

## Wisconsin Farm Service Agency - April 2021

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## **Dates To Remember**

**April 1, 2021:** WI <u>Spring Webinar Series</u> - Session 3 on Funding Opportunities with FSA

April 9, 2021: Final day to submit QLA applications

**April 15, 2021:** WI <u>Spring Webinar Series</u> - Session 4 on Conservation Programs and Benefits

April 23, 2021: CRP Grasslands Sign Up Deadline

May 31, 2021: NAP Deadline for ornamental nurseries

May 31, 2021: USDA Service Centers closed in Observance of Memorial Day

## More Information to Come on Socially Disadvantaged Farmer Debt Relief through the American Rescue Plan

USDA recognizes that socially disadvantaged farmers and ranchers have faced systemic discrimination with cumulative effects that have, among other consequences, led to a substantial loss in the number of socially disadvantaged producers, reduced the amount of farmland they control, and contributed to a cycle of debt that was exacerbated during the COVID-19 pandemic.

To address these systemic barriers, the American Rescue Plan Act of 2021 provides historic debt relief to socially disadvantaged producers including Black/African American, American Indian or Alaskan native, Hispanic or Latino, and Asian American or Pacific Islander. Gender is not a criteria in and of itself.

USDA is now reviewing and working to gather feedback to implement the Act, and more guidance will be forthcoming for socially disadvantaged borrowers with direct or guaranteed farm loans as well as Farm Storage Facility Loans.

As information becomes available, it will be provided directly to socially disadvantaged borrowers and stakeholder groups representing socially disadvantaged producers, posted on farmers.gov and FSA websites and social media channels, and shared through email newsletters and the media.

Producers who have worked with USDA's Farm Service Agency previously may have their ethnicity and race on file. A borrower, including those with guaranteed loans, can contact their local USDA Service Center to verify, update or submit a new ethnicity and race designation using the AD-2047.

Find your nearest service center at farmers.gov/service-locator.

To learn more about USDA's work to implement the American Rescue Plan Act of 2021, visit www.usda.gov/arp.

# Is the Noninsured Crop Disaster Assistance Program Right for You?

Farmers and ranchers rely on crop insurance to protect themselves from disasters and unforeseen events, but not all crops are insurable through the USDA's Risk Management Agency. The Farm Service Agency's (FSA) Noninsured Crop Disaster Assistance Program (NAP) provides producers another option to obtain coverage against disaster for these crops. NAP provides financial assistance to producers of non-insured crops impacted by natural disasters that result in lower yields, crop losses, or prevents crop planting.

Commercially produced crops and agricultural commodities for which crop insurance is not available are generally eligible for NAP. Eligible crops include those grown specifically for food, fiber, livestock consumption, biofuel or biobased products, or be commodities such as value loss crops like Christmas trees and ornamental nursery, honey, maple sap, and many others. Contact your FSA office to see which crops are eligible in your state and county.

Eligible causes of loss include drought, freeze, hail, excessive moisture, excessive wind or hurricanes, earthquake, flood. These events must occur during the NAP policy coverage period, before or during harvest, and the disaster must directly affect the eligible crop. For guidance on causes of loss not listed, contact your local FSA county office.

Interested producers must apply for coverage using FSA form <a href="CCC-471">CCC-471</a>, "Application for Coverage," and pay the applicable service fee at the FSA office where their farm records are maintained. These must be filed by the application closing date. Closing dates vary by crop, so it is important to contact your local FSA office as soon as possible to ensure you don't miss an application closing date.

At the time of application, each producer will be provided a copy of the <a href="NAP Basic Provisions">NAP Basic Provisions</a>, which describes how NAP works and all the requirements you must follow to maintain NAP coverage. NAP participants must provide accurate annual reports of their production in nonloss years to ensure their NAP coverage is beneficial to their individual operation.

Producers are required to pay service fees which vary depending on the number of crops and number of counties your operation is located in. The NAP service fee is the lesser of \$325 per crop or \$825 per producer per administrative county, not to exceed a total of \$1,950 for a producer with farming interests in multiple counties. Premiums also apply when producers elect higher levels of coverage with a maximum premium of \$15,750 per person or legal entity depending on the maximum payment limitation that may apply to the NAP covered producer. The service fee can be waived for beginning, qualifying veteran, and limited resource farmers and rancher., These farmers and ranchers can also receive a 50 percent reduction in the premium.

For more detailed information on NAP, download the <u>NAP Fact Sheet</u>. To get started with NAP, we recommend you contact your <u>local USDA service center</u>.

## After Identifying Gaps in Previous Aid, USDA Announces 'Pandemic Assistance for Producers' to Distribute Resources More Equitably

Agriculture Secretary Tom Vilsack announced today that USDA is establishing new programs and efforts to bring financial assistance to farmers, ranchers and producers who felt the impact of COVID-19 market disruptions. The new initiative—**USDA Pandemic Assistance for Producers**—will reach a broader set of producers than in previous COVID-19 aid programs. USDA is dedicating at least \$6 billion toward the new programs. The Department will also develop rules for new programs that will put a greater emphasis on outreach to small and socially disadvantaged producers, specialty crop and organic producers, timber harvesters, as well as provide support for the food supply chain and producers of renewable fuel, among others. Existing programs like the Coronavirus Food Assistance Program (CFAP) will fall within the new initiative and, where statutory authority allows, will be refined to better address the needs of producers.

**USDA Pandemic Assistance for Producers** was needed, said Vilsack, after a review of previous COVID-19 assistance programs targeting farmers identified a number of gaps and disparities in how assistance was distributed as well as inadequate outreach to underserved producers and smaller and medium operations.

USDA will reopen sign-up for CFAP 2 for at least 60 days beginning on April 5, 2021. The USDA Farm Service Agency (FSA) has committed at least \$2.5 million to improve outreach for CFAP 2 and will establish partnerships with organizations with strong connections to socially

disadvantaged communities to ensure they are informed and aware of the application process.

The payments announced today (under Part 3, below) will go out under the existing CFAP rules; however, future opportunities for **USDA Pandemic Assistance** will be reviewed for verified need and during the rulemaking process, USDA will look to make eligibility more consistent with the Farm Bill. Moving forward, **USDA Pandemic Assistance for Producers** will utilize existing programs, such as the Local Agricultural Marketing Program, Farming Opportunities Training and Outreach, and Specialty Crop Block Grant Program, and others to enhance educational and market opportunities for agricultural producers.

### USDA Pandemic Assistance for Producers – 4 Parts Announced Today

### Part 1: Investing \$6 Billion to Expand Help & Assistance to More Producers

USDA will dedicate at least \$6 billion to develop a number of new programs or modify existing proposals using discretionary funding from the Consolidated Appropriations Act and other coronavirus funding that went unspent by the previous administration. Where rulemaking is required, it will commence this spring. These efforts will include assistance for:

- Dairy farmers through the Dairy Donation Program or other means:
- Euthanized livestock and poultry;
- Biofuels;
- Specialty crops, beginning farmers, local, urban and organic farms;
- Costs for organic certification or to continue or add conservation activities
- Other possible expansion and corrections to CFAP that were not part of today's announcement such as to support dairy or other livestock producers;
- Timber harvesting and hauling;
- Personal Protective Equipment (PPE) and other protective measures for food and farm workers and specialty crop and seafood producers, processors and distributors;
- Improving the resilience of the food supply chain, including assistance to meat and poultry operations to facilitate interstate shipment;
- Developing infrastructure to support donation and distribution of perishable commodities, including food donation and distribution through farm-to-school, restaurants or other community organizations; and
- Reducing food waste.

#### Part 2: Adding \$500 Million of New Funding to Existing Programs

USDA expects to begin investing approximately \$500 million in expedited assistance through several existing programs this spring, with most by April 30. This new assistance includes:

 \$100 million in additional funding for the Specialty Crop Block Grant Program, administered by the Agricultural Marketing Service (AMS), which enhances the competitiveness of fruits, vegetables, tree nuts, dried fruits, horticulture, and nursery crops.

- \$75 million in additional funding for the Farmers Opportunities Training and Outreach program, administered by the National Institute of Food and Agriculture (NIFA) and the Office of Partnerships and Public Engagement, which encourages and assists socially disadvantaged, veteran, and beginning farmers and ranchers in the ownership and operation of farms and ranches.
- \$100 million in additional funding for the Local Agricultural Marketing Program, administered by the AMS and Rural Development, which supports the development, coordination and expansion of direct producer-to-consumer marketing, local and regional food markets and enterprises and value-added agricultural products.
- \$75 million in additional funding for the Gus Schumacher Nutrition Incentive Program, administered by the NIFA, which provides funding opportunities to conduct and evaluate projects providing incentives to increase the purchase of fruits and vegetables by low-income consumers
- \$20 million for the Animal and Plant Health Inspection Service to improve and maintain animal disease prevention and response capacity, including the National Animal Health Laboratory Network.
- \$20 million for the Agricultural Research Service to work collaboratively with Texas A&M on the critical intersection between responsive agriculture, food production, and human nutrition and health.
- \$28 million for NIFA to provide grants to state departments of agriculture to expand or sustain existing farm stress assistance programs.
- Approximately \$80 million in additional payments to domestic users of upland and extra-long staple cotton based on a formula set in the Consolidated Appropriations Act, 2021 that USDA plans to deliver through the Economic Adjustment Assistance for Textile Mills program.

## Part 3: Carrying Out Formula Payments under CFAP 1, CFAP 2, CFAP AA

The Consolidated Appropriations Act, 2021, enacted December 2020 requires FSA to make certain payments to producers according to a mandated formula. USDA is now expediting these provisions because there is no discretion involved in interpreting such directives, they are self-enacting.

- An increase in CFAP 1 payment rates for cattle. Cattle producers with approved CFAP 1 applications will automatically receive these payments beginning in April. Information on the additional payment rates for cattle can be found on <a href="mailto:farmers.gov/cfap">farmers.gov/cfap</a>. Eligible producers do not need to submit new applications, since payments are based on previously approved CFAP 1 applications. USDA estimates additional payments of more than \$1.1 billion to more than 410,000 producers, according to the mandated formula.
- Additional CFAP assistance of \$20 per acre for producers of eligible crops identified as CFAP 2 flat-rate or price-trigger crops beginning in April. This includes alfalfa, corn, cotton, hemp, peanuts, rice, sorghum, soybeans, sugar beets and wheat, among other crops. FSA will automatically issue payments to eligible price trigger and flat-rate crop producers based on the eligible acres included on their CFAP 2 applications. Eligible producers do not need to submit a new CFAP 2 application. For a list of all eligible

row-crops, visit <u>farmers.gov/cfap</u>. USDA estimates additional payments of more than \$4.5 billion to more than 560,000 producers, according to the mandated formula.

- USDA will finalize routine decisions and minor formula adjustments on applications and begin processing payments for certain applications filed as part of the CFAP Additional Assistance program in the following categories:
  - o Applications filed for pullets and turfgrass sod;
  - A formula correction for row-crop producer applications to allow producers with a non-Actual Production History (APH) insurance policy to use 100% of the 2019 Agriculture Risk Coverage-County Option (ARC-CO) benchmark yield in the calculation;
  - Sales commodity applications revised to include insurance indemnities,
     Noninsured Crop Disaster Assistance Program payments, and Wildfire and
     Hurricane Indemnity Program Plus payments, as required by statute; and
  - Additional payments for swine producers and contract growers under CFAP
     Additional Assistance remain on hold and are likely to require modifications to
     the regulation as part of the broader evaluation and future assistance;
     however, FSA will continue to accept applications from interested producers.

## Part 4: Reopening CFAP 2 Sign-Up to Improve Access & Outreach to Underserved Producers

As noted above, USDA will re-open sign-up for of CFAP 2 for at least 60 days beginning on April 5, 2021.

FSA has committed at least \$2.5 million to establish partnerships and direct outreach
efforts intended to improve outreach for CFAP 2 and will cooperate with grassroots
organizations with strong connections to socially disadvantaged communities to
ensure they are informed and aware of the application process.

Please stay tuned for additional information and announcements under the **USDA Pandemic Assistance to Producers** initiative, which will help to expand and more equitably distribute financial assistance to producers and farming operations during the COVID-19 national emergency. Please visit <a href="www.farmers.gov">www.farmers.gov</a> for more information on the details of today's announcement.

## **Current FSA Loan Interest Rates**

Current program interest rates as of April 1, 2021.

#### Farm Loan Interest Rates:

Farm Operating - Direct	1.500%
Farm Ownership - Direct	2.875%
Farm Ownership - Microloan	2.875%
Farm Ownership - Direct, Joint Financing	2.500%
Farm Ownership - Down Payment	1.500%
Emergency - Amount of Actual Loss	2.500%

## Farm Storage Facility Loans (FSFL):

3-year FSFL	0.250%
5-year FSFL	0.500%
7-year FSFL	0.875%
10-year FSFL	1.125%
12-year FSFL	1.375%

Please visit the Farm Loan Program webpage for more information.

# **USDA Offers Resources for Wisconsin Maple Producers**

The U.S. Department of Agriculture (USDA) offers technical expertise and financial assistance to help Wisconsin maple producers fund their operations, conserve natural resources and recover from natural disasters.

## **Funding Opportunities for Maple Producers**

FSA's <u>Farm Storage Facility Loan Program</u> provides low-interest financing so producers can build or upgrade facilities to store certain commodities. Maple sap and maple syrup are both eligible, and equipment and facilities such as sap tanks, certain hauling trucks and storage space for maple syrup qualify. Eligible facilities and equipment may be new or used, permanently affixed or portable.

Additionally, there are several types of farm loans available to help maple producers finance their businesses. These loans are administered through FSA and offer access to funding for a wide range of agricultural needs, from securing land and constructing buildings to financing the purchase of equipment.

#### **Conservation Resources for Maple Producers**

Producers in Wisconsin may also qualify for NRCS programs that support conservation efforts across maple operations. The <a href="Environmental Quality Incentives Program">Environmental Quality Incentives Program</a> (EQIP) provides financial assistance and technical support to help maple producers address natural resource concerns through voluntary conservation practices. Multiple conservation practices for qualifying maple producers may be available through EQIP, including those to increase energy efficiency, improve evaporation rates, and benefit forest health.

NRCS's <u>Conservation Stewardship Program</u> is available for eligible maple producers to maintain and improve existing conservation systems and adopt additional conservation practices to address resource concerns. Activities might include those to help strengthen an existing sugar bush or with a different focus such as wildlife habitat or water quality.

## **Recovery Support for Maple Producers**

FSA and USDA's Risk Management Agency (RMA) offer programs to help maple producers prepare for and recover from the impacts of natural disasters.

Federal crop insurance is administered through RMA to provide a robust and reliable farm safety net, regardless of the size and scope of natural disasters. RMA's <a href="Whole-Farm Revenue">Whole-Farm Revenue</a> <a href="Protection">Protection</a> covers all commodities on the farm, including maple, under one insurance policy.

FSA's <u>Noninsured Crop Disaster Assistance Program</u> helps producers manage risk through coverage for both crop losses and crop planting that was prevented due to natural disasters. The eligible or "noninsured" crops cover agricultural commodities not covered by federal crop insurance, including specialty crops such as maple sap.

Through the <u>Tree Assistance Program</u>, FSA offers financial assistance to eligible orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes and vines lost due to natural disasters. This includes eligible maple trees from which an annual crop is produced for commercial purposes.

Maple producers are encouraged to contact their <u>local USDA Service Center</u> to learn more about USDA resources.

## **Applying for Farm Storage Facility Loans**

The Farm Service Agency's (FSA) Farm Storage Facility Loan (FSFL) program provides low-interest financing to help you build or upgrade storage facilities and to purchase portable (new or used) structures, equipment and storage and handling trucks.

Eligible commodities include corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley, minor oilseeds harvested as whole grain, pulse crops (lentils, chickpeas and dry peas), hay, honey, renewable biomass, fruits, nuts and vegetables for cold storage facilities, floriculture, hops, maple sap, rye, milk, cheese, butter, yogurt, meat and poultry (unprocessed), eggs, and aquaculture (excluding systems that maintain live animals through uptake and discharge of water). Qualified facilities include grain bins, hay barns and cold storage facilities for eligible commodities.

Loans up to \$50,000 can be secured by a promissory note/security agreement, loans between \$50,000 and \$100,000 may require additional security, and loans exceeding \$100,000 require additional security.

You do not need to demonstrate the lack of commercial credit availability to apply. The loans are designed to assist a diverse range of farming operations, including small and mid-sized businesses, new farmers, operations supplying local food and farmers markets, non-traditional farm products, and underserved producers.

For more information, contact your local USDA Service Center.

# **USDA Encourages Completion of Cash Rents and Leases Survey**

You may have received a Cash Rents and Leases survey from the U.S. Department of Agriculture's National Agricultural Statistics Service (NASS). This survey provides the basis for estimates of the current year's cash rents paid for irrigated cropland, non-irrigated

cropland, and permanent pasture. Please complete your Cash Rents and Leases survey by June 21. This survey can be completed and returned by mail, over the phone, or at agcounts.usda.gov.

Information from this survey is used in the Farm Service Agency (FSA) Conservation Reserve Program (CRP) as an alternative soil rental rate prior to finalizing new rates each year. Survey responses from as many localities as possible help calculate more accurate rental rates. Completion of the survey ensures cash rental rates accurately represent your locality. Survey results will also give you a useful tool in negotiating your rental agreements, and financial planning for your agricultural operation.

In accordance with federal law, survey responses are kept confidential. Survey results will be available in aggregate form only to ensure that no individual producer or operation can be identified. NASS will publish the survey results on August 27 at quickstats.nass.usda.gov/.

If you have any questions about this survey, please call 888-424-7828, or visit: <a href="https://www.nass.usda.gov/Surveys/Guide\_to\_NASS\_Surveys/Cash\_Rents\_by\_County/index.">https://www.nass.usda.gov/Surveys/Guide\_to\_NASS\_Surveys/Cash\_Rents\_by\_County/index.</a> php.

## **Wisconsin Farm Service Agency**

8030 Excelsior Drive Suite 100 Madison, WI 53717

Phone: 608-662-4422

**Acting State Executive Director** 

Tyler Radke

Farm Program Chief

Greg Biba

**Farm Loan Chief** 

**Tom Brandt** 

Farm Program Chief

John Palmer

State Committee: Lisa Condon, Chair Thomas Gillis David Heideman Tom McClellan