FLORIDA PEANUT FEDERATION

## Industry Updates & Information 1/20/2021

***This E-News best viewed on a desktop computer.***

# PEANUT MARKETING NEWS

## January 12, 2021 – Tyron Spearman, Editor (04)

**U.S. 2020 PEANUT CROP ANNUAL ESTIMATE** – USDA has released Final Peanut Crop Estimate for 2020. Peanuts: Area Harvested, Yield and Production by State and United States, 2018-2020, Annual

| | Area Harvested | | | Yield | | | Production | | |
|---|---|---|---|---|---|---|---|---|---|
| **State** | **2018** | **2019** | **2020** | **2018** | **2019** | **2020** | **2018** | **2019** | **2020** |
| | ***1,000 Acres*** | | | ***Pounds/Acre*** | | | ***Tons*** | | |
| AL | **161** | **156** | **182** | 3,550 | 3,350 | 3,500 | 285,775 | 261,300 | 318,500 |
| AR | **23** | **33** | **38** | 4,900 | 5,200 | 4,800 | 56,350 | 85,800 | 91,200 |
| FL | **143** | **155** | **165** | 3,950 | 3,800 | 3,400 | 282,425 | 294,500 | 280,500 |
| GA | **655** | **660** | **800** | 4,390 | 4,170 | 4,100 | 1,437,725 | 1,376,100 | 1,640,000 |
| MS | **24** | **19** | **22** | 3,900 | 4,000 | 4,400 | 46,800 | 38,000 | 48,400 |
| NM | **5.5** | **4.7** | **4.8** | 2,850 | 3,210 | 3,000 | 7,837.5 | 7,543.5 | 7,200 |
| NC | **98** | **102** | **106** | 3,870 | 4,400 | 4,000 | 189,260 | 224,400 | 212,000 |
| OK | **15** | **14** | **14** | 3,070 | 4,000 | 4,200 | 23,025 | 28,000 | 29,400 |
| SC | **80** | **62** | **82** | 3,400 | 3,800 | 3,400 | 139,000 | 117,800 | 139,400 |
| TX | **145** | **160** | **175** | 3,200 | 3,050 | 2,810 | 232,000 | 244,000 | 245,000 |
| VA | **24** | **24** | **27** | 4,200 | 4,650 | 4,200 | 50,400 | 55,800 | 55,350 |

## *Suwannee/Hamilton/Lafayette County Producers Urged to Consider NAP Risk Protection Coverage Before Crop Sales Deadlines*

The USDA Farm Service Agency (FSA) encourages you to review available USDA crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the crop deadline of January 31st.

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.

The following crops **in Suwannee-Hamilton-Lafayette** County have a NAP application deadline of **January 31, 2021**:

**Brussel Sprouts, Cucumbers, Eggplant, Lettuce, Pecans, Tomatoes, and**

**Peppers – (Suwannee and Lafayette)**

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. 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.

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.

For more information on NAP, service fees, sales deadlines, contact your Suwannee County USDA Service Center at (386) 362-2681 or visit fsa.usda.gov.

Qualified veteran farmers or ranchers are eligible for a service fee waiver and premium reduction, if the NAP applicant meets certain eligibility criteria.

## FSA Offers Joint Financing Option on Direct Farm Ownership Loans

The USDA Farm Service Agency’s (FSA) Direct Farm Ownership loans can help farmers and ranchers become owner-operators of family farms, improve and expand current operations, increase agricultural

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.

Joint financing allows FSA to provide more farmers and ranchers with access to capital. FSA lends up to 50 percent of the total amount financed. A commercial lender, a State program or the seller of the property being purchased, provides the balance of loan funds, with or without an FSA guarantee. The maximum loan amount for a joint financing loan is $600,000, and the repayment period for the loan is up to 40 years.

The operation must be an eligible farm enterprise. Farm Ownership loan funds cannot be used to finance nonfarm enterprises and all applicants must be able to meet general eligibility requirements. Loan applicants are also required to have participated in the business operations of a farm or ranch for at least three years out of the 10 years prior to the date the application is submitted. The applicant must show documentation that their participation in the business operation of the farm or ranch was not solely as a laborer.

For More Information about farm loans, contact your local USDA Service Center, or visit fas.usda.gov.

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From Peanut Farm Market News
Tyron Spearman, Editor
January 7, 2021
**NEW QUALITY LOSS ADJUSTMENT PROGRAM**

USDA & FSA have announced that signup for the Quality Loss Adjustment (QLA) Program is underway and will provide 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.

“Farmers and livestock producers nationwide experienced crop quality losses due to natural disasters in 2018 and 2019,” said. Bill Northey, USDA Under Secretary for Farm Production and Conservation. “We have worked diligently over the past couple of years to roll out meaningful disaster assistance programs to help alleviate the substantial financial loss experienced by so many agricultural producers and are pleased to offer quality loss assistance as added relief. Many of the eligible producers have already received compensation for quantity losses.”

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. 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

Officials have suggested that reduction in peanut quality from Seg 1 to Seg. 2 or Seg. 3 would quality for this program from 2018 & 2019. The disaster of Hurricane Michael in the Southeast in 2018 may qualify for this program.

From the Florida Farm Service Agency
Electronic News Service
January 12, 2021

## 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) today announced that signup for the Quality Loss Adjustment (QLA) Program will begin 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.

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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From Peanut Farm Market News
Tyron Spearman, Editor
January 12, 2021

**U.S. PEANUT PRODUCTION-** 2020 - Peanuts: Production was estimated at 6.13 billion pounds, (**3,066,950 tons) up 12 percent** from 2019. Planted area was estimated at 1.66 million acres, up 16 percent from 2019. Harvested area was estimated at 1.62 million acres, up 16 percent from 2019. The average yield was estimated at 3,796 pounds per acre, down 138 pounds from 2019. Record high production was estimated in Arkansas. Record high yields were estimated in Mississippi and Oklahoma.

**CORN -** Corn production for grain is forecast at 14.2 billion bushels, up 4 percent from 2019. Yields are expected to average a record high 172 bushels per harvested acre, up 4.5 bushels from last year. Area harvested for grain is forecast at 82.5 million acres.

**SOYBEANS** - Soybean production for beans is forecast at 4.14 billion bushels, up 16 percent from last year. Yields are expected to average a record high 50.2 bushels per harvested acre, up 2.8 bushels from 2019. Area harvested for beans in the United States is forecast at 82.3 million acres, up 10 percent from 2019.

**COTTON** - All cotton production is forecast at 15 million 480-pound bales, down 25 percent from 2019. Yields are expected to average a record high 825 pounds per harvested acre, up 2 pounds from 2019. All cotton harvested area is forecast at 8.70 million acres, down **25 percent from 2019**.

**SENATOR STABENOW TO CHAIR SENATE AG COMMITTEE** - Michigan's Debbie Stabenow is poised to be the next Senate Agriculture Committee Chair. Vice President-Elect Kamala Harris will preside over the Senate, giving Democrats the slim majority.

With full control by Democrats in Washington, D.C., farmers and ranchers can expect climate, along with the next farm bill, to dominate Ag policy. Stabenow told Agri-Pulse last week, "As chair of the Agriculture Committee, we're going to lead an effort to create a voluntary climate exchange," adding climate policy for farmers and ranchers is a top priority.

Stabenow was chair of the committee from 2011-2015, the last time Democrats had majority control of the Senate.

**PEANUT BROKER MARKET CHATTER** - The USA peanut market has a firm undertone due to rising cotton and corn prices. Corn is over 5$/bushel and cotton for December 2021 on the Chicago exchange is 76.5 cts. These prices give farmers **competitive alternatives to planting peanuts** and farmers will want more money to contract peanuts for the 2021 crop.

Buyers remain quiet as good coverage has been taken for 2021 Calendar year and **shellers are not aggressive to sell with higher prices looming**. Current crop prices range from the low to mid 50's raw basis. Both hard and soft commodities worldwide seem to be in a rising scenario and an expected increase in demand of all commodities after the pandemic leads to a growing conclusion of higher prices and increased inflation for the seeable future.

Farmers are beginning to ask questions about contracting for 2021 crop and estimated levels will be at least $475/FST to get the farmer interested. The continued increase in cotton prices will possibly lead to a smaller planting of the peanut crop for next year. The dilemma for the sheller is paying the farmer a higher price if the buyers are unwilling to purchase at higher levels. This is a back and forth with no easy answer but will develop further in the next few weeks.

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## *PEANUT MARKETING NEWS*

## NA*__TIONAL POSTED PRICE__*

| Week- JAN.12, 2021 | Date – 01 - 13 - 2021 | Farmer stock tons | | | Date – 01-8-2021 |
|---|---|---|---|---|---|
| $424.55 per ton/Runners | *Shelled Runners* | | 2019 Crop | 2020 Crop | Runners - $.202- $404 t |
| $415.57 per ton/Spanish | 2020 Crop - $.50- $.55 lb. | Date | 1-14-2019 | 1-14-2020 | Spanish - NONE |
| $428.74 per ton/Valencia | *__1-15-20__ Jum$.55,Med.54, $.53* | Loans | 2,341,062 | 2,351,527 | Virginia - NONE |
| $428.74 per ton/Virginia | If specs tighter, price higher | Redeemed | *2,331,318* | *320,735* | Average - $.202- $404t |
| Same as last week | 1-15-19 Jum $.45 Med, $.44 | In Loan | *9,744* | *2,030,792* | Runners - 52,650,000 # |
| | Splits $.43 | Estimate | 2,733,243 t | 3,066,950 | Virginia – NONE # |
| Jan 12, 2021(2020) | | Inspected | 2,754,165 t | 3,057,785 | Spanish – NONE # |
| 2019 Crop USDA Estimate- 1,389,700 acres harvested X 3,934 lbs. ac = 2,733,243 tons | | | | | TOTAL – 52,650,000 # |
| 2020 Crop USDA Estimate (Final)- 1,615,000 acres harvested X 3,796 lbs. ac = 3,066,950 tons | | | | | UP $0.1 ct/lb |
| 2020 Farmer Stock Contracts – Runners(SE) -20 Crop - mostly $425-450 – 2021 Runner Crop - $450 per ton | | | | | |

| 2019 Loan MATURITY | September 0 | October 0 | November 0 | December 0 | January 9,711 | February 33 | TOTAL LOAN 9,744 | Forfeits 60 tons |
|---|---|---|---|---|---|---|---|---|
| Prices Received by Farmers (PLC 2019 Program) | Jul 2020 $.207 $414 ton | Aug 2020 $.205 $410 ton | Sept 2020 $.205 $410 ton | Oct 2020 $.209 $418 ton | Nov 2020 $.212 $424 ton | | | Projected PLC Payment $.0575 $115 per ton |
| | | | | | | | | |

**__U.S. PEANUT FEDERATION FIGHTING BACK__** - In addition to the non-tariff barriers the European Union (EU) has imposed on U.S. peanut exports to Europe, the EU is now requiring a 25 percent tariff on peanut imports. The U.S. Peanut Federation has asked U.S. Trade Representative Robert Lighthizer and U.S. Department of Agriculture (USDA) Secretary Sonny Perdue to assist the U.S. peanut industry in resolving these trade issues with the EU.

Southeast growers, shellers and buying points stated in their letter to Ambassador Lighthizer and Secretary Perdue:

**The European Union and United Kingdom (UK) historically are one of the largest export markets for U.S. peanuts. In 2019, the EU imported nearly $180 million of U.S. peanuts and peanut products. Nearly all of these exports are in-shell and shelled peanuts (HS Codes 1202.41 and 1202.42), U.S. exports of which equaled $168 million in 2019.**

**Because the EU can source in-shell and shelled peanuts from other countries, the U.S. peanut industry will not be able to compete in the EU and UK markets with an additional 25 percent tariff, and we will lose this market just as our crop is being harvested.**

Peanut leaders have not been informed if the issue will be debated before the new administration is installed.

**__ARGENTINA PEANUT CROP UPDATE - Source - USDA__**

and 11% from 2019/2020 planted acreage. The increased acreage and a return to trend for yields will result in projected production of 1.35 MMT (in-shell basis), 50,000 tons lower than USDA official.

After two seasons of consecutive declines in planted acres farmers have returned some acres to peanuts after rotating to other crops. Much peanut acreage is contracted and processors are keen to avoid oversupply
while still taking advantage of expected growing global demand.

Export taxes for peanuts and peanut products were reduced in March 2020 as part of the Decree 230/2020 increasing their profitability relative to soybeans and grains. The bulk of peanut production is in southern Cordoba Province, with some production in La Pampa, Buenos Aires, and San Luis Provinces.

After a dry spring, recent rains in the peanut growing region have provided producers with some additional weeks to continue crop development.

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From the Florida Farm Service Agency
Electronic News Service
January 12, 2021

## *USDA Announces CRP General Signup Ends February 12*

Agricultural producers and private landowners interested in the Conservation Reserve Program (CRP) can sign up for the popular program from Jan. 4, 2021, until Feb. 12, 2021. The competitive program, administered by USDA's Farm Service Agency (FSA), provides annual rental payments for land devoted to conservation purposes.

Through CRP, farmers and ranchers 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. Farmers and ranchers who participate in CRP help provide numerous benefits to their local region and the nation's environment and economy. CRP general signup is held annually and is competitive; general signup includes increased opportunities for wildlife habitat enrollment through the State Acres For Wildlife Enhancement (SAFE) initiative.

New cropland offered in the program must have been planted for four out of six crop years from 2012 to 2017. Additionally, producers with land already enrolled but expiring on Sept. 30, 2021, can re-enroll this year. The acreage offered by producers and landowners is evaluated competitively; accepted offers will begin Oct. 1, 2021. Signed into law in 1985, CRP is one of the largest private-lands conservation programs in the United States. The program marked its 35-year anniversary in December 2020. Program successes include:

- Preventing more than 9 billion tons of soil from eroding, which is enough soil to fill 600 million dump trucks.
- Reducing nitrogen and phosphorous runoff relative to annually tilled cropland by 95% and 85%, respectively.
- Sequestering an annual average of 49 million tons of greenhouse gases, equal to taking 9 million cars off the road.
- Creating more than 3 million acres of restored wetlands while protecting more than 175,000 stream miles with riparian forest and grass buffers, which is enough to go around the world seven times.

From Peanut Farm Market News
Tyron Spearman, Editor
January 8, 2021
**COMMENT FROM THE NATIONAL PEANUT BOARD**

**New Dietary Guidelines Endorse Early Introduction of Peanut Foods -** In December 2020, USDA and HHS released the 2020-2025 Dietary Guidelines for Americans. Updated every five years, this is the **first time the DGAs have included diet advice for infants and toddlers (0-2 years).**
Significantly, not only do the DGAs include recommendations for early introduction of peanut foods, but they also clearly extend the potential benefit to all infants, and not just those who are high risk.

The National Peanut Board and partners have worked to bring national attention to the importance of introducing peanut foods to infants to prevent peanut allergy.

"This guidance document will impact all government-sponsored supplemental feeding programs, including the Special Supplemental Nutrition Program for Women, Infant and Children (WIC)," said NPB's Sherry Coleman Collins, RDN, MS, LD. "Updates these programs will take some time, but I'm encouraged that it will happen."

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From FSA Suwannee/Hamilton/Lafayette County
January 2021 (published 1/13/2021)

## *FSA Implements Set-Aside Loan Provision for Customers Impacted by COVID-19*
*Set-Aside Delays Loan Payments for Borrowers*

USDA's Farm Service Agency (FSA) will broaden the use of the Disaster Set-Aside (DSA) loan provision, normally used in the wake of natural disasters, to allow farmers with USDA farm loans who are affected by COVID-19, and are determined eligible, to have their next payment set aside. In some cases, FSA may also set aside a second payment for farmers who have already had one payment set aside because of a prior designated disaster.

FSA direct loan borrowers will receive a letter with the details of the expanded Disaster Set-Aside authorities, which includes the possible set-aside of annual operating loans, as well as explanations of the additional loan servicing options that are available. To discuss or request a loan payment Set-Aside, borrowers should call or email the farm loan staff at their local FSA county office.

until it is repaid. This aims to improve the borrower's cashflow in the current production cycle.

FSA previously announced it was relaxing the loan-making process and adding flexibilities for servicing direct and guaranteed loans to provide credit to producers in need. Direct loan applicants and borrowers are encouraged to contact their local FSA county office to discuss loan making and servicing flexibilities and other needs or concerns. Customers participating in FSA's guaranteed loan programs are encouraged to contact their lender. Information on these flexibilities, and office contact information, can be found on farmers.gov/coronavirus.

FSA will be accepting most forms and applications by facsimile or electronic signature. Some services are also available online to customers with an eAuth account, which provides access to the farmers.gov portal where producers can view USDA farm loan information and certain program applications and payments. Customers can track payments, report completed practices, request conservation assistance and electronically sign documents. Customers who do not already have an eAuth account can enroll at farmers.gov/sign-in.

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Persons with disabilities who require accommodations to attend or participate in this meeting should contact Kathryn Driver at 386-362-2681 or Federal Relay Service at 1-800-877-8339.

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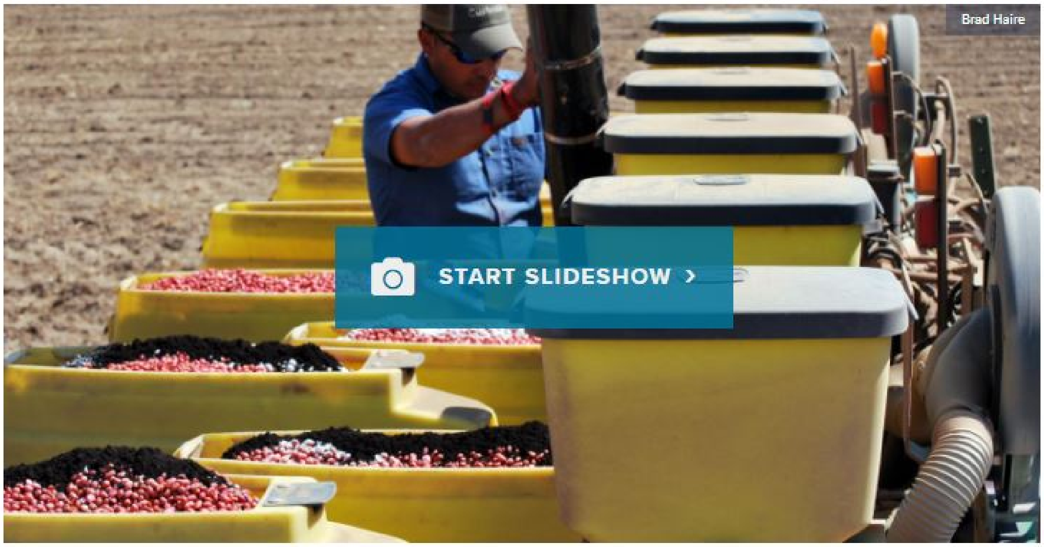
TAGS: PLANTING HARVEST MARKETING




**Seed peanuts start with a grower who knows 'skimping' is not an option for high-quality production.**

Brad Haire | Jan 08, 2021

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**From:** Jerrels, Jaime <Jaime.Jerrels@ffbf.org>
**Sent:** Thursday, January 7, 2021 8:49 AM
**Subject:** Agriculture Industry Bets on Carbon as a New Cash Crop

**Agriculture Industry Bets on Carbon as a New Cash Crop**

Big companies and startups jockey to pay farmers for capturing greenhouse gases in fields; environmental groups question impact

By Jacob Bunge
The Wall Street Journal
Dec. 23, 2020

U.S. farmers make their living raising crops from the soil each year. Now, some are getting paid for putting something back into their fields: carbon.

Big agriculture companies including Bayer AG BAYRY 2.09% , Nutrien Ltd. NTR +2.76% and Cargill Inc. are jockeying with startups to encourage crop producers to adopt climate-friendly practices and develop farming-driven carbon markets. Those efforts would let retailers, food makers and other companies offset their greenhouse gas emissions by paying farmers for their fields' capacity to withdraw carbon dioxide from the atmosphere and trap it in the soil.

sunlight to produce energy, and ultimately embeds carbon in dirt through roots, while releasing oxygen back into the atmosphere. Soil, if left undisturbed, can retain the converted carbon for years.

Agricultural companies, long criticized as environmental villains, say that paying farmers to maximize those natural processes can put the scale of modern farming behind a potential climate solution. Farmers, following half a decade of lean crop prices, are contemplating a possible new source of income that is less dependent on weather and agricultural commodity markets. The Environmental Protection Agency has estimated that the agriculture sector accounts for 10% of U.S. greenhouse gas emissions.

President-elect Joe Biden's administration also plans to pursue the concept. Mr. Biden said this month that under his administration, the U.S. Department of Agriculture will direct federal conservation payments to farmers who use their fields to capture more carbon.

There is no U.S. federal requirement for companies to offset their greenhouse gas emissions, whether by buying credits from farmers or other means. But some companies say they are voluntarily looking for ways to reduce or eliminate their carbon footprint, to attract environmentally conscious consumers and investors, and pursue their own corporate missions.

In September, while other Iowa farmers were tilling their fields after harvest to help combat weeds, Kelly Garrett headed out to plant again. The wheat and rye he sowed on his farm near Denison, Iowa, won't be harvested and sold. Keeping his fields covered with growth over the winter months, he said, keeps his soil enriched and boosts the quantity of carbon dioxide his fields can pull from the atmosphere. In the spring, he plants his typical crops into the residue.

It is also padding his bottom line. In early November, Mr. Garrett posed in one of his corn fields with an oversize check for $75,000, proceeds from selling 5,000 carbon credits that his farm generated through a program being developed by the agricultural startups Nori LLC and Locus Agricultural Solutions.

"There's a lot of money to be made here for farmers," said Mr. Garrett, who adopted carbon-trapping practices on his farm several years ago to help enrich his soil.

The buyer of Mr. Garrett's carbon bounty was Shopify Inc. The e-commerce platform used the carbon reductions generated by Mr. Garrett's farm to help offset carbon emissions from the boats, planes and trucks transporting goods sold through Shopify's platform during the Black Friday/Cyber Monday weekend of Nov. 27 to Nov. 30.

Shopify's Shop Pay payment system automatically offsets emissions associated with purchases. Stacy Kauk, director of Shopify's Sustainability Fund, said that and other efforts have helped draw more than 60 million users to the system. "Customers are voting with their wallets and supporting companies that align with their values," she said.

generated credits can be bought and sold. Others, including Cargill, Corteva Inc. and Archer Daniels Midland Co. are facilitating and funding farmers' efforts as a way to burnish the companies' own climate commitments and those of their customers, such as grain buyers.

Kelly Garrett sold 5,000 carbon credits that his farm generated through a program being developed by startups Nori and Locus Agricultural Solutions.

Farmers that participate in the carbon credit programs so far have generally received between $7 and $40 per acre, depending on farmers' practices. The companies say those practices can be verified through data beamed from tractors to online farm management systems, and by monitoring fields with satellites and soil tests. A typical Iowa corn farmer this year will earn $49 to $246 per acre, and between a $28 loss and a $172 profit for soybeans, according to Iowa State University analyses.

"The only way this will work is if there is real revenue on the table for farmers," said Emma Fuller, director of sustainability science for Corteva's data science unit Granular, which is helping manage farmers' carbon data.

Some in the food industry are wary of investing heavily behind still-new scientific models for measuring farm-driven carbon reductions, over concerns that the calculations could later turn out to be faulty. And despite growing Farm Belt momentum, some environmental groups are leery.

Jim Walsh, senior energy policy analyst for Food and Water Watch, said that polluting companies could use carbon offset purchases as a way to avoid cleaning up their own operations. Craig Cox, senior vice president of agriculture and natural resources for the Environmental Working Group, said that permanently converting land to trees and natural grasses is a more surefire way of sequestering carbon, since farmers' climate-friendly practices could easily be undone if a field changes hands.

"If the practices disappear, are the credits refunded?" Mr. Cox said. Carbon credit registries typically require legal commitments from farmers and landowners to maintain carbon-capturing practices, and can include monitoring periods, company officials said.

Mr. Garrett, the Iowa farmer, said he generated 22,745 carbon credits by verifying through Locus and Nori his practices from the past five years, like conserving irrigation water, spreading manure as fertilizer and giving up tillage. He said he is committed to the carbon-capturing practices, because they improve his soil quality and crop yields enough to pay off even without carbon payments. He said he believes climate change is producing more volatile weather, such as the derecho storm system that leveled portions of his cornfields last summer.

The proceeds from selling carbon credits to Shopify helped Mr. Garrett offset his purchase this fall of 160 acres of farmland, he said, and another buyer is ready to buy the remainder.

Practices such as spreading manure as fertilizer and conserving irrigation water have helped Kelly Garrett generate nearly 23,000 carbon credits over the past five years.

https://www.wsj.com/articles/agriculture-industry-bets-on-a-new-cash-crop-carbon-11608719403?

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**From:** Jerrels, Jaime <Jaime.Jerrels@ffbf.org>
**Sent:** Friday, January 8, 2021 12:32 PM
**Subject:** Sick and Family Leave Provisions not Extended in Families First Coronavirus Act (FFCRA)

**FFCRA Sick and Family Leave not Extended past December 2020**

The sick and family leave provisions in the Federal Families First Coronavirus Response Act (FFCRA) were not extended as part of the COVID-19 relief package passed by Congress in December. As a result, beginning Jan. 1, 2021, employers are no longer required to provide FFCRA leave. However, employers who offer leave may utilize payroll tax credits to cover the cost of benefits paid to employees through March 31, 2021.

The law firm of Fisher Phillips, with whom FFVA works, offers more information on what this means for employers.

Employer Considerations For Determining Whether To Continue Providing FFCRA Leave After Law's Expiration

After much heated negotiation in passing Stimulus 2.0, Congress reached a compromise on employee COVID-19 leave, allowing the leave requirements of the Families First Coronavirus Response Act (FFCRA) to expire on December 31, 2020, but continuing tax credits through March 31, 2021 for employers who choose to voluntarily provide paid leave after that date. Now that employers with fewer than 500 employees are no longer obligated to provide FFRCA leave, many are left wondering whether they should continue to provide leave for their employees who are impacted by COVID-19. This article aims to provide an overview of the state of the law and provide employers with the pros and cons of continuing to provide FFCRA leave to make the best decision for their workplace.

Stimulus 2.0

Because Stimulus 2.0 does not extend the leave requirements of the FFCRA, employers are no longer required to provide Emergency Paid Sick Leave (EPSL) or Emergency Family and Medical Leave (EFMLA) after December 31, 2020. Additionally, Stimulus 2.0 does not provide any additional leave entitlement for employees who have exhausted their FFCRA leave entitlement (up to 80 hours of EPSL

The final legislation simply extended the refundable employer payroll tax credit for both EPSL and EFMLA until March 31, 2021, subject to the applicable caps. Therefore, you may choose to voluntarily continue to provide FFCRA leave, in whole or in part, until the end of March.

DOL Guidance

In response to “the critical need for American workers and employers to understand this relief program as they deal with the effects of this crisis on the workplace,” as expressed by Department of Labor (DOL) Wage and Hour Division Administrator Cheryl Stanton, the agency issued guidance on December 31 to provide clarity on the issues raised by the expiration of the FFCRA.

The DOL confirmed that the obligation to provide FFCRA leave applies only from April 1, 2020, through Dec. 31, 2020, and that change to extend the requirement to provide leave under the FFCRA would require an amendment to the law by Congress, which has not occurred. Likewise, the DOL affirmed the continued availability of refundable employer payroll tax credit for FFCRA leave through March 31.

Additionally, the DOL cautioned that, despite the FFCRA’s expiration, employers must still pay any FFCRA leave wages owed to employees who used FFCRA leave between April 1, 2020 and December 31, 2020. With that backdrop, employers are now quickly weighing the pros and cons of extending leave as COVID-19 numbers spike to an all-time high, employees are returning to work after the holidays, and some schools are going back to virtual learning.

Pros Of Continuing To Provide Leave

There are several significant reasons why you should consider extending FFCRA leave into 2021.

The Need Remains

The FFCRA was passed, in part, to respond to the issues caused by the significant numbers of employees who were unable to work or telework due to COVID-19. These issues did not resolve with the ringing in of the new year. In fact, COVID-19 numbers are on the rise and showing no sign of slowing. As a result, the need for FFCRA leave is as substantial as when it passed in March 2020.

Leave Slows The Spread

One of the primary purposes of the FFCRA was slowing the spread of COVID-19. By providing paid leave for employees who have been diagnosed with COVID-19, have been exposed to COVID-19, or are experiencing symptoms, employees are encouraged to stay home when sick and avoid the risk of spreading the virus to others in their workplace. Without paid leave, employees are more likely come to work sick or knowingly exposed because they either have no employer-provided paid leave, or they

As a result, if you do not continue to offer the leave, you run the risk of employees who should be in quarantine reporting to work and potentially infecting their coworkers or customers, potentially leading to a super-spreader event. The disruption, including having a significant number of employees out of work or being required to shut down the workplace entirely, far exceed any potential adverse impact of eligible employees using up to two weeks of EPSL.

There Is No Significant Financial Loss

While you will initially have to foot the bill and provide the out-of-pocket costs for employee wages while on leave, the wages paid are not a loss, per se, because Stimulus 2.0 provides for continued tax credits. If administered correctly, the financial impact should be a wash, excepting any costs and effort expended in administering the leave. Overall, considering the risks of employees reporting to work sick, the cost of providing and administering leave are miniscule compared to the cost of being forced to close your doors as a result of your workplace being riddled with COVID-19 exposure or infection, loss of business, negative publicity and more.

Issues With Providing Continued Leave

There are several concerns you should recognize, however, before you decide to extend FFCRA past the December 31 expiration date.

Tax Credits Not Guaranteed

Ultimately it is up to the IRS whether your FFRCA wage payments qualify for the tax credit. This was true in 2020, and not just unique to employers who extend the leave into 2021. In order to receive the credit, employers must be diligent in ensuring they meet IRS requirements. If an employer fails to properly administer leave or is unable to substantiate their qualification for the tax credit, they may be left footing the bill.

Time Spent Administering The Leave Balanced Against Employee Usage

In order to obtain the tax credit, you must be diligent in satisfying numerous administrative requirements: confirming that your employees who use FFCRA leave actually qualify, ensuring wages don’t exceed the statutory caps or limits, tracking the leave, maintaining documentation, and meeting other IRS requirements. For small employers, this may be additional work they do not want to take on in the new year, particularly if only a few employees did not use the leave entitlement by December 31. Small employers should consider how many employees may be left to qualify for the leave before March 31.

Potential For Discrimination Claims

employees. Or you may choose only to offer up to two weeks of EPSL and not up to 12 weeks of EFMLA. Whatever route you take, you should develop it in an objective fashion, clearly articulate your plan, and ensure it is consistently followed. Arbitrarily picking and choosing who can receive the leave could pose a risk for a discrimination claim on the basis of race, age, sex, etc.

Work Disruption

Employees using any form of paid leave for an extended period of time have the potential to cause a business disruption to your operations. Considering EPSL and EFMLA may be taken for up to two weeks and 12 weeks, respectively, there is the potential that such extended leaves may result in significant disruption, depending on the employee’s role and the business circumstances. Given that the two weeks of sick leave is largely designed to slow and curb the spread of COVID-19, you may decide to only offer the emergency sick leave versus the full 12 weeks of EFMLA for childcare and school closures.

What Employers Should Do Next

You need to quickly weigh and determine the benefits and burdens of continuing to provide paid leave created under the FFCRA, and timely communicate the decision to your employees. On balance, for employers that still have a number of employees who could have a qualifying need for leave before March 31, the pro of curbing the spread of the virus by providing at least the emergency paid sick leave is strong.

You should also pay close attention to developments in Congress in the new term. There has already been discussion of a larger stimulus package after President-elect Biden is inaugurated. Under the new administration, paid leave may extend or even expand. You should also stay abreast of state and local paid leave laws that may afford time away from work for COVID-19 related reasons.

We will continue to monitor further developments and provide updates, so make sure you are subscribed to Fisher Phillips’ alert system to gather the most up-to-date information. If you have questions, please contact your Fisher Phillips attorney or visit our COVID-19 Resource Center For Employers.

https://www.fisherphillips.com/resources-alerts-employer-considerations-FFCRA-law-expiration