

### Missouri Farm Service Agency November 2020 Newsletter

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### November 2020





### Farm Service Agency Electronic News Service

# NEWSLETTER

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- More than \$7 Billion Paid in Second Round of USDA Coronavirus Food Assistance Program
- Dairy Margin Coverage Program Enrollment for 2021 Opens Oct. 13
- Enrollment Begins for Agriculture Risk Coverage and Price Loss Coverage Programs for 2021
- <u>USDA Issues CRP Payments</u>
- Ask USDA available to answer questions about FSA programs
- Submit Loan Requests for Financing Early
- Save Time Make an Appointment with FSA
- FSA Encourages Farmers and Ranchers to Vote in County Committee Elections
- Interest Rates and Dates to Remember

### Missouri FSA Newsletter

# Missouri Farm Service Agency

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# More than \$7 Billion Paid in Second Round of USDA Coronavirus Food Assistance Program

USDA announced that in the first month of the application period, the Farm Service Agency (FSA) approved more than \$7 billion in payments to producers in the second round of the Coronavirus Food Assistance Program. CFAP 2 provides agricultural producers with

### www.fsa.usda.gov/mo

## **Acting State Executive Director:**

P. Jeremy Mosley

#### **State Committee:**

Julie Hurst - Chair Marc Allison Cindy Schroeder Will Spargo Barbara Wilson

To find contact information for your local office go to <a href="https://www.fsa.usda.gov/mo">www.fsa.usda.gov/mo</a>.

Click here for the Missouri Department of Conservation Covey Headquarters newsletter. financial assistance to help absorb some of the increased marketing costs associated with the COVID-19 pandemic.

Since CFAP 2 enrollment began on September 21, FSA has approved more than 443,000 applications. The top five states for payments are Iowa, Nebraska, Minnesota, Illinois and Kansas. USDA has released a <u>data dashboard</u> on application progress and program payments and will release further updates each Monday at 2:00 p.m. ET. The report can be viewed at <u>farmers.gov/cfap</u>.

Through CFAP 2, USDA is making available up to \$14 billion for agricultural producers who continue to face market disruptions and associated costs because of COVID-19. CFAP 2 is a separate program from the first iteration of CFAP (CFAP 1). Farmers and ranchers who participated in CFAP 1 will not be automatically enrolled and must complete a new application for CFAP 2. FSA will accept CFAP 2 applications through December 11, 2020.

### **Eligible Commodities**

CFAP 2 supports eligible producers of row crops, livestock, specialty crops, dairy, aquaculture, and many other commodities, including many that were ineligible for CFAP 1. FSA's <u>CFAP 2 Eligible</u> <u>Commodities Finder</u> makes finding eligible commodities and payment rates simple. Access this tool and other resources at <u>farmers.gov/cfap</u>.

#### **Getting Help from FSA**

New 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 general assistance. This is a recommended first step before a producer engages the team at the FSA county office at their local USDA Service Center.

FSA offers multiple options for producers to apply for CFAP 2. Producers with an eAuthentication account can apply online through the CFAP 2 Application Portal. Also available is a payment calculator and application generator that is an Excel workbook that allows producers to input information specific to their operation to determine estimated payments and populate the application form, which can be printed, signed, and submitted to the local FSA office. Producers can also download the CFAP 2 application and other eligibility forms from <a href="mailto:farmers.gov/cfap">farmers.gov/cfap</a>.

Producers of acreage-based commodities will use acreage and yield information provided by FSA through the annual acreage reporting process. Producers have the option to complete their application by working directly with their local FSA staff or online through the CFAP 2 Application Portal.

CFAP 2 is not a loan program, and there is no cost to apply.

### **More Information**

To find the latest information on CFAP 2, visit farmers.gov/CFAP or call 877-508-8364.

# Dairy Margin Coverage Program Enrollment for 2021 Opens Oct. 13

The U.S. Department of Agriculture (USDA) will begin accepting applications for the <u>Dairy Margin</u> <u>Coverage</u> (DMC) program on Tuesday, October 13, 2020 for 2021 enrollment.

Signup runs through Dec. 11, 2020. 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. DMC payments triggered for seven months in 2019 and three months so far in 2020. More than 23,000 operations enrolled in DMC in 2019, and more than 13,000 in 2020.

To determine the appropriate level of coverage for a specific dairy operation, producers can utilize the recently updated online dairy decision tool. The <u>decision tool</u> is designed to assist producers with calculating total premium costs and administrative fees associated with participation in DMC. An <u>informational video</u> is available, too.

Improvements to the decision tool, made in cooperation with representatives from the University of Minnesota and University of Wisconsin, include historical analysis that illustrates what DMC indemnity payments might have been had the program been available over the previous two decades. The analysis indicates that over the course of time, DMC payments made to producers exceed premiums paid. These decision tool enhancements provide a more comprehensive decision support experience for producers considering DMC.

In addition to DMC, USDA offers a variety of programs that have helped dairy producers, including insurance, disaster assistance, and conservation programs. Most recently, the Coronavirus Food Assistance Program 1 provided \$1.75 billion in direct relief to dairy producers who faced price declines and additional marketing costs due to COVID-19 in early 2020. Now, signup is underway for the Coronavirus Food Assistance Program 2, which provides another round of assistance for dairy producers and many other eligible producers.

For more information, visit <u>farmers.gov DMC webpage</u>, or contact your local USDA Service Center. To locate your local FSA office, visit <u>farmers.gov/service-center-locator</u>.

All USDA Service Centers are open for business, including some that are open to visitors to conduct business in person by appointment only. All Service Center visitors wishing to conduct business with the FSA, Natural Resources Conservation Service, or any other Service Center agency should call ahead and schedule an appointment. Service Centers that are open for appointments will pre-screen visitors based on health concerns or recent travel, and visitors must adhere to social distancing guidelines. Visitors are required to wear a face covering during their appointment. Field work will continue with appropriate social distancing. Our program delivery staff will be in the office, and they will be working with our producers in office, by phone, and using online tools. More information can be found at <a href="mailto:farmers.gov/coronavirus">farmers.gov/coronavirus</a>.

# **Enrollment Begins for Agriculture Risk Coverage and Price Loss Coverage Programs for 2021**

Agricultural producers can now make elections and enroll in the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs for the 2021 crop year. The signup period opened Tuesday, Oct. 13. These key U.S. Department of Agriculture (USDA) safety-net programs help producers weather

fluctuations in either revenue or price for certain crops, and more than \$5 billion in payments are in the process of going out to producers who signed up for the 2019 crop year.

Enrollment for the 2021 crop year closes March 15, 2021.

ARC provides income support payments on historical base acres when actual crop revenue declines below a specified guaranteed level. PLC provides income support payments on historical base acres when the effective price for a covered commodity falls below its reference price.

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.

#### 2021 Elections and Enrollment

Producers can elect coverage and enroll in crop-by-crop ARC-County or PLC, or ARC-Individual for the entire farm, for the 2021 crop year. Although election changes for 2021 are optional, enrollment (signed contract) is required for each year of the program. If a producer has a multi-year contract on the farm and makes an election change for 2021, it will be necessary to sign a new contract.

If an election is not submitted by the deadline of March 15, 2021, the election defaults to the current election for crops on the farm from the prior crop year.

For crop years 2022 and 2023, producers will have an opportunity to make new elections during those signups. Farm owners cannot enroll in either program unless they have a share interest in the farm.

#### 2019 Crop Year ARC and PLC Payments

FSA began processing payments last week for 2019 ARC-County (ARC-CO) and PLC on covered commodities that met payment triggers on farms enrolled for the 2019 crop year. In addition to the \$5 billion now in process, FSA anticipates it will issue additional payments by the end of November for 2019 commodities covered under ARC-Individual (ARC-IC) and additional commodities that trigger PLC and ARC-CO payments for which rates have not yet been published

Producers who had 2019 covered commodities enrolled in ARC-CO can visit the <u>ARC and PLC</u> <u>webpage</u> for payment rates applicable to their county and each covered commodity. For farms and covered commodities enrolled in 2019 PLC, the following crops met payment triggers: barley, canola, chickpeas (small and large), corn, dry peas, grain sorghum, lentils, peanuts, seed cotton and wheat.

Oats and soybeans did not meet 2019 PLC payment triggers.

2019 PLC payment rates for the following covered commodities have not been determined: crambe, flaxseed, long and medium grain rice, mustard seed, rapeseed, safflower, sesame seed, sunflower seed and temperate Japonica rice. Payment rates for these commodities will be announced at a later date.

#### **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:

• <u>Gardner-farmdoc Payment Calculator</u>, the University of Illinois tool that offers farmers the ability to run payment estimate modeling for their farms and counties for ARC-County and PLC.

ARC and PLC Decision Tool, the Texas A&M tool allows producers to analyze payment yield
updates and expected payments for 2021. Producers who have used the tool in the past should
see their username and much of their farm data already available in the system.

#### More Information

For more information on ARC and PLC, including two online decision tools that assist producers in making enrollment and election decisions specific to their operations, visit the <u>ARC and PLC webpage</u>.

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

### **USDA Issues CRP Payments**

The U.S. Department of Agriculture (USDA) is issuing \$1.68 billion in payments to agricultural producers and landowners for the 21.9 million acres enrolled in the Conservation Reserve Program (CRP), which provides annual rental payments for land devoted to conservation purposes.

Through CRP, farmers and ranchers 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. Farmers and ranchers who participate in CRP help provide numerous benefits to the nation's environment and economy.

Signed into law in 1985, CRP is one of the largest 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 marks its 35-year anniversary this December. 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;
- Sequestering an annual average of 49 million tons of greenhouse gases, equal to taking 9 million cars off the road;
- 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; and
- Benefiting bees and other pollinators and increasing populations of ducks, pheasants, turkey, bobwhite quail, prairie chickens, grasshopper sparrows, and many other birds.

The successes of CRP contribute to USDA's <u>Agriculture Innovation Agenda</u> and its goal of reducing the environmental footprint of U.S. agriculture by half by 2050. Earlier this year, Secretary Perdue announced the department-wide initiative to align resources, programs, and research to position American agriculture to better meet future global demands.

CRP participants with contracts effective beginning on October 1, 2020, will receive their first annual rental payment in October 2021.

For more information on CRP, visit <u>fsa.usda.gov</u> or contact your <u>local FSA county office</u>.

# Ask USDA available to answer questions about FSA programs

Ask USDA is now available as a tool for FSA customers to ask questions about FSA programs and services.

Ask USDA, available at <u>ask.usda.gov</u> is similar to AskFSA, which was decommissioned Sept. 21, but it also provides information for all USDA programs. Ask USDA allows USDA customers to search for and read answers about FSA programs and services in the same location as they read about other USDA programs and services.

Customers are able to submit questions through email, chat, and phone if they need more information. This improved customer service approach further builds on Secretary Sonny Perdue's OneUSDA vison and provides the customer a one-stop shopping experience that covers all of USDA's many programs.

### **Submit Loan Requests for Financing Early**

The Farm Loan team in Missouri is already working on operating loans for spring 2021 and asks potential borrowers to submit their requests early so they can be timely processed. The farm loan team can help determine which loan programs are best for applicants.

FSA offers a wide range of low-interest loans that can meet the financial needs of any farm operation for just about any purpose. The traditional **farm operating and farm ownership loans** can help large and small farm operations take advantage of early purchasing discounts for spring inputs as well expenses throughout the year.

**Microloans** are a simplified loan program that will provide up to \$50,000 for both Farm Ownership and Operating Microloans to eligible applicants. These loans, targeted for smaller and non-traditional operations, can be used for operating expenses, starting a new operation, purchasing equipment, and other needs associated with a farming operation. Loans to beginning farmers and members of underserved groups are a priority.

Other types of loans available include:

**Marketing Assistance Loans** allow producers to use eligible commodities as loan collateral and obtain a 9-month loan while the crop is in storage. These loans provide cash flow to the producer and allow them to market the crop when prices may be more advantageous.

**Farm Storage Facility Loans** can be used to build permanent structures used to store eligible commodities, for storage and handling trucks, or portable or permanent handling equipment. A variety of structures are eligible under this loan, including bunker silos, grain bins, hay storage structures, and refrigerated structures for vegetables and fruit. A producer may borrow up to \$500,000 per loan.

### Save Time - Make an Appointment with FSA

Producers are encouraged to call their local FSA office to schedule an appointment to ensure maximum use of their time and to make sure FSA staff is available to tend to their important business needs. Please call your local FSA office ahead to set an appointment and to discuss any records or

documentation that might be needed during your appointment. To find your local FSA office, visit: offices.sc.egov.usda.gov/locator/app.

# **FSA Encourages Farmers and Ranchers to Vote in County Committee Elections**

The 2020 Farm Service Agency County Committee Elections began on Nov. 2, 2020, when ballots were mailed to eligible voters. The deadline to return ballots to local FSA offices, or to be postmarked, is Dec. 7, 2020.

County committee members are an important component of the operations of FSA and provide a link between the agricultural community and USDA. Farmers and ranchers elected to county committees help deliver FSA programs at the local level, applying their knowledge and judgment to make decisions on commodity price support programs, conservation programs, incentive indemnity and disaster programs for some commodities, emergency programs and eligibility. FSA committees operate within official regulations designed to carry out federal laws.

To be an eligible voter, farmers and ranchers must participate or cooperate in an FSA program. A person who is not of legal voting age but supervises and conducts the farming operations of an entire farm, may also be eligible to vote.

Eligible voters in local administrative areas who do not receive a ballot can obtain one from their local USDA Service Center.

Newly elected committee members will take office Jan. 1, 2021.

More information on county committees, such as the new 2020 fact sheet, can be found on the FSA website at fsa.usda.gov/elections or at a local USDA Service Center.

### Interest Rates and Dates to Remember

### **Selected Interest Rates for November 2020**

90-Day Treasury Bill	0.125%
Farm Operating Loans - Direct	1.250%
Farm Ownership Loans - Direct	2.375%
Farm Ownership Loans - Direct Down	1.500%
Payment, Beginning Farmer or Rancher	
Emergency Loans	2.250%
Farm Storage Facility Loans (3 years)	0.125%
Farm Storage Facility Loans (5 years)	0.250%
Farm Storage Facility Loans (7 years)	0.500%
Farm Storage Facility Loans (10 years)	0.750%
Farm Storage Facility Loans (12 years)	0.875%
Commodity Loans (1996-Present)	1.125%

#### **Dates to Remember**

November 11, 2020	Veterans Day Holiday. FSA offices are closed.
November 15, 2020	Final date to report apiculture.

November 20, 2020	NAP application closing date for apples, apricots, grapes, nectarines, peaches, pears, plums, & blueberries.
November 26, 2020	Thanksgiving Day Holiday. FSA offices are closed
December 1, 2020	NAP application closing date for honey.
December 7, 2020	Last day to return voted County Committee ballots to the local FSA Office.
December 11, 2020	Final date to enroll in Dairy Margin Coverage program for 2021 coverage.
December 11, 2020	Final date to apply for Coronavirus Food Assistance Program 2.
December 15, 2020	Final date to report fall barley, fall wheat & all other fall-seeded small grains.

USDA is an equal opportunity provider, employer and lender. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).