USDA Farm Service Agency
U.S. DEPARTMENT OF AGRICULTURE

Minnesota FSA Newsletter - November 12, 2021

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State Executive Director Comments

As we near mid-November, producers are wrapping up harvest and fall tillage, squeezing in time for the all-important deer hunt, and preparing for the upcoming holiday season. I am hopeful you experienced satisfying results from both harvest and the hunt!

On November 4th, FSA Service Centers began accepting Emergency Assistance for Livestock, Honeybees, and Farm-raised Fish (ELAP) Program applications to cover 2021 honeybee feed and water transportation losses that occurred due to the revised eligible drought definition, and applications for livestock feed transportation costs where grazing and hay resources had been depleted. The deadline for notices of loss for livestock feed transportation, water transportation and honeybee feed losses that have occurred due to an eligible drought occurring on or after January 1, 2021, through December 30, 2021, has been extended to January 30, 2022. Livestock and honeybee producers are encouraged to review the Fact Sheet and contact their local FSA office for additional details.

USDA recently announced the new Organic and Transitional Education and Certification Program (OTECP). During the COVID-19 pandemic, certified organic and transitional operations faced challenges due to loss of markets and increased costs and labor shortages, in addition to costs related to obtaining or renewing their organic certification. Certified and transitional operations may apply for OTECP for eligible expenses paid during the 2020, 2021, and 2022 fiscal years. Signup for 2020 and 2021 OTECP began November 8, 2021 and runs through January 7, 2022. Producers are encouraged to contact their local FSA office for information and to file an application.

Due to the ongoing pandemic, many of our Minnesota service centers continue to operate with limited visitors, by appointment only. In the last week, more than two-thirds of our offices have had impacts to their operational status due to the recent number of COVID cases in Minnesota. In some locations, visitors are not allowed in the office. If you feel an in-person appointment is needed to conduct your business rather than by phone or online, please reach out to your local FSA office to determine what the county's current operating status is. FSA staff is committed to providing service to our customers and will explore all options to ensure timely assistance. As a reminder, all visitors and staff are required to wear a mask in a federal facility. Our local staff appreciate your efforts to protect them and their families. Your patience is appreciated as we continue to operate under COVID protocol.

Please take time to review the articles in this month's newsletter to make sure you are aware of upcoming program deadlines and additional benefits that may be available to assist your farm operation due to challenges from the drought and the impacts of the ongoing pandemic.

Please stay safe and find time to enjoy the upcoming holidays.

Respectfully,

Michelle Page, Acting State Executive Director

USDA Offers Tool for Compensation for Feed Transportation Costs

An online tool is available to help ranchers document and estimate payments to cover feed transportation costs caused by drought, which are now covered by the Emergency Assistance for Livestock, Honeybees and Farm-raised Fish Program (ELAP). The U.S. Department of Agriculture (USDA) updated the program this year to include feed transportation costs as well as lowered the threshold for when assistance for water hauling expenses is available. USDA's Farm Service Agency (FSA) began taking applications November 4.

The new ELAP Feed Transportation Producer Tool is a Microsoft Excel workbook that enables ranchers to input information specific to their operation to determine an estimated payment. Final payments may vary depending on eligibility.

To use the tool, ranchers will need:

- Number of truckloads for this year.
- Mileage per truckload this year.
- Share of feed cost this year (if splitting loads).
- Number of truckloads you normally haul.
- Normal mileage per truckload.
- Share of normal feed cost

The tool requires Microsoft Excel, and a tutorial video is available.

Updates to ELAP

ELAP provides financial assistance to eligible producers of livestock, honeybees and farm-raised fish for losses due to disease, certain adverse weather events or loss conditions as determined by the Secretary of Agriculture. ELAP now covers feed transportation costs where grazing and hay resources have been depleted. This includes places where:

- Drought intensity is D2 for eight consecutive weeks as indicated by the U.S. Drought Monitor; or
- Drought intensity is D3 or greater.

The tool calculates the estimated payment for feed transportation assistance, but it is not an application. Once FSA begins accepting applications later this fall for feed transportation assistance, ranchers should contact their FSA county office to apply. To simplify the application process, ranchers can print or email payment estimates generated by this tool for submission to FSA. The deadline to apply for ELAP, including feed transportation costs, for 2021 is Jan. 31, 2022.

ELAP already covers above normal costs for hauling water to livestock in areas where drought intensity is D3 or greater on the drought monitor. FSA is also updating ELAP to also cover water hauling in areas experiencing D2 for eight consecutive weeks, lowering the threshold for this assistance to be available. Program benefits are retroactive for 2021.

Payment Calculations

USDA will reimburse eligible ranchers 60% of feed transportation costs above what would have been incurred in a normal year. Producers qualifying as underserved (socially disadvantaged, limited resource, beginning or military veteran) will be reimbursed for 90% of the feed transportation cost above what would have been incurred in a normal year.

USDA uses a national cost formula to determine reimbursement costs that will not include the first 25 miles and distances exceeding 1,000 transportation miles. The calculation will also exclude the normal cost to transport hay or feed if the producer normally purchases some feed. For 2021, the initial cost formula of $6.60 per mile will be used (before the percentage is applied).

Eligibility

To be eligible for ELAP assistance, livestock must be intended for grazing and producers must have incurred feed transportation costs on or after Jan. 1, 2021. Although producers will self-certify losses and expenses to FSA, producers are encouraged to maintain good records and retain receipts and related documentation in the event these documents are requested for review by the local FSA County Committee.

More Drought Recovery Information

USDA has taken additional steps to assist drought-impacted producers, including:

- Extending deadlines for crop insurance premium and administrative fees, and deferring interest accrual.
- Streamlining and accelerating losses and issuance of indemnity payments for crop insurance.
- Investing $41.8 million through a four-state pilot of the Environmental Quality Incentives Program Conservation Incentive Contracts focused on drought practices.
- Investing $15 million through a block grant to the Klamath Drought Response Agency to provide payments to producers to reduce irrigation demand.

USDA offers a comprehensive portfolio of disaster assistance programs. On farmers.gov, the Disaster Assistance Discovery Tool, Disaster Assistance-at-a-Glance fact sheet, and Farm Loan Discovery Tool can help producers and landowners determine all program or loan options available for disaster recovery assistance. For details, producers should contact their local USDA Service Center.

USDA Support for Certified Organic and Transitioning Operations

Signup Ongoing Through January 7, 2022

The U.S. Department of Agriculture (USDA) will provide pandemic assistance to cover certification and education expenses to agricultural producers who are certified organic or transitioning to organic. USDA will make $20 million available through the new Organic and Transitional Education and Certification Program

(OTECP) as part of USDA's broader Pandemic Assistance for Producers initiative, which provides new, broader and more equitable opportunities for farmers, ranchers and producers.

During the COVID-19 pandemic, certified organic and transitional operations faced challenges due to loss of markets, and increased costs and labor shortages, in addition to costs related to obtaining or renewing their organic certification, which producers and handlers of conventionally grown commodities do not incur. Transitional operations also faced the financial challenge of implementing practices required to obtain organic certification without being able to obtain the premium prices normally received for certified organic commodities.

Eligible Expenses

OTECP funding is provided through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Certified operations and transitional operations may apply for OTECP for eligible expenses paid during the 2020, 2021 and 2022 fiscal years. For each year, OTECP covers 25% of a certified operation's eligible certification expenses, up to $250 per certification category (crop, livestock, wild crop, handling and State Organic Program fee). This includes application fees, inspection fees, USDA organic certification costs, state organic program fees and more.

Crop and livestock operations transitioning to organic production may be eligible for 75% of a transitional operation's eligible expenses, up to $750, for each year. This includes fees charged by a certifying agent or consultant for pre-certification inspections and development of an organic system plan.

For both certified operations and transitional operations, OTECP covers 75% of the registration fees, up to $200, per year, for educational events that include content related to organic production and handling in order to assist operations in increasing their knowledge of production and marketing practices that can improve their operations, increase resilience and expand available marketing opportunities. Additionally, both certified and transitional operations may be eligible for 75% of the expense of soil testing required under the National Organic Program (NOP) to document micronutrient deficiency, not to exceed $100 per year.

Applying for Assistance

Signup for 2020 and 2021 OTECP will be Nov. 8, 2021, through Jan. 7, 2022. Producers apply through their local Farm Service Agency (FSA) office and can also obtain one-on-one support with applications by calling 877-508-8364. Visit farmers.gov/otecp to learn more.

Additional Organic Support

OTECP builds upon USDA's Organic Certification Cost Share Program (OCCSP) which provides cost share assistance of 50%, up to a maximum of $500 per scope, to producers and handlers of agricultural products who are obtaining or renewing their certification under the NOP. This year's application period for OCCSP ended Nov. 1, 2021.

Additionally, USDA's Risk Management Agency announced improvements to the Whole-Farm Revenue Program including increasing expansion limits for organic producers to the higher of $500,000 or 35%. Previously, small and medium size organic operations were held to the same 35% limit to expansion as conventional practice producers. Also, producers can now report acreage as certified organic, or as acreage in transition to organic, when the producer has requested an organic certification by the acreage reporting date.

To learn more about USDA's assistance for organic producers, visit usda.gov/organic.

As USDA looks for long-term solutions to build back a better food system, the Department is committed to delivery of financial assistance to farmers, ranchers and agricultural producers and businesses who have been impacted by COVID-19 market disruptions. Since USDA rolled out the Pandemic Assistance for Producers initiative in March, the Department has provided support to America's farmers and ranchers including:

- $18 billion in Coronavirus Food Assistance Program 2payments, including a fourfold increase in participation by historically underserved producers since the program reopened in April 2021.
- Over $35 million in assistance for those who had to depopulate livestock and poultry due to insufficient processing access (Pandemic Livestock Indemnity Program).
- Over $7 million to date for the logging and log hauling industry (Pandemic Assistance for Timber Harvesters and Haulers). Final payments are being calculated to be disbursed soon.
- $1 billion to purchase healthy food for food insecure Americans and build food bank capacity.
- $350 million in additional dairy assistance related to market volatility.
- $500 million deployed through existing USDA programs.

For more details, please visit www.farmers.gov/pandemic-assistance.

USDA Encourages 2022 Farm Program Enrollment

USDA's Farm Service Agency (FSA) is encouraging producers to contact their local USDA Service Centers to make or change elections and to enroll for 2022 Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs , providing future protections against market fluctuations. The election and enrollment period opened on Oct. 18, 2021 and runs through March 15, 2022.

By the Numbers

More than 1.7 million contracts were signed in 2019. In 2020, producers signed nearly 1.8 million ARC or PLC contracts, and 251 million out of 273 million base acres were enrolled in the programs. In 2021, signed contracts surpassed 1.8 million.

Since the ARC and PLC were authorized by ~~in~~ the 2014 Farm Bill and reauthorized by ~~in~~ the 2018 Farm Bill, these safety-net programs have paid out more than $32.5 billion to producers of covered commodities.

2022 Elections and Enrollment

Producers can elect coverage and enroll in ARC-CO or PLC, which are both crop-by-crop, or ARC-IC, which is for the entire farm. Although election changes for 2022 are optional, producers must enroll through a signed contract each year. Also, if a producer has a multi-year contract on the farm and makes an election change for 2022, it will be necessary to sign a new contract.

If an election is not submitted by the deadline of March 15, 2022, the election remains the same as the 2021 election for crops on the farm. Farm owners cannot enroll in either program unless they have a share interest in the farm.

Covered commodities include barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium and short grain rice, safflower seed, seed cotton, sesame, soybeans, sunflower seed, and wheat.

Web-Based Decision Tools

In partnership with USDA, the University of Illinois and Texas A&M University offer web-based decision tools to assist producers in making informed, educated decisions using crop data specific to their respective farming operations. Tools include:

- Gardner-farmdoc Payment Calculator, a tool available through the University of Illinois allows producers to estimate payments for farms and counties for ARC-CO and PLC.
- ARC and PLC Decision Tool, a tool available through Texas A&M tallows producers to estimate payments and yield updates and expected payments for 2022.

Crop Insurance Considerations

ARC and PLC are part of a broader safety net provided by USDA, which also includes crop insurance and marketing assistance loans.

Producers are reminded that ARC and PLC elections and enrollments can impact eligibility for some crop insurance products.

Producers on farms with a PLC election have the option of purchasing Supplemental Coverage Option (SCO) through their Approved Insurance Provider; however, producers on farms where ARC is the election are ineligible for SCO on their planted acres for that crop on that farm.

Unlike SCO, the Enhanced Coverage Option (ECO) is unaffected by an ARC election. Producers may add ECO regardless of the farm program election.

Upland cotton farmers who choose to enroll seed cotton base acres in ARC or PLC are ineligible for the stacked income protection plan (STAX) on their planted cotton acres for that farm.

More Information

For more information on ARC and PLC, visit the ARC and PLC webpage or contact your local USDA Service Center.

Tribal Agricultural Landowner Voting Eligibility in County Committee Elections

Members of American Indian tribes holding agricultural land are eligible to vote in a Farm Service Agency (FSA) county committee election if the tribal member meets the minimum voting age. For purposes of FSA county committee elections, every member of an American Indian tribe is considered an agricultural landowner and eligible to vote as an individual, including individual Native American landowners of tribal lands, owners of trusts, owners of estates and land held in trust by the United States for the tribe, even if the individual does not personally produce a crop.

Native American landowners interested in participating as an eligible voter must contact their local USDA Service Center to register. Contact your local FSA office with any questions.

Disaster Set-Aside Program for Farm Loan Borrowers

Farm Service Agency (FSA) borrowers with farms located in designated primary or contiguous disaster areas who are unable to make their scheduled FSA loan payments should consider the Disaster Set-Aside (DSA) program.

DSA is available to producers who suffered losses as a result of a natural disaster and relieves immediate and temporary financial stress. FSA is authorized to consider setting aside the portion of a payment/s needed for the operation to continue on a viable scale.

Borrowers must have at least two years left on the term of their loan in order to qualify.

Borrowers have eight months from the date of the disaster designation to submit a complete application. The application must include a written request for DSA signed by all parties liable for the debt along with production records and financial history for the operating year in which the disaster occurred. FSA may request additional information from the borrower in order to determine eligibility.

All farm loans must be current or less than 90 days past due at the time the DSA application is complete. Borrowers may not set aside more than one installment on each loan.

The amount set-aside, including interest accrued on the principal portion of the set-aside, is due on or before the final due date of the loan.

For more information, contact your County USDA Service Center or visit fsa.usda.gov.

FSA Can Help with On-Farm Propane Storage

Winter months in Minnesota can be long and cold, and for several years, farmers have faced propane storage shortages. FSA's Farm Storage Facility Loan (FSFL) program provides funding for on-farm liquified petroleum tanks.

FSFL low-interest financing can be used to build or upgrade storage facilities and to purchase portable (new or used) structures, equipment, storage and handling trucks. Liquified petroleum tanks are covered for eligible commodities for the use of fuel for grain dryer equipment.

Loans up to $50,000 can be secured by a promissory note/security agreement, while 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 conventional operations, small and mid-sized businesses, new farmers, operations supplying local food and farmers markets, non-traditional farm products, and underserved producers.

To learn more about FSFLs and how these loans can help with your on-site propane tank storage needs, contact your County USDA Service Center or visit fsa.usda.gov.

Transitioning Expiring CRP Land to Beginning, Veteran or Underserved Farmers and Ranchers

CRP contract holders are encouraged to transition their Conservation Reserve Program (CRP) acres to beginning, veteran or socially disadvantaged farmers or ranchers through the Transition Incentives Program (TIP). TIP provides annual rental payments to the landowner or operator for up to two additional years after the CRP contract expires.

CRP contract holders no longer need to be a retired or retiring owner or operator to transition their land. TIP participants must agree to sell, have a contract to sell, or agree to lease long term (at least five years) land enrolled in an expiring CRP contract to a beginning, veteran, or socially disadvantaged farmer or rancher who is not a family member.

Beginning, veteran or social disadvantaged farmers and ranchers and CRP participants may enroll in TIP beginning two years before the expiration date of the CRP contract. The TIP application must be submitted prior to completing the lease or sale of the affected lands. New landowners or renters that return the land to production must use sustainable grazing or farming methods.

For more information, contact your County USDA Service Center or visit fsa.usda.gov.

Noninsured Crop Coverage Helps Producers Manage Risks

The Farm Service Agency's (FSA) Noninsured Crop Disaster Assistance Program (NAP) helps you manage risk through coverage for both crop losses and crop planting that was prevented due to natural disasters. The eligible or "noninsured" crops include agricultural commodities not covered by federal crop insurance.

You must be enrolled in the program and have purchased coverage for the eligible crop **in the crop year in which the loss incurred** *to receive program benefits following a qualifying natural disaster.*

NAP Buy-Up Coverage Option

NAP offers higher levels of coverage, from 50 to 65 percent of expected production in 5 percent increments, at 100 percent of the average market price. Buy-up levels of NAP coverage are available if the producer can show at least one year of previously successfully growing the crop for which coverage is being requested.

Producers of organics and crops marketed directly to consumers also may exercise the "buy-up" option to obtain NAP coverage of 100 percent of the average market price at the coverage levels of between 50 and 65 percent of expected production.

NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production.

Buy-up coverage is not available for crops intended for grazing.

NAP Service Fees

For all coverage levels, the NAP service fee is the lesser of $325 per crop or $825 per producer per county, not to exceed a total of $1,950 for a producer with farming interests in multiple counties.

NAP Enhancements for Qualified Military Veterans

Qualified veteran farmers or ranchers are eligible for a service fee waiver and premium reduction, if the NAP applicant meets certain eligibility criteria.

Beginning, limited resource and targeted underserved farmers or ranchers remain eligible for a waiver of NAP service fees and premium reduction when they file form CCC-860, "*Socially Disadvantaged, Limited Resource and Beginning Farmer or Rancher Certification.*"

For NAP application, eligibility and related program information, contact your County USDA Service Center or visit fsa.usda.gov/nap.

Obtaining Payments due to Deceased Producers

In order to claim a Farm Service Agency (FSA) payment on behalf of a deceased producer, all program conditions for the payment must have been met before the applicable producer's date of death.

If a producer earned a FSA payment prior to his or her death, the following is the order of precedence for the representatives of the producer:

- administrator or executor of the estate
- the surviving spouse

- surviving sons and daughters, including adopted children
- surviving father and mother
- surviving brothers and sisters
- heirs of the deceased person who would be entitled to payment according to the State law

For FSA to release the payment, the legal representative of the deceased producer must file a form FSA-325 to claim the payment for themselves or an estate. The county office will verify that the application, contract, loan agreement, or other similar form requesting payment issuance, was signed by the applicable deadline by the deceased or a person legally authorized to act on their behalf at that time of application.

If the application, contract or loan agreement form was signed by someone other than the deceased participant, FSA will determine whether the person submitting the form has the legal authority to submit the form.

Payments will be issued to the respective representative's name using the deceased program participant's tax identification number. Payments made to representatives are subject to offset regulations for debts owed by the deceased.

FSA is not responsible for advising persons in obtaining legal advice on how to obtain program benefits that may be due to a participant who has died, disappeared or who has been declared incompetent.

Signature Policy

Using the correct signature when doing business with FSA can save time and prevent a delay in program benefits.

The following are FSA signature guidelines:

- A married woman must sign her given name: Mrs. Mary Doe, not Mrs. John Doe
- For a minor, FSA requires the minor's signature and one from the minor's parent

Note, by signing a document with a minor, the parent is liable for actions of the minor and may be liable for refunds, liquidated damages, etc.

When signing on one's behalf the signature must agree with the name typed or printed on the form or be a variation that does not cause the name and signature to be in disagreement. Example - John W. Smith is on the form. The signature may be John W. Smith or J.W. Smith or J. Smith. Or Mary J. Smith may be signed as Mrs. Mary Joe Smith, M.J. Smith, Mary Smith, etc.

FAXED signatures will be accepted for certain forms and other documents provided the acceptable program forms are approved for FAXED signatures. Producers are responsible for the successful transmission and receipt of FAXED information.

Examples of documents not approved for FAXED signatures include:

- Promissory note
- Assignment of payment
- Joint payment authorization
- Acknowledgement of commodity certificate purchase

Spouses may sign documents on behalf of each other for FSA and CCC programs in which either has an interest, unless written notification denying a spouse this authority has been provided to the county office.

Spouses cannot sign on behalf of each other as an authorized signatory for partnerships, joint ventures, corporations or other similar entities. Likewise, a spouse cannot sign a document on behalf of the other in order to affirm the eligibility of oneself.

Any member of a general partnership can sign on behalf of the general partnership and bind all members unless the Articles of Partnership are more restrictive. Spouses may sign on behalf of each other's individual interest in a partnership, unless notification denying a spouse that authority is provided to the county office. Acceptable signatures for general partnerships, joint ventures, corporations, estates, and trusts must consist of an indicator "by" or "for" the individual's name, individual's name and capacity, or individual's name, capacity, and name of entity.

For additional clarification on proper signatures contact your local FSA office.

Communication is Key in Lending

Farm Service Agency (FSA) is committed to providing our farm loan borrowers the tools necessary to be successful. FSA staff will provide guidance and counsel from the loan application process through the borrower's graduation to commercial credit. While it is FSA's commitment to advise borrowers as they identify goals and evaluate progress, it is crucial for borrowers to communicate with their farm loan staff when changes occur. It is the borrower's responsibility to alert FSA to any of the following:

- Any proposed or significant changes in the farming operation
- Any significant changes to family income or expenses
- The development of problem situations
- Any losses or proposed significant changes in security

If a farm loan borrower can't make payments to suppliers, other creditors, or FSA on time, contact your farm loan staff immediately to discuss loan servicing options.

For more information on FSA farm loan programs, contact your County USDA Service Center or visit fsa.usda.gov.

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