

South Carolina FSA Newsletter for Farmers and Ranchers - December 2022

In This Issue:

- A Note from State Executive Director Laurie Funderburk
- <u>Biden-Harris Administration Announces \$3.1 Billion Investment for Climate-Smart Agriculture and Support for Underserved Farmers and Ranchers</u>
- 2023 Dairy Margin Coverage Deadline Extended Jan. 31, 2023, Last Day to Enroll
- <u>USDA Releases Nationwide Farmer, Rancher and Forest Manager</u> <u>Prospective Customer Survey</u>
- <u>Farmers Can Now Make 2023 Crop Year Elections, Enroll in Agriculture</u>
 Risk Coverage and Price Loss Coverage Programs
- FSA is Accepting CRP Continuous Enrollment Offers
- <u>Farmers.gov Feature Helps Producers Find Farm Loans that Fit Their</u>
 Operation
- Submit Loan Requests for Financing Early
- South Carolina Farm Bureau Wildlife Damage Survey: Complete by December 31st, 2022

A Note from State Executive Director Laurie Funderburk



Season's Greetings, South Carolina Farmers and Ranchers!

The holiday season is in full swing and Christmas is now less than two weeks away. There is much to be thankful for this year, and I would like to express my sincere appreciation to all our FSA employees for their dedication to serving South Carolina producers, as well as my appreciation for all our farmers and producers, including those that serve their local areas as members of their County Committee.

I am excited about the future of agriculture, and the emergence of a new generation of producers. Agriculture Secretary Tom Vilsack recently announced that the Biden-Harris Administration, through the

U.S. Department of Agriculture (USDA) is investing an additional \$325 million for 71 projects under the second funding pool of the <u>Partnerships for Climate-Smart Commodities</u> effort, bringing the total investment from both funding pools to over \$3.1 billion for 141 tentatively selected projects.

In October, Clemson University and South Carolina State University, in partnership, announced USDA's investment of \$70 million for the <u>Building Partnerships for Climate-Smart Commodities in South Carolina</u> project, which will utilize a coalition of 27 entities to provide incentives to farmers to implement climate smart (CS) production practices.

This is encouraging news for South Carolina producers, especially small and underserved producers, who have the most to gain from growing market demand for climate-smart commodities. And as always, FSA will be there to support our producers and their farming needs as they continually work to grow the agriculture industry in our state.

As 2022 comes to a close and we reflect back on this year, all of us at SC FSA thank you for your hard work, dedication, and commitment to South Carolina agriculture. In this season of joy and hope, I trust that you will enjoy holiday festivities, family traditions, and some much deserved rest and time with loved ones.

From all of us at South Carolina FSA, we wish you a very Merry Christmas!

Laurie Slade Funderburk State Executive Director



Biden-Harris Administration Announces \$3.1 Billion Investment for Climate-Smart Agriculture and Support for Underserved Farmers and Ranchers



Agriculture Secretary Tom Vilsack announced today that the Biden-Harris Administration, through the U.S. Department of Agriculture (USDA) is investing an additional \$325 million for 71 projects under the second funding pool of the Partnerships for Climate-Smart Commodities effort, bringing the total investment from both funding pools to over \$3.1 billion for 141 tentatively selected projects. Partnerships for Climate-Smart Commodities is working to expand markets for American producers, especially

small and underserved producers, who have the most to gain from growing market demand for climate-smart commodities. Learn More <u>HERE</u>.

2023 Dairy Margin Coverage Deadline Extended – Jan. 31, 2023, Last Day to Enroll



The U.S. Department of Agriculture (USDA) has extended the deadline for producers to enroll in <u>Dairy Margin Coverage (DMC)</u> and <u>Supplemental Dairy Margin Coverage (SDMC)</u> for program year 2023 to Jan. 31, 2023.

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.

Early projections indicate DMC payments are likely to trigger for the first eight months in 2023. Markets fluctuate, sometimes at a moment's notice and sometimes with no warning at all, so now's the time to ensure your operation is covered. Please don't let this second chance slide.

Nearly 18,000 operations that enrolled in DMC for 2022 have received margin payments for August and September for a total of \$76.3 million. 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, and military veteran farmers and 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 online <u>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. The enrollment period for 2023 Supplemental DMC is also extended to Jan. 31, 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

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%.

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

USDA touches the lives of all Americans each day in so many positive ways. Under the Biden-Harris administration, USDA is transforming America's food system with a greater focus on more resilient local and regional food production, fairer markets for all producers, ensuring access to safe, healthy and nutritious food in all communities, building new markets and streams of income for farmers and producers using climate smart food and forestry practices, making historic investments in infrastructure and clean energy capabilities in rural America, and committing to equity across the Department by removing systemic barriers and building a workforce more representative of America. To learn more, visit usda.gov.

USDA Releases Nationwide Farmer, Rancher and Forest Manager Prospective Customer Survey



Are you a farmer, rancher or forest manager? Please share your vital feedback with USDA by taking a nationwide survey at farmers.gov/survey! The survey is completely anonymous, will take about 10 minutes to complete, is available in multiple languages, and will be open until March 31, 2023. The survey focuses on gathering feedback about the Farm Service Agency, Natural Resources Conservation Service and Risk Management Agency.

All farmers, ranchers and forest managers are encouraged to take the survey. USDA would especially like to hear from prospective customers: those who don't know about USDA or have yet to work with USDA, and those who were unable to participate in the past. The survey will help USDA enhance support, improve programs and services, increase access, and advance equity for new and existing customers.

Deadline Approaching for Application to Emergency Relief Program Phase One

The deadline is nearing for producers to apply for assistance through the Emergency Relief Program (ERP) Phase One. Producers who are eligible for assistance through ERP Phase One and haven't already applied have until **Friday**, **Dec. 16**, **2022**, to apply to their local USDA Service Center to receive benefits through the program.

ERP is authorized under the *Extending Government Funding and Delivering Emergency Assistance Act*, which includes \$10 billion in assistance to agricultural producers impacted by wildfires, droughts, hurricanes, winter storms and other eligible disasters experienced during calendar years 2020 and 2021. ERP Phase One was <u>rolled out in May 2022</u> and has since paid more than \$7.1 billion nationally to producers. Under the Phase One program, USDA used existing federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) data as the basis for establishing program benefits. To learn more about this assistance program and others, visit: <u>Emergency Relief information page</u>.

Farmers Can Now Make 2023 Crop Year Elections, Enroll in Agriculture Risk Coverage and Price Loss Coverage Programs

Agricultural producers can now change election and enroll in the <u>Agriculture Risk Coverage</u> (ARC) and <u>Price Loss Coverage</u> programs for the 2023 crop year, two key safety net programs offered by the U.S. Department of Agriculture (USDA). Signup began Monday, and producers have until March 15, 2023, to enroll in these two programs. Additionally, USDA's Farm Service Agency (FSA) has started issuing payments totaling more than \$255 million to producers with 2021 crops that have triggered payments through ARC or PLC.

2023 Elections and Enrollment

Producers can elect coverage and enroll in ARC-County (ARC-CO) or PLC, which provide crop-by-crop protection, or ARC-Individual (ARC-IC), which protects the entire farm. Although election changes for 2023 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 2023, they must sign a new contract.

If producers do not submit their election by the March 15, 2023 deadline, their election remains the same as their 2022 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 that allows
 producers to obtain basic information regarding the decision and factors that should
 be taken into consideration such as future commodity prices and historic yields
 to estimate payments for 2022.

2021 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 2021 ARC-CO, ARC-IC and PLC for covered commodities that triggered for the crop year.

For ARC-CO, producers can view the <u>2021</u> ARC-CO Benchmark Yields and Revenues online database, for payment rates applicable to their county and each covered commodity. For PLC, payments have triggered for rapeseed and peanuts.

For ARC-IC, producers should contact their local FSA office for additional information pertaining to 2021 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

In 2021, producers signed nearly 1.8 million ARC or PLC contracts, and 251 million out of 273 million base acres were enrolled in the programs. For the 2022 crop year signed contracts surpassed 1.8 million, to be paid in the fall of 2023, if a payment triggers.

Since ARC and PLC were first authorized by the 2014 Farm Bill and reauthorized by the 2018 Farm Bill, these safety-net programs have paid out more than \$34.9 billion to producers of covered commodities.

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 USDA Service Center.

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, please visit fsa.usda.gov/nap.

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, visit <u>fsa.usda.gov/crp</u>.

Farmers.gov Feature Helps Producers Find Farm Loans that Fit Their Operation

Farmers and ranchers can use the *Farm Loan Discovery Tool* on farmers.gov to find information on USDA farm loans that may best fit their operations.

USDA's Farm Service Agency (FSA) offers a variety of loan options to help farmers finance their operations. From buying land to financing the purchase of equipment, FSA loans can help.

USDA conducted field research in eight states, gathering input from farmers and FSA farm loan staff to better understand their needs and challenges.

How the Tool Works

Farmers who are looking for financing options to operate a farm or buy land can answer a few simple questions about what they are looking to fund and how much money they need to borrow. After submitting their answers, farmers will receive information on farm loans that best fit their specific needs. The loan application and additional resources also will be provided.

Farmers can download application quick guides that outline what to expect from preparing an application to receiving a loan decision. There are four guides that cover loans to individuals, entities, and youth, as well as information on microloans. The guides include general eligibility requirements and a list of required forms and documentation for each type of loan. These guides can help farmers prepare before their first USDA service center visit with a loan officer.

Farmers can access the Farm Loan Discovery Tool by visiting farmers.gov/fund and clicking the "Start" button. Follow the prompts and answer five simple questions to receive loan information that is applicable to your agricultural operation. The tool is built to run on any modern browser like Chrome, Edge, Firefox, or the Safari browser, and is fully functional on mobile devices. It does not work in Internet Explorer.

About Farmers.gov

In 2018, USDA unveiled farmers.gov, a dynamic, mobile-friendly public website combined with an authenticated portal where farmers will be able to apply for programs, process transactions, and manage accounts.

The Farm Loan Discovery Tool is one of many resources on farmers.gov to help connect farmers to information that can help their operations. Earlier this year, USDA launched the My Financial Information feature, which enables farmers to view their loan information, history, payments, and alerts by logging into the website.

USDA is building farmers.gov for farmers, by farmers. In addition to the interactive farm loan features, the site also offers a Disaster Assistance Discovery Tool. Farmers can visit farmers.gov/recover/disaster-assistance-tool#step-1 to find disaster assistance programs that can help their operation recover from natural disasters.

For more information, please visit farmers.gov.

Submit Loan Requests for Financing Early

The Farm Loan teams in South Carolina are already working on operating loans for spring 2022 and asks potential borrowers to submit their requests early so they can be timely processed. The farm loan team can help determine which loan programs are best for applicants.

FSA offers a wide range of low-interest loans that can meet the financial needs of any farm operation for just about any purpose. The traditional **farm operating and farm ownership loans** can help large and small farm operations take advantage of early purchasing discounts for spring inputs as well expenses throughout the year.

Microloans are a simplified loan program that will provide up to \$50,000 for both Farm Ownership and Operating Microloans to eligible applicants. These loans, targeted for smaller and non-traditional operations, can be used for operating expenses, starting a new operation, purchasing equipment, and other needs associated with a farming operation. Loans to beginning farmers and members of underserved groups are a priority.

Other types of loans available include:

Marketing Assistance Loans allow producers to use eligible commodities as loan collateral and obtain a 9-month loan while the crop is in storage. These loans provide cash flow to the producer and allow them to market the crop when prices may be more advantageous.

Farm Storage Facility Loans can be used to build permanent structures used to store eligible commodities, for storage and handling trucks, or portable or permanent handling equipment. A variety of structures are eligible under this loan, including bunker silos, grain bins, hay storage structures, and refrigerated structures for vegetables and fruit. A producer may borrow up to \$500,000 per loan.

South Carolina Farm Bureau Wildlife Damage Survey: Complete by December 31st, 2022

Do you have Wildlife Problems on your Farm?

We need to know your story! Please take two minutes to complete the SCFB Wildlife Damage Survey for 2022.

Access our survey by one of the following:

- Enter the link shown below into your search bar on your browser: https://forms.gle/wtipGYumS7Jfns996
- Contact your County Farm Bureau Office for a paper copy.

Special note: You <u>MUST</u> submit your hard copy to your County Farm Bureau Office for it to be counted.

Thank you for your Participation in our Survey!

By: The South Carolina Farm Bureau Wildlife Advisory Committee

South Carolina Farm Service Agency

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