#### **April 2021**





## Farm Service Agency Electronic News Service

# NEWSLETTER

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## **Connecticut FSA Newsletter**

## Connecticut Farm Service Agency

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# **USDA Updates Conservation Provisions** for Highly Erodible Land and Wetlands

USDA published its final rule on determining whether land is considered highly erodible or a wetland, integrating input from the public and making updates in accordance with the 2018 Farm Bill. This final rule follows a focused effort by USDA's Natural Resources Conservation Service (NRCS) to improve consistency and use of science in making determinations.

To be eligible for most USDA programs, producers must be conservation compliant with the highly erodible land and wetland provisions. These provisions aim to reduce soil loss on erosion-prone lands and to protect wetlands for the multiple benefits they provide.

The final rule was made available for public inspection today, and it will be published tomorrow in the Federal Register. This follows an interim final rule published Dec. 7, 2018.

Bruce Gresczyk Diane Karabin This final rule confirms most of the changes made by the December 2018 interim final rule and makes these additional updates:

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- Adding the requirement of the 2018 Farm Bill that USDA will make a reasonable effort to include the affected person in an on-site investigation conducted prior to making a wetland violation technical determination.
- 2. Further clarifying how wetland hydrology is identified for farmed wetlands and farmed wetland pasture.
- 3. Adding clarification to the consideration of best-drained condition for wetland hydrology in keeping with the definition of prior converted cropland.
- 4. Relocating the provision that wetland determinations can be done on a tract, field, or sub-field basis in order to improve clarity.

NRCS has recently updated its conservation compliance webpages, adding highly erodible land and wetland determination resources for agricultural producers by state. Learn more about conservation compliance on the NRCS website.

### **Know your Final Planting Dates**

To find county office locations, program information, and more visit the new Farmers.gov portal

All producers are encouraged to contact their local FSA office for more information on the final planting date for specific crops. The final planting dates vary by crop, planting period and county so please contact your local FSA office for a list of county-specific planting deadlines. The timely planting of a crop, by the final planting date, may prevent loss of program benefits.

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

Agriculture Secretary Tom Vilsack announced 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.

#### **USDA Pandemic Assistance for Producers – 4 Parts**

#### 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.

#### 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.

#### 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="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 application. 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 farmers.gov/cfap. 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:
  - 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 visit <a href="www.farmers.gov">www.farmers.gov</a> 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.

# **USDA Offers Disaster Assistance for Producers Facing Inclement Weather**

Severe weather events create significant challenges and often result in catastrophic loss for agricultural producers.

Despite every attempt to mitigate risk, your operation may suffer losses. USDA offers several programs to help with recovery.

#### **Risk Management**

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

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

#### **Disaster Assistance**

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

First, the <u>Livestock Indemnity Program</u> (LIP) and <u>Emergency Assistance for Livestock, Honeybee</u> <u>and Farm-raised Fish Program</u> (ELAP) reimburses producers for a portion of the value of livestock, poultry and other animals that died as a result of a qualifying natural disaster eventor for loss of grazing acres, feed and forage. And, the <u>Livestock Forage Disaster Program</u> (LFP) provides assistance to producers of grazed forage crop acres that have suffered crop loss due to a qualifying

drought. Livestock producers suffering the impacts of drought can also request <u>Emergency Haying</u> and Grazing on Conservation Reserve Program (CRP) acres.

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

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

#### **Documentation**

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

Other common documentation options include:

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

#### **Other Programs**

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

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

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

#### **Additional Resources**

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

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

#### Farm Loan Graduation Reminder for Direct Loan Borrowers

Farm Service Agency (FSA) Direct Loans are considered a temporary source of credit available to producers who do not meet normal underwriting criteria for commercial banks.

FSA periodically conducts Direct Loan graduation reviews to determine a borrower's ability to graduate to commercial credit. If the borrower's financial condition has improved to a point where they can refinance their debt with commercial credit, they will be asked to obtain other financing and partially or fully pay off their FSA debt.

By the end of a producer's operating cycle, the Agency will send a letter requesting a current balance sheet, actual financial performance and a projected farm budget. The borrower has 30 days to return the required financial documents. This information will be used to evaluate the borrower's potential for refinancing to commercial credit.

If a borrower meets local underwriting criteria, FSA will send the borrower's name, loan type, balance sheet, and projected cash flow to commercial lenders. The borrower will be notified when loan information is sent to local lenders.

If any lenders are interested in refinancing the borrower's loan, FSA will send the borrower a letter with a list of lenders interested in refinancing the loan. The borrower must contact the lenders and complete an application for commercial credit within 30 calendar days.

If a commercial lender rejects the borrower, the borrower must obtain written evidence that specifies the reasons for rejection and submit to their local FSA farm loan office.

If a borrower fails to provide the requested financial information or to graduate, FSA will notify the borrower of noncompliance, FSA's intent to accelerate the loan, and appeal rights.

## **Applying for FSA Guaranteed Loans**

FSA guaranteed loans allow lenders to provide agricultural credit to farmers who do not meet the lender's normal underwriting criteria. Farmers and ranchers apply for a guaranteed loan through a lender, and the lender arranges for the guarantee. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan. Guaranteed loans can be used for both farm ownership and operating purposes.

Guaranteed farm ownership loans can be used to purchase farmland, construct or repair buildings, develop farmland to promote soil and water conservation or to refinance debt.

Guaranteed operating loans can be used to purchase livestock, farm equipment, feed, seed, fuel, farm chemicals, insurance and other operating expenses.

FSA can guarantee farm ownership and operating loans up to \$1,776,000. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

For more information on guaranteed loans, contact your local County USDA Service Center or visit <a href="https://www.fsa.usda.gov">www.fsa.usda.gov</a>.

USDA is an equal opportunity provider, employer and lender. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).