



U.S. DEPARTMENT OF AGRICULTURE

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## From the State Executive Director

With the upcoming Memorial Day weekend, we remember our fallen military personnel and their sacrifice in protecting and defending our Nation. We are forever grateful for their service.



The American Rescue Plan (ARP) Section 1005 provides USDA with a new set of tools to increase opportunity, advance equity and address systemic discrimination in USDA farm programs, including historic debt relief for socially disadvantaged Borrowers who hold a qualifying USDA farm loan. USDA is working hard to ensure that we provide this relief as expeditiously as possible to those who qualify. USDA is conducting comprehensive outreach to the socially disadvantaged producer community to ensure they have accurate, timely information about how to qualify under the law.

Aside from the ARP, there are other important FSA updates for your consideration.

We want to remind producers who have not filed an acreage report for their spring-planted crops to contact their local office to make an appointment. Acreage reports must be filed for all crop and land uses, including failed acreage, in order to prevent the loss of FSA program benefits.

FSA continues signup for the Coronavirus Food Assistance Program 2 (CFAP 2). CFAP 2 provides direct financial relief to producers due to market disruptions and associated costs because of COVID-19. CFAP 2 payments will be made for three categories of commodities – Price Trigger Commodities, Flat-rate Crops and Sales Commodities. Visit [farmers.gov/cfap/commodities](https://farmers.gov/cfap/commodities) for a full list of eligible commodities for each category.

Contact your Service Center to find out if it is open to limited visitors. Farm Service Agency (FSA) and Natural Resources Conservation Service (NRCS) staff also continue to work with agricultural producers via phone, email, and other digital tools. Call your Service Center to schedule an appointment. You can find contact information at [farmers.gov/service-center-locator](https://farmers.gov/service-center-locator).

Thank you to all our producers who work tirelessly to provide and protect our Nation's food supply. Your contributions to America's food, fiber and fuel supply are instrumental and we are appreciative every day for your dedication.

Sincerely,

Eddie Trevino  
Acting State Executive Director  
Farm Service Agency - Texas

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## **In Historic Move, USDA to Begin Loan Payments to Socially Disadvantaged Borrowers under American Rescue Plan Act Section 1005**

The U.S. Department of Agriculture Farm Service Agency (FSA) [published the first notice of funding availability \(NOFA\)](#) (PDF, 242 KB) announcing loan payments for eligible borrowers with qualifying direct farm loans under the American Rescue Plan Act Section 1005. The official NOFA will be published in the Federal Register early this week and USDA expects payments to begin in early June and continue on a rolling basis. A subsequent notice addressing guaranteed loan balances and direct loans that no longer have collateral and have been previously referred to the Department of Treasury for debt collection for offset, will be published within 120 days.

Section 1005 of the American Rescue Plan Act of 2021 (ARPA) provides funding and authorization for USDA FSA to pay up to 120 percent of direct and guaranteed loan outstanding balances as of January 1, 2021, for socially disadvantaged farmers and ranchers as defined in Section 2501(a) of the Food, Agriculture Conservation, and Trade Act of 1990 (7 U.S.C. 2279(a)). Section 2501(a) defines a socially disadvantaged farmer or rancher as a farmer or rancher who is a member of a socially disadvantaged group, which is further defined as a group whose members have been subjected to racial or ethnic prejudice because of their identity as members of a group without regard to their individual qualities. Qualifying loans as part of today's announcement are certain direct loans under the Farm Loan Programs (FLP) and Farm Storage Facility Loan Program (FSFL).

For much of the history of the USDA, socially disadvantaged farmers and ranchers have faced discrimination—sometimes overt and sometimes through deeply embedded rules and policies—that have prevented them from achieving as much as their counterparts who do not face these documented acts of discrimination. Over the past 30 years, several major civil rights lawsuits have compensated farmers for specific acts of discrimination—including Pigford I and Pigford II, Keepseagle, and the Garcia cases. However, those settlements and other related actions did not address the systemic and cumulative impacts of discrimination over a number of decades that the American Rescue Plan now begins to address.

Sections 1005 and 1006 of ARPA provide USDA with new tools to address longstanding inequities for socially disadvantaged borrowers. Section 1006 of ARPA provides additional funding to begin long-term racial equity work within USDA, including to address heirs property claims and to stand up an Equity Commission to identify barriers to access USDA programming.

To learn more about the loan payments to socially disadvantaged farmers and ranchers, visit [www.farmers.gov/americanrescueplan](http://www.farmers.gov/americanrescueplan).

USDA touches the lives of all Americans each day in so many positive ways. In the Biden-Harris Administration, USDA is transforming America’s food system with a greater focus on more resilient local and regional food production, fairer markets for all producers, ensuring access to safe, healthy and nutritious food in all communities, building new markets and streams of income for farmers and producers using climate smart food and forestry practices, making historic investments in infrastructure and clean energy capabilities in rural America, and committing to equity across the Department by removing systemic barriers and building a workforce more representative of America. To learn more, visit [www.usda.gov](http://www.usda.gov).

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## Policy Updates for Acreage Reporting

The USDA Farm Service Agency (FSA) recently made several policy updates for acreage reporting for cover crops, revising intended use, late-filed provisions, grazing allotments as well as updated the definitions of “idle” and “fallow.”

### Reporting Cover Crops:

Cover crop types can be chosen from the following four categories:

- **Cereals and other grasses**
- **Legumes**
- **Brassicas and other broadleaves**
- **Mixtures**

If the cover crop is harvested for any use other than forage or grazing and is not terminated according to policy guidelines, then that crop will no longer be considered a cover crop and the acreage report must be revised to reflect the actual crop.

### Permitted Revision of Intended use After Acreage Reporting Date:

New operators or owners who pick up a farm after the acreage reporting deadline has passed and the crop has already been reported on the farm, have 30 calendar days from the date when the new operator or owner acquired the lease on land, control of the land or ownership and new producer crop share interest in the previously reported crop acreage. Under this policy, appropriate documentation must be provided to the County Committee's satisfaction to determine that a legitimate operator or ownership and producer crop share interest change occurred to permit the revision.

### **Acreage Reports:**

In order to maintain program eligibility and benefits, you must timely file acreage reports. Failure to file an acreage report by the crop acreage reporting deadline may result in ineligibility for future program benefits. FSA will not accept acreage reports provided more than a year after the acreage reporting deadline.

### **Reporting Grazing Allotments:**

FSA offices can now accept acreage reports for grazing allotments. You will use form "FSA-578" to report grazing allotments as animal unit months (AUMs) using the "Reporting Unit" field. Your local FSA office will need the grazing period start and end date and the percent of public land.

### **Definitions of Terms**

FSA defines "idle" as cropland or a balance of cropland within a Common Land Unit (CLU) (field/subfield) which is not planted or considered not planted and does not meet the definition of fallow or skip row.

Fallow is considered unplanted cropland acres which are part of a crop/fallow rotation where cultivated land that is normally planted is purposely kept out of production during a regular growing season.

For more information, contact your [local USDA Service Center](#) or visit [fsa.usda.gov](https://fsa.usda.gov).

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## **Sign-up for the Tree Assistance Program (TAP)**

If you're an orchardist or nursery tree grower who experienced losses from natural disasters during calendar year 2021, you must submit a TAP application either 90 calendar days after the disaster event or the date when the loss is apparent.

TAP provides financial assistance to help you replant or rehabilitate eligible trees, bushes and vines damaged by natural disasters.

Eligible tree types include trees, bushes or vines that produce an annual crop for commercial purposes. Nursery trees include ornamental, fruit, nut and Christmas trees that are produced for commercial sale. Trees used for pulp or timber are ineligible.

To qualify for TAP, orchardists must suffer a qualifying tree, bush or vine loss in excess of 15 percent mortality from an eligible natural disaster, plus an adjustment for normal mortality. The eligible trees, bushes or vines must have been owned when the natural

disaster occurred; however, eligible growers are not required to own the land on which the eligible trees, bushes and vines were planted.

If the TAP application is approved, the eligible trees, bushes and vines must be replaced within 12 months from the date the application is approved. The cumulative total quantity of acres planted to trees, bushes or vines, for which you can receive TAP payments, cannot exceed 1,000 acres annually.

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## USDA Extends General Signup for Conservation Reserve Program

The U.S. Department of Agriculture (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.

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](https://farmers.gov/coronavirus).

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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](https://fsa.usda.gov/crp).

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## 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](https://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](https://fsa.usda.gov).

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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](#) or visit [fsa.usda.gov](https://fsa.usda.gov).

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## USDA Announces 2021 Cotton Loan Rate Differentials

USDA announced the 2021-crop loan rate differentials for upland and extra-long staple cotton, which are applied to the crop loan rate to determine the per bale actual loan rate.

The differentials, also referred to as loan rate premiums and discounts, were calculated based on market valuations of various cotton quality factors for the prior three years. This calculation procedure is identical to that used in the past years.

The 2021 crop differential schedules are applied to 2021 crop loan rates of 52 cents per pound for the base grade of upland cotton and 95 cents per pound for extra-long staple cotton. The 2018 Farm Bill stipulates that the loan rate for the base quality of upland cotton ranges between 45 and 52 cents per pound based on the simple average of the Adjusted World Price for the two marketing years immediately preceding the next crop planting. However, the established loan rate cannot be less than 98% of the preceding year's loan. The loan rate provided to an individual cotton bale is based on the quality of each individual bale as determined by USDA's Agricultural Marketing Service classing measurements.

These differentials are important to cotton producers because they are used to derive the actual loan rate for each bale of cotton – above (premium) or below (discount) the average per pound loan rate, depending on the grade or quality of the cotton. The actual loan rate is



significant because it is used to determine any marketing loan gains and loan deficiency payments.

USDA's Commodity Credit Corporation adjusts cotton loan rates by these differentials so that cotton loan values reflect the differences in market prices for color, staple length, leaf, extraneous matter, micronaire, length uniformity and strength.

Loan rates are posted on the [Farm Service Agency website](#). Commodity loans are part of a broader suite of programs available to cotton producers. To apply for loans or other programs, contact your [local USDA service center](#).

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## Signature Policy

Using the correct signature when doing business with FSA can save time and prevent a delay in program benefits.

The following are FSA signature guidelines:

- A married woman must sign her given name: Mrs. Mary Doe, not Mrs. John Doe
- For a minor, FSA requires the minor's signature and one from the minor's parent

Note, by signing a document with a minor, the parent is liable for actions of the minor and may be liable for refunds, liquidated damages, etc.

When signing on one's behalf the signature must agree with the name typed or printed on the form or be a variation that does not cause the name and signature to be in disagreement. Example - John W. Smith is on the form. The signature may be John W. Smith or J.W. Smith or J. Smith. Or Mary J. Smith may be signed as Mrs. Mary Joe Smith, M.J. Smith, Mary Smith, etc.

FAXED signatures will be accepted for certain forms and other documents provided the acceptable program forms are approved for FAXED signatures. Producers are responsible for the successful transmission and receipt of FAXED information.

Examples of documents not approved for FAXED signatures include:

- Promissory note
- Assignment of payment
- Joint payment authorization
- Acknowledgement of commodity certificate purchase

Spouses may sign documents on behalf of each other for FSA and CCC programs in which either has an interest, unless written notification denying a spouse this authority has been provided to the county office.

Spouses cannot sign on behalf of each other as an authorized signatory for partnerships, joint ventures, corporations or other similar entities. Likewise, a spouse cannot sign a document on behalf of the other in order to affirm the eligibility of oneself.



Any member of a general partnership can sign on behalf of the general partnership and bind all members unless the Articles of Partnership are more restrictive. Spouses may sign on behalf of each other's individual interest in a partnership, unless notification denying a spouse that authority is provided to the county office. Acceptable signatures for general partnerships, joint ventures, corporations, estates, and trusts must consist of an indicator "by" or "for" the individual's name, individual's name and capacity, or individual's name, capacity, and name of entity.

For additional clarification on proper signatures contact your [local FSA office](#).

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## Foreign Buyers Notification

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA within 90 days of the closing. Failure to submit the [AFIDA form](#) could result in civil penalties of up to 25 percent of the fair market value of the property. County government offices, realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements. The data gained from these disclosures is used in the preparation of periodic reports to the President and Congress concerning the effect of such holdings upon family farms and rural communities. Click [here](#) for more information on AFIDA.

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## USDA Natural Resources Conservation Service Hiring in Texas

The USDA Natural Resources Conservation Service (NRCS) is currently hiring several different field positions across Texas. Positions include soil conservationists, rangeland management specialists, soil scientists, and engineers.

The USDA NRCS works in close partnership with farmers, ranchers, forest managers, non-governmental organizations, local and state governments, and other federal agencies to create and maintain healthy and productive working landscapes.

As part of USDA's new Farm Production and Conservation (FPAC) Mission Area, NRCS has 3,000 locations and covers every county in the United States. NRCS employees help stewards of agricultural lands and non-industrial private forest lands plan and implement proven conservation systems through technical and financial assistance designed to enhance productivity, improve soil and water health, and restore wetlands and wildlife habitat.

Direct hire positions open in Texas can be found on [USAJobs](#). Applications will be accepted until July 15, 2021. For more information, contact Tony Townsend at 254-742-9935 or [tony.townsend@usda.gov](mailto:tony.townsend@usda.gov).



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