USDA Farm Service Agency
U.S. DEPARTMENT OF AGRICULTURE

News & Updates from the Iowa Farm Service Agency - October 27, 2022

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From the Desk of Matt Russell, State Executive Director

This week, I’m finishing up my 11th month at the desk that six State Executive Directors have occupied before me since 1985. I am full of fire for what is possible in the next couple of years. I’m working with 600 Iowa FSA career employees, my fellow SEDS from every state, and thousands of fellow USDA leaders who all believe in our mission to help keep American farmers on their farms. It’s what we do. It’s who we are.

This is personal for me. I grew up on a farm that had the rug pulled out from under us. My parents’ bank failed in the 1980s. I remember the several months that I assumed we were not going to be able to stay on the farm. I assumed that so much of what I considered a core part of my identity was going to be taken away. It wasn’t. My parents got refinanced through the Farmers Home Administration of USDA, the predecessor of our current Farm Loan Program at FSA. Because of the mission of USDA to keep farmers on their farms, I got to graduate with my high school class of 28, of which 21 of us started kindergarten together. I got to continue to show my livestock at the county fair. I got to be on the Cass County 4-H Youth Council.

Today, in addition to operating my own farm with my spouse, I’m also helping my parents, as they move into retirement, to manage their farm which includes what was once my grandparents’ farm. I’m also well into my second decade of working off the farm in helping to advance Iowa agricultural leadership. I’m sitting at a desk that political appointees from both parties have sat in since my parents got the USDA loan in 1985. I’m honored to be serving alongside an amazing Iowa FSA team who help keep farmers like me and my parents and my grandparents on their farms. I’m also working for an administration that is deeply committed to inviting new people into farming and inviting back to farming those people whose families used to farm.

Last week USDA delivered a historic investment in keeping farmers on their farms through the Inflation Reduction Act passed by Congress in August. Secretary Vilsack announced that almost $800 million in debt relief had been provided to help distressed borrowers. That’s a big number. But it’s a relatively small number compared to our entire Farm Loan Program portfolio of just over $33 billion. In Iowa we provided just over $8 million of relief in an entire loan portfolio of over $2.5 billion. Our Iowa FSA Farm Loan team is doing a great job in providing the support farmers need and that American taxpayers expect them to deliver.

This debt relief is also part of larger investments Americans have been making in our farmers. Iowa farmers have had several years of challenges including disruptions related to trade, weather, a global pandemic, input costs, and the Russian invasion of Ukraine. The Biden-Harris Administration, working with Congress, has been making vital investments in a wide range of programs to support farmers, ranchers, and rural communities.

I know from experience that when Congress and USDA work together these investments are not just about a farming operation. These are investments in future leadership. I'm the direct beneficiary of that investment. I'm now helping to deliver USDA programs that are helping to foster future agricultural leaders. I'm grateful to be on a team that is redoubling our efforts to help keep farmers on their farms and welcome new farmers to their own farms.

Matt

USDA Provides Payments of Nearly $800 Million in Assistance to Help Keep Farmers Farming

USDA announced that distressed borrowers with qualifying USDA farm loans have already received nearly $800 million in assistance, as part of the $3.1 billion in assistance for distressed farm loan borrowers provided through Section 22006 of the Inflation Reduction Act (IRA). The IRA directed USDA to expedite assistance to distressed borrowers of direct or guaranteed loans administered by USDA's Farm Service Agency (FSA) whose operations face financial risk.

Today's announcement kicks off a process to provide assistance to distressed farm loan borrowers using several complementary approaches, with the goal of keeping them farming, removing obstacles that currently prevent many of these borrowers from returning to farming, and improving the way that USDA approaches borrowing and servicing. Through this assistance, USDA is focused on generating long-term stability and success for distressed borrowers.

Work has already started to bring some relief to distressed farmers. As of today, over 13,000 borrowers have already benefited from the resources provided under the Inflation Reduction Act as follows:

- Approximately 11,000 delinquent direct and guaranteed borrowers had their accounts brought current. USDA also paid the next scheduled annual installment for these direct loan borrowers giving them peace of mind in the near term.
- Approximately 2,100 borrowers who had their farms foreclosed on and still had remaining debt have had this debt resolved in order to cease debt collections and garnishment relieving that burden that has made getting a fresh start more difficult.

In addition to the automatic assistance already provided, USDA has also outlined steps to administer up to an additional $500 million in payments to benefit the following distressed borrowers:

- USDA will administer $66 million in separate automatic payments, using COVID-19 pandemic relief funds, to support up to 7,000 direct loan borrowers who used FSA's disaster-set-aside option during the pandemic to move their scheduled payments to the end of their loans.
- USDA is also initiating two case-by-case processes to provide additional assistance to farm loan borrowers. Under the first new process, FSA will review and assist with delinquencies from 1,600 complex cases, including cases in which borrowers are facing bankruptcy or foreclosure. The second new process will add a new option using existing direct loan servicing criteria to intervene more

quickly and help an estimated 14,000 financially distressed borrowers who request assistance to avoid even becoming delinquent.

More details on each of the categories of assistance, including a downloadable fact sheet, are available on the Inflation Reduction Act webpage on farmers.gov.

Similar to other USDA assistance, all of these payments will be reported as income and borrowers are encouraged to consult their tax advisors. USDA also has resources and partnerships with cooperators who can provide additional assistance and help borrowers navigate the process.

The announcement today is only the first step in USDA's efforts to provide assistance to distressed farm loan borrowers and respond to farmers and to improve the loan servicing efforts at USDA by adding more tools and relaxing unnecessary restrictions. Additional announcements and investments in assistance will be made as USDA institutes these additional changes and improvements.

This effort will ultimately also include adding more tools and relaxing unnecessary restrictions through assistance made possible by Congress through the IRA. Further assistance and changes to the approach will be made in subsequent phases.

Background

USDA provides access to credit to approximately 115,000 producers who cannot obtain sufficient commercial credit through direct and guaranteed farm loans, which do not include farm storage facility loans or marketing assistance loans. With the funds and direction Congress provided in Section 22006 of IRA, USDA is taking action to immediately provide relief to qualifying distressed borrowers whose operations are at financial risk while working on making transformational changes to how USDA goes about loan servicing in the long run so that borrowers are provided the flexibility and opportunities needed to address the inherent risks and unpredictability associated with agricultural operations and remain in good financial standing.

In January 2021, USDA suspended foreclosures and other adverse actions on direct farm loans due to the pandemic and encouraged guaranteed lenders to follow suit. Last week, USDA reiterated this request to guaranteed lenders to provide time for the full set of IRA distressed borrower assistance to be made available before lenders take irreparable actions.

Producers can explore available loan options using the Farm Loan Discovery Tool on farmers.gov (also available in Spanish) or by contacting their local USDA Service Center. Producers can also call the FSA call center at 877-508-8364 between 8 a.m. and 7 p.m. Eastern. USDA has tax-related resources available at farmers.gov/taxes.

Farmers Can Now Make 2023 Crop Year Elections, Enroll in Agriculture Risk Coverage and Price Loss Coverage Programs

Agricultural producers can now change election and enroll in the Agriculture Risk Coverage (ARC) and Price Loss Coverage programs for the 2023 crop year, two key safety net programs offered by the U.S. Department of Agriculture (USDA). Signup began Monday, and producers have until March 15, 2023, to enroll in these two programs. Additionally, USDA's Farm Service Agency (FSA) has started issuing payments totaling more than $255 million to producers with 2021 crops that have triggered payments through ARC or PLC.

2023 Elections and Enrollment

Producers can elect coverage and enroll in ARC-County (ARC-CO) or PLC, which provide crop-by-crop protection, or ARC-Individual (ARC-IC), which protects the entire farm. Although election changes for 2023 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 2023, they must sign a new contract.

If producers do not submit their election by the March 15, 2023 deadline, their election remains the same as their 2022 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 that allows producers to obtain basic information regarding the decision and factors that should be taken into consideration such as future commodity prices and historic yields to estimate payments for 2022.

2021 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 2021 ARC-CO, ARC-IC and PLC for covered commodities that triggered for the crop year.

For ARC-CO, producers can view the [2021](#) 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 rapeseed and peanuts.

For ARC-IC, producers should contact their local FSA office for additional information pertaining to 2021 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

In 2021, producers signed nearly 1.8 million ARC or PLC contracts, and 251 million out of 273 million base acres were enrolled in the programs. For the 2022 crop year signed contracts surpassed 1.8 million, to be paid in the fall of 2023, if a payment triggers.

Since ARC and PLC were first authorized by the 2014 Farm Bill and reauthorized by the 2018 Farm Bill, these safety-net programs have paid out more than $34.9 billion to producers of covered commodities.

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.

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

USDA Urges Producers to Submit Applications for 2022 Grazing Loss Assistance

The U.S. Department of Agriculture (USDA) reminds ranchers and livestock producers that they may be eligible for financial assistance through the Livestock Forage Disaster Program (LFP) 2022 grazing losses due to a qualifying drought. The deadline to apply for 2022 LFP assistance is Jan. 30, 2023.

For the 2022 program year, 36 counties in Iowa have met drought severity levels that trigger LFP eligibility. For LFP, qualifying drought triggers are determined using the U.S. Drought Monitor. Visit the FSA LFP webpage for a list of eligible counties and grazing crops.

LFP provides payments to eligible livestock producers and contract growers who also produce forage crops for grazing and suffered losses due to a qualifying drought or fire during the normal grazing period for the county. Eligible livestock include alpacas, beef cattle, buffalo/bison, beefalo, dairy cattle, deer, elk, emus, equine, goats, llamas, reindeer or sheep that have been or would have been grazing the eligible grazing land or pastureland during the normal grazing period.

To expedite the application process, producers are encouraged to gather and submit records documenting 2022 losses. Supporting documents may include information related to grazing leases, contract grower agreements, and more.

More Information

LFP is part of a broader suite of disaster assistance available through USDA.

The Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP), which also has a Jan. 30, 2023, deadline, provides eligible producers with compensation for certain feed losses not covered by LFP as well as assistance with transporting water to livestock, feed and livestock transportation expenses.

Additional disaster assistance information can be found on farmers.gov, including the Farmers.gov Drought Webpage, Disaster Assistance Discovery Tool, Disaster-at-a-Glance fact sheet, and Farm Loan Discovery Tool.

USDA Launches Loan Assistance Tool to Enhance Equity and Customer Service

Access the Loan Assistance Tool by Visiting Farmers.gov

The U.S. Department of Agriculture (USDA) launched a new online tool to help farmers and ranchers better navigate the farm loan application process. This uniform application process will help to ensure all farm loan applicants receive equal support and have a consistent customer experience with USDA's Farm Service Agency (FSA) regardless of their individual circumstances.

USDA experiences a high rate of incomplete or withdrawn applications, particularly among underserved customers, due in part to a challenging and lengthy paper-based application process. The Loan Assistance Tool is available 24/7 and gives customers an online step-by-step guide that supplements the support they receive when working in person with a USDA employee, providing materials that may help an applicant prepare their loan application in one tool.

Farmers can access the Loan Assistance Tool by visiting farmers.gov/farm-loan-assistance-tool and clicking the 'Get Started' button. From here they can follow the prompts to complete the Eligibility Self-Assessment and start the farm loan journey. The tool is built to run on any modern browser like Chrome, Edge, Firefox, or the Safari browser, and is fully functional on mobile devices. It does not work in Internet Explorer.

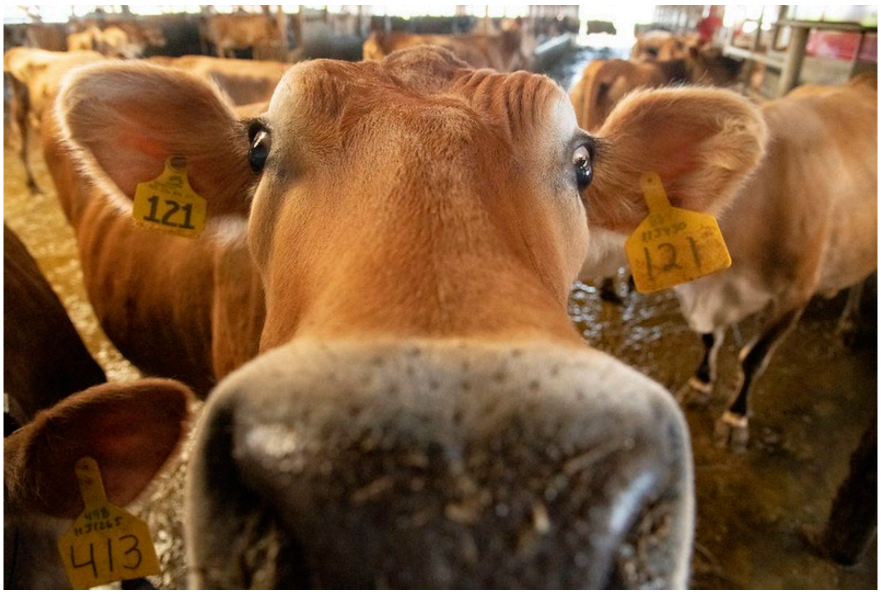
The Loan Assistance Tool is the first of multiple farm loan process improvements that will be available to USDA customers on farmers.gov in the future. Other improvements and tools that are anticipated to launch in 2023 include:

- A streamlined and simplified direct loan application, reduced from 29 pages to 13 pages.
- An interactive online direct loan application that gives customers a paperless and electronic signature option, along with the ability to attach supporting documents such as tax returns.
- An online direct loan repayment feature that relieves borrowers from the necessity of calling, mailing, or visiting a local Service Center to pay a loan installment.

Background

USDA provides access to credit to approximately 115,000 producers who cannot obtain sufficient commercial credit through direct and guaranteed farm loans. With the funds and direction Congress provided in Section 22006 of the Inflation Reduction Act, USDA is taking action to immediately provide relief to qualifying distressed borrowers whose operations are at financial risk while working on making transformational changes to loan servicing so that borrowers are provided the flexibility and opportunities needed to address the inherent risks and unpredictability associated with agricultural operations.

Dairy Producers Can Now Enroll for 2023 Signup for Dairy Margin Coverage



Dairy producers can now enroll for 2023 coverage through the Dairy Margin Coverage (DMC) Program, an important safety net program from the U.S. Department of Agriculture (USDA) that helps producers manage changes in milk and feed prices. Last year, USDA's Farm Service Agency (FSA) took steps to improve coverage, especially for small- and mid-sized dairies, including offering a new Supplemental DMC program and updating its feed cost formula to better address retroactive, current and future feed costs. These changes continue to support producers through this year's signup, which begins today and ends Dec. 9, 2022.

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.

So far in 2022, DMC payments to more than 17,000 dairy operations have triggered for August for more than $47.9 million. According to DMC margin projections, an indemnity payment is projected for September as well. At $0.15 per hundredweight for $9.50 coverage, risk coverage through DMC is a relatively inexpensive investment.

DMC offers different levels of coverage, even an option that is free to producers, aside from a $100 administrative fee. Limited resource, beginning, socially disadvantaged or a military veteran farmers or ranchers are exempt from paying the administrative fee, if requested. To determine the appropriate level of DMC coverage for a specific dairy operation, producers can use the online dairy decision tool.

Supplemental DMC

Last year, USDA introduced Supplemental DMC, which provided $42.8 million in payments to better help small- and mid-sized dairy operations that had increased production over the years but were not able to enroll the additional production. Supplemental DMC is also available for 2023.

Supplemental DMC coverage is applicable to calendar years 2021, 2022 and 2023. Eligible dairy operations with less than 5 million pounds of established production history may enroll supplemental pounds.

For producers who enrolled in Supplemental DMC in 2022, the supplemental coverage will automatically be added to the 2023 DMC contract that previously established a supplemental production history.

Producers who did not enroll in Supplemental DMC in 2022 can do so now. Producers should complete their Supplemental DMC enrollment before enrolling in 2023 DMC. To enroll, producers will need to provide their 2019 actual milk marketings, which FSA uses to determine established production history.

DMC Payments

Additionally, FSA will continue to calculate DMC payments 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 rather than 50%. The benefits of these feed cost adjustments were realized in the recent August 2022 margin payment as current high feed and premium hay costs were considered in payment calculations.

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

Webinar on USDA's Food Safety Certification for Specialty Crops Program

Expanding Market Access: Financial Assistance through USDA's Food Safety Certification for Specialty Crops (FSCSC) Program

Do you grow specialty crops on your farm or ranch? Have you sold less than $500,000 worth of specialty crops, each year, for the past three years? If so, Farm Service Agency (FSA), has a program to help reimburse you for a portion of the expenses associated with obtaining or renewing your on-farm food safety plan and certification! U.S. Department of Agriculture (USDA) is providing up to $200 million in assistance for specialty crop producers who incur eligible on-farm food safety program expenses to obtain or renew a food safety certification in calendar years 2022 or 2023.

Join this webinar to learn about Food Safety Certification guidelines for specialty crop growers, as well as program and eligibility details for the FSA Food Safety Certification for Specialty Crops (FSCSC) Program to help offset some of the costs associated with food safety certification expenses.

Target Audiences: Specialty Crop Growers and Stakeholder Organizations who Provide Support to Specialty Crop Growers

Day/Time: November 3, 2022, from 1-2 PM

Register in advance for this webinar: https://www.zoomgov.com/webinar/register/WN_v4FQsCFLROmC8ZvuZ73VrA

Application Deadline for Organic Programs Quickly Approaching

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) Organic and Transitional Education Certification Program (OTECP) and Organic Certification Cost Share Program (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.

Applying for Farm Storage Facility Loans

The Farm Service Agency's (FSA) Farm Storage Facility Loan (FSFL) program provides low-interest financing to help you build or upgrade storage facilities and to purchase portable (new or used) structures, equipment and storage and handling trucks.

Eligible commodities include corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley, minor oilseeds harvested as whole grain, pulse crops (lentils, chickpeas and dry peas), hay, honey, renewable biomass, fruits, nuts and vegetables for cold storage facilities, floriculture, hops, maple sap, rye, milk, cheese, butter, yogurt, meat and poultry (unprocessed), eggs, and aquaculture (excluding systems that maintain live animals through uptake and discharge of water). Qualified facilities include grain bins, hay barns and cold storage facilities for eligible commodities.

Loans up to $50,000 can be secured by a promissory note/security agreement, loans between $50,000 and $100,000 may require additional security, and loans exceeding $100,000 require additional security.

You do not need to demonstrate the lack of commercial credit availability to apply. The loans are designed to assist a diverse range of farming operations, including small and mid-sized businesses, new farmers, operations supplying local food and farmers markets, non-traditional farm products, and underserved producers.

For more information, contact your local County USDA Service Center or visit fsa.usda.gov/pricesupport.

Census Countdown Begins for Iowa's Farmers and Ranchers

Iowa's farmers and ranchers will soon have the opportunity to make a positive impact on their industry and communities by taking part in the 2022 Census of Agriculture. Conducted every five years by the U.S. Department of Agriculture's (USDA) National Agricultural Statistics Service (NASS), the Census is a complete count of all U.S. farms, ranches and those who operate them.

The 2022 Census of Agriculture will be mailed to producers in phases, starting with an invitation to respond online in late-November followed by paper questionnaires in December. Farm operations of all sizes, which produced and sold, or normally would have sold, $1,000 or more of agricultural product in 2022 are included in the ag census.

The Census remains the only source of uniform, comprehensive agricultural data for every county in the nation and looks at land use and ownership, operator characteristics, income and expenditures, production practices, as well as other topics.

Census information provides a collective voice for farmers and helps shape the future of the industry. Farm and commodity organizations, extension educators, agribusinesses, legislators at all levels of government, news media, and many others routinely use data from the ag census for a wide variety of purposes. They use the information to:

- Promote the agricultural industry and track trends.
- Formulate, evaluate, and propose policies and programs that help farmers.
- Identify services and determine where to locate facilities needed in rural communities.
- Allocate local and national funds for farm programs (including extension service projects, conservation programs, farm loan programs, beginning farmer programs, research, and land grant university funding).

Producers can complete their Census form online via a secure website at agcounts.usda.gov, or return their form by mail. Online reporting is fast and secure with time-saving features including pre-filled information from previously completed NASS surveys, drop menus, automatic calculations and the skipping of questions that do not apply to their operation. Federal law requires NASS to keep all individual information confidential. For more information about the 2022 Census of Agriculture, visit nass.usda.gov/AgCensus or call (800) 727-9540.

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