

California Farm Service Agency Newsletter - December 2023

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USDA Announces Additional Program Payment for Rice Producers in California-Article removed due to past deadline

USDA's Risk Management Agency's Livestock Roadshow is headed to Davis, Calif.

Have you 'herd?' RMA is holding an in-person informational session on crop insurance options for livestock producers.

The U.S. Department of Agriculture (USDA) is hosting more than a dozen in-person and virtual workshops this winter for producers to learn about new and expanded livestock risk management products. The "Livestock Roadshow," hosted by USDA's Risk Management Agency (RMA), will highlight policy improvements based on feedback from America's livestock producers, part of the agency's broader outreach and education efforts. **The**

California Livestock Roadshow will be held on January 17, 2024, from 9 am to 12 pm PT at the Davis Regional RMA Office, in Davis.

Learn more

Reminder: Discrimination Financial Assistance Program

USDA continues to accept applications for assistance through the Discrimination Financial Assistance Program for California farmers, ranchers, and forest landowners who experienced discrimination in USDA farm lending programs prior to January 2021. The application process will close on January 13, 2024. Borrowers have the option to apply for assistance online via 2007apply.gov or through a paper-based form.

Details about the program, including an application and e-filing portal, are available at 22007apply.gov. The website includes an English and Spanish language application that applicants can download or submit via an e-filing portal, information on how to obtain technical assistance in-person or virtually, and additional resources and details about the program.

Applicants can also call a free call center at 1-800-721-0970 or visit one of several dozen brick-and-mortar offices the program has set up around the country. Locations are provided on the program website and vendors will update the local events schedule with more information as it becomes available.

Several entities are involved in the Discrimination Financial Assistance Program, with varying roles and responsibilities. The National Administrator and Regional Hubs are responsible for conducting outreach, assisting with the financial assistance application process, processing applications, managing program call centers, and operating local offices. Additional outreach and application support is provided by trusted community groups. These groups include AgrAbility, the Farmers' Legal Action Group, Federation of Southern Cooperatives, Intertribal Agriculture Council, Land Loss Prevention Program, National Young Farmers Coalition, and Rural Coalition.

It is important to note that filing an application is FREE and does not require a lawyer.

If you want to get weekly updates on the program's events and progress, you can go to https://22007apply.gov, and subscribe to a weekly newsletter.

USDA to Provide More Than \$3 Billion to Commodity and Specialty Crop Producers Impacted by 2022 Natural Disasters

Emergency Relief Program (ERP) 2022

The U. S Department of Agriculture (USDA) will provide more than \$3 billion to commodity and specialty crop producers impacted by natural disaster events in 2022. Eligible impacted producers can apply for financial assistance through the Emergency Relief <a href="Program (ERP) 2022. The program will help offset the financial impacts of crop yield and value losses from qualifying disasters occurring in 2022.

Background

On Dec. 29, 2022, President Biden signed into law the *Disaster Relief Supplemental Appropriations Act, 2023 (P.L. 117-328)* that provides about \$3.7 billion in financial assistance for agricultural producers impacted by eligible natural disasters that occurred in calendar year 2022.

ERP 2022 covers losses to crops, trees, bushes and vines due to qualifying, calendar year 2022 natural disaster events including wildfires, hurricanes, floods, derechos, excessive heat, tornadoes, winter storms, freeze (including a polar vortex), smoke exposure, excessive moisture, qualifying drought and related conditions.

ERP 2022 program benefits will be delivered to eligible producers through a two-track process. FSA intends to make both tracks available to producers at the same time. This two-track approach enables USDA to:

- Streamline the application process.
- Reduce the paperwork burden on producers.
- Proactively include provisions for underserved producers who have not been well served by past emergency relief efforts.
- Encourage producer participation in existing risk management programs to mitigate the impacts of future severe weather events.

It's important to note that disaster-impacted producers may be eligible for ERP 2022 assistance under one or both tracks. To avoid duplicative benefits, if a producer applies for both tracks, the Track 2 payment calculation will take into account any payments received through Track 1.

ERP 2022 Application Process – Track 1

ERP 2022 Track 1 leverages existing federal crop insurance or Noninsured Crop Disaster Assistance Program (NAP) data as the basis for calculating payments for eligible crop producers who received indemnities through these risk management programs. Although FSA is sending pre-filled ERP 2022 Track 1 application forms to producers who have crop insurance and NAP data already on file with USDA, producers indemnified for losses resulting from 2022 natural disasters do not have to wait to receive the application before requesting ERP 2022 assistance. Effective Oct. 31, 2023, producers can apply for ERP 2022 benefits whether they have received the pre-filled application or not. Receipt of a pre-filled application is not confirmation that a producer is eligible to receive an ERP 2022 Track 1 payment.

USDA estimates that ERP Track 1 benefits will reach more than 206,000 producers who received indemnities for losses covered by federal crop insurance and more than 4,500 producers who obtained NAP coverage for the 2022 crop year.

ERP 2022 Application Process - Track 2

Track 2 is a revenue-based certification program designed to assist eligible producers who suffered an eligible decrease in revenue resulting from 2022 calendar year disaster events when compared with revenue in a benchmark year using revenue information that is readily available from most tax records. In cases where revenue does not reasonably reflect a normal year's revenue, Track 2 provides an alternative method for establishing revenue. Likewise, Track 2 affords producers of crops that are used within an operation and do not generate revenue from the sale of the crop a method for establishing revenue for the purpose of applying for ERP 2022 benefits. Producers are not required to submit tax records to FSA unless requested by the County Committee if required for an FSA compliance spot check.

Although not required when applying for ERP 2022 Track 2, applicants might find the following documents useful to the process:

- Schedule F (Form 1040)
- *Profit or Loss from Farming* or similar tax documents for tax years 2018, 2019, 2022 and 2023.

Track 2 targets gaps in emergency relief assistance for eligible producers whose eligible losses were not covered by crop insurance or NAP including revenue losses too small (shallow loss) to be covered by crop insurance.

Producers interested in applying for ERP 2022 Track 2, should contact their local FSA county office. Additional reference resources can be found on FSA's emergency reliefwebsite.

Additional Required Forms

For both ERP 2022 tracks, all producers must have certain required forms on file with FSA within 60 days of the ERP 2022 deadline. Producers can apply for ERP 2022 starting Oct. 31, 2023. The application deadline has not yet been determined and will be announced at a later date. If not already on file, producers can update, complete and submit required forms to FSA at any time.

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Required forms:

- 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).
- Form CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification, if applicable, for the 2022 program year.
- 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.

Most producers, especially those who have previously participated in FSA programs, will likely have these required forms on file. However, those who are uncertain or want to confirm the status of their forms can contact their local FSA county office.

Future Insurance Coverage Requirements

All producers who receive ERP 2022 payments must purchase crop insurance, or NAP coverage where crop insurance is not available, in the next two available crop years as determined by the Secretary. Purchased coverage must be at the 60/100 coverage level or higher for insured crops or at the catastrophic coverage level or higher for NAP crops.

More Information

ERP 2022 eligibility details and payment calculation factor tables are available on the emergency relief website, in the ERP Track 1 and ERP Track 2 fact sheets and through your local FSA county office.

USDA Reminds Specialty Crop Growers of Deadline to Apply for Assistance for 2023 On-Farm Food Safety Expenses

Apply by Jan. 31, 2024

The U.S. Department of Agriculture (USDA) reminds specialty crop growers that assistance is available for producers who incur eligible on-farm food safety program expenses to obtain or renew a food safety certification through the Food Safety Certification for Specialty Crops (FSCSC) program. Producers can apply for assistance on their calendar year 2023 expenses through Jan. 31, 2024.

"The Food Safety Certification for Specialty Crops program is just one of the many ways USDA is helping support local and regional food systems and opportunities for small-scale producers," said Farm Service Agency (FSA) Administrator Zach Ducheneaux. "I'm encouraging specialty crop growers to discover how this program can help mitigate the costs of on-farm food safety certification and meeting regulatory requirements and apply by the January deadline."

Program Details

FSCSC assists specialty crop operations that incurred eligible on-farm food safety certification and related expenses pertaining to obtaining or renewing a food safety certification in calendar year 2023. FSCSC covers a percentage of the specialty crop operation's cost of obtaining or renewing its certification, as well as a portion of 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 2023 certification.

Specialty crop operations may receive assistance for the following costs:

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

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

Applying for Assistance

The FSCSC application period for 2023 closes Jan. 31, 2024. FSA will issue payments after the application period closes. If calculated payments exceed the amount of available funding, payments will be prorated.

Interested specialty crop producers can apply by completing the <u>FSA-888</u>, 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.

Specialty crop producers can also call 877-508-8364 to speak directly with a USDA employee ready to assist. Visit <u>farmers.gov/food-safety</u> for additional program details, eligibility information and forms needed to apply.

Recently, USDA announced a new effort to <u>further support the U.S. specialty crops sector</u> <u>and increase the competitiveness of its products</u>. Additional information can be found on a new specialty crops-dedicated webpage at <u>usda.gov/specialty-crops</u>.

To learn more about FSA programs, producers can contact their local <u>USDA Service</u> <u>Center.</u> Producers can also prepare maps for acreage reporting as well as manage farm loans and view other farm records data and customer information by <u>logging into their farmers.gov account</u>. Producers without an account can <u>sign up today</u>.

Upcoming Deadline for Emergency Conservation Program Applications from California Producers

Funding Available to Help Restore Lands to Pre-Disaster Condition, Replace or Repair Fencing

The U.S. Department of Agriculture (USDA) reminds producers of the upcoming deadline for accepting <u>Emergency Conservation Program</u> (ECP) applications from California agricultural producers who need assistance to address damages from severe storms that occurred during December 2022 to April 2023. All counties in California were approved to implement ECP for damage caused by severe storms/flooding. The application deadline is **December 29, 2023.**

"We understand the extent of the damage caused by these severe storms and the catastrophic and widespread impacts of these disasters on California's agricultural communities," said Blong Xiong, State Executive Director for the Farm Service Agency (FSA) in California. "This deadline extension will give producers more time to apply for emergency assistance and rebuild with resiliency."

ECP provides financial assistance to producers to help them restore their farmland to predisaster conditions. Approved ECP applicants may receive up to 75% of the cost of an approved restoration activity. Limited resource, socially disadvantaged, and beginning farmers and ranchers may receive up to 90% cost-share. The payment limitation for ECP is \$500,000 per disaster event.

The approved ECP practices under this authorization for recovery include:

- Removing debris from farmland;
- Grading, shaping, releveling, or similar measures;
- Replacing or repairing permanent fences; and
- Restoring conservation structures and other installations

Producers with damage from such events must apply for assistance prior to beginning reconstructive work. They must also work with FSA to complete the National Environmental Policy Act (NEPA) and environmental compliance review process. before they begin reconstructive work. If a producer submits an ECP application after reconstructive work has been completed, their eligibility for program benefits may be adversely impacted.

FSA county committees will evaluate applications based on an applicant's estimate or measurement of the damaged land, taking into consideration the type and extent of the damage. On-site visits will be required for every ECP application. Applying for ECP assistance does not guarantee that cost-share funding will be provided.

The use of ECP funds is limited to activities to return the land to the relative pre-disaster condition. Conservation concerns that were present on the land prior to the disaster are not eligible for ECP assistance.

More Information

For more information on ECP, please contact your local FSA office or visit <u>farmers.gov/recover</u>. To find your local FSA office visit <u>farmers.gov/service-center-locator</u>.

Additional USDA disaster assistance can be found on <u>farmers.gov</u>, including the <u>Disaster Assistance Discovery Tool</u>, <u>Disaster Assistance-at-a-Glance</u> fact sheet, and <u>Loan Assistance Tool</u> can help producers and landowners determine program or loan options. For assistance with a crop insurance claim, producers and landowners should contact their <u>crop insurance agent</u>. For FSA and NRCS programs, they should contact their local USDA Service Center.

Community Alliance with Family Farmers Offers Small Farm Tech Hub



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

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

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

Request an appointment at www.caff.org/techsupport

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

A Q&A on Choosing a Tax Professional

If you participate in USDA programs, it's time to start preparing to file your taxes. In this Ask the Expert, Dr. Tamara Cushing answers questions about choosing a tax professional. Dr. Cushing is an Extension Forest Business Specialist from the University of Florida who works to educate landowners, foresters and tax professionals about the economics of growing trees, tax interactions with forestry and landowner succession.

What Qualifies Someone to Complete Your Tax Return?

- Here are some qualifications to look for: A degree in accounting and possibly in taxation; maybe a law degree.
- Certification by a state licensing body or the Internal Revenue Service (IRS). This
 may include CPA, Licensed Tax Consultant (LTC), Licensed Tax Preparer (LTP),
 Enrolled Agent (EA), and tax attorney. Also, some Certified Financial Planners
 (CFP) can provide tax services. Some states require paid preparers to have
 specific qualifications to complete state tax returns and some don't. Qualified,
 licensed and or certified tax preparers may be found through various locations
 some of which will be discussed later in this Q&A.
- Some preparers may not hold educational or other professional credentials but are IRS-authorized. These preparers will have a PTIN (Preparer tax identification number) and complete continuing education courses required by the IRS and or state regulatory agency.
- All preparers should have a PTIN.

To read the full blog visit https://www.farmers.gov/blog/ask-the-expert-qa-on-choosing-tax-professional-with-tamara-cushing.

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 fsa.usda.gov/microloans.

Free Farm Manager Apprentice Training

Farmers, are you searching for your future manager or supervisor? Whether you have a current employee who could use some additional training, or are seeking to hire a new

team member, The Beginning Farm and Ranch Management Apprenticeship provides a structured pathway for aspiring farm managers to develop the knowledge and skills they need to be successful on your farm. The Center for Land-Based Learning covers all tuition for coursework and provides support for farmers and apprentices. To learn more about training an apprentice, visit https://landbasedlearning.org/apprentice-farmer-mentor

Farm Service Agency California State Office

430 G Street, Ste. 4161 Davis, CA 95616

Phone: 530-792-5520

State Executive Director

Executive Officer

Blong Xiong

Rlong Xiong@usda.gov

Navdeep Dhillon

Navdeep.Dhillon@usda.gov

California Farm Service Agency Website

https://www.fsa.usda.gov/ca

Farm Program Chief

Navdeep Dhillon

Navdeep.Dhillon@usda.gov

Farm Loan Program Chief

John Oosterman

John.Oosterman@usda.gov

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