

South Dakota USDA Newsletter - September 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 Announces New Opportunities to Improve Nutrient Management
- Ask the Expert: A Q&A on Urban Conservation and Gardening in the Summer with Brooke Franklin
- NRCS Financial Assistance and Easements Data Dashboards on Farmers.gov
- Top 6 Emergency Relief Program Checklist Items for Eligible Farmers
- <u>USDA to Mail Additional Pre-Filled Applications to Producers Impacted by</u> 2020, 2021 Disasters
- Apply for Livestock Forage Losses
- Applying for NAP Payments
- Report Noninsured Crop Disaster Assistance Program (NAP) Losses
- FSA Offers Drought Assistance for Livestock Producers Through
 Emergency Assistance for Livestock, Honey Bees and Farm-raised Fish
 Program (ELAP)
- <u>USDA Accepting Applications to Help Cover Costs of Organic,</u> <u>Transitioning Producers</u>
- <u>USDA Announces Assistance for On-Farm Food Safety Expenses for Specialty Crop Growers</u>
- Fall Acreage Reporting Deadline
- Update Your Records
- FSA Outlines MAL and LDP Policy
- Maintaining the Quality of Farm-Stored Loan Grain
- Unauthorized Disposition of Grain Results in Financial Penalties
- Filing CCC-941 Adjusted Gross Income Certifications
- Obtaining Payments Due to Deceased Producers
- Maintaining ARC/PLC Acreage

- Borrower Training for Farm Loan Customers
- USDA Microloans Help Farmers Purchase Farmland and Improve Property

Message from the FSA State Director

Greetings from the South Dakota State FSA Office,

Now that the State Fair has ended and silage chopping is wrapping up, many producers' attentions are turning to fall activities. For the east river farmers that means getting combines ready for soybean and corn. For west river ranchers that means getting cattle moved closer to home in anticipation of the upcoming winter.

Unfortunately for a vast portion of southeastern South Dakota the fall harvest won't even come close to a normal year, while other parts of east river will be experiencing a normal crop, and in some areas, above average. The same thing holds true of west river, some areas experienced timely rains to keep the pastures growing and produce an ample supply of hay for the winter, while other areas are experiencing extreme drought, causing many to reduce their herds.

I don't know in South Dakota if we have seen this much disparity of rainfall in one growing season. However, the one constant is that the Farm Service Agency is here to serve producers who have experienced weather challenges like we have seen in the past.

This summer FSA opened up CRP acres for grazing and haying to allow much needed hay as we go into the winter season. For producers who are dealing with inadequate water for livestock, the Emergency Conservation Program is available to assist in getting a water for livestock. The ELAP-Livestock Assistance can offer assistance in getting water and feed to livestock or getting the livestock to areas that have adequate feed stuffs. Both programs can help producers get through these weather challenges.

By now most folks have heard about the <u>Emergency Relief Program (ERP)</u>. The applications for Phase 1 have been mailed out. If you have not done so already, please get them signed and returned to your local FSA office. Remember these payments are directed towards producers who suffered crop losses in 2020 or 2021. During Phase 1 of the ERP South Dakota farm and ranch families have received over \$700 million in assistance, a welcome shot in the arm amidst rising input costs.

Last month President Biden signed into law the Inflation Reduction Act (IRA). This act has broad sweeping implications for rural America that will assist in areas that range from expanded broadband service to expanding the availability of renewable fuels. Additionally, the act provides relief for distressed FSA borrowers whose operations are at risk through loan modifications or payments.

Lastly, I want to bring to everyone's attention about hiring staff. FSA, like many businesses, school districts and producers are facing the challenge of finding enough workers to fill vacancies. FSA has a number of positions open across the state at various county offices. If you know someone who may be good fit, please have them check out the current South Dakota FSA openings at <u>USA Jobs</u>.

As always, if you would like 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,

The calendar and the combines indicate fall is arriving. I encourage those of you in the combines to watch for those marginally productive areas and consider if alternative practices would be appropriate. Whether those marginally productive areas suffered from drought, wetness, salt or soil compaction the NRCS staff can evaluate options for you and your fields. The price of commercial fertilizer is likely to remain high for 2023 crop needs so visit your local NRCS office and ask about options to consider for those marginally productive areas.

I recently met with NRCS leadership of Iowa, Minnesota, South Dakota and North Dakota for an opportunity towards a greater understanding of the ecological differences between the states and how the agency can strive towards USDA Farm Program Conservation Conservation Conservation Conservation Compliance and USDA Programs webpage to learn more and ask for assistance from the NRCS compliance staff through your local NRCS field office if you have questions.

The <u>USDA</u> 'Ask the Expert' series recently featured urban conservation and gardening that explains USDA support available and tips for those of you harvesting fruits and vegetables. Find the article below titled "Ask the Expert: A Q&A on <u>Urban Conservation and Gardening..."</u> and see our <u>NRCS Urban Agriculture</u> webpage. Additionally, I want to introduce Rachel Frei as our new Urban Conservationist for NRCS in South Dakota. Watch for further information about NRCS assistance with urban conservation efforts.

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

Sincerely,

Tony Sunseri State Conservationist USDA-Natural Resources Conservation Service

USDA Announces New Opportunities to Improve Nutrient Management

USDA welcomed the passage of the Inflation Reduction Act, which will deliver \$19.5 billion in new conservation funding to support climate-smart agriculture. This historic funding will bolster the new steps that USDA's Natural Resources Conservation Service (NRCS) announced to improve opportunities for nutrient management. NRCS will target funding, increasing program flexibilities, launch a new outreach campaign to promote nutrient management's economic benefits, in addition to expanding partnerships to develop nutrient management plans. This is part of USDA's broader effort to address future fertilizer availability and cost challenges for U.S. producers.

Through USDA's conservation programs, America's farmers and ranchers will have streamlined opportunities to improve their nutrient management planning, which provides conservation benefits while mitigating the impacts of supply chain disruptions and increased input costs.

Specifically, NRCS efforts include:

- Streamlined Nutrient Management Initiative A streamlined initiative will incentivize nutrient management activities through key conservation programs, including the Environmental Quality Incentives Program (EQIP), EQIP Conservation Incentive Contracts, and the Conservation Stewardship Program. The initiative will use a ranking threshold for pre-approval and include a streamlined and expedited application process, targeted outreach to small-scale and historically underserved producers, and coordination with FSA to streamline the program eligibility process for producers new to USDA. In addition to otherwise available funding at the state level, NRCS is targeting additional FY23 funds for nutrient management. NRCS is also announcing a streamlined funding opportunity for up to \$40 million in nutrient management grant opportunities through the Regional Conservation Partnership Program (RCPP).
- Nutrient Management Economic Benefits Outreach Campaign A new outreach campaign will highlight the economic benefits of nutrient management planning for farmers. The potential net savings to farmers who adopt a nutrient management plan is estimated to be an average of \$30 per acre for cropland. It is estimated that there are 89 million acres of cropland (28% of total U.S. cropland) currently exceeding the nitrogen loss threshold; and if all those acres implemented a nutrient management plan, the average net savings would be \$2.6 billion. NRCS staff develop nutrient management plans to help producers use nutrient resources effectively and efficiently to adequately supply soils and plants with necessary nutrients while minimizing transport of nutrients to ground and surface waters. Producer information is available at farmers.gov/global-food-security.
- Expanded Nutrient Management Support through Technical Service Providers
 Streamlining and Pilots New agreements with key partners who have existing
 capacity to support nutrient management planning and technical assistance will
 expand benefits and serve as a model to continue streamlining the certification
 process for Technical Service Providers (TSPs). NRCS is also developing new
 opportunities to support partner training frameworks, nutrient management outreach

and education, and new incentive payments through TSP partners for nutrient management planning and implementation.

Alongside the Bipartisan Infrastructure Act and American Rescue Plan, the Inflation Reduction Act provides once-in-a-generation investment in rural communities and their infrastructure needs, while also responding to the climate crisis. The bill invests \$40 billion into existing USDA programs promoting climate smart agriculture, rural energy efficiency and reliability, forest conservation, and more.

Approximately \$20 billion of this investment will support conservation programs that are oversubscribed, meaning that more producers will have access to conservation assistance that will support healthier land and water, improve the resilience of their operations, support their bottom line, and combat climate change. This includes:

- \$8.45 billion for EQIP
- \$4.95 billion for the Regional Conservation Partnership Program (RCPP)
- \$3.25 billion for the Conservation Stewardship Program (CSP)
- \$1.4 billion for the Agricultural Conservation Easement Program (ACEP)

For more information and resources for nutrient management planning, visit <u>farmers.gov/global-food-insecurity.</u> Contact NRCS at your <u>local USDA Service Center</u> to get assistance with a nutrient management plan for your land.

Ask the Expert: A Q&A on Urban Conservation and Gardening in the Summer with Brooke Franklin

In this Ask the Expert, urban conservationist Brooke Franklin explains the support available for urban producers through USDA and offers tips for urban gardening in the summer heat. Brooke is a Natural Resource Specialist working on urban conservation with USDA's Natural Resources Conservation Service (NRCS) in Kansas.

How do you work with urban producers at NRCS?

In my current position I help specialty crop and small-scale farmers conserve natural resources so they can continue to have a profitable and sustainable business. I provide technical assistance to farmers to conserve soil, water, air, and other natural resources. At NRCS we have programs that can help all farmers achieve their conservation goals.

I help small and urban farms practice conservation using cover crops, pollinator/native plantings, composting, micro-irrigation, and rain catchment systems. I also work a lot with https://doi.org/10.25 due to the fact that many urban farms are growing what some call market gardens, which help feed the community. The high tunnels help these farmers extend the growing season by starting earlier and farming later into the year and they are even able to overwinter crops in some cases.

To read the full blog visit <u>farmers.gov/blog/ask-the-expert-qa-on-urban-conservation-and-gardening-in-the-summer-with-brooke-franklin</u>

NRCS Financial Assistance and Easements Data Dashboards on Farmers.gov

USDA's <u>Natural Resources Conservation Service (NRCS)</u> offers financial assistance programs that deliver voluntary conservation practices across the Nation's working lands. NRCS conservation easement programs help landowners, local and State governments, and partners maintain and protect land for agricultural or environmental benefits over time. We've developed new data dashboards, now <u>available on farmers.gov</u>, to publicly share data on both NRCS <u>financial assistance programs</u> and <u>easements programs</u>. Data in both sets of dashboards will be updated quarterly.

These dashboards work on any modern web browser and are mobile responsive, making it easier than ever to access the data you may need. Data downloads are available for both dashboards, with security safeguards in place when necessary to protect the confidentiality of program participants.

Top 6 Emergency Relief Program Checklist Items for Eligible Farmers

FSA recently began mailing 5,200 pre-filled applications to commodity and specialty crop producers who obtained Noninsured Crop Insurance Disaster Assistance Program (NAP) coverage 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. This mailing is in addition to the 303,000 pre-filled applications mailed out in May to producers who had crop insurance coverage for losses in 2021 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 Federal Crop Insurance or Noninsured Crop Disaster Assistance Program (NAP) data as the basis for calculating initial payments.

By leveraging existing data, we have been able to already deliver \$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:

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 prefilled 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.

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 2020 and 2021 drought counties eligible for ERP are available online.

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 local FSA county office.

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.

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.

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 July 27, 2022 News Release
- ERP June 29, 2022 News Release
- ERP May 16, 2022 News 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 \$590 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.

USDA to Mail Additional Pre-Filled Applications to Producers Impacted by 2020, 2021 Disasters

The U.S. Department of Agriculture (USDA) today announced another installment (phase) in assistance to commodity and specialty crop producers impacted by natural disaster events in

2020 and 2021. More than 18,000 producers will soon receive new or updated pre-filled disaster applications to offset eligible crop losses. Approximately \$6.4 billion has already been distributed to 165,000 producers through USDA's Farm Service Agency's (FSA) Emergency Relief Program (ERP).

FSA will begin mailing pre-filled applications in late August to producers who have potentially eligible losses and:

- Received crop insurance indemnities for qualifying 2020 and 2021 disaster events after May 2, 2022.
- Received crop insurance indemnities associated with Nursery, Supplemental Coverage Option (SCO), Stacked Income Protection Plan (STAX), Enhanced Coverage Option (ECO) and Margin Protection (MP) policies.
- New primary policyholders not included in the initial insured producer Phase 1 mailing from May 25, 2022, because their claim records had not been filled.
- Certain 2020 prevent plant losses related to qualifying 2020 disaster events that had only been recorded in crop insurance records as related to 2019 adverse weather events and, as such, were not previously provided in applications sent earlier this year.
- New Substantial Beneficial Interest (SBI) records, including SBIs where tax identification numbers were corrected.

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

Before applying any program payment factors or eligibility criteria, it is estimated that this next installment (phase) may generate about \$756 million in assistance.

Emergency Relief Payments to Date

This emergency relief under ERP complements ERP assistance recently provided to more than 165,000 producers who had received crop insurance indemnities and Noninsured Crop Disaster Assistance Program (NAP) payments for qualifying losses. USDA has processed more than 255,000 applications for ERP, and to date, has made approximately \$6.4 billion in payments to commodity and specialty crop producers to help offset eligible losses from qualifying 2020 and 2021 natural disasters. Also, earlier this year, staff processed more than 100,000 payments through the Emergency Livestock Relief Program (ELRP) and paid eligible producers more than \$601.3 million for 2021 grazing losses within days of the program announcement.

Phase Two

The second phase of both ERP and ELRP will be aimed at filling gaps and provide assistance to producers who did not participate in or receive payments through the existing risk management programs that are being leveraged for phase one implementation. USDA will keep producers and stakeholders informed as program details are made available.

More Information

In addition, on Aug. 18, 2022, USDA published a technical correction to the <u>Notice of Funds Availability</u> for ERP and ELRP to clarify how income from the sale of farm equipment and the provision of production inputs and services to farmers, ranchers, foresters, and farm operations are to be considered in the calculation of average adjusted gross farm income. Producers whose average adjusted gross farm income is at least 75% of the producer's the average Adjusted Gross Income can gain access to a higher payment limitation.

ERP and the previously announced ELRP are authorized 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.

For more information on ERP and ELRP eligibility, program provisions for historically underserved producers as well as Frequently Asked Questions, producers can visit <u>FSA's Emergency Relief webpage</u>. A <u>new public-facing dashboard</u> on the ERP webpage has information on ERP payments that can be sorted by crop type – specialty or non-specialty– specific commodities and state. FSA will update the dashboard every Monday.

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 crop insurance agent.

Apply for Livestock Forage Losses

Producers in 26 SD Counties are eligible to apply for 2022, Livestock Forage Disaster Program (LFP) benefits on small grain, native pasture, improved pasture, and forage sorghum.

LFP provides compensation if you suffer grazing losses for covered livestock due to drought on privately owned or cash leased land or fire on federally managed land.

County committees can only accept LFP applications after notification is received by the National Office of qualifying drought or if a federal agency prohibits producers from grazing normal permitted livestock on federally managed lands due to qualifying fire. You must complete a CCC-853 and the required supporting documentation no later than January 30, 2022, for 2022 losses.

For additional Information about LFP, including eligible livestock and fire criteria, contact your local county USDA Service Center or visit <u>fsa.usda.gov</u>.

Applying for NAP Payments

The Noninsured Crop Disaster Assistance Program (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.

In order to participate, you must obtain NAP coverage for the crop year by the applicable deadline using form CCC-471 "Application for Coverage" and pay the service fee. Application closing dates vary by crop. Producers are also required to submit an acceptable crop acreage report. Additionally, NAP participants must provide:

- The quantity of all harvested production of the crop in which the producer held an interest during the crop year
- The disposition of the harvested crop, such as whether it is marketable, unmarketable, salvaged or used differently than intended
- Acceptable crop production records (when requested by FSA)

Producers who fail to report acreage and production information for NAP-covered crops could see reduced or zero NAP assistance. These reports are used to calculate the approved yield.

If your NAP-covered crops are affected by a natural disaster, notify your FSA office by completing Part B of form CCC-576 "Notice of Loss and Application for Payment." This must be completed within 15 calendar 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.

To receive benefits, you must also complete Parts D, E, F and G of the CCC-576 "Notice of Loss and Application for Payment" within 60 days of the last day of coverage for the crop year for any NAP covered crops. The CCC-576 requires acceptable appraisal information. Producers must provide evidence of production and note whether the crop was marketable, unmarketable, salvaged or used differently than intended.

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.

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 <u>fsa.usda.gov/nap</u>.

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 fsa.usda.gov/disaster.

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 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 OTECP and OCCSP webpages.

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

Fall Acreage Reporting Deadline

Fall Acreage Reporting Deadline for Fall-Seeded Small Grains is **November 15, 2022**.

Update Your Records

FSA is cleaning up our producer record database and needs your help. Please report any changes of address, zip code, phone number, email address or an incorrect name or business name on file to our office. You should also report changes in your farm operation, like the addition of a farm by lease or purchase. You should also report any changes to your operation in which you reorganize to form a Trust, LLC or other legal entity.

FSA and NRCS program participants are required to promptly report changes in their farming operation to the County Committee in writing and to update their *Farm Operating Plan* on form CCC-902.

To update your records, contact your local county USDA Service Center.

FSA Outlines MAL and LDP Policy

The 2018 Farm Bill extends loan authority through 2023 for Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs).

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, pulse crops, rice, peanuts, cotton, wool and honey. MALs provide you with interim financing after harvest to help you meet cash flow needs without having to sell your commodities when market prices are typically at harvest-time lows. A producer who is eligible to obtain a loan, but agrees to forgo the loan, may obtain an LDP if such a payment is available. Marketing loan provisions and LDPs are not available for sugar and extra-long staple cotton.

FSA is now accepting requests for 2022 MALs and LDPs for all eligible commodities after harvest. Requests for loans and LDPs shall be made on or before the final availability date for the respective commodities.

Commodity certificates are available to loan holders who have outstanding nonrecourse loans for wheat, upland cotton, rice, feed grains, pulse crops (dry peas, lentils, large and small chickpeas), peanuts, wool, soybeans and designated minor oilseeds. These certificates can be purchased at the posted county price (or adjusted world price or national posted price) for the quantity of commodity under loan, and must be immediately exchanged for the collateral, satisfying the loan. MALs redeemed with commodity certificates are not subject to Adjusted Gross Income provisions.

To be considered eligible for an LDP, you must have form CCC-633EZ, Page 1 on file at your local FSA Office before losing beneficial interest in the crop. Pages 2, 3 or 4 of the form must be submitted when payment is requested.

Marketing loan gains (MLGs) and loan deficiency payments (LDPs) are no longer subject to payment limitations, actively engaged in farming and cash-rent tenant rules.

Adjusted Gross Income (AGI) provisions state that if your total applicable three-year average AGI exceeds \$900,000, then you're not eligible to receive an MLG or LDP. You must have a valid CCC-941 on file to earn a market gain of LDP. The AGI does not apply to MALs redeemed with commodity certificate exchange.

For more information and additional eligibility requirements, contact your local county USDA Service Center or visit <u>fsa.usda.gov</u>.

Maintaining the Quality of Farm-Stored Loan Grain

Bins are ideally designed to hold a level volume of grain. When bins are overfilled and grain is heaped up, airflow is hindered and the chance of spoilage increases.

If you take out marketing assistance loans and use the farm-stored grain as collateral, remember that you are responsible for maintaining the quality of the grain through the term of the loan.

Unauthorized Disposition of Grain Results in Financial Penalties

If loan grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties for unauthorized dispositions are severe and your name will be placed on a loan violation list for a two-year period. Always call before you haul any grain under loan.

Filing CCC-941 Adjusted Gross Income Certifications

If you have experienced delays in receiving Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) payments, Loan Deficiency Payments (LDPs) and Market Gains on Marketing Assistance Loans (MALs), it may be because you have not filed form CCC-941, *Adjusted Gross Income Certification*.

If you don't have a valid CCC-941 on file for the applicable crop year you will not receive payments. All farm operator/tenants/owners who have not filed a CCC-941 and have pending payments should IMMEDIATELY file the form with their recording county FSA office. Farm operators and tenants are encouraged to ensure that their landowners have filed the form.

FSA can accept the CCC-941 for 2018, 2019, 2020, 2021, and 2022. Unlike the past, you must have the CCC-941 certifying your AGI compliance before any payments can be issued.

Obtaining Payments Due to Deceased Producers

In order to claim a Farm Service Agency (FSA) payment on behalf of a deceased producer, all program conditions for the payment must have been met before the applicable producer's date of death.

If a producer earned a FSA payment prior to his or her death, the following is the order of precedence for the representatives of the producer:

- administrator or executor of the estate
- the surviving spouse
- surviving sons and daughters, including adopted children
- surviving father and mother
- surviving brothers and sisters
- heirs of the deceased person who would be entitled to payment according to the State law

For FSA to release the payment, the legal representative of the deceased producer must file a form FSA-325 to claim the payment for themselves or an estate. The county office will verify that the application, contract, loan agreement, or other similar form requesting payment issuance, was signed by the applicable deadline by the deceased or a person legally authorized to act on their behalf at that time of application.

If the application, contract or loan agreement form was signed by someone other than the deceased participant, FSA will determine whether the person submitting the form has the legal authority to submit the form.

Payments will be issued to the respective representative's name using the deceased program participant's tax identification number. Payments made to representatives are subject to offset regulations for debts owed by the deceased.

FSA is not responsible for advising persons in obtaining legal advice on how to obtain program benefits that may be due to a participant who has died, disappeared or who has been declared incompetent.

Maintaining ARC/PLC Acreage

If you're enrolled in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs, you must protect all cropland and noncropland acres on the farm from wind and water erosion and noxious weeds. By signing ARC county or individual contracts and PLC contracts, you agree to effectively control noxious weeds on the farm according to sound agricultural practices. If you fail to take necessary actions to correct a maintenance problem on your farm that is enrolled in ARC or PLC, the County Committee may elect to terminate your contract for the program year.

Borrower Training for Farm Loan Customers

Borrower training is available for all Farm Service Agency (FSA) customers. This training is required for all direct loan applicants, unless the applicant has a waiver issued by the agency.

Borrower training includes instruction in production and financial management. The purpose is to help the applicants develop and improve skills that are necessary to successfully operate a farm and build equity in the operation. It aims to help the producer become financially successful. Borrower training is provided, for a fee, by agency approved vendors. Contact your local FSA Farm Loan Manager for a list of approved vendors.

USDA Microloans Help Farmers Purchase Farmland and Improve Property

Farmers can use USDA farm ownership microloans to buy and improve property. These microloans are especially helpful to beginning or underserved farmers, U.S. veterans looking for a career in farming, and those who have small and mid-sized farming operations.

Microloans have helped farmers and ranchers with operating costs, such as feed, fertilizer, tools, fencing, equipment, and living expenses since 2013.

Microloans can also help with farmland and building purchases and soil and water conservation improvements. FSA designed the expanded program to simplify the application process, expand eligibility requirements and expedite smaller real estate loans to help farmers strengthen their operations. Microloans provide up to \$50,000 to qualified producers and can be issued to the applicant directly from the USDA Farm Service Agency (FSA).

To learn more about the FSA microloan program, contact your local county USDA Service Center or visit <u>fsa.usda.gov/microloans</u>.



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