

South Carolina FSA Newsletter for Farmers and Ranchers - November 2021

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A Note from State Executive Director Laurie Funderburk



Greetings! I'm Laurie Slade Funderburk, State Executive Director for the Farm Service Agency in South Carolina, and I am honored to have the opportunity to serve South Carolina's farmers and ranchers in this capacity. I, along with FSA's employees, will continue to work diligently to ensure equitable access to FSA programs, which play a crucial role in supporting the economic stability and prosperity of our state's agricultural producers and rural communities.

I bring over 20 years of legal, business, and insurance experience, in addition to my service in the South Carolina House of Representatives from 2004-2020. Raised by a farming family in Kershaw County, I appreciate the hard work and dedication required to have a successful operation. As I lead the South Carolina FSA in my new role, I encourage you to contact your local FSA office to learn about our many programs and how they may assist you in achieving your farming goals.

In our November newsletter below, FSA has some important program updates to share. Enrollment is currently open for the main farm bill safety net programs, known as Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC), for coverage in 2022. The election and enrollment period opened on Oct. 18, 2021 and runs through March 15, 2022. Also, 2021 Farm Service Agency county committee elections are underway, with ballots being mailed to eligible voters beginning the week of Nov. 1. Please see the articles below for more details.

In this season when we are reminded to give thanks for our many blessings, I would like to say "Thank You" for all you do in supporting South Carolina agriculture. I look forward to working with you and for you.

Laurie Slade Funderburk



FSA State Executive Director Laurie Funderburk visits the South Carolina State Fair in October.



FSA State Executive Director Laurie Funderburk visits employees in the Lee County Field Office.

USDA Provides \$1.8 Billion to Offset Market Fluctuations



The U.S. Department of Agriculture (USDA) is in the process of issuing \$1.8 billion in payments to agricultural producers who enrolled in the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs for the 2020 crop year. These payments provide critical support to help mitigate fluctuations in either revenue or prices for certain crops. These two USDA safety-net programs help producers of certain crops build back better after facing the impacts of COVID-19 and other challenges.

In addition, 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 ARC or PLC, providing future protections against market fluctuations. The election and enrollment period opened on Oct. 18, 2021 and runs through March 15, 2022.

2020 Payments and Contracts

ARC and PLC payments for a given crop year are paid out the following fall to allow actual county yields and the Market Year Average prices to be finalized. This month, FSA processed payments to producers enrolled in 2020 ARC-County (ARC-CO), ARC-Individual (ARC-IC) and PLC for covered commodities that triggered for the crop year.

For ARC-CO, view the <u>2020 ARC-CO Benchmark Yields and Revenues online database</u> for payment rates applicable to their county and each covered commodity.

For PLC, payments have triggered for barley, canola, chickpeas (large and small), dry peas, flaxseed, lentils, peanuts, seed cotton and wheat. More information on rice payments will be announced later this fall and in early 2022.

For ARC-IC, producers should contact their local FSA office for additional information pertaining to 2020 payment information, which relies on producer-specific yields for the crop and farm to determine benchmark yields and actual year yields when calculating revenues.

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 <u>ARC and PLC webpage</u> or contact your local <u>USDA</u> Service Center.

USDA Builds Pandemic Support for Certified Organic and Transitioning Operations



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 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 <u>Coronavirus Food Assistance Program 2</u> payments, 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 (<u>Pandemic Livestock Indemnity Program</u>).
- Over \$7 million to date for the logging and log hauling industry (<u>Pandemic Assistance for Timber Harvesters and Haulers</u>). 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.

2021 Farm Service Agency County Committee Elections Underway

The U.S. Department of Agriculture (USDA) will begin mailing ballots this week for the Farm Service Agency (FSA) county and urban county committee elections to all eligible agricultural producers and private landowners across the country. Elections are occurring in certain Local Administrative Areas (LAA) for these committee members who make important decisions about how federal farm programs are administered locally. To be counted, producers and landowners must return ballots to their local FSA county office or be postmarked by Dec. 6, 2021.

Producers must participate or cooperate in an FSA program to be eligible to vote in the county committee election. A cooperating producer is someone who has provided information about their farming or ranching operation but may not have applied or received FSA program benefits. Also, for County Committee elections, producers who are not of legal voting age, but supervise and conduct the farming operations of an entire farm, are eligible to vote.

Producers can find out if their LAA is up for election and if they are eligible to vote by contacting their local FSA county office. Eligible voters who do not receive a ballot in the mail can request one from their local FSA county office. To find your local USDA Service Center, visit farmers.gov/service-locator. Visit farmers.gov/service-locator. Visit farmers.gov/elections for more information.

Each committee has from three to 11 elected members who serve three-year terms of office, and at least one seat representing an LAA is up for election each year. Newly elected committee members will take office Jan.1, 2022.

Urban and Suburban County Committees

Ballots to elect urban committee members were sent beginning Nov. 1, 2021. These elections will serve local urban producers in the same jurisdiction. A fact sheet on the urban county committee election and a list of eligible cities can be found at fsa.usda.gov/elections.

The 2018 Farm Bill directed USDA to form urban county committees as well as make other advancements related to urban agriculture, including the establishment of the Office of Urban Agriculture and Innovative Production. Urban county committees will work to encourage and promote urban, indoor and other emerging agricultural production practices. Committee members will provide outreach to ensure urban producers understand USDA programs and serve as the voice of other urban producers. Additionally, the new county committees may address areas such as food access.

community engagement, support of local activities to promote and encourage community compost and food waste reduction. Learn more at farmers.gov/urban.

USDA Supports Military Veteran's Transition to Farming

Are you a military veteran interested in farming? USDA offers resources to help you:

- Fund Your Operation: USDA's Farm Service Agency offers a variety of <u>funding</u> <u>opportunities</u> to help agricultural producers finance their businesses. Certain funds are targeted for veterans and beginning farmers and ranchers.
- Conserve Natural Resources: USDA's Natural Resources Conservation Service
 offers conservation programs and expert one-on-one technical assistance to strengthen
 agricultural operations now and into the future. Veterans may be eligible for a cost share of up
 to 90 percent and advance payments of up to 50 percent to cover certain conservation
 practices.
- Manage Risks: USDA is here to help you prepare for and recover from the unexpected.
 Veterans who are beginning farmers may be eligible for reduced premiums, application fee waivers, increased insurance coverage, and other incentives for multiple <u>USDA programs that support risk management</u>.

USDA wants to ensure that veterans transitioning to agriculture have the resources needed to succeed. While USDA offices are currently closed to visitors because of the pandemic, Service Center staff continue to work with agricultural producers via phone, email, and other digital tools. To conduct business, please contact your local USDA Service Center. Additionally, more information related to USDA's response and relief for producers can be found at farmers.gov/coronavirus. If you're a new farmer, you can also reach out to your state Beginning Farmer and Rancher Coordinator.

FSA is Accepting CRP Continuous Enrollment Offers

The Farm Service Agency (FSA) is accepting offers for specific conservation practices under the Conservation Reserve Program (CRP) Continuous Signup.

In exchange for a yearly rental payment, farmers enrolled in the program agree to remove environmentally sensitive land from agricultural production and to plant species that will improve environmental health and quality. The program's long-term goal is to re-establish valuable land cover to improve water quality, prevent soil erosion, and reduce loss of wildlife habitat. Contracts for land enrolled in CRP are 10-15 years in length.

Under continuous CRP signup, environmentally sensitive land devoted to certain conservation practices can be enrolled in CRP at any time. Offers for continuous enrollment are not subject to competitive bidding during specific periods. Instead they are automatically accepted provided the land and producer meet certain eligibility requirements and the enrollment levels do not exceed the statutory cap.

For more information, including a list of acceptable practices, please visit fsa.usda.gov/crp.

USDA Expands Farmers.gov to Include Farm Records

Producers with farmers.gov accounts can now access farm records and maps online, the latest self-service feature added to the U.S. Department of Agriculture (USDA) website.

You can quickly and easily access your land information in real time by desktop computer, tablet or phone. Capabilities include:

- View, print and export detailed farm records such as cropland, base acres, yields, CRP acres, land ownership details, and much more;
- View, print and export farm/tract maps that can be provided to lenders, chemical or fertilizer providers, and FSA for reporting acreage and crop insurance agents; and
- Export common land unit (field) boundaries as ESRI shapefiles.

The ability to access these records on demand without a visit to the service center saves you time and money.

<u>Farmers.gov</u> now includes the most popular functionalities from FSAFarm+, the FSA portal for producers, while providing enhanced functionality and an improved user experience. A new enhancement expands the scope of accessibility to include farmers and ranchers who are members of an entity, as well as people with a power of attorney form (FSA-211) on file with FSA.

Managing USDA Business Online

Using farmers.gov, producers, entities and those acting on their behalf can also:

- View, upload, download, and e-sign conservation documents.
- Request financial assistance, including submitting a program application.
- View and submit conservation requests.
- View technical references and submit questions.
- Access information on current and past conservation practices, plans and contracts.
- Report practice completion and request practice certification.
- View farm loan and interest information (producers only).

Future plans include adding the ability to import and view other shapefiles, such as precision agriculture planting boundaries.

To access your information, you'll will need a <u>USDA eAuth account</u> to login to farmers.gov. After obtaining an eAuth account, producers should visit <u>farmers.gov</u> and sign into the site's authenticated portal via the <u>Sign In/Sign Up link</u> at the top right of the website. Google Chrome, Mozilla Firefox or Microsoft Edge are the recommended browsers to access the feature.

In addition to the self-service features available by logging into farmers.gov, the website also has ample information on USDA programs, including pandemic assistance, farm loans, disaster assistance, conservation programs and crop insurance. Recently, USDA updated the navigation and organization of the site as well as added some new webpages, including "Get Involved," "Common Forms," and "Translations." Learn more about these changes.

Linkage Requirements for Payments Received Under WHIP+ and/or QLA

If you received a payment under the Wildfires and Hurricanes Indemnity Program+ (WHIP+) or the Quality Loss Adjustment Program (QLA) for crop production and/or quality losses occurring in 2018, 2019, or 2020 crop years, you are required to meet linkage requirements by obtaining federal crop insurance or Non-Insured Crop Disaster Assistance Program (NAP) coverage at the 60/100 level, or higher, for both the 2022 and 2023 crop years.

When applying for WHIP+ or QLA, form FSA-895 (Crop Insurance and/or NAP Coverage Agreement) was submitted acknowledging the requirement to obtain federal crop insurance, if available, or NAP coverage if federal crop insurance is not available. The coverage requirement is applicable to the physical location county of the crop that received WHIP+ and/or QLA benefits.

Producers should not delay contacting their federal crop insurance agent or local county FSA Office to inquire about coverage options, as **failure to obtain the applicable coverage by the sales/application closing date will result in the required refund of WHIP+ benefits received on the applicable crop, plus interest.** You can determine if crops are eligible for federal crop insurance or NAP by <u>visiting the RMA website</u>.

For more information, visit fsa.usda.gov.

Applying for Farm Storage Facility Loans

The Farm Service Agency's (FSA) Farm Storage Facility Loan (FSFL) program provides 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 commodities include corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley, minor oilseeds harvested as whole grain, pulse crops (lentils, chickpeas and dry peas), hay, honey, renewable biomass, fruits, nuts and vegetables for cold storage facilities, floriculture, hops, maple sap, rye, milk, cheese, butter, yogurt, meat and poultry (unprocessed), eggs, and aquaculture (excluding systems that maintain live animals through uptake and discharge of water). Qualified facilities include grain bins, hay barns and cold storage facilities for eligible commodities.

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, visit fsa.usda.gov/pricesupport.

Applying for FSA Direct Loans

FSA offers direct farm ownership and direct farm operating loans to producers who want to establish, maintain, or strengthen their farm or ranch. Direct loans are processed, approved and serviced by FSA loan officers.

Direct farm operating loans can be used to purchase livestock and feed, farm equipment, fuel, farm chemicals, insurance, and other costs including family living expenses. Operating loans can also be used to finance minor improvements or repairs to buildings and to refinance some farm-related debts, excluding real estate.

Direct farm ownership loans can be used to purchase farmland, enlarge an existing farm, construct and repair buildings, and to make farm improvements.

The maximum loan amount for direct farm ownership loans is \$600,000 and the maximum loan amount for direct operating loans is \$400,000 and a down payment is not required. 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.

Please contact <u>your local FSA office</u> for more information or to apply for a direct farm ownership or operating loan.

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