

March 2022 Newsletter

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

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## **USDA Designates Maricopa County, Arizona, as** a Primary Natural Disaster Area

This Secretarial natural disaster designation allows the United States Department of Agriculture (USDA) Farm Service Agency (FSA) to extend much-needed emergency credit to producers recovering from natural disasters through emergency loans. Emergency loans can be used to meet various recovery needs including the replacement of essential items such as equipment or livestock, reorganization of a farming operation or the refinance of certain debts. FSA will review the loans based on the extent of losses, security available and repayment ability.

Impacted Area: Arizona

Triggering Disaster Event: Rain, flash floods and winds that occurred from August 1 through August 13, 2021.

Application Deadline: May 13, 2022

Primary County Eligible: Maricopa

Contiguous Counties Also Eligible: Gila, La Paz, Pima, Pinal, Yavapai and Yuma

#### **More Resources**

On farmers.gov, the <u>Disaster Assistance Discovery Tool</u>, <u>Disaster Assistance-at-a-Glance fact sheet</u>, and <u>Farm Loan Discovery Tool</u> can help you determine program or loan options. To file a Notice of Loss or to ask questions about available programs, contact your local <u>USDA Service Center</u>.

## Agricultural Producers Have Until March 15 to Enroll in USDA's Key Commodity Safety Net Programs

Agricultural producers who have not yet enrolled in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs for the 2022 crop year have until **March 15**, **2022**, to sign a contract. The U.S. Department of Agriculture (USDA) offers these two safety net programs to provide vital income support to farmers experiencing substantial declines in crop prices or revenues.

Producers can elect coverage and enroll in ARC-County or PLC, which are both crop-by-crop, or ARC-Individual, which is for the entire farm. Although election changes for 2022 are optional, producers must enroll through a signed contract each year. Also, if a producer has a multi-year contract on the farm and makes an election change for 2022, it will be necessary to sign a new contract.

If an election is not submitted by the March 15, 2022, deadline, the election remains the same as the 2021 election for crops on the farm. Farm owners cannot enroll in either program unless they have a share interest in the crop.

Producers have completed 976,249 contracts to date, representing 54% of the more than 1.8 million expected contracts.

Producers who do not complete enrollment by the deadline will not be enrolled in ARC or PLC for the 2022 crop year and will not receive a payment if triggered.

Producers are eligible to enroll farms with base acres for the following commodities: barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium and short grain rice, safflower seed, seed cotton, sesame, soybeans, sunflower seed, and wheat.

#### **Decision Tools**

In partnership with USDA, two web-based decision tools are available to assist producers in making informed, educated decisions using crop data specific to their respective farming operations:

 <u>Gardner-farmdoc Payment Calculator</u>, a tool available through the University of Illinois allows producers to estimate payments for farms and counties for ARC-CO and PLC.  ARC and PLC Decision Tool, a tool available through Texas A&M that allows producers to estimate payments and yield updates and expected payments for 2022. Crop Insurance Considerations and Decision Deadline In addition to the March 15 deadline for ARC and PLC, other important deadlines include:

#### More Information

- Producers should contact their crop insurance agent to make certain that the
  election and enrollment made at FSA follows their intention to participate in STAX
  or SCO coverage. Producers have until March 15, 2022, to make the appropriate
  changes or cancel their ARC or PLC contract.
- Upland cotton farmers who choose to enroll seed cotton base acres in ARC or PLC are ineligible for the stacked income protection plan (STAX) on their planted cotton acres for that farm.
- Unlike SCO, the Enhanced Coverage Option (ECO) is unaffected by an ARC election. Producers may add ECO regardless of the farm program election.
- Producers on farms with a PLC election have the option of purchasing Supplemental Coverage Option (SCO) through their Approved Insurance Provider; however, producers on farms where ARC is the election are ineligible for SCO on their planted acres for that crop on that farm.
- Producers are reminded that ARC and PLC elections and enrollments can impact eligibility for some crop insurance products.
- ARC and PLC are part of a broader safety net provided by USDA, which also includes crop insurance and marketing assistance loans.
- March 1, <u>Livestock Indemnity Program</u>
- March 11, Conservation Reserve Program General Signup
- March 15, Pandemic Cover Crop Program
- March 25, Dairy Margin Coverage

For more information on ARC and PLC, producers can visit the ARC and PLC webpage or contact their local USDA Service Center. In those service centers where COVID cases exceed safety levels, staff continue to work with agricultural producers via phone, email and other digital tools. Producers with <a href="Level 2 eauthentication">Level 2 eauthentication</a> access can electronically sign contracts or may make arrangements to drop off signed contracts at the FSA county office. Because of the pandemic, some <a href="USDA Service">USDA Service</a> Centers are open to limited visitors.

# USDA Announces Conservation Reserve Program Signups for 2022

Agricultural producers and landowners can sign up soon for the Conservation Reserve Program (CRP), a cornerstone conservation program offered by the U.S. Department of Agriculture (USDA) and a key tool in the Biden-Harris

Administration effort to address climate change and achieve other natural resource benefits. The General CRP signup will run from Jan. 31 to March 11, and the Grassland CRP signup will run from April 4 to May 13.

Producers and landowners enrolled 4.6 million acres into CRP signups in 2021, including 2.5 million acres in the largest Grassland CRP signup in history. There are currently 22.1 million acres enrolled, and FSA is aiming to reach the 25.5-million-acre cap statutorily set for fiscal year 2022.

#### **CRP Signups**

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.

Meanwhile, Grassland CRP is a working lands program, helping landowners and operators protect grassland, including rangeland and pastureland and certain other lands, while maintaining the areas as working grazing lands. Protecting grasslands contributes positively to the economy of many regions, provides biodiversity of plant and animal populations and provides important carbon sequestration benefits to deliver lasting climate outcomes.

Alongside these programs, producers and landowners can enroll acres in Continuous CRP under the ongoing sign up, which includes projects available through the Conservation Reserve Enhancement Program (CREP) and State Acres for Wildlife Enhancement (SAFE).

#### **Climate Benefits**

Last year, FSA enacted a Climate-Smart Practice Incentive for CRP General and Continuous signups, to better target CRP on addressing climate change. This incentive aims to increase carbon sequestration and reduce greenhouse gas emissions. CRP's climate-smart 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.

Additionally, in order to better target the program toward climate outcomes, USDA invested \$10 million last year in the CRP Monitoring, Assessment and Evaluation (MAE) program to measure and monitor the soil carbon and climate resilience impacts of conservation practices over the life of new CRP contracts. This will enable the agency to further refine the program and practices to provide producers tools for increased climate resilience.

#### More Information on CRP

Landowners and producers interested in CRP should contact their local <u>USDA Service Center</u> to learn more or to apply for the program -- for General CRP before the **March 11 deadline**, and for Grassland CRP before the **May 13 deadline**. Service Center staff continue to work with agricultural producers via phone, email, and other digital tools. Due to the pandemic, some <u>USDA Service Centers</u> are open to limited visitors. Additionally, fact sheets and other resources are available at <u>fsa.usda.gov/crp</u>.

Signed into law in 1985, CRP is one of the largest voluntary private-lands conservation programs in the United States. It was originally intended to primarily 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.

# **USDA Accepting Applications to Mitigate Wildfire Risk and Improve Forest Health in Arizona**

The USDA Natural Resources Conservation Service is accepting applications through **April 29th** to mitigate wildfire risk, improve water quality and restore forest ecosystems.

Earlier this year, two new <u>Joint Chiefs' Landscape Restoration Partnership projects were</u> selected in Arizona for the Coronado and Kaibab National Forest areas.

FY22 Joint Chiefs' Landscape Restoration Partnership Projects:

#### **Catalina-Rincon Restoration and Fuels Mitigation**

• Map: Catalina-Rincon Restoration and Fuels Mitigation Priority Area

#### Northern Arizona Habitat Restoration and Wildfire Risk Reduction

 Map: Northern Arizona Habitat Restoration and Wildfire Risk Reduction Priority Area

Through these new three-year projects, landowners will work with local USDA experts and partners to apply targeted forestry management practices on their land, such as thinning, hazardous fuel treatments, fire breaks and other systems to meet unique forestry challenges in their area.

Visit the <u>Joint Chiefs' webpage</u> for full project descriptions and information on completed projects.

Agricultural producers and forest managers interested in participating in applying for this targeted assistance should apply by **April 29**, **2022**, to be considered for funding. To apply for assistance, contact NRCS at your local USDA Service Center. Find your local Service Center at <a href="https://www.farmers.gov/service-locator">www.farmers.gov/service-locator</a>.

- JCLRP Catalina Rincon Priority Area Map.pdf
- JCLRP NorthernAZHabitatWildfire Priority Area Map.pdf

### Making Your Land More Resilient to Drought

Now that the 2021 crop year has ended, it's time to start planning for 2022 and beyond. Many farmers and ranchers west of the Mississippi River have had a very difficult year in 2021 due to drought. Those in other areas of the country were spared from the worst of the drought this time but may not be as lucky in future years. So, as you're planning for 2022 production, you may want to consider some conservation practices that can help make your land and livestock more resilient to drought and help your bottom line.

USDA's Natural Resources Conservation Service can help you conserve water and build resilience to drought, through conservation practices that improve irrigation efficiency, boost soil health, and manage grazing lands.

#### **Irrigation Efficiency**

USDA helps you improve your irrigation efficiency to ensure each drop of water is used wisely. Saving water on your farm can help during drought and can offset rising water costs; reduce expenditures for energy, chemicals, and labor; and enhance revenues through higher crop yields and improved crop quality. Funded conservation practices include conversion to more efficient irrigation systems, such as micro-irrigation or subsurface drip irrigation, installation of irrigation pipeline, irrigation water management, structures for water control, and flow meters. Tools like drip irrigation, which provides water precisely where and when it's needed, can achieve greater precision with flow meters and soil moisture sensors.

#### Soil Health

In addition, soil health conservation practices, such as reduced- or no-till, cover crops, mulching and residue management can help to make your soil, and the plants you grow or animals you raise, healthier. Healthier soil can absorb and retain more water for longer periods of time, making your farm or ranch more resilient to drought. Using soil health practices, you can conserve water by increasing your soil's water-holding capacity and use conservation tillage to keep the ground covered, reducing water loss through transpiration and evaporation.

And soil health practices increase organic matter, and each pound of organic matter can hold up to 20 pounds of water. Every 1% increase in organic matter results in as much as 25,000 gallons of soil water per acre. Each 1% increase in organic matter can also provide up to 30 pounds of more available nitrogen per acre. That means less money and time spent on inputs like water and fertilizer, which make your operation more profitable.

#### Rotational/Prescribed Grazing, Water Sources for Livestock

Drought also impacts grazing lands, and NRCS works with you to increase the resilience of your livestock operation. Ranchers can adapt to dry conditions in two main ways: increasing the availability and suitability of forage and ensuring that cattle have an adequate and reliable source of water. For forage, rotational or prescribed grazing (rotating cattle among pastures) can relieve pressure on stressed vegetation and ensure a more consistent supply of forage for animals. NRCS conservationists can also work with you to plant more drought-tolerant forage species, plants best suited to local soils and conditions. For reliable sources of water, NRCS can help you with installing watering facilities, water wells, or water pipeline for livestock. Having available forage and water for livestock can make a big difference in difficult drought conditions.

USDA and NRCS are here for you, helping you recover from drought and prepare for the next one. For more information on drought recovery assistance at <a href="https://www.farmers.gov/protection-recovery/drought#recovery">https://www.farmers.gov/protection-recovery/drought#recovery</a>. For more information on conservation practices to make your operation more resilient to drought in future years, go to <a href="https://www.nrcs.usda.gov">www.nrcs.usda.gov</a>.

# Producers with Crop Insurance to Receive Premium Benefit for Cover Crops

Agricultural producers who have coverage under most crop insurance policies are eligible for a premium benefit from the U.S. Department of Agriculture (USDA) if they planted cover crops during the 2022 crop year. To receive the benefit from this year's Pandemic Cover Crop Program (PCCP), producers must report cover crop acreage by **March 15**, **2022**. The new program comes on the heels of the recently announced <u>Partnerships for Climate-Smart Commodities</u> which creates market opportunities for U.S. agricultural and forestry products that use climate-smart production practices and include innovative, cost-effective ways to measure and verify greenhouse gas benefits.

PCCP, offered by USDA's Risk Management Agency (RMA), helps farmers maintain their cover crop systems, despite the financial challenges posed by the pandemic and is part of USDA's <u>Pandemic Assistance for Producers</u> initiative, a bundle of programs to bring financial assistance to farmers, ranchers and producers who felt the impact of COVID-19 market disruptions.

PCCP was first offered in 2021, and producers with crop insurance received \$59.5 million in premium subsidies for 12.2 million acres of cover crops.

#### **About the Premium Benefit**

PCCP provides premium support to producers who insured their crop with most insurance policies and planted a qualifying cover crop during the 2022 crop year. The premium support is \$5 per acre, but no more than the full premium amount owed.

Illinois, Indiana, and Iowa have existing programs for producers to receive a premium benefit for planting cover crops. In these states, participating producers will receive an additional benefit.

All cover crops reportable to FSA are eligible and include cereals and other grasses, legumes, brassicas and other non-legume broadleaves, and mixtures of two or more cover crop species planted at the same time.

To receive the benefit for this program, producers must file a **Report of Acreage form (FSA-578)** for cover crops with USDA's Farm Service Agency (FSA) by **March 15**, **2022**. The cover crop fields reported on the Report of Acreage form must match what the producer reported to their insurance company for crop insurance policies. To file the form, producers must contact and make an appointment with their local <u>USDA Service Center</u>.

#### **Additional PCCP Details**

Certain policies are not eligible because they have underlying coverage, which would already receive the benefit or are not designed to be reported in a manner consistent with the Report of Acreage form (FSA-578). PCCP is not available for Enhanced Coverage Option, Hurricane Insurance Protection – Wind Index, Post-Application Coverage Endorsement and Supplemental Coverage Option. Stacked Income Protection (STAX) and Margin Protection (MP) policies are only eligible for PCCP when insured as a standalone policy. STAX and MP endorsements to underlying policies are not eligible for PCCP.

PCCP does not change acreage reporting dates, reporting requirements, or any other terms of the crop insurance policy.

The Rule can now be viewed in the <u>Federal Register</u>. More information, including <u>frequently asked questions</u>, can be found at <u>farmers.gov/pandemic-assistance/cover-crops</u>.

#### Additional Pandemic Assistance

PCCP is part of USDA's broader response to the COVID-19 pandemic. RMA also extended a number of crop insurance flexibilities to Approved Insurance Providers (AIPs) and agricultural producers until June 30, 2022 or later. Originally, these flexibilities were expiring in January. Additionally, USDA's <a href="Pandemic Assistance for Producers">Producers</a> has provided additional support for producers, by improving and retargeting existing programs and creating new efforts to reach a broader set of producers like PCCP.

Crop insurance is sold and delivered solely through private crop insurance agents. A list of crop insurance agents is available at all USDA Service Centers and online at the <a href="RMA">RMA</a>
<a href="Agent Locator">Agent Locator</a>. Learn more about crop insurance and the modern farm safety net at <a href="mailto:rma.usda.gov">rma.usda.gov</a>.

### **FSA Offers Loan Servicing Options**

There are options for Farm Service Agency (FSA) loan customers during financial stress. If you are a borrower who is unable to make payments on a loan, contact your local FSA Farm Loan Manager to learn about your options.



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