USDA Extends General Signup for Conservation Reserve Program

The USDA is extending the Conservation Reserve Program (CRP) General Signup period, which had previously been announced as ending on Feb. 12, 2021. USDA will continue to accept offers as it takes this opportunity for the incoming Administration to evaluate ways to increase enrollment. Under the previous Administration, incentives and rental payment rates were reduced resulting in an enrollment shortfall of over 4 million acres. The program, administered by USDA’s Farm Service Agency (FSA), provides annual rental payments for 10 to 15 years for land devoted to conservation purposes, as well as other types of payments. Before the General CRP Signup period ends, producers will have the opportunity to adjust or resubmit their offers to take advantage of planned improvements to the program.

This signup for CRP gives producers an opportunity to enroll land for the first time or re-enroll land under existing contracts that will be expiring Sept. 30, 2021. All interested producers, including those on Indian reservations and with trust lands, are encouraged to contact their local USDA Service Center for more information.
March 15 is Deadline to Make Elections and Complete Enrollment in 2021 Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Programs

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.

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.

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](#).
Quality Loss Assistance Now Available for Eligible Producers Affected by 2018, 2019 Natural Disasters

The U.S. Department of Agriculture’s (USDA) Farm Service Agency (FSA) announced that signup for the Quality Loss Adjustment (QLA) Program began Wednesday, Jan. 6, 2021. Funded by the Further Consolidated Appropriations Act of 2020, this new program provides assistance to producers who suffered eligible crop quality losses due to natural disasters occurring in 2018 and 2019. The deadline to apply for QLA is Friday, March 5, 2021.

Eligible Crops

Eligible crops include those for which federal crop insurance or Noninsured Crop Disaster Assistance Program (NAP) coverage is available, except for grazed crops and value loss crops, such as honey, maple sap, aquaculture, floriculture, mushrooms, ginseng root, ornamental nursery, Christmas trees, and turfgrass sod.

Additionally, crops that were sold or fed to livestock or that are in storage may be eligible; however, crops that were destroyed before harvest are not eligible. Crop quality losses occurring after harvest, due to deterioration in storage, or that could have been mitigated, are also not eligible.

Assistance is based on a producer’s harvested affected production of an eligible crop, which must have had at least a 5% quality loss reflected through a quality discount; or for forage crops, a nutrient loss, such as total digestible nutrients.

Qualifying Disaster Events

Losses must have been a result of a qualifying disaster event (hurricane, excessive moisture, flood, qualifying drought, tornado, typhoon, volcanic activity, snowstorm, or wildfire) or related condition that occurred in calendar years 2018 and/or 2019.

Assistance is available for eligible producers in counties that received a qualifying Presidential Emergency Disaster Declaration or Secretarial Disaster Designation because of one or more of the qualifying disaster events or related conditions.

Lists of counties with Presidential Emergency Disaster Declarations and Secretarial Disaster Designations for all qualifying disaster events for 2018 and 2019 are available here. For drought, producers are eligible for QLA if the loss occurred in an area within a county rated by the U.S. Drought Monitor as having a D3 (extreme drought) or higher intensity level during 2018 or 2019.

Producers in counties that did not receive a qualifying declaration or designation may still apply but must also provide supporting documentation to establish that the crop was directly affected by a qualifying disaster event.

To determine QLA eligibility and payments, FSA considers the total quality loss caused by all qualifying natural disasters in cases where a crop was impacted by multiple events.

Applying for QLA

When applying, producers are asked to provide verifiable documentation to support claims of quality loss or nutrient loss in the case of forage crops. For crops that have been sold, grading must have been completed within 30 days of harvest, and for forage crops, a laboratory analysis must have been completed within 30 days of harvest.

Some acceptable forms of documentation include sales receipts from buyers, settlement sheets, truck or warehouse scale tickets, written sales contracts, similar records that represent actual and specific quality loss information, and forage tests for nutritional values.

Payments Calculations and Limitations
QLA payments are based on formulas for the type of crop (forage or non-forage) and loss documentation submitted. Based on this documentation, FSA is calculating payments based on the producer's own individual loss or based on the county average loss. More information on payments can be found on farmers.gov/quality-loss.

FSA will issue payments once the application period ends. If the total amount of calculated QLA payments exceeds available program funding, payments will be prorated.

For each crop year, 2018, 2019 and 2020, the maximum amount that a person or legal entity may receive, directly or indirectly, is $125,000. Payments made to a joint operation (including a general partnership or joint venture) will not exceed $125,000, multiplied by the number of persons and legal entities that comprise the ownership of the joint operation. A person or legal entity is ineligible for QLA payment if the person’s or legal entity’s average Adjusted Gross Income exceeds $900,000, unless at least 75% is derived from farming, ranching or forestry-related activities.

**Future Insurance Coverage Requirements**

All producers receiving QLA Program payments are required to purchase crop insurance or NAP coverage for the next two available crop years at the 60% coverage level or higher. Wildlife and Hurricane Indemnity Program Plus (WHIP+) participants who already met the WHIP+ requirement to purchase crop insurance or NAP coverage are considered to have thereby met the requirement to purchase crop insurance or NAP coverage for QLA. If eligible, QLA participants may meet the insurance purchase requirement by purchasing Whole-Farm Revenue Protection coverage offered through USDA’s Risk Management Agency.

**More Information** For more information, visit farmers.gov/quality-loss, or contact your local USDA Service Center. Producers can also obtain one-on-one support with applications by calling 877-508-8364.

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**Using FSA Direct Farm Ownership Loans for Construction**

The USDA Farm Service Agency’s (FSA) Direct Farm Ownership loans are a resource to 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 Direct Farm Ownership Microloan option for smaller financial needs up to $50,000.

Direct Farm Ownership Loans can be used to construct, purchase or improve farm dwellings, service buildings or other facilities, and to make improvements essential to an operation.

Applicants must provide FSA with an estimate of the total cost of all planned development that completely describe the work, prior to loan approval and must show proof of sufficient funds to pay for the total cost of all planned development at or before loan closing. In some instances, applicants may be asked to provide certified plans, specifications or contract documents. The applicant cannot incur any debts for materials or labor or make any expenditures for development purposes prior to loan closing with the expectation of being reimbursed from FSA funds.

Construction and development work may be performed either by the contract method or the borrower method. Under the contract method, construction and development contractors perform work according to a written contract with the applicant or borrower. If applying for a direct loan to finance a construction project, the applicant must obtain a surety bond that guarantees both payment and performance in the amount of the construction contract from a construction contractor.

A surety bond is required when a contract exceeds $100,000. An authorized agency official determines that a surety bond appears advisable to protect the borrower against default of the contractor or a contract provides for partial payments in excess of the amount of 60 percent of the value of the work in place.

Under the borrower method, the applicant or borrower will perform the construction and development work. The borrower method may only be used when the authorized agency official determines, based on information from the applicant, that the applicant possesses or arranges to obtain the necessary skill and managerial ability to complete the work satisfactorily and that such work will not interfere with the applicant’s farming operation or work schedule.
Potential applicants should visit with FSA early in the initial project planning process to ensure environmental compliance.

For more eligibility requirements and information about FSA Loan programs, contact your local USDA Service Center or visit fsa.usda.gov.

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**Change to Policy on Filing a Notice of Loss for Grazed Forage Producers with NAP Coverage**

For the 2021 and subsequent crop years, NAP forage producers with the intended use of grazing who elect to use independent assessments or other approved alternative loss percentage methods to establish their loss are no longer required to file a CCC-576 Notice of Loss with FSA. However, a CCC-576 Application for Payment form must be submitted to FSA no later than 60 calendar days after the coverage period ends.

Producers that elect to have the grazing loss determined using similar mechanically harvested units still must timely file a CCC-576 Notice of Loss within 15 days of the disaster event or damage to the crop first becomes apparent or within 15 days of harvest.

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**USDA and Dairy Farmers Work Together to Mitigate Risk for 2021**

In an unprecedented year, USDA staff and dairy producers across the country worked together to protect dairy operations for the 2021 production year under USDA’s risk management program options – the Dairy Margin Coverage (DMC), Dairy Revenue Protection (DRP), and Livestock Gross Margin for Dairy Cattle (LGM) programs. Recent enrollment data for these programs indicate that dairy operations are proactively managing their risk.

**Dairy Margin Coverage**

Administered by USDA’s Farm Service Agency, DMC 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.

Nearly three-quarters of all U.S. dairy operations with established production history are enrolled in DMC for the 2021 program year. Compared with 2020 enrollment of 13,532 operations, participation for 2021 increased to cover nearly 18,500 operations nationwide – meaning an additional 4,900 dairy operations recognized the value of DMC to their bottom line.

This enrollment success is a testament to the value of DMC to dairy operations. DMC is a cashflow-friendly program that offers enrolled operations the option to select a $4.00 catastrophic level of coverage with no premium fee or elect to buy up coverage. The premium on buy-up coverage is based on margin triggers between $4.50 and $9.50 on 5 to 95% of established production history. For coverage at the maximum margin trigger of $9.50, producers pay $0.15 per hundredweight of established milk production history.

To date, DMC has paid out more than $500 million in program benefits to dairy operations enrolled in calendar years 2019 and 2020. Margin payments triggered seven months in 2019 and four months, to date, for the 2020 DMC program year.

**Additional Protection for Dairy**

Approximately 3,000 operations purchased additional protection under DRP, which covers 30% of the milk supply and has provided more than $400 million in payments to covered operations since 2019. DRP, now in its second year, has grown from 2,500 policies in 2019. Additionally, 200 producers purchased coverage through LGM. Both LGM and DRP are managed by USDA’s Risk Management Agency.

While DRP insures against unexpected declines in the quarterly revenue from milk sales, LGM provides protection against the loss of gross margin (market value of milk minus feed costs) on the milk produced from dairy cows.
Enrollment for 2022 coverage for DMC will take place in the fall of 2021. For more information about DMC and to use the online program decision tool, visit the [farmers.gov DMC webpage](https://www.farmers.gov/dmc) or contact your local USDA Service Center. To locate your local office, visit [farmers.gov/service-center-locator](https://www.farmers.gov/service-center-locator).

All Federal crop insurance policies are available from Approved Insurance Providers (AIP). To learn more about DRP and LGM and other crop and livestock insurance products, contact your local AIP. A list of AIPs is available at all USDA service centers and on the RMA website at the [Agent Locator Page](https://www.rma.usda.gov/services-and-programs/agent-locator).

**USDA Expands Farm Loans for Native Americans Farming and Ranching on Tribal Land**

The Highly Fractionated Indian Land Loan program (HFIL) provides revolving loan funds to qualified intermediary lenders that helps qualified tribes and individuals purchase tribal farmland that has multiple owners.

The first recipient, the Native American Community Development Corporation Financial Services, Inc. (NACDCFS) of Browning, Mont., will lend funds directly to tribal members through a $10 million intermediary HFIL loan from USDA’s Farm Service Agency (FSA). NACDCFS addresses critical needs in Native American communities related to the growth of family assets, supports economic development, and enhances the quality of life for communities and residents located on or near Montana’s seven Indian reservations. NACDCFS provides one-on-one technical assistance to Native American entrepreneurs and agricultural producers. NACDCFS is a 501(c) (3), certified Native Community Development Financial Institution (CDFI), through the U.S. Department of Treasury.

Under the [1887 Dawes Act](https://www.usa.gov/1887-dawes-act), Indian reservation land was divided and allotted to individual tribal members such that with the passing of each generation, title ownership was divided and parcelized among heirs, while the land was not. As a result, land once owned by a single person could today be owned by hundreds or thousands of individuals, resulting in what is known as “highly fractionated Indian land.” In many instances, landowners are unknown or cannot be located, which complicates the coordination of ownership or prevents the use of the property altogether. There are more than 245,000 owners of three million fractionated land interests, spanning approximately 150 Indian reservations.

Under HFIL, tribes and tribal members can submit an application directly to an intermediary lender. To participate, intermediary lenders first must be approved by USDA. The lenders may be private and tribal nonprofit corporations, public agencies, Indian tribes or lenders subject to federal or state regulation (such as a credit union or other financial institution). FSA will lend to the intermediary, which will relend to the applicant. The intermediary lender also will administer the loan for the applicant.

For more information on the program, contact your local USDA Service Center or visit [fsa.usda.gov/farmloans](https://www.fsa.usda.gov/farmloans).

**USDA Seeks Members for Advisory Committee on Urban Agriculture**

The U.S. Department of Agriculture (USDA) is seeking members for a new advisory committee on urban agriculture, part of a broader effort to focus on the needs of urban farmers. The 12-person committee will advise the Secretary of Agriculture on the development of policies and outreach relating to urban, indoor and other emerging agricultural production practices as well as identify any barriers to urban agriculture.

USDA is seeking nominations for individuals representing a broad spectrum of expertise, including:

- Four agricultural producers (two agricultural producers in an urban area or urban cluster and two agricultural producers who use innovative technology).
- Two representatives from an institution of higher education or extension program.
- One representative of a nonprofit organization, which may include a public health, environmental or community organization.
- One representative of business and economic development, which may include a business development entity, a chamber of commerce, a city government or a planning organization.
• One individual with supply chain experience, which may include a food aggregator, wholesale food distributor, food hub or an individual who has direct-to-consumer market experience.
• One individual from a financing entity.
• Two individuals with related experience or expertise in urban, indoor and other emerging agriculture production practices, as determined by the Secretary.

Any interested person or organization may nominate qualified individuals for membership. Self-nominations are also welcome.

Nominations should include a cover letter, resume and a background form. Nomination packages must be submitted by mail or email by March 5, 2021. They should be addressed to Ronald Harris, Designated Federal Officer, Director of Outreach and Partnerships, Natural Resources Conservation Service (NRCS), Department of Agriculture, 1400 Independence Avenue, S.W., Room 6006-S, Washington, D.C. 20250, or emailed to Ronald.Harris@usda.gov.

The 2018 Farm Bill established the Office of Urban Agriculture and Innovative Production and directed USDA to form this advisory committee as well as make other advancements related to urban agriculture. It is led by the NRCS and works in partnership with numerous USDA agencies that support urban agriculture. Its mission is to encourage and promote urban, indoor and other emerging agricultural practices, including community composting and food waste reduction. More information is available in this notice on the Federal Register or at farmers.gov/urban.

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**USDA Encourages You to Consider NAP Risk Protection Coverage Before Crop Sales Deadlines**

The Farm Service Agency encourages you to examine available USDA crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the applicable crop sales deadline.

Federal crop insurance covers crop losses from natural adversities such as drought, hail and excessive moisture. NAP covers losses from natural disasters on crops for which no permanent federal crop insurance program is available. You can determine if crops are eligible for federal crop insurance or NAP by visiting the RMA website.

NAP offers higher levels of coverage, from 50 to 65 percent of expected production in 5 percent increments, at 100 percent of the average market price. Producers of organics and crops marketed directly to consumers also may exercise the “buy-up” option to obtain NAP coverage of 100 percent of the average market price at the coverage levels of between 50 and 65 percent of expected production. Buy-up levels of NAP coverage are available if the producer can show at least one year of previously successfully growing the crop for which coverage is being requested. NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production.

For all coverage levels, the NAP service fee is the lesser of $325 per crop or $825 per producer per county, not to exceed a total of $1,950 for a producer with farming interests in multiple counties.

Beginning, underserved, veterans and limited resource farmers are now eligible for free catastrophic level coverage.

Deadlines for coverage vary by state and crop. Contact your local USDA Service Center or visit fsa.usda.gov.

Federal crop insurance coverage is sold and delivered solely through private insurance agents. Agent lists are available at all USDA Service Centers or at USDA’s online Agent Locator. You can use the USDA Cost Estimator to predict insurance premium costs.

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**Disaster Set-Aside (DSA) Program for Farm Loan Borrowers**

Farm Service Agency (FSA) borrowers with farms located in designated primary or contiguous disaster areas who are unable to make their scheduled FSA loan payments should consider the Disaster Set-Aside (DSA) program.
DSA is available to producers who suffered losses as a result of a natural disaster and relieves immediate and temporary financial stress. FSA is authorized to consider setting aside the portion of a payment/s needed for the operation to continue on a viable scale.

Borrowers must have at least two years left on the term of their loan in order to qualify.

Borrowers have eight months from the date of the disaster designation to submit a complete application. The application must include a written request for DSA signed by all parties liable for the debt along with production records and financial history for the operating year in which the disaster occurred. FSA may request additional information from the borrower in order to determine eligibility.

All farm loans must be current or less than 90 days past due at the time the DSA application is complete. Borrowers may not set aside more than one installment on each loan.

The amount set-aside, including interest accrued on the principal portion of the set-aside, is due on or before the final due date of the loan.

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