U.S. DEPARTMENT OF AGRICULTURE

South Dakota USDA Newsletter - July 2022

Farm Service Agency | Natural Resources Conservation Service | Risk Management Agency

In This Issue:

- Message from the FSA State Director
- Message from the NRCS State Conservationist
- USDA Offers Options for Signing and Sharing Documents Online
- Eligibility for Nominations for the 2022 County Committee Elections
- USDA Accepts More than 3.1 Million Acres in Grassland CRP Signup
- Ask The Expert: Saving America's Grasslands Q&A with Dr. Dirac Twidwell
- USDA Offers Disaster Assistance for Producers Facing Inclement Weather
- Report Noninsured Crop Disaster Assistance Program (NAP) Losses
- USDA Announces Assistance for On-Farm Food Safety Expenses for Specialty Crop Growers
- USDA Accepting Applications to Help Cover Costs of Organic, Transitioning Producers
- Cover Crops Play a Starring Role in Climate Change Mitigation
- Top 6 Emergency Relief Program Checklist Items for Eligible Farmers
- <u>FSA Offers Drought Assistance for Livestock Producers Through Emergency Assistance</u> for Livestock, Honey Bees and Farm-raised Fish Program (ELAP)
- USDA Reminds Historically Underserved Producers of Advance Payment Option
- Ask the Expert: A Farm Operating Loan Q&A with Jack Carlile
- Applying for Youth Loans

Message from the FSA State Director

Greetings from the South Dakota State FSA Office,

As we head into the dog days of summer, also known as pollination season, we hope that we will have adequate moisture to get us through this critical time. 2022 has thrown just about everything at us that it can. We have seen extreme weather conditions in our state - way too wet in the northeast and way too dry in the southeast portion of the state.

We have seen two derecho storms hit our state in the first half of the summer alone. I, along with many others, had never even heard of the term derecho until the storm that rolled through lowa a few years ago. Despite of the challenges Mother Nature has thrown at us, our state's farm and ranch families continue to do what they do best - tend to their fields and livestock.

South Dakota farmers and ranchers have a partner that will stand by them every step of the way as they navigate through whatever Mother Nature will throw at them. That partner is the Farm Service Agency.

FSA cannot control the weather; however, it can be there to help farmers and ranchers get through the weather challenges.

The Emergency Conservation Program (ECP) can be utilized to get fresh water to livestock when dams dry up. ECP can also be tapped into to help farm and ranch families with debris cleanup to get their fields back into production.

This past month farmers and ranchers with 2020 or 2021 disaster losses are eligible for help through the Emergency Relief Program (ERP). The program was the result of legislation passed by Congress and signed into law by President Biden on September 30, 2021. So far, the ERP program has supported South Dakota farm and ranch families with over \$475 million in assistance.

Many folks outside of agriculture might wonder why do farm and ranch families need this kind of assistance when crop and livestock prices are strong?

The point to remember is a disaster loss occurred. Many farmers didn't have the opportunity to capture \$8 corn or \$16 soybeans because they had a crop disaster. Livestock producers had to haul water when dams dried up or had to haul hay in or haul cattle to greener pastures in other parts of the state.

These natural disasters came on the heels of skyrocketing fertilizer prices and then compounded by the war in Ukraine, so the timing of the ERP could not have come at a better time!

As always, if you are for looking for more information on the services FSA can provide, please contact your local <u>USDA Service Center</u> or reach me at <u>steve.dick@usda.gov</u>.

Sincerely,

Steve Dick State Executive Director USDA - Farm Service Agency

Message from the NRCS State Conservationist

Greetings and I hope you had an enjoyable and safe Fourth of July celebration,

Small grain harvest is underway in South Dakota and I want to encourage the planting of cover crops on those acres being harvested now. Over 400,000 acres of cover crop were planted in South Dakota last summer as indicated by Farm Service Agency records (NRCS Focus on Soil Health page 6). Cover Crops are a significant component to four of the five principles in building healthy soils on cropland. They armor the soil, increase the diversity of plant roots thereby diversifying microbial life, extend the length of time a growing root is feeding the soil microbes, and allow the integration of livestock into the natural soil building process. Please contact the NRCS at your local USDA Service Center and visit Resources for Cover Crops in South Dakota for more information about cover crops.

In celebration of National Bison month, I'd like to promote one of the South Dakota producers we work closely with and encourage you to <u>watch her story</u> raising bison on their operation and integrating soil health principles on grasslands.

Finally, I want to congratulate the Bien Family Ranch of Veblen, SD as the recipient of this year's <u>Leopold</u> <u>Conservation Award</u> and I hope to see you at their August 9 tour.

Thank you to all South Dakota farmers, ranchers, and landowners moving the needle of conservation in our state.

Sincerely,

USDA Offers Options for Signing and Sharing Documents Online

Farmers and ranchers working with USDA's Farm Service Agency or Natural Resources Conservation Service can now sign and share documents online in just a few clicks. By using Box or OneSpan, producers can digitally complete business transactions without leaving their homes or agricultural operations. Both services are free, secure, and available for multiple FSA and NRCS programs.

Box is a secure, cloud-based site where FSA or NRCS documents can be managed and shared. Producers who choose to use Box can create a username and password to access their secure Box account, where documents can be downloaded, printed, manually signed, scanned, uploaded, and shared digitally with Service Center staff. This service is available to any FSA or NRCS customer with access to a mobile device or computer with printer connectivity.

OneSpan is a secure eSignature solution for FSA and NRCS customers. Like Box, no software downloads or eAuthentication is required for OneSpan. Instead, producers interested in eSignature through OneSpan can confirm their identity through two-factor authentication using a verification code sent to their mobile device or a personalized question and answer. Once identity is confirmed, documents can be reviewed and e-signed through OneSpan via the producer's personal email address. Signed documents immediately become available to the appropriate Service Center staff.

Box and OneSpan are both optional services for customers interested in improved efficiency in signing and sharing documents with USDA, and they do not replace existing systems using eAuthentication for digital signature. Instead, these tools provide additional digital options for producers to use when conducting business with FSA or NRCS.

USDA Service Center staff are available to help producers get started with Box and OneSpan through a few simple steps. Please visit <u>farmers.gov/service-locator</u> to find your local office and let Service Center staff know you're interested in signing and sharing documents through these new features. In most cases, one quick phone call will be all that is needed to initiate the process.

Visit <u>farmers.gov/mydocs</u> to learn more about Box and OneSpan, steps for getting started, and additional resources for conducting business with USDA online.

To learn more about program flexibilities and Service Center status during the coronavirus pandemic, visit <u>farmers.gov/coronavirus</u>.

Eligibility for Nominations for the 2022 County Committee Elections

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) county committees are a critical component of the day-to-day operations of FSA and allow grassroots input and local administration of federal farm programs.

Committees are comprised of locally elected agricultural producers responsible for the fair and equitable administration of FSA farm programs in their counties. Committee members are accountable to the Secretary

of Agriculture. If elected, members become part of a local decision making and farm program delivery process.

A county committee is composed of three to 11 elected members from local administrative areas (LAA). Each member serves a three-year term. To be eligible for nomination and hold office as a committee member or alternate, a person must fulfill each of the following requirements: (1) be a producer with an interest in farming or ranching operations, (2) participate or cooperate in any FSA program provided for by law, (3) be a U.S. citizen, (4) be of legal voting age, (5) meet the basic eligibility requirements, and (6) reside in the county or multi-county jurisdiction in which they will be serving. A cooperating producer is someone who has provided information about their farming or ranching operation(s) but may not have applied or received FSA program benefits.

All nomination forms for the 2022 election must be postmarked or received in the local USDA Service Center by Aug. 1, 2022. For more information on FSA county committee elections and appointments, refer to the FSA fact sheet: *Eligibility to Vote and Hold Office as a COC Member* available online at: **fsa.usda.gov/elections.**

USDA Accepts More than 3.1 Million Acres in Grassland CRP Signup

The U.S. Department of Agriculture (USDA) is accepting offers for more than 3.1 million acres from agricultural producers and private landowners through this year's Conservation Reserve Program (CRP) Grassland Signup, the highest in history. The signup's results include 424,984 acres in South Dakota. This program allows producers and landowners to continue grazing and haying practices while protecting grasslands and promoting plant and animal biodiversity and conservation, and it's part of the Biden-Harris administration's broader effort to address climate change and to conserve natural resources.

Nationwide, this year's Grassland CRP signup surpassed last year's 2.5 million acres by 22%. So far this year, producers have enrolled 2 million acres through the General Signup and more than 464,000 acres have been submitted through the Continuous CRP Signup. This means about 5.6 million acres are entering CRP in 2023, surpassing the 3.9 million acres expiring this year.

Other highlights include:

- Top states included Colorado (642,000 acres), South Dakota (nearly 425,000 acres) and Nebraska (nearly 422,000 acres).
- States with the highest increase in acres compared with last year include Arizona (141% increase), California (129% increase), and Utah (122% increase).

Because Grassland CRP supports not only grazing operations but also biodiversity and conserving environmentally sensitive land such as that prone to wind erosion, USDA's Farm Service Agency (FSA) created two <u>National Priority Zones</u> in 2021: the Greater Yellowstone Migration Corridor and Dust Bowl Zone. For this year's signup, FSA expanded the Greater Yellowstone Wildlife Migration Corridor Priority Zone to include seven additional counties across Montana, Wyoming, and Utah, to help protect the big-game animal migration corridor associated with Wyoming elk, mule deer and antelope. FSA accepted offers on more than 1.4 million acres in these two zones.

Grasslands enrolled in CRP help sequester carbon in vegetation and soil, while enhancing resilience to drought and wildfire. Meanwhile, producers can still conduct common grazing practices, such as haying, mowing, or harvesting seed from the enrolled land, which supports ag production.

Broadening Reach of Program As part of the Agency's Justice40 efforts, producers and landowners who are historically underserved, including beginning farmers and military veterans, will receive 10 additional ranking points to enhance their offers. From more than 5,000 underserved producers, USDA accepted offers

of more than 1.9 million acres, about 87% of those who submitted applications. Additionally, USDA is working to broaden the scope and reach of Grassland CRP by leveraging the <u>Conservation Reserve</u> <u>Enhancement Program</u>(CREP) to engage historically underserved communities. CREP is a partnership program that enables states, Tribal governments, and non-profit entities to partner with FSA to implement CRP practices and address high priority conservation and environmental objectives. Interested entities are encouraged to contact FSA.

Producers can still make an offer to participate in CRP through the <u>Continuous CRP Signup</u>, which is ongoing, by contacting the FSA at their local <u>USDA Service Center</u>.

Ask The Expert: Saving America's Grasslands Q&A with Dr. Dirac Twidwell

In this Ask the Expert, Dr. Dirac Twidwell, Natural Resources Conservation Service (NRCS) Working Lands for Wildlife (WLFW) Science Advisor and Associate Professor at the University of Nebraska outlines how landowners can work together to protect and conserve grasslands through conservation. Dr. Twidwell is responsible for conserving grasslands on the Great Plains through science-backed efforts that span ownership boundaries. His research and publications have <u>identified the largest remaining continuous</u> grasslands in the United States and have outlined a 'call to action' to protect and preserve these invaluable biomes.

He also runs the Large-Scale Rangeland Conservation Lab at the University of Nebraska-Lincoln, which focuses on providing a framework for ecosystem management across multiple states. Dr. Twidwell recently co-authored <u>Reducing Woody Encroachment in Grasslands: A Guide for Understanding Risk and</u> <u>Vulnerability</u> that provides the first-ever framework for addressing woody encroachment in the Great Plains.

To read the full blog visit farmers.gov/blog/ask-expert-saving-americas-grasslands-ga-with-dr-dirac-twidwell.

USDA Offers Disaster Assistance for Producers Facing Inclement Weather

Severe weather events create significant challenges and often result in catastrophic loss for agricultural producers. Despite every attempt to mitigate risk, your operation may suffer losses. USDA offers several programs to help with recovery.

Risk Management

For producers who have risk protection through <u>Federal Crop Insurance</u> or the <u>Noninsured Crop Disaster</u> <u>Assistance Program</u> (NAP), we want to remind you to report crop damage to your crop insurance agent or the local Farm Service Agency (FSA) office.

If you have crop insurance, contact your agency within 72 hours of discovering damage and be sure to follow up in writing within 15 days. If you have NAP coverage, file a Notice of Loss (also called Form CCC-576) within 15 days of loss becoming apparent, except for hand-harvested crops, which should be reported within 72 hours.

Disaster Assistance

USDA also offers disaster assistance programs, which is especially important to livestock, fruit and vegetable, specialty and perennial crop producers who have fewer <u>risk management options</u>.

First, the <u>Livestock Indemnity Program</u> (LIP) and <u>Emergency Assistance for Livestock</u>, <u>Honeybee and Farm-raised Fish Program</u> (ELAP) reimburses producers for a portion of the value of livestock, poultry and other animals that died as a result of a qualifying natural disaster event or for loss of grazing acres, feed and forage. And, the <u>Livestock Forage Disaster Program</u> (LFP) provides assistance to producers of grazed forage crop acres that have suffered crop loss due to a qualifying drought. Livestock producers suffering the impacts of drought can also request <u>Emergency Haying and Grazing</u> on Conservation Reserve Program (CRP) acres.

Next, the <u>Tree Assistance Program</u> (TAP) provides cost share assistance to rehabilitate and replant tree, vines or shrubs loss experienced by orchards and nurseries. This complements NAP or crop insurance coverage, which cover the crop but not the plants or trees in all cases.

For LIP and ELAP, you will need to file a Notice of Loss for livestock and grazing or feed losses within 30 days and honeybee losses within 15 days. For TAP, you will need to file a program application within 90 days.

Documentation

It's critical to keep accurate records to document all losses following this devastating cold weather event. Livestock producers are advised to document beginning livestock numbers by taking time and date-stamped video or pictures prior to after the loss.

Other common documentation options include:

- Purchase records
- Production records
- Vaccination records
- Bank or other loan documents
- Third-party certification

Other Programs

The <u>Emergency Conservation Program</u> and <u>Emergency Forest Restoration Program</u> can assist landowners and forest stewards with financial and technical assistance to restore damaged farmland or forests.

Additionally, FSA offers a variety of loans available including emergency loans that are triggered by disaster declarations and operating loans that can assist producers with credit needs. You can use these loans to replace essential property, purchase inputs like livestock, equipment, feed and seed, or refinance farm-related debts, and other needs.

Meanwhile, USDA's Natural Resources Conservation Service (NRCS) provides financial resources through its <u>Environmental Quality Incentives Program</u> to help with immediate needs and long-term support to help recover from natural disasters and conserve water resources. Assistance may also be available for emergency animal mortality disposal from natural disasters and other causes.

Additional Resources

Additional details – including payment calculations – can be found on our <u>NAP</u>, <u>ELAP</u>, <u>LIP</u>, and <u>TAP</u> fact sheets. On farmers.gov, the <u>Disaster Assistance Discovery Tool</u>, <u>Disaster-at-a-Glance fact sheet</u>, and <u>Farm</u> <u>Loan Discovery Tool</u> can help you determine program or loan options.

While we never want to have to implement disaster programs, we are here to help. To file a Notice of Loss or to ask questions about available programs, contact your local USDA Service Center. All<u>USDA Service</u> <u>Centers</u> are open for business, including those that restrict in-person visits or require appointments because of the pandemic.

Report Noninsured Crop Disaster Assistance Program (NAP) Losses

NAP provides financial assistance to you for crops that aren't eligible for crop insurance to protect against lower yields or crops unable to be planted due to natural disasters including freeze, hail, excessive moisture, excessive wind or hurricanes, flood, excessive heat and qualifying drought (includes native grass for grazing), among others.

To receive payment, you had to purchase NAP coverage for 2022 crops and file a notice of loss the earlier of 15 days of the occurrence of the disaster or when losses become apparent or 15 days of the final harvest date.

For hand-harvested crops and certain perishable crops, you must notify FSA within 72 hours of when a loss becomes apparent.

Eligible crops must be commercially produced agricultural commodities for which crop insurance is not available, including perennial grass forage and grazing crops, fruits, vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

For more information on NAP, contact your local County USDA Service Center or visit fsa.usda.gov/nap.

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.

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 <u>farmers.gov/food-safety</u>.

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.gov/food-safety</u> for additional program details, eligibility information and forms needed to apply.

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) <u>Organic and Transitional Education Certification Program</u> (OTECP) and <u>Organic Certification Cost Share</u> <u>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.

Cover Crops Play a Starring Role in Climate Change Mitigation

On your own land, you've probably seen evidence that climate change is happening – things like extreme weather events or changes in growing seasons over the years. America's rural communities are on the frontlines of climate change, and now is the time for agriculture, forestry, and rural communities to act.

There are various ways to help mitigate the effects of climate change on your land and improve your bottom line at the same time. One very effective way is by planting cover crops.

Cover crops offer agricultural producers a natural and inexpensive climate solution through their ability to capture atmospheric carbon dioxide (CO²) into soils. But cover crops don't just remove CO² from the atmosphere, they also help make your soil healthier and your crops more resilient to a changing climate.

Healthy soil has better water infiltration and water holding capacity and is less susceptible to erosion from wind and water.

Cover crops also trap excess nitrogen – keeping it from leaching into groundwater or running off into surface water – releasing it later to feed growing crops. This saves you money on inputs like water and fertilizer and makes your crops more able to survive in harsh conditions.

USDA's Cover Crop Support

During the past year, USDA has made a number of strides to encourage use of cover crops. Earlier this month, USDA's Natural Resources Conservation Service (NRCS) formed a <u>new partnership with Farmers For Soil Health</u>. We also launched a new Cover Crop Initiative in 11 states through the Environmental Quality Incentives Program (EQIP), targeted \$38 million to help producers mitigate climate change through adoption of cover crops.

In fiscal 2021, NRCS provided technical and financial assistance to help producers plant 2.3 million acres of cover crops through <u>EQIP</u>.

We've also recognized the importance of supporting cover crops through crop insurance. USDA's Risk Management Agency (RMA) recently provided \$59.5 million in premium support for producers who planted cover crops on 12.2 million acres through the new <u>Pandemic Cover Crop Program</u>. Additionally, RMA recently updated policy to allow producers with crop insurance to <u>hay, graze or chop cover crops</u> at any time and still receive 100% of the prevented planting payment. This policy change supports use of cover crops, which can help producers build resilience to drought. <u>Visit RMA's Conservation webpage to learn more</u>.

Working together, we can lead the way through climate-smart solutions that will improve the profitability and resilience of producers and foresters, open new market opportunities, and build wealth that stays in rural communities. Our support for cover crops are part of a much broader effort at USDA to address climate change. To learn more, read <u>USDA's January 18, 2022 news release</u>.

Cover crops are not only good for rural communities, but also for urban areas. Late last year, the <u>NRCS</u> <u>National Plant Materials Center planted cover crops</u> in the urban garden in front of USDA's Washington, D.C. Headquarters. See how cover crops are also great for the urban farmer or backyard gardener.

Top 6 Emergency Relief Program Checklist Items for Eligible Farmers

FSA recently began mailing 303,000 pre-filled applications for the Emergency Relief Program (ERP), a new program designed to help agricultural producers impacted by wildfires, droughts, hurricanes, winter storms, and other qualifying natural disasters experienced during calendar years 2020 and 2021.

The past few years have been tough to say the least. As producers have dealt with the continued impacts of the COVID-19 pandemic, they have also struggled to recover from more frequent, more intense natural disasters. I am grateful that Congress passed, and President Biden signed into law the *Extending Government Funding and Delivering Emergency Assistance Act* (P.L. 117-43), which includes \$10 billion in critical emergency relief.

After extensive stakeholder outreach, including with producers and groups that have not always been included in USDA programs, our team began work developing a responsive, easier-to-access program that could be rolled out in phases. We're now rolling out the first phase of ERP, which uses existing <u>Federal Crop</u> <u>Insurance</u> or <u>Noninsured Crop Disaster Assistance Program</u> (NAP) data as the basis for calculating initial payments.

By leveraging existing data, we will be able to deliver approximately \$6 billion in assistance on a faster timeline; at the same time, my team and I are committed to ensuring that producers who do not have existing data on file with USDA are captured in the second phase of ERP, which will be explicitly focused on filling gaps in previously implemented emergency assistance.

To apply for ERP Phase 1, here's what you need to do:

1. Check Your Mailbox

The form being mailed to you includes eligibility requirements, outlines the application process, and provides estimated ERP payment calculations. Producers will receive a separate application form for each program year in which an eligible loss occurred. Receipt of a pre-filled application is not confirmation that a producer is eligible to receive an ERP phase one payment. This application takes about 0.176 hours (that's less than 15 minutes) for producers to complete, compared to the former Wildfire and Hurricane Indemnity Program – Plus application which took several hours for producers to complete and even longer for FSA staff.

The deadline to return completed ERP applications to FSA is **Friday**, **July 22**, **2022**. *If you have NAP* coverage, you will receive pre-filled ERP applications later this summer. Details on ERP Phase 2 will be forthcoming as well.

2. Check Your Eligibility

ERP covers losses to crops, trees, bushes, and vines due to a qualifying natural disaster event in calendar years 2020 and 2021. Eligible crops include all crops for which crop insurance or NAP coverage was available, except for crops intended for grazing. Qualifying natural disaster events include wildfires, hurricanes, floods, derechos, excessive heat, winter storms, freeze (including a polar vortex), smoke exposure, excessive moisture, qualifying drought*, and related conditions.

*Lists of <u>2020</u> and <u>2021</u> drought counties eligible for ERP are available online.

3. Check Required Forms on File with FSA

Producers must have the following forms on file with FSA:

- Form AD-2047, Customer Data Worksheet.
- Form CCC-902, *Farm Operating Plan* for an individual or legal entity.
- Form CCC-901, Member Information for Legal Entities(if applicable).
- Form FSA-510, *Request for an Exception to the \$125,000 Payment Limitation for Certain Programs*(if applicable).
- A highly erodible land conservation (sometimes referred to as HELC) and wetland conservation certification (Form AD-1026 *Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification*) for the ERP producer and applicable affiliates.

If you have previously participated in FSA programs, you will likely have these required forms on file. However, if you're uncertain or want to confirm the status of your forms, contact your <u>local FSA county office</u>.

4. Check Historically Underserved Status with FSA, If Applicable

The ERP payment percentage for historically underserved producers, including beginning, limited resource, socially disadvantaged, and veteran farmers, and ranchers will be increased by 15% of the calculated ERP payment.

To qualify for the higher payment percentage, eligible producers must have the following form on file with FSA:

• Form CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification.

5. Check Your Future Insurance Coverage

All producers who receive ERP phase one payments are statutorily required to purchase crop insurance, or NAP coverage where crop insurance is not available, for the next two available crop years, as determined by the Secretary.

Coverage requirements will be determined from the date a producer receives an ERP payment and may vary depending on the timing and availability of crop insurance or NAP for a producer's particular crops. The final crop year to purchase crop insurance or NAP coverage to meet the second year of coverage for this requirement is the 2026 crop year.

6. Check Your bank

Once the completed ERP application for payment is submitted to and signed by FSA, producers who have direct deposit should look for payment within three business days.

More Information

We have additional resources, including:

- ERP May 16, 2022 New Release
- ERP Fact Sheet
- Answers to Frequently Asked Questions (FAQs)
- Emergency Relief Webpage
- ERP Notice of Funding Availability

In addition to ERP, FSA is also implementing the first phase of the new Emergency Livestock Relief Program. At this time, FSA has made more than \$588 million in payments to impacted livestock producers.

Bottom line, we take your feedback seriously, and we wanted to deliver this relief as soon as possible. We learned from previous relief programs, and we're excited to be getting this to you as swiftly as we can.

FSA Offers Drought Assistance for Livestock Producers Through Emergency Assistance for Livestock, Honey Bees and Farm-raised Fish Program (ELAP)

If you've suffered above normal expenses for hauling feed or water to livestock or hauling livestock to forage/grazing acres due to the impacts of drought, you may be eligible for financial assistance through the Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program (ELAP).

For eligible producers in qualifying counties, ELAP provides financial assistance for:

- the transportation of water to livestock;
- the above normal cost of mileage for transporting feed to livestock,
- the above normal cost of transporting livestock to forage/grazing acres.*

*Hauling livestock one-way, one haul per animal reimbursement and no payment for "empty miles."

Eligible livestock include cattle, buffalo, goats and sheep, among others, that are maintained for commercial use and located in a county where the qualifying drought conditions occur. A county must have had D2 severe drought intensity on the U.S. Drought Monitor for eight consecutive weeks during the normal grazing period, or D3 or D4 drought intensity at any time during the normal grazing period. Producers must have risk in both eligible livestock and eligible grazing land in an eligible county to qualify for ELAP assistance.

WATER TRANSPORTATION

For ELAP water transportation assistance, a producer must be transporting water to eligible livestock on eligible grazing land where the producer had adequate livestock watering systems or facilities in place before the drought occurred and where they do not normally require the transportation of water. Payments are for costs associated with personal labor, equipment, hired labor, equipment, and/or contracted water transportation fees. Cost of the water itself is not covered. The ELAP payment formula uses a national average price per gallon.

ABOVE NORMAL COSTS OF TRANSPORTING FEED

ELAP provides financial assistance to livestock producers who incur above normal expenses for transporting feed to livestock during drought. The payment formula excludes the first 25 miles and any mileage over 1,000 miles. The reimbursement rate is 60% of the costs above what would normally have been incurred during the same time period in a normal (non-drought) year. **ABOVE NORMAL COSTS OF TRANSPORTING LIVESTOCK TO FORAGE/GRAZING ACRES**

ELAP provides financial assistance to livestock producers who are hauling livestock to a new location for feed resources due to insufficient feed and/or grazing in drought-impacted areas. Assistance for Livestock transportation is retroactive to 2021 and available for 2022 and subsequent years. **Please contact your county FSA office for additional details.**

For calendar year 2022 forward, producers must submit a notice of loss to your local FSA office **within 30 calendar days** of when the loss is apparent; producers should contact their county FSA office as soon as the loss of water resources or feed resources are known. For ELAP eligibility, documentation of expenses is critical. Producers should maintain records and receipts associated with the costs of transporting water to

eligible livestock, the costs of transporting feed to eligible livestock, and the costs of transporting eligible livestock to forage/grazing acres.

ELAP also offers assistance to producers impacted by wildfire. Contact your county FSA office for more information on ELAP resources for wildfire losses. In addition, beekeepers also can benefit from ELAP provisions and should contact their county FSA office within 15 calendar days of when a loss occurs or from when the loss is apparent. For more information regarding ELAP, contact your local County USDA Service Center or visit <u>fsa.usda.gov/disaster</u>.

USDA Reminds Historically Underserved Producers of Advance Payment Option

If you're a historically underserved producer and participating in the USDA's Natural Resources Conservation Service's (NRCS) Environmental Quality Incentives Program (EQIP), you can receive an advance conservation practice payment before you implement a practice.

A historically underserved producer is described as one of the below:

- **Beginning Farmer or Rancher** is new to farming or ranching, or, has operated a farm or ranch for less than 10-consecutive years.
- Socially Disadvantaged Farmer or Rancher is a member of a group whose members have been subjected to racial or ethnic prejudice because of their identity as members of that group without regard to their individual qualities.
- Veteran Farmer or Rancher has served in the armed forces and has not operated a farm or ranch, has operated a farm or ranch for less than 10-consecutive years, or first obtained veteran status during the last 10 years.
- Limited Resource Farmer or Rancher has a household income at or below the national poverty level. Eligibility can be determined by using <u>this online tool.</u>

Under the advance payment option, such producers may request payments when they have final designs and job sheets and are ready to begin their EQIP practices. Advance payments provide at least 50 percent of the payment rate for each practice. The funds must be spent within 90 days of receipt and practices must be completed as agreed to in an EQIP plan of operations. Producers also may opt to have NRCS pay the contractors or vendors directly.

For more information, visit the <u>advance payments</u> webpage where you can download the <u>EQIP Advance</u> <u>Payment Fact Sheet</u>.

Ask the Expert: A Farm Operating Loan Q&A with Jack Carlile

In this Ask the Expert, Jack Carlile, Farm Loan Manager for the USDA Farm Service Agency (FSA), answers questions about farm operating loans and when producers should apply in order to secure funds for the current crop year.

As the Farm Loan Manager for the Cherokee County Service Center, Jack is responsible for managing the loan making and loan servicing activities for five counties in northeast Oklahoma. His office provides services for over 650 farm loan customers. Jack was raised on a cross bred cow/calf operation that his grandparents started. Over the years, each generation has added to the operation by purchasing additional pasture. The

operation also grows and bales their own hay. Jack's agriculture background and degree in agriculture economics from Oklahoma State University help him better understand the financing needs of his producers.

Who can apply for FSA Farm Loans?

Anyone can apply for FSA's loan programs. Applications will be considered on basic eligibility requirements. To apply for a loan, you must meet the following general eligibility requirements including:

- Be a U.S. citizen or qualified alien.
- Operator of a family farm or ranch.
- Have a satisfactory credit history.
- Unable to obtain credit elsewhere at reasonable rates and terms to meet actual needs.
- Not be delinquent on any federal debts.

What can I purchase with operating loans?

<u>Farm Operating Loans</u> are traditionally used for purchasing capital items such as farm machinery, equipment, or livestock. Loan funds can also be used to help pay typical operating expenses for farming and ranching operations. For example, a rancher may use an operating loan to purchase forage for his cattle to feed them through the winter or a row crop producer may use an operating loan for paying for inputs like seed or fertilizer.

What is the maximum loan amount and terms?

The maximum loan amount for a Direct Farm Operating Loan is \$400,000. Direct loans are made and serviced by FSA.

Producers can also apply for <u>Guaranteed Operating Loans</u> that are made by your commercial lender, and guaranteed against loss by FSA. The maximum loan amount for a Guaranteed Farm Operating Loan is \$1,825,000. Loan terms for operating loans range from one to seven years.

How do I apply?

If you're interested in applying for a farm loan, you can pick up an application by visiting your local FSA office. Visit <u>farmers.gov</u> to find the USDA Service Center nearest you.

When applying for a loan, you will need a business plan, which must include:

- Your mission, vision, and goals for your farm or ranch.
- Your current assets and liabilities.
- Marketing Plan (what your operation will produce and where you will market and sell your products.)
- Whether the amount of income your operation generates will be enough to pay your business and family living expenses.

When should I apply for an operating loan?

I would recommend beginning the application process a few months in advance of needing the funds to allow time for the request to be processed, and for any necessary security checks and searches to be completed. That allows time for the funds to be available for your use when most needed.

Where can I find more information?

To learn more about FSA loans visit <u>farmers.gov/loans</u> or <u>fsa.usda.gov/farmloans</u>. Fact sheets and application packages are also available at your USDA Service Center. To learn more about other types of

Applying for Youth Loans

The Farm Service Agency (FSA) makes loans to youth to establish and operate agricultural income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5,000.

Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Comply with FSA's general eligibility requirements
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the youth loan applicant, along with providing adequate supervision.

For help preparing the application forms, contact your local County USDA Service Center or visit <u>fsa.usda.gov</u>.



Program Managers:

Owen Fagerhaug - *Conservation* Logan Kopfmann - *Disaster Relief* Ryan Vanden Berge - *Farm Loan Program*

State Committee:

Wayne Morgan

Phone: 605-352-1160

Phone: 605-352-1200