loans. For borrowers in arrears, the moratorium established on January 26th to stop all debt collections, foreclosures and evictions for all borrowers, including socially disadvantaged producers, remains in effect.

Producers who have worked with USDA's Farm Service Agency previously may have their ethnicity and race on file. A borrower, including those with guaranteed loans, can contact their local their local USDA Service Center to verify, update or submit a new ethnicity and race designation using the AD-2047. Find your nearest service center at farmers.gov/service-locator.

To learn more about USDA's work to implement the American Rescue Plan Act of 2021, visit www.usda.gov/arp.

USDA Announces Increase to Certain Incentive Payments for Continuous Conservation Reserve Program

The U.S. Department of Agriculture is increasing incentive payments for practices installed on land enrolled in the Continuous Conservation Reserve Program (CRP). USDA's Farm Service Agency (FSA) is upping the Practice Incentive Payment for installing practices, from 5 percent to 20 percent. Additionally, producers will receive a 10 percent incentive payment for water quality practices on land enrolled in CRP's continuous signup. FSA administers CRP on behalf of the Commodity Credit Corporation.

Under continuous CRP, producers can enroll environmentally sensitive land devoted to certain conservation practices with signup available at any time. FSA automatically accepts offers provided the land and producer meet certain eligibility requirements and the enrollment levels do not exceed the number of acres FSA is allowed to enroll in CRP, which was set by the 2018 Farm Bill.

Signed into law in 1985, CRP is one of the largest private-lands conservation programs in the United States. It was originally intended primarily to control soil erosion and potentially stabilize commodity prices by taking marginal lands out of production. The program has

evolved over the years, providing many conservation and economic benefits. The program marks its 35-year anniversary this month. Program successes include:

- Preventing more than 9 billion tons of soil from eroding, which is enough soil to fill 600 million dump trucks;
- Reducing nitrogen and phosphorous runoff relative to annually tilled cropland by 95% and 85%, respectively;
- Sequestering an annual average of 49 million tons of greenhouse gases, equal to taking 9 million cars off the road;
- Creating more than 3 million acres of restored wetlands while protecting more than 175,000 stream miles with riparian forest and grass buffers, which is enough to go around the world seven times; and
- Benefiting bees and other pollinators and increasing populations of ducks, pheasants, turkey, bobwhite quail, prairie chickens, grasshopper sparrows and many other birds.

The successes of CRP contribute to USDA's [Agriculture Innovation Agenda](#) and its goal of reducing the environmental footprint of U.S. agriculture by half by 2050. Earlier this year, U.S. Secretary of Agriculture Sonny Perdue announced the Department-wide initiative to align resources, programs, and research to position American agriculture to better meet future global demands.

For more information on CRP, visit fsa.usda.gov, or contact your [local FSA county office](#).

Signature Policy

Using the correct signature when doing business with FSA can save time and prevent a delay in program benefits.

The following are FSA signature guidelines:

- A married woman must sign her given name: Mrs. Mary Doe, not Mrs. John Doe
- For a minor, FSA requires the minor's signature and one from the minor's parent

Note, by signing a document with a minor, the parent is liable for actions of the minor and may be liable for refunds, liquidated damages, etc.

When signing on one's behalf the signature must agree with the name typed or printed on the form or be a variation that does not cause the name and signature to be in disagreement. Example - John W. Smith is on the form. The signature may be John W. Smith or J.W. Smith or J. Smith. Or Mary J. Smith may be signed as Mrs. Mary Joe Smith, M.J. Smith, Mary Smith, etc.

FAXED signatures will be accepted for certain forms and other documents provided the acceptable program forms are approved for FAXED signatures. Producers are responsible for the successful transmission and receipt of FAXED information.

Examples of documents not approved for FAXED signatures include:

- Promissory note
- Assignment of payment
- Joint payment authorization
- Acknowledgement of commodity certificate purchase

Spouses may sign documents on behalf of each other for FSA and CCC programs in which either has an interest, unless written notification denying a spouse this authority has been provided to the county office.

Spouses cannot sign on behalf of each other as an authorized signatory for partnerships, joint ventures, corporations or other similar entities. Likewise, a spouse cannot sign a document on behalf of the other in order to affirm the eligibility of oneself.

Any member of a general partnership can sign on behalf of the general partnership and bind all members unless the Articles of Partnership are more restrictive. Spouses may sign on behalf of each other's individual interest in a partnership, unless notification denying a spouse that authority is provided to the county office. Acceptable signatures for general partnerships, joint ventures, corporations, estates, and trusts must consist of an indicator "by" or "for" the individual's name, individual's name and capacity, or individual's name, capacity, and name of entity.

For additional clarification on proper signatures contact your local FSA office.

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.

Report Noninsured Crop Disaster Assistance Program (NAP) Losses

NAP provides financial assistance to you for crops that aren't eligible for crop insurance to protect against lower yields or crops unable to be planted due to natural disasters including freeze, hail, excessive moisture, excessive wind or hurricanes, flood, excessive heat and qualifying drought (includes native grass for grazing), among others.

To receive payment, you had to purchase NAP coverage for 2021 crops and file a notice of loss the earlier of 15 days of the occurrence of the disaster or when losses become apparent or 15 days of the final harvest date.

For hand-harvested crops and certain perishable crops, you must notify FSA within 72 hours of when a loss becomes apparent.

Eligible crops must be commercially produced agricultural commodities for which crop insurance is not available, including perennial grass forage and grazing crops, fruits,

vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

For more information on NAP, contact your Local County USDA Service Center visit fsa.usda.gov/nap.

Farmer Participation Key to Success of New Soil Health Grants

When the Natural Resources Conservation Service (NRCS) launched its soil health initiative in 2013, the Virginia team deliberately employed a collaborative approach in which staff, partners and producers worked together to “unlock the secrets” in the soils of farms throughout the Commonwealth. The underlying message was that agricultural producers could make a better living by farming in a way that regenerates the soil and improves its productivity.

Over the years, farmers who adopted this soil health mindset tended to have a more optimistic and innovative outlook, inspired by the way incremental management changes led to lower input costs, better yields and other production efficiencies. Many of these soil health champions have also participated in more than 26 in-state Conservation Innovation Grant (CIG) projects to explore innovative approaches to soil health outreach, research and demonstration.

The Virginia Dare Soil & Water Conservation District, for example, recently engaged producers and partners in a growers’ group to develop customized soil health building strategies for local grain farmers. The Southeast Virginia Farmers’ 20/20 Club includes a cross section of forward-thinking Chesapeake and Virginia Beach farmers who confer with soil health-minded farmers producing like crops in similar soils. They then experiment with conservation practices to help them increase current cash crop yields by 20 percent and develop a 20/20 vision for the future.

NRCS is now seeking to continue these collaborative explorations with Fiscal Year 2021 projects* that advance adoption of soil health management practices in Virginia. The application deadline is **June 18, 2021**, with successful applicants notified by **July 16, 2021**. Selected projects must involve **landowners** who meet eligibility requirements for the NRCS’ Environmental Quality Incentive Program (EQIP), so a new group of farmers will have an opportunity to be a part of cutting edge research and demonstrations to move Virginia soil health management forward.

*View the 2021 Virginia CIG Notice of Funding Opportunity (NFO) on www.grants.gov or the [Virginia CIG web page](#).

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.

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.

Selected Interest Rates for May 2021

90-Day Treasury Bill	0.125%
Farm Operating Loans — Direct	1.75%
Farm Ownership Loans — Direct	3.25%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency Loans	2.75%
Farm Storage Facility Loans - (7 years)	1.375%
Sugar Storage Facility Loans	2.000%
Commodity Loans 1996-Present	1.125%

Dates to Remember

5/15 FSA-578: Cabbage (Planted 3/16-4/15), Spring Oats, Potatoes,
Tomatoes (Planted on or before 5/15)

6/15 FSA-578: Beans (Planted 3/4-5/25)

7/15 FSA-578: Beans (Planted 5/26-7/10), Tomatoes (Planted 5/16-7/5), Tomatoes, all other crops, Perennial Forage



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