U.S. DEPARTMENT OF AGRICULTURE

Virginia May Newsletter Articles and Updates - May 2022

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FSA State Director Message

May Acreage Reports Tie It All Together!

Our farmers here in Virginia should file their acreage reports with the Farm Service Agency (FSA) by July 15th and August 15th deadline. A crop acreage report documents all crops planted on a producer's farm, their intended uses, and planting dates. This is an important requirement for our key programs such as disaster relief, conservation programs, and price support. Acreage reporting also applies to those who receive marketing assistance loans or loan deficiency payments.

FSA works with a producer's crop insurance provider to share common information from their acreage reports. The producer will still need to sign reports for both FSA and the insurance provider; however, the information can be shared via email to streamline the process and allow the producer to visit only one office instead of two during the busy planting season.

Please keep in mind that any prevented planting or failed acres should also be reported to FSA within 15 days of the disaster.

Contact your local FSA Office for assistance. To find your local office, please visit: offices.usda.gov

NRCS State Conservationist's Message

If you've ever taken a peek into one of our trucks, you can easily see it is a working vehicle. District conservationists, soil conservationists and others on the field team carry many tools for their visits to farms across the state. They also bring one more thing with them that doesn't take up any extra space.

I'm speaking of success stories. If you're in the field long enough, you've got an extensive inventory from which to choose. These testimonials capture the essence of what NRCS hopes to accomplish as an agency – helping people help the land. We're not a regulatory agency, so the producers who work with us are doing so because they believe in our product/service. Farmers listen to other farmers and their stories are our best sales tool for getting more conservation on the land.

Each satisfied customer represents another chapter in a larger narrative of transformation on the land. The depth and breadth of these stories underscore the tremendous diversity of Virginia agriculture and it's hard to argue with the evidence of cleaner water, healthier soil and increased productivity and profitability. Recent subjects have included crop producers, dairymen, graziers, foresters, beginner and minority farmers and an active-duty Navy lieutenant transitioning into agriculture.

The Virginia NRCS team appreciates your excellent stewardship and the level of commitment you have shown in some very challenging times. When a farmer asks, "Who else is doing this and how is it working?" we have an answer and an opportunity. We stand ready to help you write your own success story and share it with others on the same journey.

Dr. Edwin Martinez Martinez, State Conservationist

USDA To Compensate Drought-Stricken Ranchers for Above Normal Costs to Haul Livestock to Forage

Due to the persistent drought conditions in the Great Plains and West, the U.S. Department of Agriculture (USDA) is offering additional relief through the Emergency Assistance for Livestock, Honeybees and Farm-raised Fish Program (ELAP) to help ranchers cover above normal costs of hauling livestock to forage or other grazing acres. This policy enhancement complements previously announced ELAP compensation for hauling feed to livestock. ELAP livestock and feed hauling assistance is retroactive for 2021 and will be available for losses in 2022 and subsequent years.

ELAP Assistance Overview

ELAP provides financial assistance to eligible producers of livestock, honeybees and farm-raised fish for losses due to disease, certain adverse weather events or loss conditions as determined by the Secretary of Agriculture. In addition to ELAP covering feed transportation costs where grazing and hay resources have been depleted, ELAP now also covers transportation costs associated with hauling livestock to feed sources This includes places where:

- Drought intensity is D2 for eight consecutive weeks as indicated by the S. Drought Monitor; or
- Drought intensity is D3 or greater.

Additionally, FSA has updated ELAP policy to also cover water hauling in areas experiencing D2 for eight consecutive weeks, lowering the drought intensity threshold (previously D3) triggering the availability of this financial assistance.

Eligibility

To be eligible for ELAP assistance, livestock must be intended for grazing and producers must have incurred feed or livestock transportation costs on or after Jan. 1, 2021. Although producers will self-certify losses and expenses to FSA, producers are encouraged to maintain good records and retain receipts and related documentation in the event these documents are requested for review by the local FSA County Committee.

Payment Calculations

USDA will reimburse eligible ranchers 60% of livestock transportation costs above what would have been incurred in a normal year. Producers qualifying as underserved (socially disadvantaged, limited resource, beginning or military veteran) will be reimbursed for 90% of the feed transportation cost above what would have been incurred in a normal year.

USDA uses a national cost formula to determine reimbursement costs that will not include the first 25 miles and distances exceeding 1,000 transportation miles. The calculation will also exclude the normal cost to transport hay or feed if the producer normally purchases some feed. For 2021, the initial cost formula of $6.60 per mile will be used (before the percentage is applied).

FSA Outlines MAL and LDP Policy

The 2018 Farm Bill extends loan authority through 2023 for Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs).

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, pulse crops, rice, peanuts, cotton, wool and honey. MALs provide you with interim financing after harvest to help you meet cash flow needs without having to sell your commodities when market prices are typically at harvest-time lows. A producer who is eligible to obtain a loan, but agrees to forgo the loan, may obtain an LDP if such a payment is available. Marketing loan provisions and LDPs are not available for sugar and extra-long staple cotton.

FSA is now accepting requests for 2022 MALs and LDPs for all eligible commodities after harvest. Requests for loans and LDPs shall be made on or before the final availability date for the respective commodities.

Commodity certificates are available to loan holders who have outstanding nonrecourse loans for wheat, upland cotton, rice, feed grains, pulse crops (dry peas, lentils, large and small chickpeas), peanuts, wool, soybeans and designated minor oilseeds. These certificates can be purchased at the posted county price (or adjusted world price or national posted price) for the quantity of commodity under loan, and must be immediately exchanged for the collateral, satisfying the loan. MALs redeemed with commodity certificates are not subject to Adjusted Gross Income provisions.

To be considered eligible for an LDP, you must have form CCC-633EZ, Page 1 on file at your local FSA Office before losing beneficial interest in the crop. Pages 2, 3 or 4 of the form must be submitted when payment is requested.

Marketing loan gains (MLGs) and loan deficiency payments (LDPs) are no longer subject to payment limitations, actively engaged in farming and cash-rent tenant rules.

Adjusted Gross Income (AGI) provisions state that if your total applicable three-year average AGI exceeds $900,000, then you're not eligible to receive an MLG or LDP. You must have a valid CCC-941 on file to earn a market gain of LDP. The AGI does not apply to MALs redeemed with commodity certificate exchange.

For more information and additional eligibility requirements, contact your county's USDA Service Center or visit fsa.usda.gov.

Applying for Farm Storage Facility Loans

The Farm Service Agency's (FSA) Farm Storage Facility Loan (FSFL) program provides low-interest financing to help you build or upgrade storage facilities and to purchase portable (new or used) structures, equipment and storage and handling trucks.

Eligible commodities include corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley, minor oilseeds harvested as whole grain, pulse crops (lentils, chickpeas and dry peas), hay, honey, renewable biomass, fruits, nuts and vegetables for cold storage facilities, floriculture, hops, maple sap, rye, milk, cheese, butter, yogurt, meat and poultry (unprocessed), eggs, and aquaculture (excluding systems that maintain live animals through uptake and discharge of water). Qualified facilities include grain bins, hay barns and cold storage facilities for eligible commodities.

Loans up to $50,000 can be secured by a promissory note/security agreement, loans between $50,000 and $100,000 may require additional security, and loans exceeding $100,000 require additional security.

You do not need to demonstrate the lack of commercial credit availability to apply. The loans are designed to assist a diverse range of farming operations, including small and mid-sized businesses, new farmers, operations supplying local food and farmers markets, non-traditional farm products, and underserved producers.

For more information, contact your local county's USDA Service Center or visit fsa.usda.gov/pricesupport.

Noninsured Crop Coverage Helps Producers Manage Risks

The Farm Service Agency's (FSA) Noninsured Crop Disaster Assistance Program (NAP) helps you manage risk through coverage for both crop losses and crop planting that was prevented due to natural disasters. The eligible or "noninsured" crops include agricultural commodities not covered by federal crop insurance.

You must be enrolled in the program and have purchased coverage for the eligible crop **in the crop year in which the loss incurred** *to receive program benefits following a qualifying natural disaster.*

NAP Buy-Up Coverage Option

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. 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.

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.

Buy-up coverage is not available for crops intended for grazing.

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

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.

USDA Expands Farmers.gov to Include Farm Records

Producers with farmers.gov accounts can now access farm records and maps online, the latest self-service feature added to the U.S. Department of Agriculture (USDA) website.

You can quickly and easily access your land information in real time by desktop computer, tablet or phone. Capabilities include:

- View, print and export detailed farm records such as cropland, base acres, yields, CRP acres, land ownership details, and much more;
- View, print and export farm/tract maps that can be provided to lenders, chemical or fertilizer providers, and FSA for reporting acreage and crop insurance agents; and
- Export common land unit (field) boundaries as ESRI shapefiles.

The ability to access these records on demand without a visit to the service center saves you time and money.

Farmers.gov now includes the most popular functionalities from FSAFarm+, the FSA portal for producers, while providing enhanced functionality and an improved user experience. A new enhancement expands the scope of accessibility to include farmers and ranchers who are members of an entity, as well as people with a power of attorney form (FSA-211) on file with FSA.

Managing USDA Business Online

Using farmers.gov, producers, entities and those acting on their behalf can also:

- View, upload, download, and e-sign conservation documents.
- Request financial assistance, including submitting a program application.
- View and submit conservation requests.
- View technical references and submit questions.
- Access information on current and past conservation practices, plans and contracts.
- Report practice completion and request practice certification.
- View farm loan and interest information (producers only).

Future plans include adding the ability to import and view other shapefiles, such as precision agriculture planting boundaries.

To access your information, you'll will need a USDA eAuth account to login to farmers.gov. After obtaining an eAuth account, producers should visit farmers.gov and sign into the site's authenticated portal via the Sign In/Sign Up link at the top right of the website. Google Chrome, Mozilla Firefox or Microsoft Edge are the recommended browsers to access the feature.

In addition to the self-service features available by logging into farmers.gov, the website also has ample information on USDA programs, including pandemic assistance, farm loans, disaster assistance, conservation programs and crop insurance. Recently, USDA updated the navigation and organization of the site as well as added some new webpages, including "Get Involved," "Common Forms," and "Translations." Learn more about these changes.

USDA Reminds Producers to File Crop Acreage Reports

Agricultural producers who have not yet completed their crop acreage reports after spring planting should make an appointment with their county's Farm Service Agency (FSA) before the applicable deadline.

An acreage report documents a crop grown on a farm or ranch and its intended uses. Filing an accurate and timely acreage report for all crops and land uses, including failed acreage and prevented planted acreage, can prevent the loss of benefits.

How to File a Report

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 the your local county's FSA office to set up an in-person or phone appointment.

To file a crop acreage report, you will 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.

Acreage Reporting Details

The following exceptions apply to acreage reporting dates:

- If the crop has not been planted by the acreage reporting date, then the acreage must be reported no later than 15 calendar days after planting is completed.
- If a producer acquires additional acreage after the acreage reporting date, then the acreage must be reported no later than 30 calendar days after purchase or acquiring the lease. Appropriate documentation must be provided to the county office.

Producers should also report crop acreage they intended to plant, but due to natural disaster, were unable to plant. Prevented planting acreage must be reported on form CCC-576, Notice of Loss, no later than 15 calendar days after the final planting date as established by FSA and USDA's Risk Management Agency.

Noninsured Crop Disaster Assistance Program (NAP) policy holders should note that the acreage reporting date for NAP-covered crops is the earlier of the dates listed above or 15 calendar days before grazing or harvesting of the crop begins.

USDA Updates Farm Loan Programs to Increase Equity

The U.S. Department of Agriculture (USDA) is updating its farm loan programs to better support current borrowers, including historically underserved producers. These improvements are part of USDA's commitment to increase equity in all programs, including farm loans that provide important access to capital for covering operating expenses and purchasing land and equipment.

The 2018 Farm Bill authorized FSA to provide equitable relief to certain direct loan borrowers, who are non-compliant with program requirements due to good faith reliance on a material action of, advice of, or non-action from an FSA official. Previously, borrowers may have been required to immediately repay the loan or convert it to a non-program loan with higher interest rates, less favorable terms, and limited loan servicing.

Now, FSA has additional flexibilities to assist borrowers in such situations. If the agency provided incorrect guidance to an existing direct loan borrower, the agency may provide equitable relief to that borrower. FSA may assist the borrower by allowing the borrower to keep their loans at current rates or other terms received in association with the loan which was determined to be noncompliant or the borrower may receive other equitable relief for the loan as the Agency determines to be appropriate.

USDA encourages producers to reach out to their local loan officials to ensure they fully understand the wide range of loan and servicing options available that can assist them in starting, expanding or maintaining their operation.

Additional Updates

Equitable relief is one of several changes authorized by the 2018 Farm Bill that USDA has made to the direct and guaranteed loan programs. Other changes that were previously implemented include:

- Modifying the existing three-year farming experience requirement for Direct Farm Ownership loans to include additional items as acceptable experience.
- Allowing socially disadvantaged and beginning farmer applicants to receive a guarantee equal to 95%, rather than the otherwise applicable 90% guarantee.
- Expanding the definition of and providing additional benefits to veteran farmers.
- Allowing borrowers who received restructuring with a write down to maintain eligibility for an Emergency loan.
- Expanding the scope of eligible issues and persons covered under the agricultural Certified Mediation Program.

Additional information on these changes is available in the March 8, 2022 rule on the *Federal Register*.

More Background

FSA has taken other recent steps to increase equity in its programs. Last summer, USDA announced it was providing $67 million in competitive loans through its new Heirs' Property Relending Program to help agricultural producers and landowners resolve heirs' land ownership and succession issues. FSA also invested $4.7 million to establish partnerships with organizations to provide outreach and technical assistance to historically underserved farmers and ranchers, which contributed to a fourfold increase in participation by historically underserved producers in the Coronavirus Food Assistance Program 2 (CFAP 2), a key pandemic assistance program, since April 2021.

Additionally, in January 2021, Secretary Vilsack announced a temporary suspension of past-due debt collection and foreclosures for distressed direct loan borrowers due to the economic hardship imposed by the COVID-19 pandemic.

Producers can explore available loan options using the Farm Loan Discover Tool on farmers.gov (also available in Spanish) or by contacting their local USDA Service Center.

Service Center staff continue to work with agricultural producers via phone, email, and other digital tools. Due to the pandemic, some USDA Service Centers are open to limited visitors. Producers can [contact their local Service Center] to set up an in-person or phone appointment to discuss loan options.

Ask the Expert: A Farm Operating Loan Q&A with Jack Carlile

In this Ask the Expert, Jack Carlile, Farm Loan Manager for the USDA Farm Service Agency (FSA), answers questions about farm operating loans and when producers should apply in order to secure funds for the current crop year.

As the Farm Loan Manager for the Cherokee County Service Center, Jack is responsible for managing the loan making and loan servicing activities for five counties in northeast Oklahoma. His office provides services for over 650 farm loan customers. Jack was raised on a cross bred cow/calf operation that his grandparents started. Over the years, each generation has added to the operation by purchasing additional pasture. The operation also grows and bales their own hay. Jack's agriculture background and degree in agriculture economics from Oklahoma State University help him better understand the financing needs of his producers.

Who can apply for FSA Farm Loans?

Anyone can apply for FSA's loan programs. Applications will be considered on basic eligibility requirements. To apply for a loan, you must meet the following general eligibility requirements including:

- Be a U.S. citizen or qualified alien.
- Operator of a family farm or ranch.
- Have a satisfactory credit history.
- Unable to obtain credit elsewhere at reasonable rates and terms to meet actual needs.
- Not be delinquent on any federal debts.

What can I purchase with operating loans?

Farm Operating Loans are traditionally used for purchasing capital items such as farm machinery, equipment, or livestock. Loan funds can also be used to help pay typical operating expenses for farming and ranching operations. For example, a rancher may use an operating loan to purchase forage for his cattle to feed them through the winter or a row crop producer may use an operating loan for paying for inputs like seed or fertilizer.

What is the maximum loan amount and terms?

The maximum loan amount for a Direct Farm Operating Loan is $400,000. Direct loans are made and serviced by FSA.

Producers can also apply for Guaranteed Operating Loans that are made by your commercial lender, and guaranteed against loss by FSA. The maximum loan amount for a Guaranteed

Farm Operating Loan is $1,825,000. Loan terms for operating loans range from one to seven years.

How do I apply?

If you're interested in applying for a farm loan, you can pick up an application by visiting your local FSA office. Visit farmers.gov to find the USDA Service Center nearest you.

When applying for a loan, you will need a business plan, which must include:

- Your mission, vision, and goals for your farm or ranch.
- Your current assets and liabilities.
- Marketing Plan (what your operation will produce and where you will market and sell your products.)
- Whether the amount of income your operation generates will be enough to pay your business and family living expenses.

When should I apply for an operating loan?

I would recommend beginning the application process a few months in advance of needing the funds to allow time for the request to be processed, and for any necessary security checks and searches to be completed. That allows time for the funds to be available for your use when most needed.

Where can I find more information?

To learn more about FSA loans visit farmers.gov/loans or fsa.usda.gov/farmloans. Fact sheets and application packages are also available at your USDA Service Center. To learn more about other types of FSA loans or to find the right loan for your operation, use the Farm Loan Discovery Tool by visiting farmers.gov/loans/farm-loan-discovery-tool.

Last Call for 2022 Planting Photos

While the submission deadline is fast approaching, there's still time for Virginia producers to contribute to #Plant2022, the USDA's third annual national celebration of spring planting. The theme for this year's campaign is increasing efficiency, or "growing more with less" as a response to price increases for soil inputs, water and fuel for farm machinery.

We're particularly interested in hearing from producers who participated in the Pandemic Cover Crop Program or the Cover Crops Initiative but would like to share all your stories. Show us how you are saving time, money and improving yields by imitating nature and NRCS will share your photos and stories on social media, blogs, and a nationwide storymap.

It's really easy to participate. Simply take some photos of your planting activities using a smartphone or digital camera. In a few sentences, tell us how you are growing more with less this year and submit your entry to SM.FP.Social@usda.gov with the following identifying information:

- Your name

- The location of your operation
- Links to any social media accounts you use to promote your business.

Only three Virginia producers were featured on the national map last year when the campaign shifted to a direct appeal to farmers. With your help, we can showcase more of our state's outstanding stewards of the land in 2022.

Selected Interest Rates for May 2022

90-Day Treasury Bill	0.375%
Farm Operating Loans — Direct	2.875%
Farm Ownership Loans — Direct	3.375%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency Loans	3.75%
Farm Storage Facility Loans - (7 years)	2.625%
Sugar Storage Facility Loans	2.750%
Commodity Loans 1996-Present	2.750%

Dates to Remember

Final Loan Availability Date for Corn, Grain Sorghum, Cotton, Soybeans, and Sunflowers	May 31, 2022
Continuous CRP/CREP/CLEAR30 Reenrollment Signup Deadline	August 6, 2022
Continuous CRP/CREP Signup	Ongoing

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