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State Executive Director Comments

I want to start with a huge thank-you to our producers who timely completed acreage reporting. This is an annual and significant task that takes the effort of both producers and our county office staff to complete each year. Both state and local FSA staff appreciate your ability to flex during our COVID operating status to accomplish this annual milestone.

Our state continues to experience extremely dry conditions, impacting row and specialty crops, small grains, forage, and pastures. The drought has resulted in several county Secretarial Disaster Designations which results in producer eligibility for low interest emergency loans. Extended periods of time in D2 or D3 on the [Drought Monitor](#) have triggered eligibility in several counties for the Livestock Forage Program (LFP). As USDA-FSA programs become eligible to producers due to the drought, state and local level news releases will be published. Producers are encouraged to monitor the following websites for information on [CRP emergency haying and grazing](#) and [LFP](#) eligibility.

Landowners are encouraged to submit an offer for the Conservation Reserve Program (CRP) general signup by the July 23, 2021, deadline. I encourage you to contact your local FSA office to discuss details related to the recent changes and to schedule an appointment to resubmit or make a new offer.

Our Minnesota service centers continue to operate with limited visitors, by appointment only. Appointments are limited to situations that are deemed critical and where producers cannot be served through phone, email, or other online tools. If you feel an in-person appointment is needed to conduct your business, please reach out to your local FSA office so they can assist in scheduling an appointment. As a reminder, FSA staff cannot take walk-ins but can certainly schedule an appointment. Your patience is appreciated as we continue to operate under COVID protocol.

Currently, we are in the FSA county committee nomination period. I encourage you to consider pursuing a seat on your local county committee if your Local Administrative Area (LAA) is scheduled for an election this year. County office staff is more than happy to assist you with the nomination process which runs through August 2, 2021.

I am hopeful parts of the state that received rain showers will see some benefit as harvest season approaches. In other areas of the state that continue to experience extremely dry conditions, I encourage you to monitor program eligibility as it is announced in the news media, and by reaching out to your local FSA staff. We are committed to serving our customers and assisting with applications for programs related to the drought, the pandemic, and any other FSA programs offered.

Respectfully,

Michelle Page, Acting State Executive Director

USDA to Provide Pandemic Assistance to Livestock Producers for Animal Losses

FSA Will Begin Taking Applications for Indemnity Program July 20

Livestock and poultry producers who suffered losses during the pandemic due to insufficient access to processing can apply for assistance for those losses and the cost of depopulation and disposal of the animals. The U.S. Department of Agriculture (USDA) Secretary Vilsack announced the Pandemic Livestock Indemnity Program (PLIP) in [recorded] remarks at the National Pork Industry Conference in Wisconsin Dells, WI. The announcement is part of USDA's Pandemic Assistance for Producers initiative. Livestock and poultry producers can apply for assistance through USDA's Farm Service Agency (FSA) July 20 through Sept. 17, 2021.



The Consolidated Appropriations Act, 2021, authorized payments to producers for losses of livestock or poultry depopulated from March 1, 2020 through December 26, 2020, due to insufficient processing access as a result of the pandemic. PLIP payments will be based on 80% of the fair market value of the livestock and poultry and for the cost of depopulation and disposal of the animal. Eligible livestock and poultry include swine, chickens and turkeys.

PLIP Program Details

Eligible livestock must have been depopulated from March 1, 2020, through December 26, 2020, due to insufficient processing access as a result of the pandemic. Livestock must have been physically located in the U.S. or a territory of the U.S. at the time of depopulation.

Eligible livestock owners include persons or legal entities who, as of the day the eligible livestock was depopulated, had legal ownership of the livestock. Packers, live poultry dealers and contract growers are not eligible for PLIP.

PLIP payments compensate participants for 80% of both the loss of the eligible livestock or poultry and for the cost of depopulation and disposal based on a single payment rate per head. PLIP payments will be calculated by multiplying the number of head of eligible livestock or poultry by the payment rate per head, and then subtracting the amount of any payments the eligible livestock or poultry owner has received for disposal of the livestock or poultry under the Natural Resources Conservation Service (NRCS) Environmental Quality Incentives Program (EQIP) or a state program. The payments will also be reduced by any Coronavirus Food Assistance Program (CFAP 1 and 2) payments paid on the same inventory of swine that were depopulated.

There is no per person or legal entity payment limitation on PLIP payments. To be eligible for payments, a person or legal entity must have an average adjusted gross income (AGI) of less than \$900,000 for tax years 2016, 2017 and 2018.

Applying for Assistance

Eligible livestock and poultry producers can apply for PLIP starting July 20, 2021, by completing the FSA-620, Pandemic Livestock Indemnity Program application, and submitting it to any FSA county office. Additional documentation may be required. Visit farmers.gov/plip for a copy of the Notice of Funding Availability and more information on how to apply.

Applications can be submitted to the FSA office at any USDA Service Center nationwide by mail, fax, hand delivery or via electronic means. To find your local FSA office, visit farmers.gov/service-locator. Livestock and poultry producers can also call 877-508-8364 to speak directly with a USDA employee ready to offer assistance.

CRP Haying and Grazing

Haying and grazing of CRP acres is authorized under certain conditions to improve the quality and performance of the CRP cover or to provide emergency relief to livestock producers due to certain natural disasters. There are two types of haying and grazing authorization: non-emergency and emergency.

Emergency haying and grazing of CRP acres may be authorized within a county to provide relief to livestock producers in areas affected by a severe drought or similar natural disaster. Emergency haying and grazing status is reviewed and authorized each Thursday using the U.S. Drought monitor. Counties are approved for emergency haying and grazing due to drought conditions on a county by county basis, when a county is designated as level "D2 Drought - Severe" according to the U.S. Drought Monitor.

In general, non-emergency haying may be utilized every three years and non-emergency grazing may be utilized every two years. Additional grazing may be available to new and beginning farmers.

CRP participants requesting emergency or non-emergency haying and grazing must file a request with their county FSA office indicating the acres to be hayed or grazed before the activity begins.

Before CRP acres are declared eligible for haying or grazing, a modified conservation plan developed by NRCS or a technical service provider must be obtained. The modified conservation plan must be site specific, include the authorized duration and reflect local wildlife needs and concerns. The primary purpose must be to maintain vegetative cover, minimize soil erosion and protect water quality and wildlife habitat quality. These plans must ensure no long-term damage to the conservation cover is caused.

Emergency haying and grazing is authorized on all practices outside the primary nesting season including practices implemented under State Acres for Wildlife Enhancement (SAFE) such as CP38E SAFE-Grass when such activity is specifically outlined in the SAFE agreement. Contact your local office for State Specific restrictions related to SAFE. For non-emergency haying and grazing, all practices are eligible except for CP12 Wildlife Food Plot and several tree practices. Contact your FSA office for a full list of ineligible practices.

Acres ineligible for both emergency and non-emergency haying and grazing include acres devoted to:

- Useful life easements;
- Land within 20 feet of a stream or other permanent water body; and
- Any acres where haying and or grazing would cause long-term damage to the CRP cover.

For more information on CRP haying and grazing visit fsa.usda.gov/crp or contact your FSA county office. To locate your FSA office, visit farmers.gov/service-locator.

Farm Service Agency Now Accepting Nominations for County Committee Members

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) began accepting nominations for county committee members on June 15. Elections will occur in certain Local Administrative Areas (LAA) for these members who make important decisions about how federal farm programs are administered locally. All nomination forms for the 2021 election must be postmarked or received in the local FSA office by Aug. 2, 2021.

Agricultural producers who participate or cooperate in a USDA program, and reside in the LAA that is up for election this year, may be nominated for candidacy for the county committee. A cooperating producer is someone who has provided information about their farming or ranching operation to FSA, even if they have not applied or received program benefits. Individuals may nominate themselves or others and qualifying organizations may also nominate candidates. USDA encourages minority producers, women and beginning farmers or ranchers to nominate, vote, and hold office.

Nationwide, more than 7,700 dedicated members of the agricultural community serving on FSA county committees. The committees are made up of three to 11 members who serve three-year terms. Producers serving on FSA county committees play a critical role in the day-to-day operations of the agency. Committee members are vital to how FSA carries out disaster programs, as well as conservation, commodity and price support programs, county office employment and other agricultural issues.



LAA are elective areas for FSA committees in a single county or multi-county jurisdiction. This may include LAAs that are focused on an urban or suburban area.

Urban and Suburban County Committees

The 2018 Farm Bill directed USDA to form urban county committees as well as make other advancements related to urban agriculture, including the establishment of the Office of Urban Agriculture and Innovative Production. FSA established county committees specifically focused on urban agriculture. The urban county committees will work to encourage and promote urban, indoor and other emerging agricultural production practices. Additionally, the new county committees may address areas such as food access, community engagement, support of local activities to promote and encourage community compost and food waste reduction.

Urban committee members are nominated and elected to serve by local urban producers in the same jurisdiction. These members are a vital link in the effective administration of USDA programs and are responsible for carrying out programs in full accordance with the regulations, national and state policies, procedures, and instructions. Urban county committee members will provide outreach to ensure urban producers understand USDA programs and serve as the voice of other urban producers and assist in program implementation that support the needs of the growing urban community. Urban county committees must see that county office operations are supportive and that they receive timely and quality service by carrying out responsibilities effectively, efficiently, and impartially. Learn more at farmers.gov/urban.

More Information

Producers should contact their local FSA office today to register and find out how to get involved in their county's election. They should check with their local USDA Service Center to see if their LAA is up for election this year. To be considered, a producer must be registered and sign an [FSA-669A](#) nomination form or an [FSA-669-A-3](#) for urban county committees. The form and other information about FSA county committee elections are available at fsa.usda.gov/elections.

Election ballots will be mailed to eligible voters beginning Nov. 1, 2021. To find your local USDA Service Center, visit farmers.gov/service-locator.

Deadline Fast Approaching for Conservation Reserve Program General Signup



The U.S. Department of Agriculture (USDA) is reminding producers and landowners that the signup deadline for the Conservation Reserve Program (CRP) current general signup is fast approaching. Eligible producers must submit their offers by July 23, 2021.

USDA's Farm Service Agency (FSA) made several changes to CRP to make it more appealing to all producers, including those who are historically underserved, beginning, and veterans. FSA added incentives to encourage producers to include climate-smart

agricultural practices in their operations to increase natural resource and environmental benefits.

Updates to the Conservation Reserve Program

USDA's goal is to enroll up to 4 million new CRP acres by raising payment rates and expanding the incentives offered under the program. CRP is capped at 25 million acres for fiscal year 2021, and currently 20.7 million acres are enrolled, but the cap will gradually increase to 27 million acres by fiscal year 2023. To help increase producer interest and enrollment, FSA has:

- **Adjusted soil rental rates.** This enables additional flexibility for rate adjustments, including a possible increase in rates where appropriate.
- **Increased 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.
- **Increased payments for water quality practices.** Incentive increased from 10% to 20% for certain water quality practices available through the CRP continuous signup, such as grassed waterways, riparian buffers and filter strips.

Additionally, to mitigate climate change, FSA introduced a new annual **Climate-Smart Practice Incentive** for the general, grasslands, and continuous signups that aims to increase carbon sequestration and reduce greenhouse gas emissions. Climate-Smart CRP practices include establishing trees and permanent grasses, developing wildlife habitat, and restoring wetlands. The Climate-Smart Practice Incentive amount is based on the benefits of each practice type.

More About CRP

CRP is one of the world's largest voluntary conservation programs with a long track record of preserving topsoil, improving water quality, sequestering carbon, reducing nitrogen runoff and preserving healthy wildlife habitat.

Signed into law in 1985, CRP is one of the largest private-lands conservation programs in the United States. It was originally intended to control soil erosion and stabilize commodity prices by taking marginal lands out of production. The program has evolved over the years, providing more conservation and economic benefits. CRP marked its 35-year anniversary in December 2020.

Program successes include:

- Preventing more than 9 billion tons of soil from eroding, which is enough soil to fill 600 million dump trucks.
- Reducing nitrogen and phosphorous runoff relative to annually tilled cropland by 95% and 85% percent, respectively.
- Creating more than 3 million acres of restored wetlands while protecting more than 175,000 stream miles with riparian forest and grass buffers, which is enough to go around the world seven times.
- Benefiting bees and other pollinators and increasing populations of ducks, pheasants, turkey, bobwhite quail, prairie chickens, grasshopper sparrows and many other birds.

More information about the program can be obtained through this [CRP fact](#) sheet.

More Information



Interested producers should contact their local USDA [Service Center](#). In addition to the CRP General signup, FSA is also accepting applications for the CRP Grasslands and CRP Continuous signups. Learn more at fsa.usda.gov/crp.

To find their local FSA county office, producers can visit farmers.gov/service-center-locator. Service Center staff continue to work with agricultural producers via phone, e-mail, and other digital tools. Because of the pandemic, some USDA Service Centers are open to limited visitors. Producers should contact their service center to set up an in-person appointment. Additionally, more information related to USDA's response and relief for producers can be found at farmers.gov/coronavirus.

FSA Opens CFAP 2 Signup for Additional Enrollment; Updates Additional CFAP Provisions

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) announced that signup has reopened for the Coronavirus Food Assistance Program 2 (CFAP 2) as part of the Pandemic Assistance for Producers initiative. The initial CFAP 2 signup ended on Dec. 11, 2020, but USDA has reopened sign-up for CFAP 2 for at least 60 days beginning April 5, 2021, for producers to apply or make modifications to existing CFAP 2 applications.

CFAP 2 provides direct financial relief to producers due to market disruptions and associated costs because of COVID-19. CFAP 2 payments will be made for three categories of commodities – Price Trigger Commodities, Flat-rate Crops and Sales Commodities. Visit farmers.gov/cfap/commodities for a full list of eligible commodities for each category.

Price Trigger Commodities Price trigger commodities are major commodities that meet a minimum 5-percent price decline over a specified period of time. Eligible price trigger crops include barley, corn, sorghum, soybeans, sunflowers, upland cotton, and all classes of wheat. Payments will be based on 2020 planted acres of the crop, excluding prevented planting and experimental acres.

For broilers and eggs, payments will be based on 75 percent of the producers' 2019 production.

Dairy (cow's milk) payments will be based on actual milk production from April 1 to Aug. 31, 2020. The milk production for Sept. 1, 2020, to Dec. 31, 2020, will be estimated by FSA.

Eligible beef cattle, hogs and pigs, and lambs and sheep payments will be based on the maximum owned inventory of eligible livestock, excluding breeding stock, on a date selected by the producer, between April 16, 2020, and Aug. 31, 2020.

Flat-rate Crops Crops that either do not meet the 5-percent price decline trigger or do not have data available to calculate a price change will have payments calculated based on eligible 2020 acres multiplied by \$15 per acre. These crops include alfalfa, extra long staple (ELS) cotton, oats, peanuts, rice, hemp, millet, mustard, safflower, sesame, triticale, rapeseed, and several others.

Sales Commodities Sales commodities include specialty crops; aquaculture; nursery crops and floriculture; other commodities not included in the price trigger and flat-rate categories, turfgrass sod; pullets; goat milk; mink (including pelts); mohair; wool; and other livestock (excluding breeding stock), not included under the price trigger category that were grown for food, fiber, fur, or feathers. Payment

calculations will use a sales-based approach, where producers are paid based on five payment gradations associated with their 2019 sales, and crop insurance indemnities, Noninsured Crop Disaster Assistance Program (NAP), and Wildfire and Hurricane Indemnity Program Plus (WHIP+) payments for crop year 2019.

Applying for CFAP 2

Visit farmers.gov/cfap for details on all eligible commodities, producer eligibility, payment limitations and structure and additional program resources.

Producers have multiple options to apply for CFAP 2, including through an online application portal and by working directly with the FSA office. Customers seeking one-on-one support with the CFAP 2 application process can call 877-508-8364 to speak directly with a USDA employee ready to offer assistance.

Additional CFAP Payments for Beef and Row-Crop Producers

The Consolidated Appropriations Act, 2021, authorizes an increase in CFAP 1 payment rates for cattle. Cattle producers with approved CFAP 1 applications will automatically receive these payments and do not need to submit a new application since payments are based on previously approved CFAP 1 applications. Producers may be asked for additional information depending on how they filed the original application. Information on the additional payment rates for cattle can be found on farmers.gov/cfap.

This act also authorized additional CFAP assistance of \$20 per acre for producers of eligible CFAP 2 flat-rate or price trigger commodities. FSA will automatically issue payments to eligible producers based on the eligible acres included on their CFAP 2 applications. Eligible producers do not need to submit a new CFAP 2 application.

Additional CFAP Actions FSA has also begun payment processing applications filed as part of the CFAP Additional Assistance program in the following categories:

- Applications filed for pullets and turfgrass sod;
- A formula correction for row-crop producer applications to allow producers with a non-Actual Production History (APH) insurance policy to use 100% of the 2019 Agriculture Risk Coverage-County Option (ARC-CO) benchmark yield in the calculation; and
- Sales commodity applications revised to include insurance indemnities, Noninsured Crop Disaster Assistance Program payments, and Wildfire and Hurricane Indemnity Program Plus payments.

Additional payments for swine producers and contract growers under CFAP Additional Assistance remain on hold and are likely to require modifications to the regulation as part of the broader evaluation and future assistance; however, FSA will continue to accept applications from interested producers.

Borrower Training for Farm Loan Customers

Borrower training is available for all Farm Service Agency (FSA) customers. This training is required for all direct loan applicants, unless the applicant has a waiver issued by the agency.

Borrower training includes instruction in production and financial management. The purpose is to help the applicants develop and improve skills that are necessary to successfully operate a farm and build equity in the operation. It aims to help the producer become financially successful. Borrower training is provided, for a fee, by agency approved vendors. Contact your local FSA Farm Loan Manager for a list of approved vendors.

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.

Cover Crop Guidelines

The Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS) and Risk Management Agency (RMA) worked together to develop consistent, simple and a flexible policy for cover crop practices.

Cover crops, such as grasses, legumes and forbs, can be planted: with no subsequent crop planted, before a subsequent crop, after prevented planting acreage, after a planted crop, or into a standing crop.

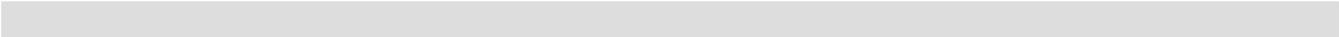


Termination:

The cover crop termination guidelines provide the timeline for terminating cover crops, are based on zones and apply to non-irrigated cropland. To view the zones and additional guidelines visit nrcs.usda.gov/wps/portal/nrcs/main/national/landuse/crops/ and click "Cover Crop Termination Guidelines."

The cover crop may be terminated by natural causes, such as frost, or intentionally terminated through chemical application, crimping, rolling, tillage or cutting. A cover crop managed and terminated according to NRCS Cover Crop Termination Guidelines is **not** considered a crop for crop insurance purposes.

Reporting:



The intended use of cover only will be used to report cover crops. This includes crops that were terminated by tillage and reported with an intended use code of green manure. An FSA policy change will allow cover crops to be hayed and grazed. Program eligibility for the cover crop that is being hayed or grazed will be determined by each specific program.

If the crop reported as cover only is harvested for any use other than forage or grazing and is not terminated properly, then that crop will no longer be considered a cover crop.

Crops reported with an intended use of cover only will not count toward the total cropland on the farm. In these situations, a subsequent crop will be reported to account for all cropland on the farm.

Preauthorized Debit Available for Farm Loan Borrowers

USDA's Farm Service Agency (FSA) has implemented pre-authorized debit (PAD) for Farm Loan Program (FLP) borrowers. PAD is a voluntary and alternative method for making weekly, bi-weekly, monthly, quarterly, semi-annual or annual payments on loans.

PAD payments are pre-authorized transactions that allow the National Financial and Accounting Operations Center (NFAOC) to electronically collect loan payments from a customer's account at a financial institution.

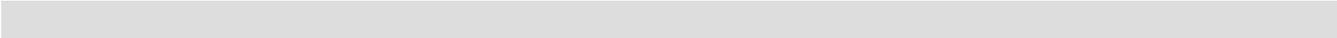
PAD may be useful if you use nonfarm income from regular wages or salary to make payments on loans or adjustment offers or for payments from seasonal produce stands. PAD can only be established for future payments.

To request PAD, customers, along with their financial institution, must fill out form RD 3550-28. This form has no expiration date, but a separate form RD 3550-28 must be completed for each loan to which payments are to be applied. A fillable form can be accessed on the USDA Rural Development (RD) website at rd.usda.gov/publications/regulations-guidelines. Click forms and search for "Form 3550-28."

If you have a "filter" on the account at your financial institution, you will need to provide the financial institution with the following information: Origination ID: 1220040804, Agency Name: USDA RD DCFO.

PAD is offered by FSA at no cost. Check with your financial institution to discuss any potential cost. Preauthorized debit has no expiration date, but you can cancel at any time by submitting a written request to your local FSA office. If a preauthorized debit agreement receives three payment rejections within a three-month period, the preauthorized debit agreement will be cancelled by FSA. The payment amount and due date of your loan is not affected by a cancellation of preauthorized debit. You are responsible to ensure your full payment is made by the due date.

For more information about PAD, contact your County USDA Service Center or visit fsa.usda.gov.



Making Farm Reconstitutions

When changes in farm ownership or operation take place, a farm *reconstitution* is necessary. The reconstitution — or recon — is the process of combining or dividing farms or tracts of land based on the farming operation.

To be effective for the current Fiscal Year (FY), farm combinations and farm divisions must be requested by **August 1 of the FY** for farms subject to the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) program. A reconstitution is considered to be requested when all of the required signatures are on FSA-155 and all other applicable documentation, such as proof of ownership, is submitted.

Total Conservation Reserve Program (CRP) and non-ARC/PLC farms may be reconstituted at any time.

The following are the different methods used when doing a farm recon:

- **Estate Method** — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate
- **Designation of Landowner Method** — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method, the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding
- **DCP Cropland Method** — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract
- **Default Method** — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

For questions on your farm reconstitution, contact your County USDA Service Center, contact information can be found at farmers.gov/service-locator.

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