

Utah Farm Service Agency - February 16, 2022

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Deadline Extended to Enroll in 2022 Dairy Margin Coverage and Supplemental Dairy Margin Coverage



disparities.

USDA has extended the deadline to enroll in Dairy Margin Coverage (DMC) and Supplemental Dairy Margin Coverage (SDMC) for program year 2022. The deadline to apply for 2022 coverage is now March 25, 2022. As part of the Biden-Harris Administration's ongoing efforts to support dairy farmers and rural communities, USDA's Farm Service Agency (FSA) opened DMC and SDMC signup in December 2021 to help producers manage economic risk brought on by milk price and feed cost

Enrollment for 2022 DMC is currently at 55% of the 2021 program year enrollment. Producers who enrolled in DMC for 2021 received margin payments each month, January through November for a total of \$1.2 billion, with an average payment of \$60,275 per operation.

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.

Supplemental DMC will provide \$580 million to better help small- and mid-sized dairy operations that have increased production over the years but were not able to enroll the additional production. Now, they will be able to retroactively receive payments for that supplemental production.

After making any revisions to 2021 DMC contracts for Supplemental DMC, producers can sign up for 2022 coverage. DMC provides eligible dairy producers with risk management coverage that pays producers when the difference between the price of milk and the cost of feed falls below a certain level. So far in 2021, DMC payments have triggered for January through November for more than \$1 billion.

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. The fee is waived for farmers who are considered limited resource, beginning, socially disadvantaged, or a military veteran. To determine the appropriate level of DMC coverage for a specific dairy operation, producers can use the online dairy decision tool.

USDA has also changed the DMC feed cost formula to better reflect the actual cost dairy farmers pay for high-quality alfalfa hay. FSA now calculates payments using 100% premium alfalfa hay rather than 50%. In December 2021, following publication of the new feed cost policy, \$102 million was paid to producers as a result of the revised high quality alfalfa feed cost formula.

The amended feed cost formula will make DMC payments more reflective of actual dairy producer expenses and DMC payments. Higher DMC feed cost calculations due to the premium alfalfa adjustment could more frequently trigger DMC indemnity payments for dairy operations having DMC coverage in 2022.

USDA Announces Conservation Reserve Program Signups for 2022

Agricultural producers and landowners can sign up soon for the Conservation Reserve Program (CRP), a cornerstone conservation program offered by the U.S. Department of Agriculture (USDA) and a key tool in the Biden-Harris Administration effort to address climate change and achieve other natural resource benefits. The General CRP signup will run from Jan. 31 to March 11, and the Grassland CRP signup will run from April 4 to May 13.

Producers and landowners enrolled 4.6 million acres into CRP signups in 2021, including 2.5 million acres in the largest Grassland CRP signup in history. There are currently 22.1

million acres enrolled, and FSA is aiming to reach the 25.5-million-acre cap statutorily set for fiscal year 2022.

CRP Signups

General CRP helps 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.

Meanwhile, Grassland CRP is a working lands program, helping landowners and operators protect grassland, including rangeland and pastureland and certain other lands, while maintaining the areas as working grazing lands. Protecting grasslands contributes positively to the economy of many regions, provides biodiversity of plant and animal populations and provides important carbon sequestration benefits to deliver lasting climate outcomes.

Alongside these programs, producers and landowners can enroll acres in Continuous CRP under the ongoing sign up, which includes projects available through the Conservation Reserve Enhancement Program (CREP) and State Acres for Wildlife Enhancement (SAFE).

Climate Benefits

Last year, FSA enacted a Climate-Smart Practice Incentive for CRP General and Continuous signups, to better target CRP on addressing climate change. This incentive aims to increase carbon sequestration and reduce greenhouse gas emissions. CRP's climate-smart 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.

Additionally, in order to better target the program toward climate outcomes, USDA invested \$10 million last year in the CRP Monitoring, Assessment and Evaluation (MAE) program to measure and monitor the soil carbon and climate resilience impacts of conservation practices over the life of new CRP contracts. This will enable the agency to further refine the program and practices to provide producers tools for increased climate resilience.

More Information on CRP

Landowners and producers interested in CRP should contact their local <u>USDA Service</u> <u>Center</u> to learn more or to apply for the program -- for General CRP before the **March 11 deadline**, and for Grassland CRP before the **May 13 deadline**. Service Center staff continue to work with agricultural producers via phone, email, and other digital tools. Due to the pandemic, some <u>USDA Service Centers</u> are open to limited visitors. Additionally, fact sheets and other resources are available at fsa.usda.gov/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.

Producers with Crop Insurance to Receive Premium Benefit for Cover Crops

Agricultural producers who have coverage under most crop insurance policies are eligible for a premium benefit from the U.S. Department of Agriculture (USDA) if they planted cover crops during the 2022 crop year. To receive the benefit from this year's Pandemic Cover Crop Program (PCCP), producers must report cover crop acreage by **March 15, 2022**.

PCCP, offered by USDA's Risk Management Agency (RMA), helps farmers maintain their cover crop systems, despite the financial challenges posed by the pandemic and is part of USDA's <u>Pandemic Assistance for Producers</u> initiative, a bundle of programs to bring financial assistance to farmers, ranchers and producers who felt the impact of COVID-19 market disruptions.

PCCP provides premium support to producers who insured their crop with most insurance policies and planted a qualifying cover crop during the 2022 crop year. The premium support is \$5 per acre, but no more than the full premium amount owed.

< Pandemic Cover Crop Program >

Farmers.gov Feature Helps Producers Find Farm Loans that Fit Their Operation

Farmers and ranchers can use the *Farm Loan Discovery Tool* on farmers.gov to find information on USDA farm loans that may best fit their operations.

USDA's Farm Service Agency (FSA) offers a variety of loan options to help farmers finance their operations. From buying land to financing the purchase of equipment, FSA loans can help.

USDA conducted field research in eight states, gathering input from farmers and FSA farm loan staff to better understand their needs and challenges.

How the Tool Works

Farmers who are looking for financing options to operate a farm or buy land can answer a few simple questions about what they are looking to fund and how much money they need to borrow. After submitting their answers, farmers will receive information on farm loans that best fit their specific needs. The loan application and additional resources also will be provided.

Farmers can download application quick guides that outline what to expect from preparing an application to receiving a loan decision. There are four guides that cover loans to individuals, entities, and youth, as well as information on microloans. The guides include general eligibility requirements and a list of required forms and documentation for each type of loan. These guides can help farmers prepare before their first USDA service center visit with a loan officer.

Farmers can access the *Farm Loan Discovery Tool* by visiting <u>farmers.gov/fund</u> and clicking the "Start" button. Follow the prompts and answer five simple guestions to receive loan

information that is applicable to your agricultural operation. The tool is built to run on any modern browser like Chrome, Edge, Firefox, or the Safari browser, and is fully functional on mobile devices. It does not work in Internet Explorer.

About Farmers.gov

In 2018, USDA unveiled farmers.gov, a dynamic, mobile-friendly public website combined with an authenticated portal where farmers will be able to apply for programs, process transactions, and manage accounts.

The Farm Loan Discovery Tool is one of many resources on farmers.gov to help connect farmers to information that can help their operations. Earlier this year, USDA launched the *My Financial Information* feature, which enables farmers to view their loan information, history, payments, and alerts by logging into the website.

USDA is building farmers.gov for farmers, by farmers. In addition to the interactive farm loan features, the site also offers a Disaster Assistance Discovery Tool. Farmers can visit farmers.gov/recover/disaster-assistance-tool#step-1 to find disaster assistance programs that can help their operation recover from natural disasters.

For more information, contact your local County USDA Service Center or visit farmers.gov.

Five Facts About the United States Drought Monitor

This is likely no surprise to you, but drought persists across the western U.S. and is intensifying in some areas. No geographic area is immune to the potential of drought at any given time. The <u>U.S. Drought Monitor</u> provides a weekly drought assessment, and it plays an important role in USDA programs that help farmers and ranchers recover from drought.

Fact #1 - Numerous agencies use the Drought Monitor to inform drought-related decisions.

The map identifies areas of drought and labels them by intensity on a weekly basis. It categorizes the entire country as being in one of six levels of drought. The first two, None and Abnormally Dry (D0), are not considered to be drought. The next four describe increasing levels of drought: Moderate (D1), Severe (D2), Extreme (D3) and Exceptional (D4).

While many entities consult the Drought Monitor for drought information, drought declarations are made by federal, <u>state</u> and local agencies that may or may not use the Drought Monitor to inform their decisions. Some of the ways USDA uses it to determine a producer's eligibility for certain <u>drought assistance programs</u>, like the <u>Livestock Forage Disaster</u>

<u>Program</u> and <u>Emergency Haying or Grazing on Conservation Reserve Program acres</u> and to "fast-track" Secretarial drought disaster designations.

Fact #2 - U.S. Drought Monitor is made with more than precipitation data.

When you think about drought, you probably think about water, or the lack of it. Precipitation plays a major role in the creation of the Drought Monitor, but the map's author

considers <u>numerous indicators</u>, including <u>drought impacts</u> and local insight from over 450 expert observers around the country. Authors use several dozen indicators to assess drought, including precipitation, streamflow, reservoir levels, temperature and evaporative demand, soil moisture and vegetation health. Because the drought monitor depicts both short and long-term drought conditions, the authors must look at data for multiple timeframes. The final map produced each week represents a summary of the story being told by all the pieces of data. To help tell that story, authors don't just look at data. They converse over the course of the map-making week with experts across the country and draw information about drought impacts from media reports and private citizens.

Fact #3 - A real person, using real data, updates the map.

Each week's map author, not a computer, processes and analyzes data to update the drought monitor. The <u>map authors</u> are trained climatologists or meteorologists from the National Drought Mitigation Center at the University of Nebraska-Lincoln (the academic partner and website host of the Drought Monitor), the National Oceanic and Atmospheric Administration and USDA. The author's job is to do what a computer can't – use their expertise to reconcile the sometimes-conflicting stories told by each stream of data into a single assessment.

Fact #4 - The Drought Monitor provides a current snapshot, not a forecast.

The Drought Monitor is a "snapshot" of conditions observed during the most recent week and builds off the previous week's map. The map is released on Thursdays and depicts conditions based on data for the week that ended the preceding Tuesday. Rain that falls on the Wednesday just before the USDM's release won't be reflected until the next map is published. This provides a consistent, week-to-week product and gives the author a window to assess the data and come up with a final map.

Fact #5 – Your input can be part of the drought-monitoring process.

State climatologists and other trained observers in the drought monitoring network relay onthe-ground information from numerous sources to the US Drought monitor author each week. That can include information that you contribute.

The Drought Monitor serves as a trigger for multiple forms of federal disaster relief for agricultural producers, and sometimes producers contact the author to suggest that drought conditions in their area are worse than what the latest drought monitor shows. When the author gets a call like that, it prompts them to look closely at all available data for that area, to see whether measurements of precipitation, temperature, soil moisture and other indicators corroborate producer-submitted reports. This is the process that authors follow whether they receive one report or one hundred reports, although reports from more points may help state officials and others know where to look for impacts.

There are multiple ways to contribute your observations:

- 1. **Talk to your state climatologist** Find the current list at the <u>American</u> Association of State Climatologists website.
- 2. **Email** Emails sent to <u>droughtmonitor@unl.edu</u> inform the USDM authors.
- 3. **Become a CoCoRaHS observer** Submit drought reports along with daily precipitation observations to the <u>Community Collaborative Rain, Hail & Snow Network</u>.

4. Submit Condition Monitoring Observer Reports (CMOR) - go.unl.edu/CMOR.

For more information, read our <u>Ask the Expert blog with a NDMC climatologist</u> or visit farmers.gov/protection-recovery.

New Online Tool Allows Farmers, Ranchers to Easily Report Anticompetitive Practices

Farmers, ranchers, and other producers and growers now have a one-stop shop to help ensure they are treated fairly. The new <u>farmerfairness.gov</u> portal developed jointly by the U.S. Department of Agriculture (USDA) and Department of Justice (DOJ) allows you to report potential violations of livestock and poultry antitrust laws, including the Packers and Stockyards Act.

Agriculture Secretary Tom Vilsack recently expressed concern that producers across the country have for too long faced a marketplace that benefits a few large companies over the farmers and ranchers who grow and raise our food.

For example, ranchers received more than 60 cents of every dollar a consumer spent on beef 50 years ago, compared to approximately 39 cents today. Hog farmers fared worse over the past 50 years, as their share of the consumer dollar fell from between 40 to 60 cents 50 years ago to approximately 19 cents today.

While antitrust and market regulatory enforcement laws have been on the books for 100 years, Secretary Vilsack, along with President Joe Biden and Attorney General Merrick Garland, have affirmed their commitment to ensuring competition, vigorously enforcing antitrust laws, and assuring economic opportunity and fairness for all.

As part of these efforts, this portal makes it easy for farers and ranchers to register a complaint or tip and provide details that would aid an investigation.

Who may submit a complaint or tip?

Anyone who suspects a violation of Federal law governing fair and competitive marketing and contract growing of livestock and poultry, including the Packers and Stockyards Act.

What information should I provide?

Those reporting potential violations of the Packers and Stockyards Act and other competition laws via the online portal are asked to submit the following information:

- The names of companies, individuals, or organizations that are involved,
- A description of any possible violations of the Packers and Stockyards Act or other federal antitrust laws,
- Examples of the conduct that may violate one or more of these laws.
- Any other relevant details about the violation, and

 The names of companies, individuals, or organizations that may be harmed by the alleged violation and how they are harmed.

What is the process following submission of a complaint or tip?

Complaints and tips will go through a preliminary review by USDA Packers and Stockyards Division staff and Department of Justice staff. If a complaint raises sufficient concern under the Packers and Stockyards Act or antitrust laws, it will be selected for further investigation by the appropriate agency. This action may lead to the opening of a formal investigation.

USDA or DOJ staff will only contact complainants if additional information is needed.

Will my confidentiality be protected?

Both USDA and DOJ will protect the confidentiality of the complainants to the fullest extent possible under the law. For any information provided, DOJ and USDA will follow their respective Privacy and Confidentiality Policies found at: DOJ Confidentiality and USDA Privacy. Packers and Stockyards regulations regarding confidentiality also apply: PSD Confidentiality. DOJ and USDA commit to supporting relevant whistleblower protections, including newly applicable protections for criminal antitrust complainants against unlawful retaliation.

To submit an anonymous complaint or tip, complainants or tippers should provide appropriate details but not enter their names or contact information. Neither USDA nor DOJ will be able to contact anonymous complainants or tips to obtain additional information that might be needed to evaluate your complaint tip, or to engage in future correspondence regarding your complaint or tip.

Farmers, ranchers, and other producers and growers deserve the benefits of fair and competitive markets for their products and services. This portal is an additional tool to support and protect these individuals who are vital to agriculture and our food supply.

Disaster Set-Aside Extension

USDA has additional support available to producers given the recent outbreaks of the COVID-19 Delta variant and has extended the availability of COVID-19 Disaster Set-Aside (DSA) for installments due through Jan. 31, 2022. In addition, FSA will permit a second DSA for COVID-19 and a second DSA for natural disasters for those who had an initial COVID-19 DSA. Requests for a COVID-19 DSA or a second DSA must be received no later than May 1, 2022.

Last year, FSA broadened the use of the DSA. Normally used in the wake of natural disasters, the DSA can now allow farmers with USDA farm loans who are affected by COVID-19 and determined to be eligible, to have their next payment set aside. The set-aside payment's due date is moved to the final maturity date of the loan or extended up to twelve months in the case of an annual operating loan. Any principal set-aside will continue to accrue interest until it is repaid. This will improve the borrower's cashflow in the current production cycle.

More Information

Producers can explore available options on all FSA loan options at <u>fsa.usda.gov</u> or by contacting their local USDA Service Center. 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. Additionally, more information related to USDA's response and relief for producers can be found at <u>farmers.gov/coronavirus</u>.

USDA Expands Farmers.gov to Include Farm Records

Producers with farmers.gov accounts can now access farm records and maps online, the latest self-service feature added to the U.S. Department of Agriculture (USDA) website.

You can quickly and easily access your land information in real time by desktop computer, tablet or phone. Capabilities include:

- View, print and export detailed farm records such as cropland, base acres, yields, CRP acres, land ownership details, and much more;
- View, print and export farm/tract maps that can be provided to lenders, chemical or fertilizer providers, and FSA for reporting acreage and crop insurance agents; and
- Export common land unit (field) boundaries as ESRI shapefiles.

The ability to access these records on demand without a visit to the service center saves you time and money.

<u>Farmers.gov</u> now includes the most popular functionalities from FSAFarm+, the FSA portal for producers, while providing enhanced functionality and an improved user experience. A new enhancement expands the scope of accessibility to include farmers and ranchers who are members of an entity, as well as people with a power of attorney form (FSA-211) on file with FSA.

Managing USDA Business Online

Using farmers.gov, producers, entities and those acting on their behalf can also:

- View, upload, download, and e-sign conservation documents.
- Request financial assistance, including submitting a program application.
- View and submit conservation requests.
- View technical references and submit questions.
- Access information on current and past conservation practices, plans and contracts.
- Report practice completion and request practice certification.
- View farm loan and interest information (producers only).

Future plans include adding the ability to import and view other shapefiles, such as precision agriculture planting boundaries.

To access your information, you'll will need a <u>USDA eAuth account</u> to login to farmers.gov. After obtaining an eAuth account, producers should visit <u>farmers.gov</u> and sign into the site's authenticated portal via the <u>Sign In/Sign Up link</u> at the top right of the website. Google Chrome, Mozilla Firefox or Microsoft Edge are the recommended browsers to access the feature.

In addition to the self-service features available by logging into farmers.gov, the website also has ample information on USDA programs, including pandemic assistance, farm loans, disaster assistance, conservation programs and crop insurance. Recently, USDA updated the navigation and organization of the site as well as added some new webpages, including "Get Involved," "Common Forms," and "Translations." Learn more about these changes.

Submit Loan Requests for Financing Early

The Farm Loan teams in Utah are already working on operating loans for spring 2022 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.

USDA Announces Inaugural Federal Advisory Committee for Urban Agriculture



Agriculture Secretary Tom Vilsack selected 12 members to serve on the U.S. Department of Agriculture's (USDA) inaugural Secretary's Advisory Committee for Urban Agriculture to provide input on policy development and to help identify barriers to urban agriculture as USDA works to promote urban farming and the economic opportunities it provides in cities across the country.

The new Secretary's Advisory Committee is part of USDA's efforts to support urban agriculture, creating a network for feedback. Urban agriculture plays an important role in producing fresh, healthy food in areas where grocery stores are scarce, and also provides jobs and beautifies neighborhoods.

Secretary's Advisory Committee for Urban Agriculture

The Committee is made up of agricultural producers, and representatives from the areas of higher education or extension programs, non-profits, business and economic development, supply chains and financing. Members include:

- Jerry Ann Hebron, Mich., Urban Producer
- Bobby Wilson, Ga., Urban Producer
- Viraj Puri, N.Y., Innovative Producer
- Kaben Smallwood, Okla., Innovative Producer
- Sally Brown, Wash., Higher Education
- John Erwin, Md., Higher Education
- Carl Wallace, Ohio, Non-Profit Representative
- John Lebeaux, Mass., Business and Economic Development Representative
- Zachari Curtis, D.C., Supply Chain Experience
- Allison Paap, Calif., Financing Entity Representative
- Tara Chadwick, Fla., Related Experience
- Angela Mason, III., Related Experience

USDA and the Office of Urban Agriculture and Innovative Production peer reviewed more than 300 nominees, and Vilsack made the final selections. Selections ensured geographic, racial and gender diversity and a broad range of agricultural experience. The new members will serve terms of one to three years.

The first meeting of this inaugural committee, which will be open to the public, will take place in late February. More details will be available in the *Federal Register* and at <u>farmers.gov/urban</u> and the new <u>Federal Advisory Committee for Urban Agriculture website</u>.

USDA and **Urban** Agriculture

The advisory committee and county committees are part of a broad USDA investment in urban agriculture. Other efforts include:

- Grants that target areas of food access, education, business and start-up costs for new farmers, and development of policies related to zoning and other needs of urban production.
- Cooperative agreements that develop and test strategies for planning and implementing municipal compost plans and food waste reduction plans.
- Investing \$260,000 for risk management training and crop insurance education for historically underserved and urban producers through partnerships between USDA's <u>Risk Management Agency</u>(RMA) and the University of Maryland, University of Connecticut, and Michigan State University Center for Regional Food Systems.
- Providing technical and financial assistance through conservation programs offered by USDA's <u>Natural Resources Conservation</u> <u>Service</u>(NRCS).
- Organizing 11 <u>Farm Service Agency</u> (FSA) urban and suburban county committees. FSA will organize additional committees.

The Office of Urban Agriculture and Innovative Production was established through the 2018 Farm Bill. It is led by 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 at farmers.gov/urban and the new Federal Advisory Committee for Urban Agriculture website.

Additional resources that may be of interest to urban agriculture entities include grants from USDA's <u>Agricultural Marketing Service</u> and <u>National Institute of Food and Agriculture</u> as well as <u>FSA loans</u>.

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