### **News & Updates from the Iowa Farm Service Agency**

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News & Updates from the Iowa Farm Service Agency - May 26, 2022

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### From the Desk of Matt Russell, State Executive Director

I can't believe I'm finishing up my sixth month serving in the Biden-Harris Administration as Iowa's FSA State Executive Director. This position in public service is an opportunity of a lifetime. The most awesome aspect of this job, that hits me every day, is the opportunity to help develop agricultural leadership.

In the face of continued historic challenges on a global scale, the lowa farming community is leaning into solutions. I'm blessed to be working with over 600 FSA employees who have problem solving built into their DNA. The Biden-Harris Administration continues to provide programs and program innovations focused on empowering lowa farmers to overcome the challenges we face. The recent livestock and disaster programs for weather related losses incurred in 2020 and 2021 are examples of how USDA, working with congress, provides resources for lowa farming families.

There are also efforts to help farmers make changes in their operations to help advance agricultural solutions to some really big challenges faced by everyone, especially related to food, fiber, energy, and the environment.

Just today, Secretary Vilsack announced at the Senate Agriculture Committee that USDA is making some changes to expiring CRP contracts to allow farmers to begin accessing their land after August 1 instead of

waiting until October 1. This will give farmers more flexibility to allow for things like better establishment of a winter wheat crop or to better prepare the land for spring planting.

Working with farmers and agricultural groups, Secretary Vilsack and his team continue to develop strategies for farmers to be more creative on their farms, such as working with RMA to encourage strategies like double cropping.

All of these changes require people in our county offices who can work with lowa farmers. Together, we're implementing the programs Americans support to help our farmers lead. And we need more of these agricultural leaders. We have a <u>job announcement</u> open until Monday for a new class for our County Executive Director Training program. These are the men and women who will manage our county offices. Take a look at this <u>announcement</u>. Share it with family and friends. Help us identify and recruit the next generation of agricultural leaders who will manage our local FSA team members.

The global challenges we face will continue to create larger opportunities for agricultural solutions. That means more leadership from lowa farmers. More leadership from our rural communities. And more leadership from the public servants at USDA.

## USDA Announces Additional Flexibilities to Help Address Threats to Global Food Security

USDA is giving producers with expiring CRP acres options for returning their land to production and boosting food supplies, consider organic practices, or continuing conservation efforts.

The U.S. Department of Agriculture (USDA) will allow Conservation Reserve Program (CRP) participants who are in the final year of their CRP contract to request voluntary termination of their CRP contract following the end of the primary nesting season for fiscal year 2022 (which in Iowa is August 1, 2022). Participants approved for this one-time, voluntary termination will not have to repay rental payments, a flexibility implemented this year to help mitigate the global food supply challenges caused by the Russian invasion of Ukraine and other factors. Today, USDA also announced additional flexibilities for the Environmental Quality Incentives Program (EQIP) and Conservation Stewardship Program (CSP).

FSA is <u>mailing letters to producers</u> with expiring acres that detail this flexibility and share other options, such as re-enrolling sensitive acres in the CRP Continuous signup and considering growing organic crops. Producers will be asked to make the request for voluntary termination in writing through their local USDA <u>Service Center</u>.

If approved for voluntary termination, preparations in lowa can occur after August 1, 2022, the conclusion of the <u>primary nesting season</u>. Producers will then be able to hay, graze, begin land preparation activities and plant a fall-seeded crop before October 1, 2022. For land in colder climates, this flexibility may allow for better establishment of a winter wheat crop or better prepare the land for spring planting.

#### **Organic Considerations**

Since CRP land typically does not have a recent history of pesticide or herbicide application, USDA is encouraging producers to consider organic production. USDA's Natural Resources Conservation Service (NRCS) provides technical and financial assistance to help producers plan and implement conservation practices, including those that work well for organic operations, such as pest management and mulching. Meanwhile, FSA offers cost-share for certification costs and other fees.

#### Other CRP Options

Participants can also choose to enroll all or part of their expiring acres into the Continuous CRP signup for 2022. Important conservation benefits may still be achieved by re-enrolling sensitive acres such as buffers or wetlands. Expiring water quality practices such as filter strips, grass waterways, and riparian buffers may be eligible to be reenrolled under the Clean Lakes, Estuaries, and Rivers (CLEAR) and CLEAR 30 options under CRP.

Additionally, expiring continuous CRP practices such as shelterbelts, field windbreaks, and other buffer practices may also be re-enrolled to provide benefits for organic farming operations.

If producers are not planning to farm the land from their expiring CRP contract, the Transition Incentives Program (TIP) may also provide them two additional annual rental payments after their contract expires on the condition that they sell or rent their land to a beginning or veteran farmer or rancher or a member of a socially disadvantaged group.

Producers interested in the Continuous CRP signup, CLEAR 30, or TIP should contact FSA by Aug. 5, 2022.

#### **NRCS Conservation Programs**

USDA also encourages producers to consider NRCS conservation programs, which help producers integrate conservation on croplands, grazing lands and other agricultural landscapes. EQIP and CSP can help producers plant cover crops, manage nutrients and improve irrigation and grazing systems. Additionally, the Agricultural Conservation Easement Program (ACEP), or state or private easement programs, may be such an option. In many cases, a combination of approaches can be taken on the same parcel. For example, riparian areas or other sensitive parts of a parcel may be enrolled in continuous CRP and the remaining land that is returned to farming can participate in CSP or EQIP and may be eligible to receive additional ranking points.

#### Other Flexibilities to Support Conservation

Additionally, NRCS is also offering a new flexibility for EQIP and CSP participants who have cover cropping including in their existing contracts. NRCS will allow participants to either modify their plans to plant a cover crop (and instead shift to a conservation crop rotation) or delay their cover crop plans a year, without needing to terminate the existing contract. This will allow for flexibility to respond to market signals while still ensuring the conservation benefits through NRCS financial and technical assistance for participating producers.

#### **More Information**

Producers and landowners can learn more about these options by contacting FSA and NRCS at their local USDA Service Center.

USDA touches the lives of all Americans each day in so many positive ways. In the Biden-Harris Administration, USDA is transforming America's food system with a greater focus on more resilient local and regional food production, fairer markets for all producers, ensuring access to safe, healthy and nutritious food in all communities, building new markets and streams of income for farmers and producers using climate smart food and forestry practices, making historic investments in infrastructure and clean energy capabilities in rural America, and committing to equity across the Department by removing systemic barriers and building a workforce more representative of America. To learn more, visit <a href="https://www.usca.gov">usca.gov</a>.

# USDA to Provide \$6 billion to Commodity and Specialty Crop Producers Impacted by 2020 and 2021 Natural Disasters

The U.S. Department of Agriculture (USDA) has announced that commodity and specialty crop producers impacted by natural disaster events in 2020 and 2021 will soon begin receiving emergency relief payments totaling approximately \$6 billion through the Farm Service Agency's (FSA) new <a href="Emergency Relief Program"><u>Emergency Relief Program</u></a> (ERP) to offset crop yield and value losses.

#### **Background**

On September 30, 2021, President Biden signed into law the *Extending Government Funding and Delivering Emergency Assistance Act* (P.L. 117-43), which includes \$10 billion in assistance to agricultural producers impacted by wildfires, droughts, hurricanes, winter storms, and other eligible disasters experienced during calendar years 2020 and 2021. FSA recently made payments to ranchers impacted by drought and wildfire

through the first phase of the Emergency Livestock Relief Program (ELRP). ERP is another relief component of the Act.

For impacted producers, existing <u>Federal Crop Insurance</u> or <u>Noninsured Crop Disaster Assistance</u> <u>Program</u> (NAP) data is the basis for calculating initial payments. USDA estimates that phase one ERP benefits will reach more than 220,000 producers who received indemnities for losses covered by federal crop insurance and more than 4,000 producers who obtained NAP coverage for 2020 and 2021 crop losses.

#### **ERP Eligibility - Phase One**

ERP covers losses to crops, trees, bushes, and vines due to a qualifying natural disaster event in calendar years 2020 and 2021. Eligible crops include all crops for which crop insurance or NAP coverage was available, except for crops intended for grazing. Qualifying natural disaster events include wildfires, hurricanes, floods, derechos, excessive heat, winter storms, freeze (including a polar vortex), smoke exposure, excessive moisture, qualifying drought, and related conditions.

For drought, ERP assistance is available if any area within the county in which the loss occurred was rated by the U.S. Drought Monitor as having a:

- D2 (severe drought) for eight consecutive weeks; or
- D3 (extreme drought) or higher level of drought intensity.

Lists of 2020 and 2021 drought counties eligible for ERP is available on the emergency relief website.

To streamline and simplify the delivery of ERP phase one benefits, FSA will send pre-filled application forms to producers where crop insurance and NAP data are already on file. This form includes eligibility requirements, outlines the application process and provides ERP payment calculations. Producers will receive a separate application form for each program year in which an eligible loss occurred. Receipt of a pre-filled application is not confirmation that a producer is eligible to receive an ERP phase one payment.

Additionally, producers must have the following forms on file with FSA within 60 days of the ERP phase one deadline, which will later be announced by FSA's Deputy Administrator for Farm Programs:

- Form AD-2047, Customer Data Worksheet.
- Form CCC-902, Farm Operating Plan for an individual or legal entity.
- Form CCC-901, *Member Information for Legal Entities* (if applicable).
- Form FSA-510, Request for an Exception to the \$125,000 Payment Limitation for Certain Programs (if applicable).
- Form CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification, if applicable, for the 2021 program year.
- A highly erodible land conservation (sometimes referred to as HELC) and wetland conservation certification (Form AD-1026 Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification) for the ERP producer and applicable affiliates.

Most producers, especially those who have previously participated in FSA programs, will likely have these required forms on file. However, those who are uncertain or want to confirm the status of their forms can contact their <u>local FSA county office</u>.

#### **ERP Payment Calculations - Phase One**

For crops covered by crop insurance, the ERP phase one payment calculation for a crop and unit will depend on the type and level of coverage obtained by the producer. Each calculation will use an ERP factor based on the producer's level of crop insurance or NAP coverage.

• **Crop Insurance** – the ERP factor is 75% to 95% depending on the level of coverage ranging from catastrophic to at least 80% coverage.

• **NAP** – the ERP factor is 75% to 95% depending on the level of coverage ranging from catastrophic to 65% coverage.

Full ERP payment calculation factor tables are available on the emergency relief website and in the program <u>fact</u> sheet.

Applying ERP factors ensures that payments to producers do not exceed available funding and that cumulative payments do not exceed 90% of losses for all producers as required by the Act.

Also, there will be certain payment calculation considerations for area plans under crop insurance policies.

The ERP payment percentage for historically underserved producers, including beginning, limited resource, socially disadvantaged, and veteran farmers and ranchers will be increased by 15% of the calculated payment for crops having insurance coverage or NAP.

To qualify for the higher payment percentage, eligible producers must have a CCC-860, *Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification*, form on file with FSA for the 2021 program year.

Because the amount of loss due to a qualifying disaster event in calendar years 202 and 2021 cannot be separated from the amount of loss caused by other eligible causes of loss as defined by the applicable crop insurance or NAP policy, the ERP phase one payment will be calculated based on the producer's loss due to all eligible causes of loss.

#### **Future Insurance Coverage Requirements**

All producers who receive ERP phase one payments, including those receiving a payment based on crop, tree, bush, or vine insurance policies, are statutorily required to purchase crop insurance, or NAP coverage where crop insurance is not available, for the next two available crop years, as determined by the Secretary. Participants must obtain crop insurance or NAP, as may be applicable:

- At a coverage level equal to or greater than 60% for insurable crops; or
- At the catastrophic level or higher for NAP crops.

Coverage requirements will be determined from the date a producer receives an ERP payment and may vary depending on the timing and availability of crop insurance or NAP for a producer's particular crops. The final crop year to purchase crop insurance or NAP coverage to meet the second year of coverage for this requirement is the 2026 crop year.

#### **Emergency Relief – Phase Two (Crop and Livestock Producers)**

Today's announcement is only phase one of relief for commodity and specialty crop producers. Making the initial payments using existing safety net and risk management data will both speed implementation and further encourage participation in these permanent programs, such as Federal crop insurance, as Congress intended.

The second phase of both ERP and ELRP programs will fill gaps and cover producers who did not participate in or receive payments through the existing programs that are being leveraged for phase one implementation. When phase one payment processing is complete, the remaining funds will be used to cover gaps identified under phase two.

Through proactive communication and outreach, USDA will keep producers and stakeholders informed as program details are made available. More information on ERP can be found in the <a href="Notice of Funding Availability">Notice of Funding Availability</a>.

#### **Additional Commodity Loss Assistance**

The Milk Loss Program and On-Farm Stored Commodity Loss Program are also funded through the *Extending Government Funding and Delivering Emergency Assistance Act* and will be announced in a future rule in the Federal Register.

#### **More Information**

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

# USDA Accepting Applications to Help Cover Costs of Organic, Transitioning Producers



Agricultural producers and handlers who are certified organic, along with producers and handlers who are transitioning to organic production, can now apply for the U.S. Department of Agriculture's (USDA) <u>Organic and Transitional Education Certification Program</u> (OCCSP) and <u>Organic Certification Cost Share Program</u> (OCCSP), which help producers and handlers cover the cost of organic certification, along with other related expenses. Applications for OTECP and OCCSP are both due October 31, 2022.

#### OTECP covers:

- Certification costs for organic producers and handlers (25% up to \$250 per category).
- Eligible expenses for transitional producers, including fees for pre-certification inspections and development of an organic system plan (75% up to \$750).
- Registration fees for educational events (75% up to \$200).
- Soil testing (75% up to \$100).

Meanwhile, OCCSP covers 50% or up to \$500 per category of certification costs in 2022.

This cost share for certification is available for each of these categories: crops, wild crops, livestock, processing/handling and State organic program fees.

Producers can receive cost share through both OTECP and OCCSP. Both OTECP and OCCSP cover costs incurred from October 1, 2021, to September 30, 2022. Producers have until October 31, 2022 to file applications, and FSA will make payments as applications are received.

To apply, producers and handlers should contact the Farm Service Agency (FSA) at their local USDA Service Center. As part of completing the OCCSP applications, producers and handlers will need to provide documentation of their organic certification and eligible expenses. Organic producers and handlers may also apply for OCCSP through participating State agencies.

Additional details can be found on the OTECP and OCCSP webpages.

# **Actively Engaged Provisions for Non-Family Joint Operations or Entities**

Many Farm Service Agency (FSA) programs require all program participants, either individuals or legal entities, to be "actively engaged in farming." This means participants provide a significant contribution to the farming operation, whether it is capital, land, equipment, active personal labor and/or management. For entities, each partner, stockholder or member with an ownership interest, must contribute active personal labor and/or management to the operation on a regular basis that is identifiable and documentable as well as separate and distinct from contributions of any other member. Members of joint operations must have a share of the profits or losses from the farming operation commensurate with the member's contributions to the operation and must make contributions to the farming operation that are at risk for a loss, with the level of risk being commensurate with the member's claimed share on the farming operation.

Joint operations comprised of non-family members or partners, stockholders or persons with an ownership in the farming operation must meet additional payment eligibility provisions. Joint operations comprised of family members are exempt from these additional requirements. For 2016 and subsequent crop years, non-family joint operations can have one member that may use a significant contribution of active personal management exclusively to meet the requirements to be determined "actively engaged in farming." The person or member will be defined as the farm manager for the purposes of administering these management provisions.

Non-family joint operations may request to add up to two additional managers for their farming operation based on the size and/or complexity of the operation. If additional farm managers are requested and approved, all members who contribute management are required to complete form CCC-902MR, *Management Activity Record*. The farm manager should use the form to record management activities including capital, labor and agronomics, which includes crop selection, planting decisions, acquisition of inputs, crop management and marketing decisions. One form should be used for each month and the farm manager should enter the number of hours of time spent for each activity under the date of the month the actions were completed. The farm manager must also document if each management activity was completed on the farm or remotely.

The records and supporting business documentation must be maintained and timely made available for review by the appropriate FSA reviewing authority, if requested.

If the farm manager fails to meet these requirements, their contribution of active personal management to the farming operation for payment eligibility purposes will be disregarded and their payment eligibility status will be re-determined for the applicable program year.

In some instances, additional persons or members of a non-family member joint operation who meet the definition of farm manager may also be allowed to use such a contribution of active personal management to meet the eligibility requirements. However, under no circumstances may the number of farm managers in a non-family joint operation exceed a total of three in any given crop and program year.

# **USDA Reminds Producers Considering Broadcast Seeding** of Crop Insurance Options



The U.S. Department of Agriculture (USDA) reminds agricultural producers of the option to request an Unrated Practice or Type (TP) written agreement through their insurance company to insure broadcast seeded crops when the policy prohibits the practice or is unavailable for the crop in the county. The broadcast practice may be suitable when producers are delayed from planting timely because of cold, wet weather during the planting period.

If the requirements of a written agreement request are met, broadcast seeding may be made insurable under the non-conventional practice, which is a crop that is planted in a two-step operation:

- the seed is first broadcast by any method onto the surface of a seedbed, which has been properly prepared for the planting method and production practice; and
- the seed is subsequently incorporated into the soil at the proper depth in a timely manner.

**Read More** 

## **Applying for FSA Direct Loans**

FSA offers direct farm ownership and direct farm operating loans to producers who want to establish, maintain, or strengthen their farm or ranch. Direct loans are processed, approved and serviced by FSA loan officers.

Direct farm operating loans can be used to purchase livestock and feed, farm equipment, fuel, farm chemicals, insurance, and other costs including family living expenses. Operating loans can also be used to finance minor improvements or repairs to buildings and to refinance some farm-related debts, excluding real estate.

Direct farm ownership loans can be used to purchase farmland, enlarge an existing farm, construct and repair buildings, and to make farm improvements.

The maximum loan amount for direct farm ownership loans is \$600,000 and the maximum loan amount for direct operating loans is \$400,000 and a down payment is not required. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

Please contact your local FSA office for more information or to apply for a direct farm ownership or operating loan.

### **USDA NASS Seeking Input from Farmers**

USDA's National Agricultural Statistics Service (NASS) is conducting major mid-year surveys that will collect information from farmers on 2022 planted acreage, current grain stocks, livestock inventories, and the value of land. Results on crop acreage and grain stocks will be published by NASS on June 30.

To obtain the most accurate data, NASS will be seeking input from over 4,500 producers across the state between May 21 and June 15 on the June Agricultural Survey and the June Area Survey. NASS gathers the data for the June Agricultural Survey online at <a href="majorage-agcounts.usda.gov">agcounts.usda.gov</a>, by mail, phone and in-person interview. For the June Area Survey, agency representatives visit randomly selected tracts of land and interview the operators of any farm or ranch on that land by phone or in-person.

By taking a few minutes to participate, selected producers will not only help NASS provide data that levels the playing field for all farmers as they develop marketing plans for the year, giving them access to the same information as grain buyers, packers, and input suppliers, but also help provide the information used by many USDA conservation, loan, and support programs that farmers rely on.

Information provided by producers is kept strictly confidential, as required by federal law. NASS safeguards the privacy of all responses and publishes only state-level and national-level results, ensuring that no individual producer can be identified.

Results from the mid-year surveys will be published in a series of USDA reports, including the annual *Acreage* report and quarterly *Grain Stocks* report, both released on June 30, 2022. All reports will be made available on the NASS website at <a href="https://www.nass.usda.gov">www.nass.usda.gov</a>.

If you have any questions about how to complete a survey from the NASS, please call 800-772-0825.

## Maintaining ARC/PLC Acreage

If you're enrolled in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs, you must protect all cropland and noncropland acres on the farm from wind and water erosion and noxious weeds. By signing ARC county or individual contracts and PLC contracts, you agree to effectively control noxious weeds on the farm according to sound agricultural practices. If you fail to take necessary actions to correct a maintenance problem on your farm that is enrolled in ARC or PLC, the County Committee may elect to terminate your contract for the program year.

## **Applying for Youth Loans**

The Farm Service Agency (FSA) makes loans to youth to establish and operate agricultural income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5,000.

#### Youth Loan Eligibility Requirements:

- 1. Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- 2. Be 10 years to 20 years of age
- 3. Comply with FSA's general eligibility requirements

- 4. Be unable to get a loan from other sources
- 5. Conduct a modest income-producing project in a supervised program of work as outlined above
- 6. Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the youth loan applicant, along with providing adequate supervision.

For help preparing the application forms, contact your County USDA Service Center or visit fsa.usda.gov.

### **Showcase Your Season with #Plant2022**

This planting season let's highlight the innovation and leadership demonstrated by conservation-minded farmers in our #Plant2022 campaign. We'll share your photos and stories on social media, blogs, and a nationwide story map.

Learn more (https://go.usa.gov/xuTqj)



# **Upcoming Events**

June 1, 2022	lowa Learning Farms Field Day  Redefining the Field Edge to Improve  Profitability, Wildlife Habitat and Water
	<b>Quality.</b> 5:30 - 7:30 p.m. near Manson, IA. More info.
June 6-7, 2022	lowa Veterans Entrepreneurship Conference
	This event will take place on <b>June 6-7</b> , <b>2022</b> at the Gateway Hotel & Conference
	Center in Ames, IA. The lowa Veteran's Entrepreneurship Conference, co-hosted by
	Home Base Iowa, America's Small Business
	Development Center (SBDC) lowa and the
	lowa State University Pappajohn Center for
	Entrepreneurship, offers workshops and resources for Veterans and their families
	who are considering starting a business,
	want to grow an existing business, or simply
	hope to learn and connect.The conference
	will help you to acquire powerful new skills to
	achieve your next level of entrepreneurial

	success. You will go away with an all-new community of friends, supporters and valuable connections. More info
June 24, 2022	Iowa Organic Association Field Day  The Iowa Organic Association (IOA) will be kicking off their Field Day season with a visit to Organic Greens, in Kalona, IA from 9 am - 1 pm. More information.

# **Iowa Farm Service Agency**

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