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New Look - Same Great Info

The Michigan Farm Service Agency Newsletter and Service Center Bulletins now have an updated format with the same important information and program updates to keep you informed. We sincerely hope you enjoy our new look.

USDA Expands and Renews Conservation Reserve Program in Effort to Boost Enrollment and Address Climate Change

USDA will open enrollment in the <u>Conservation Reserve Program</u> (CRP) with higher payment rates, new incentives, and a more targeted focus on the program's role in climate change mitigation. Additionally, USDA is announcing investments in partnerships to increase climate-smart agriculture, including \$330 million in 85 Regional Conservation Partnership Program (RCPP) projects and \$25 million for On-Farm Conservation Innovation Trials.



Conservation Reserve Program

USDA's goal is to enroll up to 4 million new acres in CRP by raising rental payment rates and expanding the number of incentivized environmental practices allowed under the program. CRP is one of the world's largest voluntary conservation programs with a long track record of preserving topsoil, sequestering carbon, and reducing nitrogen runoff, as well providing healthy habitat for wildlife.

CRP is a powerful tool when it comes to climate mitigation, and acres currently enrolled in the program mitigate more than 12 million metric tons of carbon dioxide equivalent (CO2e). If USDA reaches its goal of enrolling an additional 4 million acres into the program, it will mitigate an additional 3 million metric tons of

CO2 equivalent and prevent 90 million pounds of nitrogen and 33 million tons of sediment from running into our waterways each year.

New Climate-Smart Practice Incentive

To target the program on climate change mitigation, FSA is introducing a new **Climate-Smart Practice Incentive** for CRP general and continuous signups that aims to increase carbon sequestration and reduce greenhouse gas emissions. Climate-Smart CRP practices include establishment of trees and permanent grasses, development of wildlife habitat, and wetland restoration. The Climate-Smart Practice Incentive is annual, and the amount is based on the benefits of each practice type.

Higher Rental Rates and New Incentives

In 2021, CRP is capped at 25 million acres, and currently 20.8 million acres are enrolled. Furthermore, the cap will gradually increase to 27 million acres by 2023. To help increase producer interest and enrollment, FSA is:

- Adjusting soil rental rates. This enables additional flexibility for rate adjustments, including a possible increase in rates where appropriate.
- Increasing payments for Practice Incentives from 20% to 50%. This incentive for continuous CRP practices is based on the cost of establishment and is in addition to cost share payments.
- Increasing payments for water quality practices. Rates are increasing from 10% to 20% for certain water quality benefiting practices available through the CRP continuous signup, such as grassed waterways, riparian buffers, and filter strips.
- Establishing a CRP Grassland minimum rental rate. This benefits more than 1,300 counties with rates currently below the minimum.

To learn more about updates to CRP, download our "What's New with CRP" fact sheet.

Loan Maturity for Marketing Assistance Loans

Typically, Marketing Assistance Loans (MALs) mature on demand, but no later than the last day of the 9th calendar month after the month the MAL is disbursed. However, with the passage of the Consolidated Appropriations Act of 2021, agricultural producers now have additional time to repay MALs.

The Consolidated Appropriations Act of 2021 provides an extension of the MAL maturity to 12 months. This extension is applicable to nonrecourse loans for all commodities except sugar. Eligible open loans must be in good standing with a maturity date on or after July 31, 2021. New crop



year loans (2021) requested by September 30, 2021, will also be eligible for the twelve-month maturity.

All current, active loans will automatically be extended the additional three months. Producers who prefer a nine-month loan maturity will need to notify their local FSA county office. Loans that are requested after September 30, 2021, will have a nine-month maturity.

MALs have a maximum loan maturity term of 12 months, therefore loans that had the maturity extended through the Coronavirus Aid, Relief, and Economic Stability Act of 2020 (CARES Act) are not eligible for an additional extension.

Eligible commodities include barley, chickpeas (small and large), corn, dry peas, grain sorghum, honey, lentils, mohair, oats, soybeans, unshorn pelts, wheat, wool (graded and nongraded); and other oilseeds, including canola, crambe, flaxseed, mustard seed, rapeseed, safflower, sunflower seed, and sesame seed. Sugar is not eligible. For more information on MALs, contact your local County USDA Service Center.

Know your Final Planting Dates

All producers are encouraged to contact their <u>local FSA office</u> for more information on the final planting date for specific crops. The final planting dates vary by crop, planting period and county so please contact your local FSA office for a list of county-specific planting deadlines. The timely planting of a crop, by the final planting date, may prevent loss of program benefits.



Acreage Crop Reporting Streamlining Initiative (ACRSI)

If you file crop acreage reports with the Farm Service Agency (FSA) and participating insurance providers approved by the Risk Management Agency (RMA), you can now provide the common information from your acreage reports at one office and the information will be electronically shared with the other location. This new process is part of the USDA Acreage Crop Reporting Streamlining Initiative (ACRSI).

You must still contact both your <u>local FSA office</u> and your insurance provider to validate and sign acreage reports, complete maps, or provide program-specific information, including reporting uninsured crops to FSA. The common data from the first-filed acreage report will now be available to pre-populate and accelerate completion of the second report.

Share Your Planting Season Experience for #Plant2021

After a long winter and a challenging year, spring has finally come. As the world around us bursts into song and color, our farmers will begin to work the soil they've protected all winter and plant the seeds they will nurture for months to come. Later this year, the fruits of their labor will become the food that feeds our communities, the fiber that clothes our families, and the fuel that powers industries.

For many, 2020 was the first year they'd ever seen an empty shelf at the grocery store. And for the first time, many people realized how much they take farming and the people who make it possible for granted. Fewer and fewer Americans understand what our farmers do, who they are, and the hard work they put in. Let's change that.



This planting season, let Farmers.gov showcase your work by participating in the #Plant2021 campaign. We'll share your story on @FarmersGov on social media and a nationwide <u>storymap</u>. Here's how:

Using your smartphone or digital camera, take photos of what's happening on your operation during planting season. Videos may be too large to email as attachment, so you can email them to us via mail drop (iPhone), Google Photos (Android), or any other file sharing service. A few ideas:

- If you're comfortable, we'd love to see the people that make it happen set against the backdrop of your agricultural operation.
- Take a photo from inside the tractor cab so we can see what you see.
- Photos at sunrise or sunset are always beautiful!
- Behind-the-scenes photos showing us the amount of planning and preparation it takes to have a successful planting season are welcomed.
- Emerging (baby) crops.

Submit your photos/videos along with the following information to us at SM.FP.Social@usda.gov:

- Your name if you're comfortable sharing.
- Location of the operation (city or county and state).
- Information about what's in the photo/video and what's being planting.
- Your thoughts about this year's planting season. Is this year different from previous years? How do you feel about the season? What are you hopeful about?
- If your operation has a Facebook, Twitter, and/or Instagram account, please include it so that we can tag you.

Please note that by submitting your photo/video, you are granting USDA permission to use these materials for outreach and education purposes. Follow @FarmersGov on <u>Facebook</u>, <u>Twitter</u>, and <u>Instagram</u>, and we look forward to sharing your story!

May 2021 Lending Rates

FSA loans provide important access to capital to help agricultural producers start or expand their farming operation, purchase equipment and storage structures, or meet cash flow needs.

Operating and Ownership Loans

Interest rates for Operating and Ownership loans for May 2021 are as follows:

- Farm Operating Loans (Direct): 1.750%
- Farm Ownership Loans (Direct): 3.250%
- Farm Ownership Loans (Direct, Joint Financing): 2.500%
- Farm Ownership Loans (Down Payment): 1.500%
- Emergency Loan (Amount of Actual Loss): 2.750%

You can find out which of these loans may be right for you by using our Farm Loan Discovery Tool.

Commodity and Storage Facility Loans

Additionally, FSA provides low-interest financing to producers to build or upgrade on-farm storage facilities and purchase handling equipment and loans that provide interim financing to help producers meet cash flow needs without having to sell their commodities when market prices are low.

- Commodity Loans (less than one year disbursed): 1.125%
- Farm Storage Facility Loans:

Three-year loan terms: 0.375%
Five-year loan terms: 0.875%
Seven-year loan terms: 1.375%
Ten-year loan terms: 1.625%
Twelve-year loan terms: 1.750%

Sugar Storage Facility Loans (15 years): 2.000%

Funds for commodity and storage facility loans are provided through the Commodity Credit Corporation (CCC) and administered by FSA.

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