

In This Issue:

- [USDA Provides \\$1.8 Billion to Offset Market Fluctuations](#)
 - [Webinar: FSA Non-insured Crop Disaster Assistance Program \(NAP\)](#)
 - [USDA Offers Online Tool for Drought-Stricken Ranchers to Estimate Compensation for Feed Transportation Costs](#)
 - [Application Period Opens for Pandemic Response and Safety Grant Program](#)
 - [USDA Supports Military Veteran's Transition to Farming](#)
 - [Higher Loan Limit Now Available for USDA Guaranteed Farm Loans](#)
 - [RMA Makes Improvements to Whole-Farm Revenue Protection](#)
 - [Women, Land & Legacy](#)
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USDA Provides \$1.8 Billion to Offset Market Fluctuations

Farmers Can Now Make Elections, Enroll in Agriculture Risk Coverage and Price Loss Coverage Programs

The U.S. Department of Agriculture (USDA) is in the process of issuing \$1.8 billion in payments to agricultural producers who enrolled in the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs for the 2020 crop year. These payments provide critical support to help mitigate fluctuations in either revenue or prices for certain crops. These two USDA safety-net programs help producers of certain crops build back better after facing the impacts of COVID-19 and other challenges.

In addition, USDA's Farm Service Agency (FSA) is encouraging producers to contact their local USDA Service Centers to make or change elections and to enroll for 2022 ARC or PLC, providing future protections against market fluctuations. The election and enrollment period opened on Oct. 18, 2021 and runs through March 15, 2022.

2020 Payments and Contracts

ARC and PLC payments for a given crop year are paid out the following fall to allow actual county yields and the Market Year Average prices to be finalized. This month, FSA processed payments to producers enrolled in 2020 ARC-County (ARC-CO), ARC-Individual (ARC-IC) and PLC for covered commodities that triggered for the crop year.

For ARC-CO, view the [2020 ARC-CO Benchmark Yields and Revenues online database](#) for payment rates applicable to their county and each covered commodity.

For PLC, payments have triggered for barley, canola, chickpeas (large and small), dry peas, flaxseed, lentils, peanuts, seed cotton and wheat. More information on rice payments will be announced later this fall and in early 2022.

For ARC-IC, producers should contact their local FSA office for additional information pertaining to 2020 payment information, which relies on producer-specific yields for the crop and farm to determine benchmark yields and actual year yields when calculating revenues.

By the Numbers

More than 1.7 million contracts were signed in 2019. In 2020, producers signed nearly 1.8 million ARC or PLC contracts, and 251 million out of 273 million base acres were enrolled in the programs. In 2021, signed contracts surpassed 1.8 million.

Since the ARC and PLC were authorized by in the 2014 Farm Bill and reauthorized by in the 2018 Farm Bill, these safety-net programs have paid out more than \$32.5 billion to producers of covered commodities.

2022 Elections and Enrollment

Producers can elect coverage and enroll in ARC-CO or PLC, which are both crop-by-crop, or ARC-IC, 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 deadline of March 15, 2022, 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 farm.

Covered commodities include 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.

Web-Based Decision Tools

In partnership with USDA, the University of Illinois and Texas A&M University offer web-based decision tools to assist producers in making informed, educated decisions using crop data specific to their respective farming operations. Tools include:

- [Gardner-farmdoc Payment Calculator](#), 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 tallows producers to estimate payments and yield updates and expected payments for 2022.

Crop Insurance Considerations

ARC and PLC are part of a broader safety net provided by USDA, which also includes crop insurance and marketing assistance loans.

Producers are reminded that ARC and PLC elections and enrollments can impact eligibility for some crop insurance products.

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.

Unlike SCO, the Enhanced Coverage Option (ECO) is unaffected by an ARC election. Producers may add ECO regardless of the farm program election.

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.

More Information

For more information on ARC and PLC, visit the [ARC and PLC webpage](#) or contact your local [USDA Service Center](#).

Webinar: FSA Non-insured Crop Disaster Assistance Program (NAP)

Please join the Iowa Organic Association and Amanda Weigel with the Iowa Farm Service Agency for a webinar on Tuesday, November 9th at 12 p.m. to learn about the *Non-insured Crop Disaster Assistance Program (NAP)* offered by FSA. This webinar is one of a series of webinars or field days that will highlight several of the USDA FSA's programs and services available to help organic producers. To learn how NAP can help provide an extra layer of protection for your farm or operation, [RSVP](#) to join this webinar.

NAP provides financial assistance to producers for non-insurable crops to protect against natural disasters that result in lower yields, crop losses or prevents crop planting. A natural disaster includes:

- Damaging weather, such as drought, freeze, hail, excessive moisture, excessive wind (i.e. derecho) or hurricanes;
- Adverse natural occurrences, such as earthquake or flood; and
- Conditions related to damaging weather or adverse natural occurrences, such as excessive heat, plant disease, volcanic smog (VOG) or insect infestation.

NAP provides basic coverage equivalent to the catastrophic level risk protection plan of insurance coverage, which is based on the amount of loss that exceeds 50% of expected production at 55% of the average market price for the crop. For all coverage levels, the NAP service fee is the lesser of \$325 per crop or \$825 per producer per administrative county, not to exceed a total of \$1,950 for a producer with farming interests in multiple counties. ** Beginning, limited resource, socially disadvantaged and qualifying veterans farmers or ranchers are eligible for a waiver of the service fee and a 50% premium reduction when they file form [CCC-860](#). Most organic producers would qualify for this reduction in service fees.

Producers interested in applying for NAP should contact the county FSA office that administers the ground the crop is planted on.

For more information about the program and resources, visit the FSA NAP webpage: <https://www.fsa.usda.gov/programs-and-services/disaster-assistance-program/noninsured-crop-disaster-assistance/index>

RSVP to participate in the NAP webinar on Tuesday, November 9th at 12 p.m.: https://www.iowaorganic.org/noninsured_cropldisaster_assistance_program

USDA Offers Online Tool for Drought-Stricken Ranchers to Estimate Compensation for Feed Transportation Costs

An online tool is now available to help ranchers document and estimate payments to cover feed transportation costs caused by drought, which are now covered by the [Emergency Assistance for Livestock, Honeybees and Farm-raised Fish Program \(ELAP\)](#). The U.S. Department of Agriculture (USDA) updated the program this year to include feed transportation costs as well as lowered the threshold for when assistance for water hauling expenses is available. USDA's Farm Service Agency (FSA) will begin taking applications this fall.

The new [ELAP Feed Transportation Producer Tool](#) is a Microsoft Excel workbook that enables ranchers to input information specific to their operation to determine an estimated payment. Final payments may vary depending on eligibility.

To use the tool, ranchers will need:

- Number of truckloads for this year.
- Mileage per truckload this year.
- Share of feed cost this year (if splitting loads).
- Number of truckloads you normally haul.
- Normal mileage per truckload.
- Share of normal feed cost

The tool requires Microsoft Excel, and a [tutorial video](#) is available.

Updates to ELAP

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. ELAP now covers feed transportation costs where grazing and hay resources have been depleted. This includes places where:

Drought intensity is D2 for eight consecutive weeks as indicated by the [U.S. Drought Monitor](#); or

Drought intensity is D3 or greater.

The tool calculates the estimated payment for feed transportation assistance, but it is not an application. Once FSA begins accepting applications later this fall for feed transportation assistance, ranchers should contact their FSA county office to apply. To simplify the application process, ranchers can print or email payment estimates generated by this tool for submission to FSA. The deadline to apply for ELAP, including feed transportation costs, for 2021 is Jan. 31, 2022.

ELAP already covers above normal costs for hauling water to livestock in areas where drought intensity is D3 or greater on the drought monitor. FSA is also updating ELAP to also cover water hauling in areas experiencing D2 for eight consecutive weeks, lowering the threshold for this assistance to be available. Program benefits are retroactive for 2021.

Payment Calculations

USDA will reimburse eligible ranchers 60% of feed 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).

Eligibility

To be eligible for ELAP assistance, livestock must be intended for grazing and producers must have incurred feed 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.

More Drought Recovery Information

USDA has taken additional steps to assist drought-impacted producers, including:

- [Extending deadlines for crop insurance premium and administrative fees, and deferring interest accrual.](#)
- [Streamlining and accelerating losses and issuance of indemnity payments for crop insurance.](#)
- [Investing \\$41.8 million through a four-state pilot of the Environmental Quality Incentives Program Conservation Incentive Contracts focused on drought practices.](#)
- [Investing \\$15 million through a block grant to the Klamath Drought Response Agency to provide payments to producers to reduce irrigation demand.](#)

USDA offers a comprehensive portfolio of disaster assistance programs. On farmers.gov, the [Disaster Assistance Discovery Tool](#), [Disaster Assistance-at-a-Glance fact sheet](#), and [Farm Loan Discovery Tool](#) can help producers and landowners determine all program or loan options available for disaster recovery assistance. For details, producers should contact their [local USDA Service Center](#).

Application Period Opens for Pandemic Response and Safety Grant Program

The U.S. Department of Agriculture (USDA) announced a [Request for Applications](#) (RFA) for the new Pandemic Response and Safety (PRS) Grant program and encourages eligible entities to apply now for funds. Applications must be submitted electronically through the grant portal at <https://usda-prs.grantsolutions.gov/usda> by 11:59 p.m. Eastern Time on Monday, November 22, 2021. Approximately \$650 million in funding is available for the PRS grants, which are funded by the Pandemic Assistance provided in the Consolidated Appropriations Act of 2021.

The PRS Grant program will assist small businesses in certain commodity areas, including specialty crop producers, shellfish farming, finfish farming, aquaculture, and apiculture; specialty crop, meat, and other processors; distributors; and farmers markets. Small businesses and nonprofits in these industries can apply for a grant to cover COVID-related expenses such as workplace safety measures (e.g., personal protective equipment (PPE), retrofitting facilities for worker and consumer safety, shifting to online sales platforms, transportation, worker housing, and medical costs. The minimum funding request is \$1,500 and the maximum funding request is \$20,000.

The [RFA](#) and the [PRS Grant Portal](#) provide more details about eligibility for the grant. Eligible entities are required to obtain a free DUNS Number from Dun & Bradstreet (D&B) BEFORE applying for this program. USDA has created a custom PRS DUNS number portal at <https://support.dnb.com/PandemicResponse>.

Application resources including Frequently Asked Questions (FAQs), tip sheets in English and Spanish on applying for a DUNS Number, videos on “How to Apply” and more are available on the [PRS Grant Portal](#).

For more information, you can also reach out to the PRS help desk, Monday-Friday, 9 a.m.-9 p.m. ET at (301) 238-5550 or usda.ams.prs@grantsolutions.gov.

Check your eligibility, obtain a DUNS number, and learn more about the application process at the [PRS Grant Portal](#).

USDA Supports Military Veteran’s Transition to Farming



Are you a military veteran interested in farming? USDA offers resources to help you:

- **Fund Your Operation:** USDA’s Farm Service Agency offers a variety of [funding opportunities](#) to help agricultural producers finance their businesses. Certain funds are targeted for veterans and beginning farmers and ranchers.
- **Conserve Natural Resources:** USDA’s Natural Resources Conservation Service offers [conservation programs and expert one-on-one technical assistance](#) to strengthen agricultural operations now and into the future. Veterans may be eligible for a cost share of up to 90 percent and advance payments of up to 50 percent to cover certain conservation practices.
- **Manage Risks:** USDA is here to help you prepare for and recover from the unexpected. Veterans who are beginning farmers may be eligible for reduced premiums, application fee waivers, increased insurance coverage, and other incentives for multiple [USDA programs that support risk management](#).

USDA wants to ensure that veterans transitioning to agriculture have the resources needed to succeed. While USDA offices are currently closed to visitors because of the pandemic, Service Center staff continue to work with agricultural producers via phone, email, and other digital tools. To conduct business, please contact your local USDA Service Center. Additionally, more information related to USDA’s response and relief for producers can be found at farmers.gov/coronavirus. If you’re a new farmer, you can also reach out to your [state Beginning Farmer and Rancher Coordinator](#).

Higher Loan Limit Now Available for USDA Guaranteed Farm Loans

The U.S. Department of Agriculture (USDA) announced a higher loan limit will be available for borrowers seeking a guaranteed farm loan starting Oct. 1, 2021, from \$1.776 million to \$1.825 million.

FSA farm loans offer access to funding for a wide range of producer needs, from securing land to financing the purchase of equipment. Guaranteed loans are financed and serviced by commercial lenders. FSA provides up to a 95% guarantee against possible financial loss of principal and interest. Guaranteed loans can be used for both farm ownership and operating purposes.

In fiscal year 2021, FSA saw continued strong demand for guaranteed loans. FSA obligated more than \$3.4 billion in guaranteed farm ownership and operating loans. This includes nearly \$1.2 billion for beginning farmers. The number of guaranteed borrowers has grown by 10% to more than 38,750 farmers and ranchers over the last decade. FSA expects the increasing demand for farm loans to continue into fiscal year 2022.

Disaster Set-Aside Extension

USDA has additional support available to producers given the recent outbreaks of the COVID-19 Delta variant and has extended the availability of COVID-19 Disaster Set-Aside (DSA) for installments due through Jan. 31, 2022. In addition, FSA will permit a second DSA for COVID-19 and a second DSA for natural disasters for those who had an initial COVID-19 DSA. Requests for a COVID-19 DSA or a second DSA must be received no later than May 1, 2022.

Last year, FSA broadened the use of the DSA. Normally used in the wake of natural disasters, the DSA can now allow farmers with USDA farm loans who are affected by COVID-19 and determined to be eligible, to have their next payment set aside. The set-aside payment's due date is moved to the final maturity date of the loan or extended up to twelve months in the case of an annual operating loan. Any principal set-aside will continue to accrue interest until it is repaid. This will improve the borrower's cashflow in the current production cycle.

More Information

Producers can explore available options on all FSA loan options at fsa.usda.gov or by contacting their [local USDA Service Center](#). 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 your Service Center to set up an in-person or phone appointment. Additionally, more information related to USDA's response and relief for producers can be found at farmers.gov/coronavirus.

RMA Makes Improvements to Whole-Farm Revenue Protection

Organic and aquaculture producers can soon benefit from updates to the USDA Whole-Farm Revenue Protection (WFRP) plan. USDA's Risk Management Agency (RMA) is revising the plan of insurance to make it more flexible and accessible to producers beginning in crop year 2022.

Changes to WFRP include:

- Increasing expansion limits for organic producers to the higher of \$500,000 or 35 percent. Previously, small and medium size organic operations were held to the same 35 percent limit to expansion as conventional practice producers.
- Increasing the limit of insurance for aquaculture producers to \$8.5 million. Previously aquaculture producers were held to a \$2 million cap on expected revenue, this change allows more aquaculture producers to participate in the program.
- Allowing a producer to report acreage as certified organic, or as acreage in transition to organic, when the producer has requested an organic certification by the acreage reporting date. This allows organic producers more flexibility when reporting certified acreage.
- Providing flexibility to report a partial yield history for producers lacking records by inserting zero yields for missing years. Previously, missing a year of records would cause the commodity's expected value to be zero, meaning past revenue from the commodity would contribute nothing to the insurance guarantee.

WFRP provides a risk management safety net for all commodities on the farm under one insurance policy and is available in all counties nationwide. This insurance plan is tailored for any farm with up to \$8.5 million in insured revenue, including farms with specialty or organic commodities (both crops and livestock), or those marketing to local, regional, farm-identity preserved, specialty, or direct markets.

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 [RMA Agent Locator](#). Learn more about crop insurance and the modern farm safety net at rma.usda.gov.

Women, Land & Legacy

Women, Land & Legacy (WLL) is a USDA education and outreach program that has impacted thousands of Iowa women in agriculture. Working locally in counties throughout the state WLL empowers women landowners and farmers to be agents of positive change in their communities through active participation, educational sessions and networking opportunities. To find out more on getting involved and upcoming events, visit <https://womenlandandlegacy.org/>.



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[Locate a USDA Service Center Near You](#)