U.S. DEPARTMENT OF AGRICULTURE

Virginia May Newsletter Articles and Updates - May 2023

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FSA State Director Message

Virginia Opens Doors to Students

USDA offices across the state welcome new faces to the workforce through several esteemed internships. The four main internships across Virginia include USDA/1890 Interns, Thurgood Marshall College Fund Interns, Pathways Trainees, and HACU Interns. These programs support students across Virginia's universities in building their professional careers with a focus on Historically Black Colleges, Hispanic-Serving Institutions, Veterans, and recent graduates. This year the state hired 19 interns in various offices to expand the USDA's workforce into the next generation. USDA interns work throughout the year to fulfill program requirements and familiarize themselves with federal employment. Upon completion of their requirements and degrees, interns are eligible for non-competitive conversion to full-time employment. USDA offices in Virginia are proud to assist the next generation of federal workers through experience-based instruction, on the job learning, and support in their academic success.

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

NRCS State Conservationist's Message

I had the recent pleasure of presenting the 2022 Southeast Regional Earth Team Volunteer award to former Public Affairs Specialist Barbara Bowen, who spent 13 years with our agency attempting to recognize and promote this critically important program for volunteers. My feeling is that Earth Team is essential not only for NRCS, but for the many localities that benefit from Earth Team projects. A large and productive volunteer group effectively increases our staffing capacity while enabling us to better connect with the communities we serve. Earth Team members gain new skills and have access to training they may not find available elsewhere while they build up their resumes for college and/or job applications.

Our Virginia program has won regional and national awards on many occasions and is currently rebounding from a national, across-the-board downturn in volunteerism during the COVID pandemic. In 2022, we had 151 Virginia Earth Team volunteers contribute more than 3,965 hours of their time and efforts, a donation worth about $113,000.

Anyone aged 14 or older can join the Earth Team. Volunteers work with our professional conservationists both in the field and in our 41 USDA service centers in the commonwealth. Their efforts extend our reach as an agency, allowing us to assist more landowners in attaining their conservation goals and the impact of what they do can be seen on the land as we work together to protect our precious natural resources.

Dr. Edwin Martinez Martinez, NRCS State Conservationist

USDA Announces Grassland Conservation Reserve Program Signup for 2023

USDA announced that agricultural producers and private landowners can begin signing up for the Grassland Conservation Reserve Program (CRP) starting today and running through May 26, 2023. Among CRP enrollment opportunities, Grassland CRP is a unique working lands program, allowing producers and landowners to continue grazing and haying practices while conserving grasslands and promoting plant and animal biodiversity as well as healthier soil.

More than 3.1 million acres were accepted through the 2022 Grassland CRP signup from agricultural producers and private landowners. That signup—the highest ever for the program—reflects the continued success and value of investments in voluntary, producer-led, working lands conservation programs. The current total participation in Grassland CRP is 6.3 million acres, which is part of the 23 million acres enrolled in CRP opportunities overall.

Since 2021, USDA's FSA, which administers all CRP programs, has made several improvements to Grassland CRP to broaden the program's reach, including:

- Creating two National Priority Zonesto put focus on environmentally sensitive land such as that prone to wind erosion.
- Enhancing offers with 10 additional ranking points to producers and landowners who are historically underserved, including beginning farmers and military veterans.
- Leveraging the Conservation Reserve Enhancement Program (CREP) to engage historically underserved communities within Tribal Nations in the Great Plains.

How to Sign Up for Grassland CRP

Landowners and producers interested in Grassland CRP, or any other CRP enrollment option, should contact their local USDA Service Center to learn more or to apply for the program before the deadlines.

Producers with expiring CRP acres can enroll in the Transition Incentives Program (TIP), which incentivizes producers who sell or enter into a long-term lease with a beginning, veteran, or socially disadvantaged farmer or rancher who plans to sustainably farm or ranch the land.

Other CRP Signups

Under Continuous CRP, producers and landowners can enroll throughout the year. Offers are automatically accepted provided the producer and land meet the eligibility requirements and the enrollment levels do not exceed the statutory cap. Continuous CRP includes a Climate-Smart Practice Incentive to increase carbon sequestration and reduce greenhouse gas emissions by helping producers and landowners establish trees and permanent grasses, enhance wildlife habitat, and restore wetlands.

FSA offers several additional enrollment opportunities within Continuous CRP, including the State Acres for Wildlife Enhancement (SAFE) Initiative, the Farmable Wetlands Program (FWP), and the Conservation Reserve Enhancement Program (CREP). Also available is the Clean Lakes Estuaries and Rivers (CLEAR30) Initiative, which was originally piloted in twelve states but has since been expanded nationwide, giving producers and landowners across the country the opportunity to enroll in 30-year CRP contracts for water quality practices.

USDA Announces Signup for Crop and Revenue Loss Assistance for Agricultural Producers

Signup began January 23 for additional emergency relief from the U.S. Department of Agriculture (USDA) through the Emergency Relief Program (ERP) Phase Two.

To be eligible for 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. Eligible crops include both traditional insurable commodities and specialty crops that are produced in the United States as part of a farming operation and are intended to be commercially marketed. This also includes losses of eligible on-farm stored commodities. ERP Phase 2 applicants will use the following tax years when selecting allowable gross revenue:

- Benchmark years: 2018 and/or 2019; estimated for new producers with no 2018 or 2019 revenue or adjusted if the benchmark years are not representative of the disaster year due to a change in operation size.
- Disaster years: 2020 and/or 2021. The allowable gross revenue for the specific disaster year will be based on the tax yearapplicable to that revenue (2020, 2021 or 2022).

The ERP tool assists producers in calculating allowable gross revenue, as well as adjusted revenue for the benchmark years 2018 and 2019, and allowable gross revenue for representative tax years 2020-2022 which represent disaster years 2020 and 2021. Once producers complete the allowable gross revenue entries, they are able to print forms FSA-521 and FSA-521A through this tool.

The ERP Phase 2 and PARP application period is open from January 23 through June 2 2023.

For more information on payment calculations, payment limitations or how to determine allowable gross revenue, please reference the ERP Phase 2 fact sheet.

USDA Announces Signup for Pandemic Assistance Revenue Program

The Pandemic Assistance Revenue Program (PARP) will assist eligible producers of agricultural commodities who experienced revenue decreases in calendar year 2020 compared to 2018 or 2019 due to the COVID-19 pandemic. PARP will help address gaps in previous pandemic assistance, which was targeted at price loss or lack of market access, rather than overall revenue losses.

USDA's Farm Service Agency will accept PARP applications from January 23, 2023, through June 2, 2023.

Eligible and Ineligible Commodities

For PARP, eligible agricultural commodities include crops, aquaculture, livestock, livestock byproducts, or other animals or animal byproducts that are produced as part of a farming operation and are intended to be commercially marketed. This includes only commodities produced in the United States or those produced outside the United States by a producer located in the United States and marketed inside the United States.

The following commodities **are not eligible** for PARP:

- Wild free-roaming animals.
- Horses and other animals used or intended to be used for racing or wagering.
- Aquatic species that do not meet the definition of aquaculture.

- *Cannabis sativa L.* and any part of that plant that does not meet the definition of hemp.
- Timber.

Program Eligibility

PARP payments will be made on a whole-farm basis, not commodity-by-commodity. 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 must have experienced a 15 percent decrease in allowable gross revenue in 2020, as compared to either:

- The 2018 or 2019 **calendar year**, *as elected by the producer*, if they received allowable gross revenue during the 2018 or 2019 **calendar years**, or
- The producer's expected 2020 calendar year allowable gross revenue, if the producer had no allowable gross revenue in 2018 or 2019.

PARP payments will be issued after the application period ends on June 2, 2023.

For more information on determining allowable gross revenue visit farmers.gov/coronavirus/pandemic-assistance/parp or review the PARP fact sheet.

More Information

To apply for PARP, contact your local USDA Service Center.

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.

USDA Announces 2023 Cotton Loan Rate Differentials

USDA's Commodity Credit Corporation today announced the 2023 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 past years.

The 2023 crop differential schedules are applied to 2023 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 established loan rate. 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.

The rates are posted on the *Farm Service Agency (FSA) website*. To apply for loans or other programs, please contact your local *USDA Service Center*.

Ask the Expert: A Q&A on Farm Storage Facility Loans

In this *ASK the Expert*, Toni Williams answers questions about how Farm Storage Facility Loans (FSFLs) provide low-interest financing to help producers build or upgrade commodity storage facilities. Toni is the Agricultural Program Manager for FSFLs at the Farm Service Agency (FSA).

Toni has worked for FSA for more than 32 years and is responsible for providing national policy and guidance for Farm Storage Facility Loans.

What are Farm Storage Facility Loans?

Farm Storage Facility Loans provide low-interest financing for eligible producers to build or upgrade facilities to store commodities.

The FSFL program was created in May 2000 to address an existing grain shortage. Historically, FSFLs benefitted grain farmers, but a change in the 2008 Farm Bill extended the program to fruit and vegetable producers for cold storage. An additional change extended the program to washing and packing sheds, where fresh produce is washed, sorted, graded, labeled, boxed up, and stored before it heads to market. Since May 2000, FSA has made more than 40,000 loans for on-farm storage.

Eligible facility types include grain bins, hay barns, bulk tanks, and facilities for cold storage. Drying and handling and storage equipment including storage and handling trucks are also eligible. Eligible facilities and equipment may be new or used, permanently affixed or portable.

To read the full blog visit farmers.gov/blog/ask-the-expert-qa-on-farm-storage-facility-loans-with-toni-williams.

Waiver of DCIA Compliance for Commodity and Farm Storage Facility Loan Programs

On January 27, 2021, the Biden-Harris Administration suspended all debt collections, foreclosures, and other adverse actions for borrowers of direct farm loans and Farm Storage Facility Loans (FSFL) through USDA's Farm Service Agency (FSA) because of the national public health emergency caused by the Coronavirus pandemic.

It has been determined that the January 2021 suspension included a waiver of the Debt Collection Improvement Act (DCIA) noncompliance for issuing new Marketing Assistance Loans (MAL), Loan Deficiency Payments (LDP) or FSFL to borrowers who are in delinquent status with FSFL or farm loans.

Under normal circumstances, DCIA specifies that a person cannot obtain Federal financial assistance in the form of loans (other than disaster loans), loan insurance, or guarantees if that person has delinquent Federal non-tax debt. MAL, LDP, and FSFL programs administered by FSA are currently subject to these statutory constraints.

FSA county offices will review MALs, LDPs, and FSFLs that were previously denied on or after January 27, 2021, because of DCIA noncompliance. Offices will notify applicants of the waiver provisions and the opportunity to obtain a loan. All applicable eligibility requirements remain in place with the exception of DCIA waiver.

Reach out to your local FSA office for more information. To find your local office, visit farmers.gov/service-locator.

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 Develops Simplified Direct Loan Application to Improve Customer Service

The U.S. Department of Agriculture (USDA) has developed a simplified direct loan application to provide improved customer experience for producers applying for loans from the Farm Service Agency (FSA). The simplified direct loan application enables producers to complete a more streamlined application, reduced from 29 to 13 pages. Producers will also have the option to complete an electronic fillable form or prepare a traditional, paper application for submission to their local FSA farm loan office. The paper and electronic versions of the form will be available starting March 1, 2023.

Approximately 26,000 producers submit a direct loan application to the FSA annually, but there is a high rate of incomplete or withdrawn applications, due in part to a challenging and lengthy paper-based application process. Coupled with the Loan Assistance Tool released in October 2022, the simplified application will provide all loan applicants access to information regarding the application process and assist them with gathering the correct documents before they begin the process. This new application will help farmers and ranchers submit complete loan applications and reduce the number of incomplete, rejected, or withdrawn applications.

In October 2022, USDA launched the Loan Assistance Tool, an online step-by-step guide that provides materials to help an applicant prepare their farm loan application in one tool. Farmers can access the Loan Assistance Tool by visiting farmers.gov/farm-loan-assistance-tool and clicking the 'Get Started' button. The tool is built to run on any modern browser like Chrome, Edge, Firefox, or the Safari browser. A version compatible with mobile devices is expected to be available by the summer. It does not work in Internet Explorer.

The simplified direct loan application and Loan Assistance Tool are the first of multiple farm loan process improvements that will be available to USDA customers on farmers.gov in the future. Other improvements that are anticipated to launch in 2023 include:

- An interactive online direct loan application that gives customers a paperless and electronic signature option, along with the ability to attach supporting documents such as tax returns.
- An online direct loan repayment feature that relieves borrowers from the necessity of calling, mailing, or visiting a local Service Center to pay a loan installment.

USDA provides access to credit to approximately 115,000 producers who cannot obtain sufficient commercial credit through direct and guaranteed farm loans. With the funds and direction Congress provided in Section 22006 of the Inflation Reduction Act, USDA took action in October 2022 to provide relief to qualifying distressed borrowers while working on making transformational changes to loan servicing so that borrowers are provided the flexibility and opportunities needed to address the inherent risks and unpredictability associated with agricultural operations.

Soon, all direct loan borrowers will receive a letter from USDA describing the circumstances under which additional payments will be made to distressed borrowers and how they can work with their FSA local office to discuss these options. Producers can explore all available options on all FSA loan options at fsa.usda.gov or by contacting their local USDA Service Center.

USDA Launches Loan Assistance Tool to Enhance Equity and Customer Service

The U.S. Department of Agriculture (USDA) launched a new online tool to help farmers and ranchers better navigate the farm loan application process. This uniform application process will help to ensure all farm loan applicants receive equal support and have a consistent customer experience with USDA's Farm Service Agency (FSA) regardless of their individual circumstances.

USDA experiences a high rate of incomplete or withdrawn applications, particularly among underserved customers, due in part to a challenging and lengthy paper-based application process. The Loan Assistance Tool is available 24/7 and gives customers an online step-by-step guide that supplements the support they receive when working in person with a USDA employee, providing materials that may help an applicant prepare their loan application in one tool.

Farmers can access the Loan Assistance Tool by visiting farmers.gov/farm-loan-assistance-tool and clicking the 'Get Started' button. From here they can follow the prompts to complete the Eligibility Self-Assessment and start the farm loan journey. 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.

The Loan Assistance Tool is the first of multiple farm loan process improvements that will be available to USDA customers on farmers.gov in the future. Other improvements and tools that are anticipated to launch in 2023 include:

- A streamlined and simplified direct loan application, reduced from 29 pages to 13 pages.
- An interactive online direct loan application that gives customers a paperless and electronic signature option, along with the ability to attach supporting documents such as tax returns.
- An online direct loan repayment feature that relieves borrowers from the necessity of calling, mailing, or visiting a local Service Center to pay a loan installment.

Background

USDA provides access to credit to approximately 115,000 producers who cannot obtain sufficient commercial credit through direct and guaranteed farm loans. With the funds and direction Congress provided in Section 22006 of the Inflation Reduction Act, USDA is taking action to immediately provide relief to qualifying distressed borrowers whose operations are at financial risk while working on making transformational changes to loan servicing so that borrowers are provided the flexibility and opportunities needed to address the inherent risks and unpredictability associated with agricultural operations.

Virginia NRCS Seeking Partners to Enhance Delivery of Services

Virginia NRCS is announcing the availability of funding for the purpose of leveraging agency resources to encourage collaboration with partners in providing strategic conservation delivery assistance and/or providing tools or data that enhance the ability of the agency to support conservation.

The agency anticipates the total amount awarded under this program in Fiscal Year 2023 will be approximately $1 million, with selections expected to be made by July 15. The maximum award will be $300,000 with a minimum award of $25,000. Approximately 10 total awards are expected to be made. Follow this link to see the full program summary at grants.gov.

The focus of the Virginia Conservation Partnership and Technical Assistance program will be limited to three priority areas:

- Providing technical assistance in the delivery, development, promotion and support of soil, water and wildlife conservation programs to Virginia's farmers, ranchers and landowners
- Supporting delivery of climate-smart agriculture and forestry conservation practices and showing quantifiable carbon sequestration and/or greenhouse gas reductions
- Reducing barriers to programs and improving support given to historically underserved* farmers, ranchers and landowners.

Eligible applicants include most state, local and tribal governmental units, public and private colleges and universities, independent school districts, public and tribal housing authorities and registered nonprofits. Application deadline is one minute before midnight (Eastern time) on May 28, 2023.

Selected Interest Rates for May

90-Day Treasury Bill	4.875%
Farm Operating Loans — Direct	5.000%
Farm Ownership Loans — Direct	5.000%
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	5.625%

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