This year, Texas farmers and ranchers have endured through severe droughts, hurricanes and tropical storms, market disruptions and many other challenges. FSA responded to help producers recover from these setbacks and stands ready to assist with the current challenges producers face. We are less than a month away from the beginning of a new year and even closer to the signup deadlines for several programs.

Coronavirus Food Assistance Program 2 (CFAP 2) has an enrollment deadline of Friday, Dec. 11, 2020. Eligible commodities include row crops, wool, livestock, specialty livestock, dairy, specialty crops, floriculture and nursery crops, aquaculture, broilers...
Dairy Margin Coverage (DMC) enrollment also ends Friday, Dec. 11, 2020. DMC offers reasonably priced protection to dairy producers when the difference between the all-milk price and the average feed cost falls below a certain dollar amount selected by the producer. DMC has so far triggered four payment for the 2020 program year.

More than 160 counties in Texas are suffering from the effects of severe drought conditions and livestock producers may be eligible for assistance through the Livestock Forage Disaster Program (LFP) for 2020 grazing losses. Applications for 2020 losses will be accepted through Monday, Feb. 1, 2021.

Election and enrollment for the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Programs for the 2021 crop year from now through Monday, Mar. 15, 2021. Payments have been issued for 2019 covered commodities that met payment triggers. FSA anticipates issuing additional payments by the end of November for 2019 ARC-Individual commodities and additional commodities that trigger payments, for which rates have not yet been published.

All USDA Service Centers are for open for business, and Service Center staff members from FSA and NRCS will continue to work with producers by phone, email, and digital tools like Microsoft Teams, Box, and OneSpan. Producers can learn more about how to leverage these digital offerings by visiting https://www.farmers.gov/mydocs.

Producers wishing to conduct business with the FSA, NRCS, or any other Service Center agency should call ahead to confirm and schedule appointments. More information on Service Center status can be found at https://www.farmers.gov/coronavirus/service-center-status, and contact information for local Service Centers is available at https://www.farmers.gov/service-center-locator.

Wishing you a safe and joyous holiday season!

Gary L. Six
State Executive Director
Farm Service Agency – Texas

Myths Debunked: Coronavirus Food Assistance Program 2

USDA is now accepting applications for the Coronavirus Food Assistance Program 2 (CFAP 2) for farmers and ranchers whose operations have been impacted by the current pandemic. Signup
Myth 1: **I cannot apply for CFAP 2 because I didn’t apply for the first round of CFAP.** CFAP 2 is a separate program from the first iteration of CFAP, now referred to as CFAP 1. There is no requirement to participate in CFAP 1 in order to participate in CFAP 2.

Myth 2: **I applied for CFAP 1, therefore I cannot apply for CFAP 2 as they’re the same program with one funding pool.**

Again, CFAP 2 is a separate program from CFAP 1 and has its own unique funding. The programs function separately and require separate applications and signups, but with very similar eligibility requirements.

I enrolled in CFAP 1, so I’m automatically enrolled in CFAP 2.

Producers who applied for CFAP 1 are not automatically signed up for CFAP 2 and must complete a new application in order to be eligible for assistance.

Myth 3: **CFAP 2 is only for farmers or ranchers who’ve had COVID-19.**

No. CFAP 2 is available to any individual or legal entity who shares in the risk of producing eligible **CFAP 2 commodities.** The program is intended to provide financial assistance to farmers and ranchers who have continued to face market disruptions and associated costs because of COVID-19. There are more than 300 commodities eligible for the program ranging from livestock to row crops, specialty crops to aquaculture. Virtually all farmers and ranchers are potentially eligible for this program.

Myth 4: **The commodities I raise or produce were not eligible for CFAP 1, so there’s no need for me to apply for CFAP 2.**

CFAP 2 included additional commodities that were not eligible under CFAP 1. It’s important to check out our [Eligible Commodities Finder](farmers.gov/cfap) to see if the commodity you grow or raise is eligible for CFAP 2.

Myth 5: **My local Service Center is not open to the public because of the pandemic, so there’s no staff to help me with my application.**

All USDA Service Centers are open for business, including those that are closed to visitors or open to visitors by appointment only. You should first call your local Farm Service Agency office and schedule an appointment.

Our program delivery staff will continue to work with our producers by phone, email, and using online tools. An easy first step is to contact our call center at 877-508-8364 and an FSA employee can help you take the first steps toward application.

You can find the phone number and the location of your local USDA Service Center at [farmers.gov/cfap](farmers.gov/cfap) and view the status of your local Service Center at [farmers.gov/coronavirus/service-center-status](farmers.gov/coronavirus/service-center-status).

Myth 6: **I need to work with a third-party entity to complete my CFAP 2 application.**


USDA helps farmers and ranchers complete program applications and other paperwork free of charge. Service Center staff can guide farmers through the process of preparing and submitting required paperwork on their own, with no need to hire a paid preparer. Language translation service is available in all USDA Service Centers, so one-on-one assistance with a Service Center employee can be translated in real time for farmers requiring it.

**Myth 7: CFAP 2 is a loan program that I will need to pay back.**

CFAP 2 is direct financial assistance and not a loan. There is no cost to apply for CFAP 2 and funds will not need to be paid back.

**Myth 8: This is a first-come, first-served program and those who applied earlier are more likely to receive funding.**

This is not a first-come, first-served program. CFAP 2 provides up to $14 billion. The program was designed to distribute assistance broadly across the industry and across the country. Current data on payments is available online and updated every Monday. USDA’s Farm Service Agency will accept CFAP 2 applications through December 11, 2020.

**Myth 9: I’ve never done business with USDA before so I’m not eligible for CFAP 2.**

Participation in other USDA programs is not a prerequisite for CFAP 2 eligibility. Our staff is standing by to help you get started and will work with you to fill out the program application. They will ask for this information:

- Name and Address
- Personal Information, including your Tax Identification Number
- Farm Operating Structure
- Adjusted Gross Income compliance certification to ensure eligibility
- Direct deposit information to enable payment.

You can learn more about the CFAP 2 application process at farmers.gov/cfap/apply.

**Myth 10: I don’t have a farm number, so I don’t qualify for CFAP 2.**

You do not need to have a farm number to apply for CFAP 2, except if you will be filing an application for commodities identified as acreage-based crops. The acreage and yield information must be provided by FSA through the annual acreage reporting process, either through an application initiated by USDA Service Center staff or by applying online. Contact the FSA staff at your local USDA Service Center if you have questions about acreage reporting and your CFAP 2 application.

Learn more about CFAP 2 at farmers.gov/cfap.

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**USDA Reminds Dairy Producers of Dec. 11 Deadline for 2021 Safety-Net Enrollment**

The U.S. Department of Agriculture reminds dairy producers that the deadline to enroll in Dairy Margin Coverage (DMC) for calendar year 2021 is Friday, Dec. 11, 2020. USDA’s Farm Service
Agency (FSA) opened DMC signup in October to help producers manage economic risk brought on by milk price and feed cost disparities.

The DMC program, created by the 2018 Farm Bill, offers reasonably priced protection to dairy producers when the difference between the all-milk price and the average feed cost (the margin) falls below a certain dollar amount selected by the producer.

Complete 2021 Enrollment/Evaluate Coverage Options

For DMC enrollment, producers must certify with FSA that the operation is commercially marketing milk, sign all required forms, and pay the $100 administrative fee unless the dairy operation qualifies for a limited resource, beginning, socially disadvantaged, or military veteran farmers and ranchers waiver.

Producers interested in DMC have the option to select a $4.00 catastrophic level of coverage with no premium fee or they can choose to buy-up coverage where the premium is based on margin triggers between $4.50 and $9.50 on 5 to 95 percent of established production history.

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

More Information

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

All USDA Service Centers are open for business, including those that restrict in-person visits or require appointments. All Service Center visitors wishing to conduct business with 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 also required to wear a face covering during their appointment. Our program delivery staff will continue to work with our producers by phone, email and using online tools. More information can be found at farmers.gov/coronavirus.

Filing CCC-941 Adjusted Gross Income (AGI) Certifications

If you have experienced delays in receiving Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) payments, Loan Deficiency Payments (LDPs) and Market Gains on Marketing Assistance Loans (MALs), it may be because you have not filed form CCC-941, Adjusted Gross Income Certification.

If you don’t have a valid CCC-941 on file for the applicable crop year you will not receive payments. All farm operator/tenants/owners who have not filed a CCC-941 and have pending payments should IMMEDIATELY file the form with their recording county FSA office. Farm operators and tenants are encouraged to ensure that their landowners have filed the form.
FSA can accept the CCC-941 for 2018, 2019, 2020 and 2021. Unlike the past, you must have the CCC-941 certifying your AGI compliance before any payments can be issued.

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 local USDA Service Center or visit fsa.usda.gov.

Farm Loan Graduation Reminder for Direct Loan Borrowers

Farm Service Agency (FSA) Direct Loans are considered a temporary source of credit available to producers who do not meet normal underwriting criteria for commercial banks.

FSA periodically conducts Direct Loan graduation reviews to determine a borrower’s ability to graduate to commercial credit. If the borrower’s financial condition has improved to a point where they can refinance their debt with commercial credit, they will be asked to obtain other financing and partially or fully pay off their FSA debt.

By the end of a producer’s operating cycle, the Agency will send a letter requesting a current balance sheet, actual financial performance and a projected farm budget. The borrower has 30 days
to return the required financial documents. This information will be used to evaluate the borrower’s potential for refinancing to commercial credit.

If a borrower meets local underwriting criteria, FSA will send the borrower’s name, loan type, balance sheet, and projected cash flow to commercial lenders. The borrower will be notified when loan information is sent to local lenders.

If any lenders are interested in refinancing the borrower’s loan, FSA will send the borrower a letter with a list of lenders interested in refinancing the loan. The borrower must contact the lenders and complete an application for commercial credit within 30 calendar days.

If a commercial lender rejects the borrower, the borrower must obtain written evidence that specifies the reasons for rejection and submit to their local FSA farm loan office.

If a borrower fails to provide the requested financial information or to graduate, FSA will notify the borrower of noncompliance, FSA’s intent to accelerate the loan, and appeal rights.

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**USDA Announces Changes to Emergency Haying and Grazing Provisions**

The U.S. Department of Agriculture’s (USDA) Farm Service Agency (FSA) today announced changes for emergency haying and grazing use of acres enrolled in the Conservation Reserve Program (CRP). This includes changes outlined in the 2018 Farm Bill that streamlines the authorization process for farmers and ranchers.

Drought conditions are tough for our livestock producers, but emergency haying and grazing use of Conservation Reserve Program acres provides temporary relief to these producers. Thanks to a streamlined authorization process, Texas producers will be able to more quickly obtain emergency use approval to begin emergency haying or grazing of CRP acres.

**Program Changes**

Previously emergency haying and grazing requests originated with FSA at the county level and required state and national level approval. Now approval will be based on drought severity as determined by the [U.S. Drought Monitor](https://droughtmonitor.unl.edu/).

To date, 196 counties in Texas have triggered eligibility for emergency haying and grazing on CRP acres. A [list by state and map](https://www.fsa.usda.gov/programs-services/conservation-reserve-program/eligibility) of eligible counties are updated weekly and available on FSA’s website.

Producers located in a county that is designated as severe drought (D2) or greater on or after the last day of the primary nesting season are eligible for emergency haying and grazing on all eligible acres. Additionally, producers located in counties that were in a severe drought (D2) status any single week during the last eight weeks of the primary nesting season may also be eligible for emergency haying and grazing unless the FSA County Committee determines that forage conditions no longer warrant emergency haying and grazing.

Counties that trigger for [Livestock Forage Disaster Program](https://www.fsa.usda.gov/programs-services/livestock-forage-disaster-program) (LFP) payments based on the U.S. Drought Monitor may hay only certain practices on less than 50% of eligible contract acres. Producers should contact their local FSA county office for eligible CRP practices.
Producers who don’t meet the drought monitor qualifications but have a 40% loss of forage production may also be eligible for emergency haying and grazing outside of the primary nesting season.

**CRP Emergency Haying and Grazing Provisions**

Before haying or grazing eligible acres, producers must submit a request for CRP emergency haying or grazing to FSA and obtain a modified conservation plan from the Natural Resources Conservation Service (NRCS).

Emergency grazing is authorized for up to 90 days and emergency haying is authorized for up to 60 days. Program participants must stop haying and grazing 30 days before the first freeze date in the fall based on the dates established for LFP.

Under the emergency grazing provisions, producers can use the CRP acreage for their own livestock or may grant another livestock producer use of the CRP acreage. The eligible CRP acreage is limited to acres located within the approved county.

For emergency haying, producers are limited to one cutting and are permitted to sell the hay. Participants must remove all hay from CRP acreage within 15 days after baling and remove all livestock from CRP acreage no later than 1 day after the end of the emergency grazing period. There will be no CRP annual rental payment reduction for emergency haying and grazing authorizations.

**More Information**

For more information on CRP emergency haying and grazing visit [fsa.usda.gov/crp](http://fsa.usda.gov/crp) or contact your FSA county office. To locate your FSA office, visit [farmers.gov/service-locator](http://farmers.gov/service-locator). For more disaster recovery assistance programs, visit [farmers.gov/recover](http://farmers.gov/recover).

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**FSA is Accepting CRP Continuous Enrollment Offers**

The Farm Service Agency (FSA) is accepting offers for specific conservation practices under the Conservation Reserve Program (CRP) Continuous Signup.

In exchange for a yearly rental payment, farmers enrolled in the program agree to remove environmentally sensitive land from agricultural production and to plant species that will improve environmental health and quality. The program's long-term goal is to re-establish valuable land cover to improve water quality, prevent soil erosion, and reduce loss of wildlife habitat. Contracts for land enrolled in CRP are 10-15 years in length.

Under continuous CRP signup, environmentally sensitive land devoted to certain conservation practices can be enrolled in CRP at any time. Offers for continuous enrollment are not subject to competitive bidding during specific periods. Instead they are automatically accepted provided the land and producer meet certain eligibility requirements and the enrollment levels do not exceed the statutory cap.

For more information, including a list of acceptable practices, contact your local USDA Service Center or visit [fsa.usda.gov/crp](http://fsa.usda.gov/crp).
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 ARC and PLC webpage 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, long and medium grain rice, 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, 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:

- **Gardner-farmdoc Payment Calculator**, 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 [ARC and PLC webpage](#).

For additional questions and assistance, contact your local USDA service center. To locate your local FSA office, visit [farmers.gov/service-locator](#).

Update Your Records

FSA is cleaning up our producer record database and needs your help. Please report any changes of address, zip code, phone number, email address or an incorrect name or business name on file to our office. You should also report changes in your farm operation, like the addition of a farm by lease or purchase. You should also report any changes to your operation in which you reorganize to form a Trust, LLC or other legal entity.

FSA and NRCS program participants are required to promptly report changes in their farming operation to the County Committee in writing and to update their *Farm Operating Plan* on form CCC-902.

To update your records, contact your local USDA Service Center.

Keeping Livestock Inventory Records

Livestock inventory records are necessary in the event of a natural disaster, so remember to keep them updated.

When disasters strike, the USDA Farm Service Agency (FSA) can help you if you’ve suffered excessive livestock death losses and grazing or feed losses due to eligible natural disasters.
To participate in livestock disaster assistance programs, you'll be required to provide verifiable documentation of death losses resulting from an eligible adverse weather event and must submit a notice of loss to your local FSA office within 30 calendar days of when the loss of livestock is apparent. For grazing or feed losses, you must submit a notice of loss to your local FSA office within 30 calendar days of when the loss is apparent and should maintain documentation and receipts.

You should record all pertinent information regarding livestock inventory records including:

- Documentation of the number, kind, type, and weight range of livestock
- Beginning inventory supported by birth recordings or purchase receipts;

For more information on documentation requirements, contact your local USDA Service Center or visit fsa.usda.gov.

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).