

**New Hampshire FSA Newsletter July 2021** 

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# 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 climatesmart 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.

# After Identifying Gaps in Previous Aid, USDA Announces 'Pandemic Assistance for Producers' to Distribute Resources More Equitably

Agriculture Secretary Tom Vilsack announced that USDA is establishing new programs and efforts to bring financial assistance to farmers, ranchers and producers who felt the impact of COVID-19 market disruptions. The new initiative—**USDA Pandemic Assistance for Producers**—will reach a broader set of producers than in previous COVID-19 aid programs.

USDA is dedicating at least \$6 billion toward the new programs. The Department will also develop rules for new programs that will put a greater emphasis on outreach to small and socially disadvantaged producers, specialty crop and organic producers, timber harvesters, as well as provide support for the food supply chain and producers of renewable fuel, among others. Existing programs like the Coronavirus Food Assistance Program (CFAP) will fall

within the new initiative and, where statutory authority allows, will be refined to better address the needs of producers.

**USDA Pandemic Assistance for Producers** was needed, said Vilsack, after a review of previous COVID-19 assistance programs targeting farmers identified a number of gaps and disparities in how assistance was distributed as well as inadequate outreach to underserved producers and smaller and medium operations.

USDA will reopen sign-up for CFAP 2 for at least 60 days beginning on April 5, 2021. The USDA Farm Service Agency (FSA) has committed at least \$2.5 million to improve outreach for CFAP 2 and will establish partnerships with organizations with strong connections to socially disadvantaged communities to ensure they are informed and aware of the application process.

#### **USDA Pandemic Assistance for Producers – 4 Parts**

#### Part 1: Investing \$6 Billion to Expand Help & Assistance to More Producers

USDA will dedicate at least \$6 billion to develop a number of new programs or modify existing proposals using discretionary funding from the Consolidated Appropriations Act and other coronavirus funding that went unspent by the previous administration.

#### Part 2: Adding \$500 Million of New Funding to Existing Programs

USDA expects to begin investing approximately \$500 million in expedited assistance through several existing programs this spring, with most by April 30.

#### Part 3: Carrying Out Formula Payments under CFAP 1, CFAP 2, CFAP AA

The Consolidated Appropriations Act, 2021, enacted December 2020 requires FSA to make certain payments to producers according to a mandated formula. USDA is now expediting these provisions because there is no discretion involved in interpreting such directives, they are self-enacting.

- An increase in CFAP 1 payment rates for cattle. Cattle producers with approved CFAP
  1 applications will automatically receive these payments beginning in April. Information
  on the additional payment rates for cattle can be found on <a href="mailto:farmers.gov/cfap">farmers.gov/cfap</a>. Eligible
  producers do not need to submit new applications, since payments are based on
  previously approved CFAP 1 application. USDA estimates additional payments of
  more than \$1.1 billion to more than 410,000 producers, according to the mandated
  formula.
- Additional CFAP assistance of \$20 per acre for producers of eligible crops identified
  as CFAP 2 flat-rate or price-trigger crops beginning in April. This includes alfalfa, corn,
  cotton, hemp, peanuts, rice, sorghum, soybeans, sugar beets and wheat, among other
  crops. FSA will automatically issue payments to eligible price trigger and flat-rate crop
  producers based on the eligible acres included on their CFAP 2 applications. Eligible
  producers do not need to submit a new CFAP 2 application. For a list of all eligible
  row-crops, visit farmers.gov/cfap. USDA estimates additional payments of more than
  \$4.5 billion to more than 560,000 producers, according to the mandated formula.

- USDA will finalize routine decisions and minor formula adjustments on applications and begin processing payments for certain 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;
  - Sales commodity applications revised to include insurance indemnities,
     Noninsured Crop Disaster Assistance Program payments, and Wildfire and
     Hurricane Indemnity Program Plus payments, as required by statute; and
  - 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.

## Part 4: Reopening CFAP 2 Sign-Up to Improve Access & Outreach to Underserved Producers

As noted above, USDA will re-open sign-up for of CFAP 2 for at least 60 days beginning on April 5, 2021.

FSA has committed at least \$2.5 million to establish partnerships and direct outreach
efforts intended to improve outreach for CFAP 2 and will cooperate with grassroots
organizations with strong connections to socially disadvantaged communities to
ensure they are informed and aware of the application process.

Please visit <a href="www.farmers.gov">www.farmers.gov</a> for additional information and announcements under the USDA Pandemic Assistance to Producers initiative, which will help to expand and more equitably distribute financial assistance to producers and farming operations during the COVID-19 national emergency.

# 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 farmers.gov/service-locator.

#### 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 Expands Aquaculture Disaster Assistance in NH to Include Fish Raised for Food

In response to catastrophic aquaculture losses due to major winter storms that hit states along the U.S. Gulf Coast including NH in February, the U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) today announced a policy change that makes food fish and other aquatic species eligible for the <a href="Emergency Assistance for Livestock">Emergency Assistance for Livestock</a>, Honey Bees and Farmaised Fish Program (ELAP). Previously, only farm-raised game and bait fish were eligible for death loss ELAP benefits. Beginning June 1, eligible aquaculture producers can request ELAP assistance for 2021 losses. This policy change is for the 2021 and subsequent program years.

ELAP provides financial assistance to eligible producers of livestock, honeybees and farmraised fish for losses due to disease, certain adverse weather events or loss conditions, including blizzards and wildfires, as determined by the Secretary.

To be eligible, losses must have occurred on or after Jan. 1, 2021. For farm-raised fish and other aquatic species death losses only that occurred prior to June 1, 2021, FSA is waiving the requirement to file a notice of loss within 30 calendar days of when the loss is apparent. An aquaculture producer will still need to be able to provide contemporaneous records upon request to document the eligible loss event and demonstrate the beginning and ending inventory. The deadline to file an application for payment for the 2021 program year is Jan. 31, 2022.

Producers must provide acreage reports for the surface acres of water where their aquatic species are raised. Acreage reports for 2021 must be filed by Sept. 30, 2022.

#### More Information

USDA offers a comprehensive portfolio of disaster assistance programs. On farmers.gov, the <u>Disaster Assistance Discovery Tool</u>, <u>Disaster-at-a-Glance fact sheet</u>, and <u>Farm Loan Discovery Tool</u> can help producers and landowners determine all program or loan options available for disaster recovery assistance. For assistance with a crop insurance claim, producers and landowners should contact their <u>crop insurance agent</u>. For FSA and NRCS programs, they should contact their local <u>USDA Service Center</u>.

# 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 local County USDA Service Center or visit <a href="mailto:fsa.usda.gov/nap">fsa.usda.gov/nap</a>.

### **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.

### **Applying for FSA Direct Loans**

FSA offers direct farm ownership and direct farm operating loans to producers who want to establish, maintain, or strengthen their farm or ranch. Direct loans are processed, approved and serviced by FSA loan officers.

Direct farm operating loans can be used to purchase livestock and feed, farm equipment, fuel, farm chemicals, insurance, and other costs including family living expenses. Operating loans can also be used to finance minor improvements or repairs to buildings and to refinance some farm-related debts, excluding real estate.

Direct farm ownership loans can be used to purchase farmland, enlarge an existing farm, construct and repair buildings, and to make farm improvements.

The maximum loan amount for direct farm ownership loans is \$600,000 and the maximum loan amount for direct operating loans is \$400,000 and a down payment is not required. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

Please contact your local FSA office for more information or to apply for a direct farm ownership or operating loan.

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