Maryland USDA Newsletter- March 22, 2024

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

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Dairy Producers Can Now Enroll for 2024 Dairy Margin Coverage

Dairy producers are now able to enroll for 2024 Dairy Margin Coverage (DMC), an important safety net program offered through the U.S. Department of Agriculture (USDA) that provides producers with price support to help offset milk and feed price differences. This year's DMC signup began Feb. 28, 2024, and ends April 29, 2024. For those who sign up for 2024 DMC coverage, payments may have begun as soon as March 4, 2024, for any payments that triggered in January 2024.



USDA's Farm Service Agency (FSA) has revised the regulations for DMC to allow eligible dairy operations to make a one-time adjustment to established production history. This adjustment will be accomplished by combining previously established supplemental production history with DMC production history for those dairy operations that participated in Supplemental Dairy Margin Coverage during a prior coverage year. DMC has also been authorized through calendar year 2024. Congress passed a 2018 Farm Bill extension requiring these regulatory changes to the program.

DMC is a voluntary risk management program that offers protection to dairy producers when the difference between the all-milk price and the average feed price (the margin) falls below a certain dollar amount selected by the producer. In 2023, Dairy Margin Coverage payments triggered in 11 months including two months, June and July, where the margin fell below the catastrophic level of \$4.00 per hundredweight, a first for Dairy Margin Coverage or its predecessor Margin Protection Program.

2024 DMC Coverage and Premium Fees FSA has revised DMC regulations to extend coverage for calendar year 2024, which is retroactive to Jan. 1, 2024, and to provide an adjustment to the production history for dairy operations with less than 5 million pounds of production. In previous years, smaller dairy operations could establish a supplemental production history and receive Supplemental Dairy Margin Coverage. For 2024, dairy producers can establish one adjusted base production history through DMC for each participating dairy operation to better reflect the operation's current production.

For 2024 DMC enrollment, dairy operations that established supplemental production history through Supplemental Dairy Margin Coverage for coverage years 2021 through 2023, will combine the supplemental production history with established production history for one adjusted base production history.

For dairy operations enrolled in 2023 DMC under a multi-year lock-in contract, lock-in eligibility will be extended until Dec. 31, 2024. In addition, dairy operations enrolled in multi-year lock-in contracts are eligible for the discounted DMC premium rate during the 2024 coverage year. To confirm 2024 DMC lock-in coverage or opt out in favor of an annual contract for 2024, dairy operations having lock-in contracts must enroll during the 2024 DMC enrollment period.

DMC offers different levels of coverage, even an option that is free to producers, minus a \$100 administrative fee. The administrative fee is waived for dairy producers who are considered limited resource, beginning, socially disadvantaged or a military veteran. To determine the appropriate level of DMC coverage for a specific dairy operation, producers can use the online dairy decision tool.

DMC Payments DMC payments are calculated using updated feed and premium hay costs, making the program more reflective of actual dairy producer expenses. These updated feed calculations use 100% premium alfalfa hay.

More Information USDA also offers other risk management tools for dairy producers, including the <u>Dairy Revenue Protection (DRP)</u> plan that protects against a decline in milk revenue (yield and price) and the <u>Livestock Gross Margin (LGM)</u> plan, which provides protection against the loss of the market value of milk minus the feed costs. Both DRP and LGM livestock insurance policies are offered through the Risk Management Agency. Producers should contact their local <u>crop insurance agent</u> for more information.

For more information on DMC, visit the DMC webpage or contact your local USDA Service Center.



Sign up for the General Conservation Reserve Program (CRP) runs through March 29, 2024

The U.S. Department of Agriculture (USDA) announced that agricultural producers and private landowners could begin signing up for the General Conservation Reserve Program (CRP) **starting March 4 and running through March 29, 2024**. The announcement was made by Zach Ducheneaux, Administrator of the USDA's Farm Service Agency (FSA) at this year's National Pheasant Fest, in Sioux Falls, SD.

On Nov. 16, 2023, President Biden signed into law H.R. 6363, the Further Continuing Appropriations and Other Extensions Act, 2024 (Pub. L. 118-22), which extended the Agriculture Improvement Act of 2018 (Pub. L. 115-334), more commonly known as the 2018 Farm Bill, through Sept. 30, 2024. This extension allows authorized programs, including CRP, to continue operating.

As one of the largest private lands conservation programs in the United States, CRP offers a range of conservation options to farmers, ranchers, and landowners. It has been an especially strong opportunity for farmers with less productive or marginal cropland, helping them re-establish valuable land cover to help improve water quality, prevent soil erosion, and support wildlife habitat.

Producers and landowners enrolled about 926,000 acres in General CRP in 2023, bringing the total of enrolled acres in General CRP to 7.78 million. This, combined with all other acres in CRP through other enrollment opportunities, such as Grassland and Continuous CRP, bring the current total of enrolled acres to 24.8 million.

General CRP

General CRP helps producers and landowners establish long-term, resource-conserving plant species, such as approved grasses or trees, to control soil erosion, improve water quality and enhance wildlife habitat on cropland. Additionally, General CRP includes a Climate-Smart Practice

Incentive to help increase carbon sequestration and reduce greenhouse gas emissions by helping producers and landowners establish trees and permanent grasses, enhance wildlife habitat, and restore wetlands.

General CRP is one of several ways agricultural producers and private landowners can participate in the program.

Other CRP Options

This past January FSA began accepting applications for the <u>Continuous CRP</u> signup. Under this enrollment, producers and landowners can enroll in CRP 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.

The USDA also offers financial assistance to producers and landowners enrolled in CRP to improve the health of their forests through the <u>Forest Management Incentive</u> (FMI), which can help participants with forest management practices, such as brush management and prescribed burning.

FSA will announce the dates for Grassland CRP signup in the near future.

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

How to Sign Up

Landowners and producers interested in CRP should contact their local <u>USDA Service Center</u> to learn more or to apply for the program before their deadlines.

Urban Producers, Public Invited to Attend April Meeting of Federal Advisory Committee for Urban Agriculture and Innovative Production: Meeting will take place April 10, 2-4 p.m. ET

We're inviting urban producers, innovative producers, and other stakeholders to virtually attend a public meeting of the Federal Advisory Committee for Urban Agriculture and Innovative Production on April 10 from 2-4 p.m. Eastern.

Meeting details can be viewed in the <u>Federal Register Notice</u>. Written comments can be submitted via <u>UrbanAgricultureFederalAdvisoryCommittee@usda.gov</u> by April 24 at 11:59 p.m. The Committee will deliberate and vote on proposed recommendations and address public comments during the meeting. USDA will share the agenda between 24 to 48 hours prior to the meeting on the <u>Committee's webpage</u>.

The Committee is managed by the Office of Urban Agriculture and Innovative Production and was established through the 2018 Farm Bill and is part of a broad USDA investment in urban agriculture.

Learn more or register.

USDA Microloans Help Farmers Purchase Farmland and Improve Property

Farmers can use USDA farm ownership microloans to buy and improve property. These microloans are especially helpful to beginning or underserved farmers, U.S. veterans looking for a career in farming, and those who have small and mid-sized farming operations. Microloans have helped farmers and ranchers with operating costs, such as feed, fertilizer, tools, fencing, equipment, and living expenses since 2013.

Microloans can also help with farmland and building purchases and soil and water conservation improvements. FSA designed the expanded program to simplify the application process, expand eligibility requirements and expedite smaller real estate loans to help farmers strengthen their operations. Microloans provide up to \$50,000 to qualified producers and can be issued to the applicant directly from the USDA Farm Service Agency (FSA).

To learn more about the FSA microloan program, contact your local USDA Service Center or visit <u>fsa.usda.gov/microloans</u>.

March Interest Rates

Click here for March 2024 Lending Rates for Agricultural Producers.

Dates to Remember

March 29th- Final day for FSA to accept General CRP offers.

April 15th- Primary Nesting Season begins. To stay in compliance with your CRP contract, if you need to spot mow or spot spray invasive or noxious weeds in your CRP cover, please contact the FSA Office to make a request prior to the action.

April 29, 2024- Dairy Margin Coverage Enrollment Deadline

May 15, 2024 - Acreage reporting deadline for peas (green only) and potatoes

June 15, 2024 - Acreage reporting deadline for tomatoes

July 15, 2024 - Acreage reporting deadline for beans (limas only), cucumbers (planted 4/20-6/25 in Caroline, Dorchester, Kent and Talbot counties), ALL OTHER CROPS, perennial forage, CRP

July 31, 2024 - Acreage reporting deadline for hemp

August 15, 2024- Primary Nesting Season Ends

August 15, 2024 - Acreage reporting deadline for beans (all types except limas), cucumbers (planted 6/26-8/10 in Caroline, Dorchester, Kent, and Talbot Counties)

September 1, 2024 - NAP Coverage Application Closing date (<u>Noninsured Crop Disaster Assistance Program (NAP) (usda.gov)</u>) – Value-loss crops or controlled environment crops, ornamental nursery, aquaculture, Christmas trees, ginseng, floriculture, mushrooms, and turf grass sod

September 30, 2024 - NAP Coverage Application Closing date (<u>Noninsured Crop Disaster Assistance Program (NAP) (usda.gov)</u>) – Biennial and perennial forage crops, alfalfa, grass forages, mixed forages and other forages

September 30, 2024 - Acreage reporting deadline - Value-loss (ex-oysters) and controlled environment crops (except Nursery)



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