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From the Desk of Matt Russell, State Executive Director

Even with challenging weather, unpredictable input costs, and volatile markets, it's a great time to be part of American agriculture. I spent today at the Farm Progress Show along with my fellow USDA teammates, including Secretary of Agriculture Tom Vilsack.

He shared about how the Biden-Harris Administration is investing in American farmers, those who serve farmers, and the rural communities where most farmers live work and play.

He started by talking about the Inflation Reduction Act and the \$40 billion being invested into existing USDA programs: \$14 billion for Rural Development, \$20 billion for NRCS in conservation programs like EQIP, CSP, and the Rural Conservation Partnership program (RCPP), and more than \$5 billion in additional FSA Farm Loan Program efforts to help struggling and underserved farmers.

Earlier this month, the Secretary said that "The Inflation Reduction Act builds on the Biden-Harris Administration's historic investments in rural America and furthers the commitment to rural communities demonstrated in the American Rescue Plan and the bipartisan infrastructure law."

I agree with him that these laws are a once in a generation opportunity to build critical infrastructure and advance American agricultural leadership.

But the big news making announcement at the Farm Progress Show was about the Partnership for Climate-Smart Commodities. The full announcement of the grant awardees will be next month. But he gave a sampling of three projects that will be getting grants: University of Missouri to integrate cropping and livestock production including some forestry, South Dakota State University focused on beef and bison, and the Iowa Soybean Association working with an expanded group of agricultural value chain partners to work with farmers on millions of acres of corn, soybeans, and wheat for climate smart, outcome-based payments throughout the entire Midwest.

He shared that over 1000 applications requesting over \$20 billion are competing for \$1 billion in available grants. Those numbers mean American farmers, their farm organizations, our research institutions, and companies in food and agricultural value-chains are ready to lead the world in helping to solve our climate challenges.

American farmers are ready to lead. USDA is investing in farmer innovation and all aspects of agricultural leadership. These investments are a remedy for inflation as American farmers become more productive and reduce their need for inputs.

At the press gathering after his address and panel discussion, one reporter asked if USDA is going to have the staff to implement all these investments. The Secretary said, "Yes, we are hiring." He then spoke about the value of public service.

Secretary Vilsack ended his day at the Farm Progress Show by sitting down with the USDA staff who were working at our outreach booths. After the conversation, he joined us for a group photo along with one of the signs from the FSA booth.

It is indeed a great time to be part of American agriculture. We are making historic investments in our agricultural leadership. From farmers, to rural leaders, to researchers, to business leaders, to the public servants at USDA, it's all hands on deck as America provides the solutions the world needs for a sustainable future.

- Matt



USDA to Mail Additional Pre-Filled Applications to Producers Impacted by 2020, 2021 Disasters

The U.S. Department of Agriculture (USDA) today announced another installment (phase) in assistance to commodity and specialty crop producers impacted by natural disaster events in 2020 and 2021. More than 18,000 producers will soon receive new or updated pre-filled disaster applications to offset eligible crop losses. Approximately \$6.4 billion has already been distributed to 165,000 producers through USDA's Farm Service Agency's (FSA) Emergency Relief Program (ERP).

FSA will begin mailing pre-filled applications in late August to producers who have potentially eligible losses and:

- Received crop insurance indemnities for qualifying 2020 and 2021 disaster events after May 2, 2022.
- Received crop insurance indemnities associated with Nursery, Supplemental Coverage Option (SCO), Stacked Income Protection Plan (STAX), Enhanced Coverage Option (ECO) and Margin Protection (MP) policies.

- New primary policyholders not included in the initial insured producer Phase 1 mailing from May 25, 2022, because their claim records had not been filled.
- Certain 2020 prevent plant losses related to qualifying 2020 disaster events that had only been recorded in crop insurance records as related to 2019 adverse weather events and, as such, were not previously provided in applications sent earlier this year.
- New Substantial Beneficial Interest (SBI) records, including SBIs where tax identification numbers were corrected.

Producers are expected to receive assistance direct deposited into their bank account within three business days after they sign and return the pre-filled application to the FSA county office and the county office enters the application into the system.

Before applying any program payment factors or eligibility criteria, it is estimated that this next installment (phase) may generate about \$756 million in assistance.

Emergency Relief Payments to Date

This emergency relief under ERP complements ERP assistance recently provided to more than 165,000 producers who had received crop insurance indemnities and Noninsured Crop Disaster Assistance Program (NAP) payments for qualifying losses. USDA has processed more than 255,000 applications for ERP, and to date, has made approximately \$6.4 billion in payments to commodity and specialty crop producers to help offset eligible losses from qualifying 2020 and 2021 natural disasters. Also, earlier this year, staff processed more than 100,000 payments through the Emergency Livestock Relief Program (ELRP) and paid eligible producers more than \$601.3 million for 2021 grazing losses within days of the program announcement.

Phase Two

The second phase of both ERP and ELRP will be aimed at filling gaps and provide assistance to producers who did not participate in or receive payments through the existing risk management programs that are being leveraged for phase one implementation. USDA will keep producers and stakeholders informed as program details are made available.

More Information

In addition, on Aug. 18, 2022, USDA published a technical correction to the [Notice of Funds Availability](#) for ERP and ELRP to clarify how income from the sale of farm equipment and the provision of production inputs and services to farmers, ranchers, foresters, and farm operations are to be considered in the calculation of average adjusted gross farm income. Producers whose average adjusted gross farm income is at least 75% of the producer's the average Adjusted Gross Income can gain access to a higher payment limitation.

ERP and the previously announced ELRP are authorized by the *Extending Government Funding and Delivering Emergency Assistance Act*, which President Biden signed into law in 2021. The law provided \$10 billion to help agricultural producers impacted by wildfires, droughts, hurricanes, winter storms and other eligible disasters experienced during calendar years 2020 and 2021.

For more information on ERP and ELRP eligibility, program provisions for historically underserved producers as well as Frequently Asked Questions, producers can visit [FSA's Emergency Relief webpage](#). A [new public-facing dashboard](#) on the ERP webpage has information on ERP payments that can be sorted by crop type – specialty or non-specialty– specific commodities and state. FSA will update the dashboard every Monday.

Additional USDA disaster assistance information can be found on [farmers.gov](#), including the [Disaster Assistance Discovery Tool](#), [Disaster-at-a-Glance fact sheet](#) and [Farm Loan Discovery Tool](#). For FSA and Natural Resources Conservation Service programs, producers should contact their local [USDA Service Center](#). For assistance with a crop insurance claim, producers and landowners should contact their [crop insurance agent](#).

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](https://www.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.

2022 DMC Premiums Due Sept. 1, 2022



Dairy producers have until Sept. 1, 2022, to pay premiums for the Dairy Margin Coverage (DMC) Program. With monthly DMC program triggers well above the \$9.50 per hundredweight (cwt) coverage level, there have been no indemnity payments distributed through the USDA's Farm Service Agency (FSA) through June 2022. In prior years, producers were able to deduct annual DMC premiums from indemnity payments, but that's not the case this year.

Approximately 75% of calendar year 2022 DMC and Supplemental DMC premiums have not been paid as the payment deadline of Sept. 1 approaches.

Failure to pay the DMC premium by the deadline may affect a dairy operation's ability to participate in the DMC program in future years. Contact your local FSA office for more information.

For more information visit the [FSA dairy programs webpage](https://fsa.usda.gov/dairy) or the [online dairy decision tool](https://fsa.usda.gov/dairy/decision-tool).

Reminders for FSA Direct and Guaranteed Borrowers with Real Estate Security

Farm loan borrowers who have pledged real estate as security for their Farm Service Agency (FSA) direct or guaranteed loans are responsible for maintaining loan collateral. Borrowers must obtain prior consent or approval from FSA or the guaranteed lender for any transaction that affects real estate security. These transactions include, but are not limited to:

- Leases of any kind
- Easements of any kind
- Subordinations
- Partial releases
- Sales

Failure to meet or follow the requirements in the loan agreement, promissory note, and other security instruments could lead to nonmonetary default which could jeopardize your current and future loans.

It is critical that borrowers keep an open line of communication with their FSA loan staff or guaranteed lender when it comes to changes in their operation. For more information on borrower responsibilities, read [Your FSA Farm Loan Compass](#).

Five Facts About the United States Drought Monitor

This is likely no surprise to you, but drought persists across the western U.S. and is intensifying in some areas. No geographic area is immune to the potential of drought at any given time. The [U.S. Drought Monitor](#) provides a weekly drought assessment, and it plays an important role in USDA programs that help farmers and ranchers recover from drought.

Fact #1 - Numerous agencies use the Drought Monitor to inform drought-related decisions.

The map identifies areas of drought and labels them by intensity on a weekly basis. It categorizes the entire country as being in one of six levels of drought. The first two, None and Abnormally Dry (D0), are not considered to be drought. The next four describe increasing levels of drought: Moderate (D1), Severe (D2), Extreme (D3) and Exceptional (D4).

While many entities consult the Drought Monitor for drought information, drought declarations are made by federal, [state](#) and local agencies that may or may not use the Drought Monitor to inform their decisions. Some of the ways USDA uses it to determine a producer's eligibility for certain [drought assistance programs](#), like the [Livestock Forage Disaster Program](#) and [Emergency Haying or Grazing on Conservation Reserve Program acres](#) and to "fast-track" [Secretarial drought disaster designations](#).

Fact #2 - U.S. Drought Monitor is made with more than precipitation data.

When you think about drought, you probably think about water, or the lack of it. Precipitation plays a major role in the creation of the Drought Monitor, but the map's author considers [numerous indicators](#), including [drought impacts](#) and local insight from over 450 expert observers around the country. Authors use several dozen indicators to assess drought, including precipitation, streamflow, reservoir levels, temperature and evaporative demand, soil moisture and vegetation health. Because the drought monitor depicts both short and long-term drought conditions, the authors must look at data for multiple timeframes. The final map produced each week represents a summary of the story being told by all the pieces of data. To help tell that story, authors don't just look at data. They converse over the course of the map-making week with experts across the country and draw information about drought impacts from media reports and private citizens.

Fact #3 - A real person, using real data, updates the map.

Each week's map author, not a computer, processes and analyzes data to update the drought monitor. The [map authors](#) are trained climatologists or meteorologists from the National Drought Mitigation Center at the University of Nebraska-Lincoln (the academic partner and website host of the Drought Monitor), the National Oceanic and Atmospheric Administration and USDA. The author's job is to do what a computer can't – use their expertise to reconcile the sometimes-conflicting stories told by each stream of data into a single assessment.

Fact #4 - The Drought Monitor provides a current snapshot, not a forecast.



The Drought Monitor is a “snapshot” of conditions observed during the most recent week and builds off the previous week’s map. The map is released on Thursdays and depicts conditions based on data for the week that ended the preceding Tuesday. Rain that falls on the Wednesday just before the USDM’s release won’t be reflected until the next map is published. This provides a consistent, week-to-week product and gives the author a window to assess the data and come up with a final map.

Fact #5 – Your input can be part of the drought-monitoring process.

State climatologists and other trained observers in the drought monitoring network relay on-the-ground information from numerous sources to the US Drought monitor author each week. That can include information that you contribute.

The Drought Monitor serves as a trigger for multiple forms of federal disaster relief for agricultural producers, and sometimes producers contact the author to suggest that drought conditions in their area are worse than what the latest drought monitor shows. When the author gets a call like that, it prompts them to look closely at all available data for that area, to see whether measurements of precipitation, temperature, soil moisture and other indicators corroborate producer-submitted reports. This is the process that authors follow whether they receive one report or one hundred reports, although reports from more points may help state officials and others know where to look for impacts.

There are multiple ways to contribute your observations:

1. **Talk to your state climatologist** - Find the current list at the [American Association of State Climatologists](#) website.
2. **Email** - Emails sent to droughtmonitor@unl.edu inform the USDM authors.
3. **Become a CoCoRaHS observer** - Submit drought reports along with daily precipitation observations to the [Community Collaborative Rain, Hail & Snow Network](#).
4. **Submit Condition Monitoring Observer Reports (CMOR)** - go.unl.edu/CMOR.

For more information, read our [Ask the Expert blog with a NDMC climatologist](#) or visit farmers.gov/protection-recovery.

We Are Hiring!



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