## **USDA- Missouri State Office Newsletter- July 2021**

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### U.S. DEPARTMENT OF AGRICULTURE

USDA- Missouri State Office Newsletter - July 12, 2021

Farm Service Agency | Natural Resources Conservation Service | Risk Management Agency

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### USDA Reminds Missouri Producers to File Crop Acreage Reports

Agricultural producers in Missouri who have not yet completed their <u>crop acreage</u> <u>reports</u> after planting should make an appointment with their Farm Service Agency (FSA) office before the applicable deadline.

An acreage report documents a crop grown on a farm or ranch and its intended uses. Filing an accurate and timely acreage report for all crops and land uses, including failed acreage and prevented planted acreage, can prevent the loss of benefits.

#### How to File a Report

The following acreage reporting dates are applicable in Missouri:

#### **JULY 15, 2021**

Service Center staff continue to work with agricultural producers via phone, email, and other digital tools. Because of the pandemic, some <u>USDA Service Centers</u> are open to limited visitors. Contact your Service Center to set up an in-person or phone appointment.

To file a crop acreage report, you will need to provide:

- Crop and crop type or variety.
- Intended use of the crop.
- Number of acres of the crop.
- Map with approximate boundaries for the crop.
- Planting date(s).
- Planting pattern, when applicable.
- · Producer shares.
- · Irrigation practice(s).
- Acreage prevented from planting, when applicable.
- · Other information as required.

#### **Acreage Reporting Details**

The following exceptions apply to acreage reporting dates:

- If the crop has not been planted by the acreage reporting date, then the acreage must be reported no later than 15 calendar days after planting is completed.
- If a producer acquires additional acreage after the acreage reporting date, then the
  acreage must be reported no later than 30 calendar days after purchase or
  acquiring the lease. Appropriate documentation must be provided to the county
  office.

Producers should also report crop acreage they intended to plant, but due to natural disaster, were unable to plant. Prevented planting acreage must be reported on form

CCC-576, Notice of Loss, no later than 15 calendar days after the final planting date as established by FSA and USDA's Risk Management Agency.

Noninsured Crop Disaster Assistance Program (NAP) policy holders should note that the acreage reporting date for NAP-covered crops is the earlier of the dates listed above or 15 calendar days before grazing or harvesting of the crop begins.

#### **More Information**

For questions, please contact your local FSA office. To locate your local FSA office visit <u>farmers.gov/service-center-locator</u>.

# Producers with Individual Agriculture Risk Coverage Reminded to Report Yields

Producers who elected Individual Agriculture Risk Coverage (ARC-IC) are required to report yields annually to FSA. The final date to report production from the prior crop year for farms enrolled in ARC-IC is July 15. The ARC Program is an income support program that provides payments when actual crop revenue declines below a specified guarantee level.

ARC-IC program payments are issued when the actual individual crop revenue for all covered commodities planted on the ARC-IC farm is less than the ARC-IC guarantee for those covered commodities. ARC-IC uses producer's certified yields, rather than county level yields. ARC-IC payments are dependent upon the planting of covered commodities on the farm. A producer's ARC-IC farm is defined as the sum of the producer's interest in all ARC-IC enrolled farms in the state. Producers with all farms enrolled in County Agriculture Risk Coverage and Price Loss Coverage are not required to report production from the prior crop year.

For more information contact your Local USDA Service center or visit fsa.usda.gov.

## Eligibility for Nominations for the 2021 County Committee Elections

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) county committees are a critical component of the day-to-day operations of FSA and allow grassroots input and local administration of federal farm programs.



Committees are comprised of locally elected agricultural

producers responsible for the fair and equitable administration of FSA farm programs in their counties. Committee members are accountable to the Secretary of Agriculture. If elected, members become part of a local decision making and farm program delivery process.

A county committee is composed of three to 11 elected members from local administrative areas (LAA). Each member serves a three-year term. To be eligible for nomination and hold office as a committee member or alternate, a person must fulfill each of the following

requirements: (1) be a producer with an interest in farming or ranching operations, (2) participate or cooperate in any FSA program provided for by law, (3) be a U.S. citizen, (4) be of legal voting age, (5) meet the basic eligibility requirements, and (6) reside in the county or multi-county jurisdiction in which they will be serving. A cooperating producer is someone who has provided information about their farming or ranching operation(s) but may not have applied or received FSA program benefits.

All nomination forms for the 2021 election must be postmarked or received in the local USDA Service Center by Aug. 2, 2021. For more information on FSA county committee elections and appointments, refer to the FSA fact sheet: Eligibility to Vote and Hold Office as a COC Member available online at: <a href="mailto:fsa.usda.gov/elections">fsa.usda.gov/elections</a>.

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

USDA will open enrollment in the Conservation Reserve Program (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.

## USDA Opens Signup for CLEAR30, Expands Pilot to Be Nationwide

Landowners and agricultural producers currently enrolled in the Conservation Reserve Program (CRP) now have a wider opportunity to enroll in a 30-year contract through the Clean Lakes, Estuaries, And Rivers initiative, called CLEAR30. The U.S. Department of Agriculture (USDA) is expanding CLEAR30 – a water-quality focused option available through CRP – to be nationwide now.

Interested producers with CRP contracts expiring September 30, 2021, should sign up by August 6, 2021. CLEAR30 provides an opportunity for producers to receive incentives for a 30-year commitment to water quality practices on their CRP land, building on their original 10- to 15-year CRP contracts.

These long-term contracts ensure that practices remain in place for 30 years, which improves water quality through reducing sediment and nutrient runoff and helping prevent algal blooms.

#### **About CLEAR30**

CLEAR30 was created by the 2018 Farm Bill to better address water quality concerns. Originally, CLEAR30 was only available in the Great Lakes and Chesapeake Bay watersheds. Now, access is expanded to agricultural producers nationwide.

Eligible producers must have certain water quality benefitting practices currently enrolled under continuous CRP or through the Conservation Reserve Enhancement Program (CREP), under contracts that are expiring on September 30, 2021.

These long-term contracts will help ensure that conservation impacts and benefits remain in place for 30 years, reducing sediment and nutrient runoff and, ultimately, algal blooms. Conservation in riparian areas also provides important carbon sequestration benefits. Traditional CRP contracts run from 10 to 15 years.

Annual rental payments for landowners who enroll in CLEAR30 will be equal to the current Continuous CRP annual payment rate plus a 20% water quality incentive and annual rate adjustment of 27.5%.

#### **How to Sign Up**

To sign up for CLEAR30, contact your local USDA Service Center by August 6, 2021. While USDA offices may be closed to visitors because of the pandemic, Service Center staff continue to work with agricultural producers via phone, email, and other digital tools. To conduct business, please contact your local USDA Service Center. Contact information can be found at <a href="mailto:farmers.gov/service-locator">farmers.gov/service-locator</a>.

#### **More Information**

CLEAR30 is an option available through CRP, which 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.

To enroll in CLEAR30, please contact your local USDA Service Center. For more information on CRP, visit the Conservation Reserve Program.

### USDA Announces Dates for Conservation Reserve Program General and Grasslands Signups

The U.S. Department of Agriculture (USDA) has set a July 23, 2021, deadline for agricultural producers and landowners to apply for the Conservation Reserve Program (CRP) General signup 56. Additionally, USDA's Farm Service Agency (FSA) will accept applications for CRP Grasslands from July 12 to August 20. This year, USDA updated both signup options to provide greater incentives for producers and increase its conservation benefits, including reducing the impacts of climate change.

Both signups are competitive and will provide for annual rental payments for land devoted to conservation purposes.

"Bottom line, CRP now makes more financial sense for producers while also providing a bigger return on investment in terms of natural resource benefits. The General and Grasslands signups are part of a broader suite of tools available through CRP to integrate key conservation practices on our nation's working lands."

#### **General Signup**

Through CRP, producers and landowners establish long-term, resource-conserving plant species, such as approved grasses or trees, to control soil erosion, improve water quality, and enhance wildlife habitat on cropland. Lands enrolled in CRP also play a key role in mitigating impacts from climate change, and FSA has added a new Climate-Smart Practice Incentive for practices that sequester carbon and reduce greenhouse gas emissions.

FSA is also adding a one-time "inflationary" adjustment for payment rates, as well as having more flexibility on adjusting soil rental rates.

FSA opened the <u>General Signup</u> in January 2021 and extended the original deadline to July 23, 2021, to enable producers to consider FSA's new improvements to the program.

#### **Grasslands Signup**

<u>CRP Grasslands</u> helps landowners and operators protect grassland, including rangeland, and pastureland and certain other lands, while maintaining the areas as grazing lands. Protecting grasslands contributes positively to the economy of many regions, provides biodiversity of plant and animal populations, and improves environmental quality.

FSA has updated the Grasslands Signup to establish a minimum rental rate of \$15 per acre, as well as new National Grassland Priority Zones.

#### **How to Sign Up**

To enroll in the CRP General signup, producers and landowners should contact their local <u>USDA Service Center</u> by the July 23 deadline. To enroll in the CRP Grasslands signup, they should contact USDA by the August 20 deadline. While USDA offices may have limited visitors because of the pandemic, Service Center staff continue to work with agricultural producers via phone, email, and other digital tools. To work with FSA, producers and landowners should contact their local <u>USDA Service Center</u>. Contact information can be found at <u>farmers.gov/service-locator</u>.

#### More Information on CRP

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

## **USDA Announces Updated Conservation Practice Standards**

USDA has completed and published updates to its set of <u>National Conservation Practice Standards</u>, which include 58 standards that have been updated or revised since August. The 2018 Farm Bill required USDA's Natural Resources Conservation Service (NRCS) to review all 169 of its national conservation practices to seek opportunities to increase flexibility and incorporate new technologies.

NRCS's National Conservation Practice Standards provides guidelines for planning, designing, installing, operating and maintaining conservation practices. The 58 revised standards cover a wide range of practices, including irrigation water management, heavy use area protection, and composting facilities.

During the review process, NRCS is adding two new conservation practices dealing with wastewater treatment and wildlife habitat planning, along with maintaining an additional 18

interim conservation practice standards that are being tested to establish and document natural resource benefits.

These updated practices include changes in technology and add criteria to address emerging concerns such as soil health, water conservation, drought tolerance, and resiliency. They contribute to the USDA <u>Agriculture Innovation Agenda's</u> goal of reducing the environmental footprint of U.S. agriculture in half by 2050.

For more information on the National Conservation Practice Standards, visit <a href="nrcs.usda.gov">nrcs.usda.gov</a> or contact your <a href="local NRCS field office.">local NRCS field office.</a> To learn about the benefits of conservation practices directly from the farmers, ranchers, and forest landowners applying them, check out the <a href="Conservation at Work">Conservation at Work</a> video series.

### New Rule Makes Enhancements to Environmental Quality Incentives Program

USDA released the <u>final rule</u> for its <u>Environmental Quality Incentives Program</u> (EQIP). NRCS provides producers with financial resources and one-on-one help to plan and implement conservation practices through EQIP. Popular EQIP practices include cover crops, nutrient management, forest stand improvement, prescribed grazing, irrigation efficiency improvement, and water quality improvement practices. Implementing conservation practices can lead to cleaner water and air, healthier soil, and better wildlife habitat while improving agricultural operations.

Based on feedback from 600 comments on the interim rule, NRCS made the following changes in the final rule include:

- Revise its purpose statement to expressly include addressing resource concerns for organic producers, avoiding the need for more regulatory programs, and helping producers transition from the Conservation Reserve Program (CRP).
- Authorize reduced matching requirements for Conservation Innovation Grant projects aimed at helping historically underserved producers
- Creating incentive contracts and payments for incentive practices to better support locally led conservation needs.
- Requiring NRCS to offer an advance payment option for historically underserved producers.
- Raising the payment cap for producers participating in the Organic Initiative to \$140,000 for contracts entered into for fiscal years 2019 through 2023. Previously, it was \$20,000 per year and \$80,000 for any six-year period.
- Expanding the Conservation Innovation Grant program, which is funded through EQIP, to include opportunities for On-Farm Conservation Innovation Trials and Soil Health Demonstration Trials.

For a full list of updates, view the <u>final rule on the Federal Register</u>. Visit your state website from <u>nrcs.usda.gov</u> or contact your <u>local NRCS field office</u> to learn how to apply for EQIP.

### **Conservation at Work Video Series**

A new video series from NRCS and farmers.gov, *Conservation at Work*, presents short and easy to understand videos about popular conservation practices. These videos feature producers explaining how an individual practice helps their land and why they are using it.

The videos shine the spotlight on farmers, ranchers, and forestland owners from across the U.S. who explain why they've implemented the conservation practices and how they work on their land. They also provide insight into how each practice is helping them protect and improve resources and save time and money.

#### The first 15 videos cover:

- · Brush Management
- Cover Crop
- Forest Stand Improvement
- Grade Stabilization
- Grassed Waterway
- · High Tunnel
- No Till
- Nutrient Management
- · Prescribed Grazing
- · Pumping Station
- Sprinkler System
- · Trails and Walkways
- Waste Storage
- · Water & Sediment Control Basin
- · Wetland Restoration

The *Conservation at Work* video series can be found at <u>farmers.gov/conserve/conservationatwork.</u>

# Field Borders Allow Farms to Filter, Clean Water & Provide Homes for Wildlife

Sometimes in a quest for bigger harvests, producers put every inch of land to work. But more land for crops or pastures doesn't always lead to bigger yields. It's best to use land for its greatest purpose, enabling more than a traditional yield. One common way producers do this through conservation is field borders. Field borders are managed strips of grass or legumes, sometimes mixed with shrubs, on the edge of cropland fields that reduce erosion, promote wildlife and improve environmental quality.

Field borders – typically 15 to 30 feet wide – make operating easy for farm equipment, providing a sod-based area at the edge of the field to turn machinery during field operations. They also help protect combines and other equipment from overhanging tree limbs. Field borders protect water quality by trapping sediment and nutrients, much like a filter. These planted areas, depending on their location, reduce erosion, and trap sediment and nutrients that can have negative effects downstream. They also slow water down as it runs off fields.

Properly managed field borders also increase plant diversity and the availability of food sources such as seeds and insects for bobwhite quail, cottontail rabbits, wild turkeys, gray fox and many other wildlife species. Many of these species like bobwhite quail have increased in population as field borders have been implemented. Not only can field borders serve as a wildlife-friendly practice, but they can be attractive features on farms.

For more information, contact your County USDA Service Center or visit <a href="mailto:nrcs.usda.gov">nrcs.usda.gov</a>.

## Report Noninsured Crop Disaster Assistance Program (NAP) Losses

NAP provides financial assistance to you for crops that aren't eligible for crop insurance to protect against lower yields or crops unable to be planted due to natural disasters including freeze, hail, excessive moisture, excessive wind or hurricanes, flood, excessive heat and qualifying drought (includes native grass for grazing), among others.

To receive payment, you had to purchase NAP coverage for 2021 crops and file a notice of loss the earlier of 15 days of the occurrence of the disaster or when losses become apparent or 15 days of the final harvest date.

For hand-harvested crops and certain perishable crops, you must notify FSA within 72 hours of when a loss becomes apparent.

Eligible crops must be commercially produced agricultural commodities for which crop insurance is not available, including perennial grass forage and grazing crops, fruits, vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

For more information on NAP, contact your County USDA Service Center or visit <u>fsa.usda.gov/nap</u>.

# **FSA Offers Joint Financing Option on Direct Farm Ownership Loans**

The USDA Farm Service Agency's (FSA) <u>Direct Farm Ownership loans</u> can help farmers and ranchers become owner-operators of family farms, improve and expand current operations, increase agricultural productivity, and assist with land tenure to save farmland for future generations.

There are three types of Direct Farm Ownership Loans: regular, down payment and joint financing. FSA also offers a <u>Direct Farm Ownership Microloan</u> option for smaller financial needs up to \$50,000.

Joint financing allows FSA to provide more farmers and ranchers with access to capital. FSA lends up to 50 percent of the total amount financed. A commercial lender, a State program or the seller of the property being purchased, provides the balance of loan funds, with or without an FSA guarantee. The maximum loan amount for a joint financing loan is \$600,000, and the repayment period for the loan is up to 40 years.

The operation must be an eligible farm enterprise. Farm Ownership loan funds cannot be used to finance nonfarm enterprises and all applicants must be able to meet general eligibility requirements. Loan applicants are also required to have participated in the business operations of a farm or ranch for at least three years out of the 10 years prior to the date the application is submitted. The applicant must show documentation that their participation in the business operation of the farm or ranch was not solely as a laborer.

For more information about farm loans, contact your County USDA Service Center or visit <u>fsa.usda.gov</u>.

### **Maintaining Good Credit History**

Farm Service Agency (FSA) loans require applicants to have a satisfactory credit history. A credit report is requested for all FSA direct farm loan applicants. These reports are reviewed to verify outstanding debts, see if bills are paid timely and to determine the impact on cash flow.

Information on your credit report is strictly confidential and is used only as an aid in conducting FSA business.

Our farm loan staff will discuss options with you if you have an unfavorable credit report and will provide a copy of your report. If you dispute the accuracy of the information on the credit report, it is up to you to contact the issuing credit report company to resolve any errors or inaccuracies.

There are multiple ways to remedy an unfavorable credit score:

- Make sure to pay bills on time
  - Setting up automatic payments or automated reminders can be an effective way to remember payment due dates.
- Pay down existing debt
- Keep your credit card balances low
- Avoid suddenly opening or closing existing credit accounts

FSA's farm loan staff will guide you through the process, which may require you to reapply for a loan after improving or correcting your credit report.

For more information on FSA farm loan programs, contact your County USDA Service Center or visit <u>fsa.usda.gov</u>.

## **USDA Announces 2021 Cotton Loan Rate Differentials**

USDA announced the 2021-crop loan rate differentials for upland and extra-long staple cotton, which are applied to the crop loan rate to determine the per bale actual loan rate.

The differentials, also referred to as loan rate premiums and discounts, were calculated based on market valuations of various cotton quality factors for the prior three years. This calculation procedure is identical to that used in the past years.

The 2021 crop differential schedules are applied to 2021 crop loan rates of 52 cents per pound for the base grade of upland cotton and 95 cents per pound for extra-long staple cotton. The 2018 Farm Bill stipulates that the loan rate for the base quality of upland cotton ranges between 45 and 52 cents per pound based on the simple average of the Adjusted World Price for the two marketing years immediately preceding the next crop planting. However, the established loan rate cannot be less than 98% of the preceding year's loan. The loan rate provided to an individual cotton bale is based on the quality of each individual bale as determined by USDA's Agricultural Marketing Service classing measurements.

These differentials are important to cotton producers because they are used to derive the actual loan rate for each bale of cotton – above (premium) or below (discount) the average per pound loan rate, depending on the grade or quality of the cotton. The actual loan rate is significant because it is used to determine any marketing loan gains and loan deficiency payments.

USDA's Commodity Credit Corporation adjusts cotton loan rates by these differentials so that cotton loan values reflect the differences in market prices for color, staple length, leaf, extraneous matter, micronaire, length uniformity and strength.

Loan rates are posted on the <u>Farm Service Agency website</u>. Commodity loans are part of a broader suite of programs available to cotton producers. To apply for loans or other programs, contact your <u>local USDA service center</u>.

# USDA Offers Annual Installment Deferral Option for Farm Storage Facility Loan Borrowers

To assist Farm Storage Facility Loan (FSFL) borrowers experiencing financial hardship from the pandemic and other challenges in production agriculture, USDA's Farm Service Agency (FSA) is offering a one-time annual installment payment deferral option. No fees or prepayment penalties apply for borrowers who choose this FSFL loan flexibility option.

Eligible borrowers can request a one-time only annual installment payment deferral for loans having terms of three, five, seven or ten years. The installment deferral option is not available for 12-year term loans.

The FSFL installment payments will remain the same, except for the last year. The original loan interest rate and annual payment due date will remain the same. However,

because the installment payment deferral is a one-year loan term extension, the final payment will be higher due to additional accrued interest.

Borrowers interested in exercising the one-time annual installment deferral option should contact FSA to make the request and to obtain, complete and sign required forms.

FSFLs provide low-interest financing for producers to store, handle and transport eligible commodities.

#### More Information

In addition to offering flexibilities for FSFLs, FSA has also made other flexibilities to help producers impacted by the pandemic, including relaxing the loan-making process for farm operating and ownership loans and implementing the Disaster Set-Aside provision that enables an upcoming installment on a direct loan to be set aside for the year. More information on these flexibilities can be found at <a href="mailto:farmers.gov/coronavirus">farmers.gov/coronavirus</a>. For more information, contact your local USDA Service Center. To locate your local FSA office, visit <a href="mailto:farmers.gov/service-center-locator">farmers.gov/service-center-locator</a>.

### **FSA Outlines MAL and LDP Policy**

The 2018 Farm Bill extends loan authority through 2023 for Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs).

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, pulse crops, rice, peanuts, cotton, wool and honey. MALs provide you with interim financing after harvest to help you meet cash flow needs without having to sell your commodities when market prices are typically at harvest-time lows. A producer who is eligible to obtain a loan, but agrees to forgo the loan, may obtain an LDP if such a payment is available. Marketing loan provisions and LDPs are not available for sugar and extra-long staple cotton.

FSA is now accepting requests for 202X MALs and LDPs for all eligible commodities after harvest. Requests for loans and LDPs shall be made on or before the final availability date for the respective commodities.

Commodity certificates are available to loan holders who have outstanding nonrecourse loans for wheat, upland cotton, rice, feed grains, pulse crops (dry peas, lentils, large and small chickpeas), peanuts, wool, soybeans and designated minor oilseeds. These certificates can be purchased at the posted county price (or adjusted world price or national posted price) for the quantity of commodity under loan, and must be immediately exchanged for the collateral, satisfying the loan. MALs redeemed with commodity certificates are not subject to Adjusted Gross Income provisions.

To be considered eligible for an LDP, you must have form CCC-633EZ, <u>Page 1</u> on file at your local FSA Office before losing beneficial interest in the crop. Pages 2, 3 or 4 of the form must be submitted when payment is requested.

Marketing loan gains (MLGs) and loan deficiency payments (LDPs) are no longer subject to payment limitations, actively engaged in farming and cash-rent tenant rules.

Adjusted Gross Income (AGI) provisions state that if your total applicable three-year average AGI exceeds \$900,000, then you're not eligible to receive an MLG or LDP. You must have a valid CCC-941 on file to earn a market gain of LDP. The AGI does not apply to MALs redeemed with commodity certificate exchange.

For more information and additional eligibility requirements, contact your County USDA Service Center or visit <u>fsa.usda.gov</u>.

## **Unauthorized Disposition of Grain Results in Financial Penalties**

If loan grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties for unauthorized dispositions are severe and your name will be placed on a loan violation list for a two-year period. Always call before you haul any grain under loan.

### **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 County USDA Service Center or visit <u>fsa.usda.gov/pricesupport</u>.

### **USDA- MISSOURI**

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State Conservationist Scott Edwards