

Connecticut Farm Service Agency Newsletter - October 18, 2022

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Upcoming Connecticut FSA Deadlines

October 31: Deadline to apply for 2022 OCCSP and OTECP (covers costs incurred from October 1, 2021 to September 30, 2022).

November 18: Deadline to Sign up for Emergency Conservation Program (ECP) assistance in New London County.

November 20: 2023 NAP Application for Coverage deadline for perennial crops.

December 9: 2023 DMC enrollment deadline.

December 31: 2023 NAP Application for Coverage deadline for maple sap and honey.

Biden-Harris Administration Makes \$500 Million Available to Increase Innovative American-Made Fertilizer Production

New Grant Program Will Spur Competition and Help US Farmers Address Rising Costs

U.S. Department of Agriculture (USDA) Secretary Tom Vilsack today announced that the Biden-Harris Administration is making \$500 million in grants available to increase American-made fertilizer production to spur competition and combat price hikes on U.S. farmers caused by the war in Ukraine.

The Biden-Harris Administration's <u>Fertilizer Production Expansion Program</u> is part of a whole-of-government effort to promote competition in agricultural markets. The funds are being made available through the Commodity Credit Corporation.

Eligible entities are for-profit businesses and corporations, nonprofit entities, Tribes and Tribal organizations, producer-owned cooperatives and corporations, certified benefit corporations, and state or local governments. Private entities must be independently owned and operated to apply.

The Department will begin accepting applications in the coming days via www.grants.gov. Notably, there will be two opportunities for submission. Learn more.

Biden-Harris Administration Announces Historic Investment in Partnerships for 70 Climate-Smart Commodities and Rural Projects

Agriculture Secretary Tom Vilsack announced today that the Biden-Harris Administration through the U.S. Department of Agriculture is investing up to \$2.8 billion in 70 selected projects under the first pool of the Partnerships for Climate-Smart Commodities funding opportunity, with projects from the second funding pool to be announced later this year. Ultimately, USDA's anticipated investment will triple to more than \$3 billion in pilots that will create market opportunities for American commodities produced using climate-smart production practices. These initial projects will expand markets for climate-smart commodities, leverage the greenhouse gas benefits of climate-smart commodity production and provide direct, meaningful benefits to production agriculture, including for small and underserved producers. Applicants submitted more than 450 project proposals in this first funding pool, and the strength of the projects identified led USDA to increase its investment in this opportunity from the initial \$1 billion Vilsack announced earlier this year.

New London County Producers May be Eligible for Emergency Conservation Program Assistance

Drought has caused severe damage in New London County.

If you've had water issues, specifically with insufficient supply to provide water to confined livestock or orchard or vineyard irrigation, you may be eligible for assistance under the Emergency Conservation Program (ECP) administered by the New London County Farm Service Agency (FSA).

ECP for drought can assist producers with the cost of constructing or deepening wells for livestock water. Expenses for piping, pumps and storage tanks for new wells can also be eligible.

ECP cannot reimburse for water hauling costs. It also cannot be used to install new wells for vegetable or other short-term crops. And it cannot be used to reimburse for wells that do not produce sufficient water or to frack existing wells.

If you qualify for ECP assistance, you may receive cost-share levels not to exceed 75 percent of the eligible cost of restoration measures. Eligible socially disadvantaged and beginning farmers and ranchers can receive up to 90 percent of the eligible cost of restoration. No one is eligible for more than \$500,000 cost sharing per natural disaster occurrence.

Applications for ECP will be accepted between Tuesday, October 11, 2022, and Friday, November 18, 2022.

You must apply for assistance prior to beginning any drought mitigation work. FSA's National Environmental Policy Act (NEPA) and environmental compliance review process is required to be completed before any actions are taken. Submitting an application after reconstructive work has been completed may not qualify for ECP. Conservation concerns that were present on the land prior to the disaster are not eligible for ECP assistance.

For more information about ECP, contact New London County FSA at 860-887-3604 or visit https://www.fsa.usda.gov/programs-and-services/conservation-programs/emergency-conservation/index

USDA Designates Three Connecticut Counties as Primary Natural Disaster Areas

This Secretarial natural disaster designation allows the United States Department of Agriculture (USDA) Farm Service Agency (FSA) to extend much-needed emergency credit to producers recovering from natural disasters through emergency loans. Emergency loans can be used to meet various recovery needs including the replacement of essential items such as equipment or livestock, reorganization of a farming operation or the refinance of certain debts. FSA will review the loans based on the extent of losses, security available and repayment ability.

According to the <u>U.S. Drought Monitor</u>, these counties suffered from a drought intensity value during the growing season of 1) D2 Drought-Severe for 8 or more consecutive weeks or 2) D3 Drought-Extreme or D4 Drought-Exceptional.

Impacted Area: Connecticut

Triggering Disaster: Drought

Application Deadline: April 24, 2023

Primary Counties Eligible: Hartford, Middlesex and Tolland

Contiguous Counties Also Eligible:

Massachusetts: Worcester

New York: Suffolk

Rhode Island: Kent, Providence and Washington

More Resources

On farmers.gov, the <u>Disaster Assistance Discovery Tool</u>, <u>Disaster Assistance-at-a-Glance fact sheet</u>, and <u>Farm Loan Discovery Tool</u> can help you determine program or loan options. To file a Notice of Loss or to ask questions about available programs, contact your local <u>USDA Service Center</u>.

Dairy Producers Can Now Enroll for 2023 Signup for Dairy Margin Coverage

Protect Your Operation from Ups and Downs in the Market

Dairy producers can now enroll for 2023 coverage through the Dairy Margin Coverage (DMC) Program, an important safety net program from the U.S. Department of Agriculture (USDA) that helps producers manage changes in milk and feed prices. Last year, USDA's Farm Service Agency (FSA) took steps to improve coverage, especially for small- and mid-sized dairies, including offering a new Supplemental DMC program and updating its feed cost formula to better address retroactive, current and future feed costs. These changes continue to support producers through this year's signup, which begins today and ends Dec. 9, 2022.

DMC is a voluntary risk management program that offers protection to dairy producers when the difference between the all-milk price and the average feed price (the margin) falls below a certain dollar amount selected by the producer.

So far in 2022, DMC payments to more than 17,000 dairy operations have triggered for August for more than \$47.9 million. According to DMC margin projections, an indemnity payment is projected for September as well. At \$0.15 per hundredweight for \$9.50 coverage, risk coverage through DMC is a relatively inexpensive investment.

DMC offers different levels of coverage, even an option that is free to producers, aside from a \$100 administrative fee. Limited resource, beginning, socially disadvantaged or a military

veteran farmers or ranchers are exempt from paying the administrative fee, if requested. To determine the appropriate level of DMC coverage for a specific dairy operation, producers can use the <u>online dairy decision tool</u>.

Supplemental DMC

Last year, USDA introduced Supplemental DMC, which provided \$42.8 million in payments to better help small- and mid-sized dairy operations that had increased production over the years but were not able to enroll the additional production. Supplemental DMC is also available for 2023.

Supplemental DMC coverage is applicable to calendar years 2021, 2022 and 2023. Eligible dairy operations with less than 5 million pounds of established production history may enroll supplemental pounds.

For producers who enrolled in Supplemental DMC in 2022, the supplemental coverage will automatically be added to the 2023 DMC contract that previously established a supplemental production history.

Producers who did not enroll in Supplemental DMC in 2022 can do so now. Producers should complete their Supplemental DMC enrollment before enrolling in 2023 DMC. To enroll, producers will need to provide their 2019 actual milk marketings, which FSA uses to determine established production history.

DMC Payments

Additionally, FSA will continue to calculate DMC payments using updated feed and premium hay costs, making the program more reflective of actual dairy producer expenses. These updated feed calculations use 100% premium alfalfa hay rather than 50%. The benefits of these feed cost adjustments were realized in the recent August 2022 margin payment as current high feed and premium hay costs were considered in payment calculations.

More Information

In addition to DMC, USDA offers other risk management tools for dairy producers, including the <u>Dairy Revenue Protection (DRP)</u> plan that protects against a decline in milk revenue (yield and price) and the <u>Livestock Gross Marqin (LGM)</u> plan, which provides protection against the loss of the market value of livestock minus the feed costs. Both DRP and LGM livestock insurance policies are offered through the Risk Management Agency. Producers should contact their local <u>crop insurance agent</u> for more information.

For more information on DMC, visit the <u>DMC webpage</u> or contact your local <u>USDA Service</u> Center.

Updates to Crop Insurance Plans Broaden Access for Specialty Crop, Organic, Direct Market and Other Producers

USDA is improving two of its most comprehensive risk management safety net programs, Whole-Farm Revenue Protection (WFRP) and Micro Farm, making them more accessible to America's agricultural producers. This includes doubling the maximum insurable revenue under WFRP, now \$17 million, more than tripling the size of farm operations eligible for Micro Farm, now \$350,000 and reducing paperwork requirements for WFRP. These improvements are in direct response to feedback from stakeholders as USDA's Risk Management Agency (RMA) recognizes the important role these insurance options play for many producers, including specialty crop, organic and direct market producers.

Whole-Farm Revenue Protection

The <u>WFRP</u> program provides protection for all eligible commodities on a farm under one insurance policy. Now, producers can insure up to \$17 million in revenue (formerly \$8.5 million). Other updates to WFRP include:

- Allowing a producer to report and self-certify yield at the beginning of the year for commodities without other insurance options in a way similar to those with individual crop policies. This will significantly reduce the amount of paperwork required to apply for WFRP.
- Eliminating expense reporting to reduce paperwork burden. In place of expense reporting, WFRP will reduce the expected revenue of commodities a producer is unable to plant to 60%, similar to prevented planting for other programs.

These updates build on others recently made to WFRP, including <u>expanded coverage and</u> flexibilities for organic producers.

Micro Farm

The Micro Farm program, offered through WFRP, provides a risk management safety net for all eligible commodities on a farm under one insurance policy, but on a smaller scale. Now, producers with farm operations up to \$350,000 in approved revenue (formerly \$100,000) can get coverage. RMA introduced the new Micro Farm program in 2021 to better serve direct market and small-scale producers. While the program is well received and feedback has been largely positive, industry partners and small, diversified producers have informed RMA that the current limit is too low to meet the needs of many interested producers. In response, the FCIC approved the increase in size for eligible farm operations. The updates to WFRP and Micro Farm take effect in crop year 2023.

Crop insurance is sold and delivered solely through private crop insurance agents. A list of crop insurance agents is available at all USDA Service Centers and online at the RMA Agent Locator. Learn more about crop insurance and the modern farm safety net at rma.usda.gov.

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 <u>USDA Service Center</u> or visit <u>fsa.usda.gov/nap</u>.

Malted Grains and Maple Syrup Eligible for Farm Storage Facility Loans

Malted small grains and maple syrup are now eligible for Farm Storage Facility Loans (FSFL) through the USDA Farm Service Agency (FSA).

FSFLs provide 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 malted small grains include barley, oats, rice, rye and wheat. Maple sap is used to produce maple syrup.

The low-interest funds can be used for:

- bottler or filling systems for maple syrup, excluding containers
- equipment to improve, maintain, or monitor the quality of stored FSFL commodities, such as cleaners, moisture testers, heat detectors, along with a proposed storage facility
- handling and drying equipment determined by the County Committee to be needed and essential to the proper functioning of a storage system
- electrical equipment, such as pumps, lighting, motors, and wiring, integral to the proper operation of the storage and handling equipment, excluding installing electric service to the electrical meter.

FSFLs are not available for the actual processing of the small grain into the malted commodity or maple sap into maple syrup. Additionally, purchased commodities are not eligible for FSFLs.

The following storage and handling equipment is ineligible for FSFLs:

- boiling equipment
- feed handling and processing equipment
- production and feed facilities
- structures of a temporary nature not having a useful life of the term of the loan
- maple sap tubing and pumping systems.

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 <u>USDA Service Center</u> or visit <u>fsa.usda.gov/pricesupport</u>.

Progression Lending from FSA

Farm Service Agency (FSA) farm loans are considered progression lending. Unlike loans from a commercial lender, FSA loans are intended to be temporary in nature. Our goal is to help you graduate to commercial credit, and our farm loan staff is available to help borrowers through training and credit counseling.

The FSA team will help borrowers identify their goals to ensure financial success. FSA staff will advise borrowers on developing strategies and a plan to meet your goals and graduate to commercial credit. FSA borrowers are responsible for the success of their farming operation, but FSA staff will help in an advisory role, providing the tools necessary to help you achieve your operational goals and manage your finances.

For more information on FSA farm loan programs, contact your local <u>USDA Service Center</u> or visit fsa.usda.gov.

Ask the Expert: Farmers.gov Conservation Section with Tyler Kendall

In this Ask the Expert, Tyler Kendall, management and program analyst for the Natural Resources Conservation Service (NRCS) answers a few questions about USDA's farmers.gov customer portal. Tyler helps lead the effort to provide personalized customer information via farmers.gov. A farmers.gov account provides self-service opportunities to Farm Service Agency (FSA) and NRCS customers through a secure, authenticated access process.

What features will conservation customers be most interested in?

There are several self-help options that allow you to access your conservation data from home or on your phone or tablet. For example, you can access, view, download, and print all of your conservation documents including your conservation plans, contracts, and plan maps. Contract documents can be conveniently eSigned in farmers.gov and the feature is mobile enabled so you can sign your documents from the field while on the go!

To read the full blog visit <u>farmers.gov/blog/ask-the-expert-farmersgov-conservation-section-with-tyler-kendall</u>.

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