

California Farm Service Agency Newsletter - September 2023

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# **2024 Noninsured Crop Disaster Assistance Program Closing Dates Post**

**2024 NAP Application Closing Dates** 

### **USDA California Farm Service Agency is Hiring**

Do you have a passion to support your farmers and ranchers here in California? Are you ready to make a difference? Opportunities for growth and career advancement are limitless within the United States Department of Agriculture.

Multiple Farm Service Agency (FSA) offices are hiring full time Temporary County Office Program Technicians. These positions are a great opportunity for career advancement in the USDA.

#### **Job Locations:**

- Madera, CA
- Hollister, CA
- Fresno, CA
- Solano, CA
- As a County Program Technician, you will be:
- Carrying out office activities and functions pertaining to one or more of the program areas administered in the county.
- Interpreting and explaining procedures, program regulations and forms to producers and other agency personnel.
- Utilizing various web-based software applications to maintain farmer data and processing automated forms.
- Successful applicants must be reliable, have a professional attitude and enjoy working with the public.

#### To Apply:

Interested Candidates who meet the basic eligibility requirements may file for consideration by sending the following information to the email below:

- <u>Completed & signed</u> Application Form <u>FSA 675</u> "Application for FSA County Employment.
- You may ALSO submit a resume.
- On a separate piece of paper with your application, please describe your: ability to communicate orally & in writing, identify & resolve problems; knowledge of FSA programs & practices; skill in using computers, to include software you are proficient in; customer service skills with examples. You must include your country of Citizenship, education, and work experience.

Employment applications may be emailed using the following address:

Brooke.Raffaele@usda.gov

# USDA to Begin Issuing \$1.75 Billion to Agricultural Producers Through Critical Emergency Relief Programs

The U.S. Department of Agriculture (USDA) today announced that it will begin issuing more than \$1.75 billion in emergency relief payments to eligible farmers and livestock producers. These much-needed payments are helping farming and ranching operations recover following natural disasters in 2020, 2021 and 2022.

"USDA provides substantial economic support for America's farmers and ranchers through its critical farm program payments. These payments are reflective of the incredible and cumulative financial hits brought on by devastating natural disasters that agricultural producers nationwide have endured while fulfilling their commitment to produce our food, fiber and fuel," said Agriculture Secretary Tom Vilsack. "This additional assistance helps offset the tremendous losses that these producers faced and is a valuable investment, not only for farmers and ranchers but in the economic successes of our communities – rural and urban – and in our nation's food security for generations to come."

#### **Emergency Livestock Relief Program**

This week, FSA will issue more than \$581 million in 2021 and 2022 drought and wildfire emergency relief to eligible ranchers.

FSA is closing out the Emergency Livestock Relief Program (ELRP) for losses suffered in 2021. ELRP Phase Two payments are estimated at \$115.7 million. Ranchers who lost grazing acres due to drought and wildfire and received assistance through ELRP Phase One will soon receive an additional payment through ELRP Phase Two. This second payment will be equal to 20% of the 2021 gross ELRP Phase One payment. ELRP Phase Two payments to producers will be automatic with no application required. In April 2022, FSA staff processed more than 100,000 payments through ELRP Phase One and paid eligible ranchers more than \$600 million for 2021 grazing losses.

In 2022, ranchers continued to experience significant loss of grazing acres due to drought and wildfire. To help mitigate these losses, eligible ranchers will receive ELRP disaster assistance payments for increases in supplemental feed costs. To expedite payments, determine producer eligibility and calculate the ELRP 2022 payment, FSA is using livestock inventories and drought-affected forage acreage or restricted animal units and grazing days due to wildfire already reported to FSA by ranchers when they submitted their Livestock Forage Disaster Program applications. ELRP payments for 2022 losses are estimated at \$465.4 million and will be automatic with no application required.

#### **Emergency Relief Program Phase Two**

FSA is closing out Phase Two of the <u>Emergency Relief Program</u> (ERP) this week through the delivery of more than \$1.17 billion in crop disaster assistance payments to producers of eligible crops who suffered losses, measured through decreases in revenue, due to qualifying natural disaster events that occurred in calendar years 2020 and 2021. ERP Phase Two was intended primarily for producers of crops that were not covered by federal crop insurance or FSA's <u>Noninsured Crop Disaster Assistance Program</u> (NAP). Previously, through ERP Phase one, FSA staff processed more than 300,000 applications and paid an estimated 217,000 eligible producers more than \$7.4 billion.

#### **More Information**

These programs represent a few of FSA's extensive commodity, conservation, credit, disaster recovery and safety-net programs. By the close of the fiscal year on Sept. 30, for all farm and farm loan programs — including vital access to <u>capital for distressed borrowers</u> — USDA, through the delivery of FSA programs, will have invested more than \$19 billion in America's agricultural producers with more economic support on the way in fiscal year 2024.

# USDA Announces Milk Loss Assistance for Dairy Operations Impacted by 2020, 2021 and 2022 Disaster Events

The U.S Department of Agriculture (USDA) recently announced Milk Loss Program (MLP) assistance for eligible dairy operations for milk that was dumped or removed, without compensation, from the commercial milk market due to qualifying weather events and the consequences of those weather events that inhibited delivery or storage of milk (e.g., power outages, impassable roads, infrastructure losses, etc.) during calendar years 2020, 2021 and 2022. Administered by the Farm Service Agency (FSA), signup for MLP begins **Sept. 11 and runs through Oct. 16, 2023.** 

"Frequent and widespread weather-related disasters over the past three years have impacted U.S. dairy. These producers continue to face supply chain issues, high feed and input costs, labor shortages, and market volatilities," said FSA Administrator Zach Ducheneaux. "The reality for dairy producers is that cattle are milked at least twice a day, producing on average, six to seven gallons of milk per cow, per day. That milk must go somewhere, and when it can't get where it needs to go and can't be stored due to circumstances beyond a producer's control we need to help. The Milk Loss Program will help offset the economic loss by producers left with no other choice but dumping their milk during disasters."

#### **Background**

On Dec. 29, 2022, President Biden signed into law the *Extending Government Funding and Delivering Emergency Assistance Act* (P.L. 117-43), providing \$10 billion for crop losses, including milk losses due to qualifying disaster events that occurred in calendar years 2020 and 2021. Additionally, the *Disaster Relief Supplemental Appropriations Act, 2023* (Pub. L. 117-328) provides approximately \$3 billion for disaster assistance for similar losses that occurred in calendar year 2022.

#### **Eligibility**

MLP compensates dairy operations for milk dumped or removed without compensation from the commercial milk market due to qualifying disaster events, including droughts, wildfires, hurricanes, floods, derechos, excessive heat, winter storms, freeze (including a polar vortex), and smoke exposure that occurred in the 2020, 2021 and 2022 calendar years. Tornadoes are considered a qualifying disaster event for calendar year 2022 only.

The milk loss claim period is each calendar month that milk was dumped or removed from the commercial market. Each MLP application covers the loss in a single calendar month. Milk loss that occurs in more than one calendar month due to the same qualifying weather event requires a separate application for each month.

The days that are eligible for assistance begin on the date the milk was removed or dumped and for concurrent days milk was removed or dumped. Once the dairy operation restarts milk marketing, the dairy operation is ineligible for assistance unless after restarting commercial

milk marketing, additional milk is dumped due to the same qualifying disaster event. The duration of yearly claims is limited to 30 days per year for 2020, 2021 and 2022.

#### **How to Apply**

To apply for MLP, producers must submit:

- FSA-376, Milk Loss Program Application
- Milk marketing statement from the:
  - Month prior to the month milk was removed or dumped.
  - Affected month.
- Detailed written statement of milk removal circumstances, including the weather event type and geographic scope, what transportation limitations occurred and any information on what was done with the removed milk.
- Any other information required by the regulation.

If not previously filed with FSA, applicants must also submit all the following items within 60 days of the MLP application deadline:

- 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).
- 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 MLP producer and applicable affiliates.

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

#### **MLP Payment Calculation**

The final MLP payment is determined by factoring the MLP payment calculation by the applicable MLP payment percentage.

The calculation for determining MLP payment is:

 ((Base period per cow average daily milk production x the number of milking cows in a claim period x the number of days milk was removed or dumped in a claim period) ÷ 100) x pay price per hundredweight (cwt.). For MLP payment calculations, the milk loss base period is the first full month of production before the dumping or removal occurred.

The MLP payment percentage will be 90% for underserved producers, including socially disadvantaged, beginning, limited resource, and veteran farmers and ranchers and 75% for all other producers.

To qualify for the higher payment percentage, eligible producers must have a CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification, form on file with FSA for the 2022 program year.

Adjusted Gross Income (AGI) limitations do not apply to MLP, however the payment limitation for MLP is determined by the person's or legal entity's average adjusted gross farm income (income derived from farming, ranching and forestry operations). Specifically, a person or legal entity, other than a joint venture or general partnership, cannot receive, directly or indirectly, more than \$125,000 in payments under MLP if their average adjusted gross farm income is less than 75% of their average AGI or more than \$250,000 if their adjusted gross farm income is at least 75% of their average AGI.

#### **More Information**

In other FSA dairy safety-net support, <u>Dairy Margin Coverage (DMC)</u> program payments have triggered every month, January through July, for producers who obtained coverage for the 2023 program year. July 2023's income over feed margin of \$3.52 per hundredweight (cwt.) is the lowest margin since DMC program benefits to dairy producers started in 2019. To date, FSA has paid more than \$1 billion in DMC benefits to covered dairy producers for the 2023 program year.

Additionally, FSA closed the <u>Organic Dairy Marketing Assistance Program (ODMAP)</u> application period on Aug. 11.

On farmers.gov, the <u>Disaster Assistance Discovery Tool</u>, <u>Disaster Assistance-at-a-Glance fact sheet</u> 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.

# **USDA Announces Additional Program Payment for Rice Producers in California**

The U.S. Department of Agriculture (USDA) today announced that rice producers will receive an additional payment through the Farm Service Agency's (FSA) <u>Rice Production Program</u>, which provides up to \$250 million in assistance to rice farmers based on 2022 rice acres.

"While increased input costs have impacted many agricultural producers, record high increases in 2022 had a disproportionate economic impact on rice producers," said Blong Xiong, State Executive Director for FSA in California. "I am pleased that Congress authorized the funding needed to not only provide one payment to State's rice producers, but also

sufficient funding to now provide an additional payment. This financial assistance provides a much-needed capital inject for rice production."

On Dec. 29, 2022, President Biden signed into law H.R. 2617, the Consolidated Appropriations Act, 2023, which provided the authority and funding for USDA to make payments to rice producers based on data already on file with USDA, including planted acres and acres prevented from being planted.

#### **Payments**

As part of FSA's efforts to streamline and simplify the delivery of additional Rice Production Program benefits, producers are not required to submit a new application for the additional Rice Production Program payment. Rice producers having a previously approved Rice Production Program application and who received an initial program payment, will receive an additional payment of .28 cent per pound based on previously reported data.

FSA made an initial payment to eligible producers at a reduced payment rate of one cent per pound, making the total overall payment rate \$1.28 cent per pound.

#### **Payment Limitation**

The payment limitation for the program is set by statute and is higher if the farmer's average adjusted gross farm income (income from activities related to farming, ranching or forestry) is more than 75% of their average adjusted gross income (AGI). Specifically, a person or legal entity with an average AGI of less than 75% of their average AGI cannot receive, directly or indirectly, more than \$125,000 in payments. Farmers who derive 75% or more of their average AGI from farming qualify for a \$250,000 payment limit. AGI is based on the three taxable years preceding the most immediately preceding complete tax year.

In advance of the initial payment, rice farmers were to visit their local county office to submit the appropriate form and certification (FSA-510, Request for an Exception to the \$125,000 Payment Limitation for Certain Programs) by Sept. 8, 2023, if they were requesting the higher payment limit.

#### More Information

For more information, view the <u>Rice Production Program fact sheet</u> or <u>contact your local USDA service center</u>.

## Upcoming Deadline for Emergency Conservation Program Applications from California Producers in 52 Counties

Funding Available to Help Restore Lands to Pre-Disaster Condition, Replace or Repair Fencing-Deadline October 13, 2023

The deadline for accepting <u>Emergency Conservation Program</u> (ECP) applications from California agricultural producers who need assistance to address damages from severe storms back in the spring is **October 13, 2023**.

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 counties for ECP signup are Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Fresno, Glenn, Humboldt, Imperial, Inyo, Kern, Kings, Los Angeles, Madera, Marin, Mariposa, Mendocino, Merced, Modoc, Monterey, Napa, Nevada, Placer, Plumas, Sacramento, San Benito, San Diego, San Francisco, San Joaquin, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus, Sutter, Tehama, Trinity, Tulare, Tuolumne, Ventura, Yolo and Yuba.

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</u> agent. 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 www.caff.org/techhub

### 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 <a href="https://www.farmers.gov/blog/ask-the-expert-qa-on-choosing-tax-professional-with-tamara-cushing">https://www.farmers.gov/blog/ask-the-expert-qa-on-choosing-tax-professional-with-tamara-cushing</a>.

# 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 <a href="https://landbasedlearning.org/apprentice-farmer-mentor">https://landbasedlearning.org/apprentice-farmer-mentor</a>

# Farm Service Agency California State Office

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