

California Farm Service Agency Newsletter - September 2022

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Biden-Harris Administration Makes \$500 Million Available to Increase Innovative American-Made Fertilizer Production

New Grant Program Will Spur Competition and Help US Farmers Address Rising Costs

U.S. Department of Agriculture (USDA) Secretary Tom Vilsack today announced that the Biden-Harris Administration is making \$500 million in grants available to increase American-made fertilizer production to spur competition and combat price hikes on U.S. farmers caused by the war in Ukraine.

The Biden-Harris Administration's <u>Fertilizer Production Expansion Program</u> is part of a whole-of-government effort to promote competition in agricultural markets. The funds are being made available through the Commodity Credit Corporation.

Eligible entities are for-profit businesses and corporations, nonprofit entities, Tribes and Tribal organizations, producer-owned cooperatives and corporations, certified benefit corporations, and state or local governments. Private entities must be independently owned and operated to apply.

The Department will begin accepting applications in the coming days via www.grants.gov. Notably, there will be two opportunities for submission.

Learn more.

Deadline Extended and More Pre-Filled Forms For 2020 and 2021 Disasters on the Way

More Producers to Soon Receive Applications for over \$105 Million in Additional Emergency Relief

The U.S. Department of Agriculture (USDA) recently announced that it will indefinitely extend the deadline for producers to return the pre-filled applications for Phase One of the Emergency Relief Program (ERP). A new deadline will be announced after the last Phase One applications are mailed and provide at least 30 days following the mailing.

Continuing to build on the initial mailing of pre-filled applications in May, the Department will continue using existing information in USDA and crop insurance files to send additional pre-filled applications starting this week for potentially eligible Noninsured Crop Disaster Assistance Program (NAP) participants. Once applications from eligible NAP producers are returned, these producers are expected to receive about \$105 million in ERP payments for eligible losses from 2020 and 2021 disasters.

USDA's Farm Service Agency (FSA) is now mailing pre-filled applications to NAP producers through ERP to offset crop yield and value losses. To receive a relief payment, producers should complete and return the applications by announced deadlines.

Producers are expected to receive assistance direct deposited into their bank account within three business days after they sign and return the prefilled application to the FSA county office and the county offices enters the application into the system.

While most crop insurance customers that may be eligible for ERP Phase One received the pre-filed applications in May, there are some who should expect to receive a form in August including:

- Producers who had an eligible loss in 2020 that had been recorded in the crop insurance records as a 2019 loss (e.g., prevented planting claims); and
- Producers with policies that required additional information before being able to calculate an indemnity for 2021 losses (producers with 2020 losses would have

already received that application). Policies that required additional information include Supplemental Coverage Option (SCO), Enhanced Coverage Option (ECO), Stacked Income Protection Plan (STAX), Margin Protection Plan (MP) or Area Risk Protection Insurance (ARPI).

Producers without risk management coverage through crop insurance or NAP and those with shallow losses may be covered by the forthcoming Phase Two of ERP.

USDA estimates that Phase One ERP benefits will reach more than 5,200 producers with NAP coverage for eligible 2020 and 2021 crop losses. This emergency relief complements ERP assistance recently provided to more than 162,000 producers who had received crop insurance indemnities for qualifying losses. Nearly 13,000 additional crop insurance customers will also receive pre-filled applications in August to cover eligible 2020 losses described above and for producers with more complex policies where indemnities could not be calculated for 2021 previously.

ERP and the previously announced Emergency Livestock Relief Program (ELRP) are funded by the *Extending Government Funding and Delivering Emergency Assistance Act*, which President Biden signed into law in 2021. The law provided \$10 billion to help agricultural producers impacted by wildfires, droughts, hurricanes, winter storms and other eligible disasters experienced during calendar years 2020 and 2021. Overall, USDA has already quickly disbursed over \$6 billion dollars under ERP and ELRP with reduced paperwork for the producer and field offices.

For more information on ERP eligibility, program provisions for socially disadvantaged or historically underserved producers as well as Frequently Asked Questions, NAP applicants can visit FSA's <u>Emergency Relief webpage</u> and program fact sheet.

Additional USDA disaster assistance information can be found on <u>farmers.gov</u>, including the <u>Disaster Assistance Discovery Tool</u>, <u>Disaster-at-a-Glance fact sheet</u> and <u>Farm Loan Discovery Tool</u>. For FSA and Natural Resources Conservation Service programs, producers should contact their local <u>USDA Service Center</u>. For assistance with a crop insurance claim, producers and landowners should contact their <u>crop insurance agent</u>.

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

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 on-the-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 Association of State Climatologists</u> website.
- 2. **Email** Emails sent to <u>droughtmonitor@unl.edu</u> inform the USDM authors.
- Become a CoCoRaHS observer Submit drought reports along with daily precipitation observations to the <u>Community Collaborative Rain</u>, <u>Hail & Snow</u> Network.
- 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 <u>farmers.gov/protection-recovery</u>.

USDA Announces Assistance for On-Farm Food Safety Expenses for Specialty Crop Growers

Agriculture Secretary Tom Vilsack announced that the U.S. Department of Agriculture (USDA) plans to provide up to \$200 million in assistance for specialty crop producers who incur eligible on-farm food safety program expenses to obtain or renew a food safety certification in calendar years 2022 or 2023. USDA's new Food Safety Certification for Specialty Crops (FSCSC) program will help to offset costs for specialty crop producers to comply with regulatory requirements and market-driven food safety certification requirements, which is part of USDA's broader effort to transform the food system to create a more level playing field for small and medium producers and a more balanced, equitable economy for everyone working in food and agriculture.

Specialty crop operations can apply for assistance for eligible expenses related to a 2022 food safety certificate issued on or after June 21, 2022, beginning June 27, 2022. USDA is delivering FSCSC to provide critical assistance for specialty crop operations, with an emphasis on equity in program delivery while building on lessons learned from the COVID-19 pandemic and supply chain disruptions. Vilsack made the announcement from Hollis, N.H., where he toured a local, family-owned farm and highlighted USDA's efforts to help reduce costs for farmers and support local economies by providing significant funding to cut regulatory costs and increase market opportunities for farmers in New Hampshire and across the nation.

Program Details

FSCSC will assist specialty crop operations that incurred eligible on-farm food safety certification and related expenses related to obtaining or renewing a food safety certification in calendar years 2022 and 2023. For each year, FSCSC covers a percentage of the specialty crop operation's cost of obtaining or renewing their certification, as well as a portion of their related expenses.

To be eligible for FSCSC, the applicant must be a specialty crop operation; meet the definition of a small business or very small business; and have paid eligible expenses related to the 2022 (issued on or after June 21, 2022) or 2023 certification.

Specialty crop operations may receive assistance for the following costs:

- Developing a food safety plan for first-time food safety certification.
- Maintaining or updating an existing food safety plan.
- Food safety certification.
- Certification upload fees.
- Microbiological testing for products, soil amendments and water.
- Training.

FSCSC payments are calculated separately for each category of eligible costs. A higher payment rate has been set for socially disadvantaged, limited resource, beginning and veteran farmers and ranchers. Details about the payment rates and limitations can be found at farmers.gov/food-safety.

Applying for Assistance

The FSCSC application period for 2022 is June 27, 2022, through January 31, 2023, and the application period for 2023 will be announced at a later date. FSA will issue payments at the time of application approval for 2022 and after the application period ends for 2023. If calculated payments exceed the amount of available funding, payments will be prorated.

Interested specialty crop producers can apply by completing the FSA-888, Food Safety Certification for Specialty Crops Program (FSCSC) application. The application, along with other required documents, can be submitted to the FSA office at any USDA Service Center nationwide by mail, fax, hand delivery or via electronic means.

Producers can visit <u>farmers.qov/food-safety</u> for additional program details, eligibility information and forms needed to apply.

Community Alliance with Family Farmers Offers Small Farm Tech Hub



How can technology help expand market opportunities and increase business efficiencies for small farms?

Community Alliance with Family Farmers (CAFF) Tech Hub is here to Help!

Free Consultation services available to small scale farmers, food hubs and farmers markets operating out of California.

Request an appointment at www.caff.org/techsupport

For any questions email <u>Techhub@caff.org</u> or visit www.caff.org/techhub

Noninsured Crop Coverage Helps Producers Manage Risks

The Farm Service Agency's (FSA) Noninsured Crop Disaster Assistance Program (NAP) helps you manage risk through coverage for both crop losses and crop planting that was prevented due to natural disasters. The eligible or "noninsured" crops include agricultural commodities not covered by federal crop insurance.

You must be enrolled in the program and have purchased coverage for the eligible crop in the crop year in which the loss incurred to receive program benefits following a qualifying natural disaster.

NAP Buy-Up Coverage Option

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. Buy-up levels of NAP coverage are available if the producer can show at least one year of previously successfully growing the crop for which coverage is being requested.

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.

Buy-up coverage is not available for crops intended for grazing.

NAP Service Fees

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.

NAP Enhancements for Qualified Military Veterans

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

Beginning, limited resource and targeted underserved farmers or ranchers remain eligible for a waiver of NAP service fees and premium reduction when they file form CCC-860, "Socially Disadvantaged, Limited Resource and Beginning Farmer or Rancher Certification."

For NAP application, eligibility and related program information, contact your local FSA office or visit fsa.usda.gov/nap.

USDA Announces Streamlined Guaranteed Loans and Additional Lender Category for Small-Scale Operators



Options Help More Beginning, Small and Urban Producers Gain Access to Credit

Producers can apply for a streamlined version of USDA guaranteed loans, which are tailored for smaller scale farms and urban producers EZ Guarantee Loans use a simplified application process to help beginning, small, underserved, and family farmers and ranchers apply for loans of up to

\$100,000 from USDA-approved lenders to purchase farmland or finance agricultural operations.

A new category of lenders will join traditional lenders, such as banks and credit unions, in offering USDA EZ Guarantee Loans. Microlenders, which include Community Development Financial Institutions and Rural Rehabilitation Corporations, will be able to offer their customers up to \$50,000 of EZ Guaranteed Loans, helping to reach urban areas and underserved producers. Banks, credit unions and other traditional USDA-approved lenders, can offer customers up to \$100,000 to help with agricultural operation costs.

EZ Guarantee Loans offer low interest rates and terms up to seven years for financing operating expenses and 40 years for financing the purchase of farm real estate. USDA-approved lenders can issue these loans with the Farm Service Agency (FSA) guaranteeing the loan up to 95 percent.

For more information about the available types of FSA farm loans, contact your local FSA county USDA Service Center or visit fsa.usda.gov/farmloans.

USDA Accepting Applications to Help Cover Costs of Organic, Transitioning Producers

Agricultural producers and handlers who are certified organic, along with producers and handlers who are transitioning to organic production, can now apply for the U.S. Department of Agriculture's (USDA) Organic and Transitional Education Certification

<u>Program</u> (OTECP) and <u>Organic Certification Cost Share Program</u> (OCCSP), which help producers and handlers cover the cost of organic certification, along with other related expenses. Applications for OTECP and OCCSP are both due October 31, 2022.

OTECP covers:

- Certification costs for organic producers and handlers (25% up to \$250 per category).
- Eligible expenses for transitional producers, including fees for pre-certification inspections and development of an organic system plan (75% up to \$750).
- Registration fees for educational events (75% up to \$200).
- Soil testing (75% up to \$100).

Meanwhile, OCCSP covers 50% or up to \$500 per category of certification costs in 2022.

This cost share for certification is available for each of these categories: crops, wild crops, livestock, processing/handling and State organic program fees.

Producers can receive cost share through both OTECP and OCCSP. Both OTECP and OCCSP cover costs incurred from October 1, 2021, to September 30, 2022. Producers have until October 31, 2022 to file applications, and FSA will make payments as applications are received.

To apply, producers and handlers should contact the Farm Service Agency (FSA) at their local USDA Service Center. As part of completing the OCCSP applications, producers and handlers will need to provide documentation of their organic certification and eligible expenses. Organic producers and handlers may also apply for OCCSP through participating State agencies.

Additional details can be found on the <u>OTECP</u> and <u>OCCSP</u> webpages.

California Agricultural Mediation Program (CALAMP) helps farmers and ranchers

The USDA Farm Service Agency (FSA) in California has partnered with the California Agriculture Mediation Program to provide free mediation services. Mediation can be an effective tool for farmers and ranchers who are experiencing challenges with their farm loans, creditors, neighbors, leases, or USDA agencies,.

Mediation is free to any producer for debt/credit issues, family farm transitions, leases, neighbor disputes, organic certification, adverse USDA decisions, and more. If your issue is not included in our authorized list of covered topics, we'll work with you to find an affordable option.

Discussions and notes made during mediation cannot be shared unless everyone agrees to do so. Keeping information private helps create a safe space for difficult conversations.

If you come to an agreement or plan, the parties may then decide to share it outside of the meeting.

Mediators are trained to help people talk to each other in a productive way. The mediator does not take a "side" in the conversation, but instead is there to support the conversation and move it forward to address the issue at hand. All of our mediators have agricultural backgrounds, so they understand the issues that are unique to the industry.

The mediator leads a discussion about reaching an agreement or plan. Should the parties reach an agreement, the mediator will draft a settlement document, which is a binding contract. But the parties, not the mediator, decide the outcome and course of action.

Statistically, 75 percent of mediations result in an agreement. Sometimes even if a final agreement is not reached, everyone gains a better understanding of the issue. Mediation can go hand-in-hand with other processes such as working with an estate planner or applying for a farm loan. Mediation can reopen lines of communication and help the participants continue productive conversations outside the meeting.

For more information, submit a request for mediation at www.calamp.org

Or contact:

Matt Strassberg (Director) at 916-330-4500 x101 or matts@emcenter.org

Mary Campbell (S. CA Coordinator) at 916-330-4500 x101 or maryc@emcenter.org

Jenna Muller (N. CA Coordinator) at 916-330-4500 x101 or jennam@emcenter.org

Free Farm Manager Apprentice Training

Farmers, are you searching for your future manager or supervisor? Whether you have a current employee who could use some additional training, or are seeking to hire a new team member, The Beginning Farm and Ranch Management Apprenticeship provides a structured pathway for aspiring farm managers to develop the knowledge and skills they need to be successful on your farm. The Center for Land-Based Learning covers all tuition for coursework and provides support for farmers and apprentices. To learn more about training an apprentice, visit https://landbasedlearning.org/apprentice-farmer-mentor

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