South Carolina FSA Newsletter for Farmers and Ranchers - April 2023

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A Note from State Executive Director Laurie Funderburk



Greetings, South Carolina Producers!

April brings warmer weather and new updates from USDA. This month we celebrate National Earth Day! <u>Earth Day</u> is an opportunity for all of us to raise awareness of the importance of protecting our natural resources and engage in conservation practices that will protect and sustain South Carolina's farmlands for generations to come.

USDA announced that agricultural producers and private landowners can begin applying for the <u>Grassland Conservation Reserve Program (CRP)</u> signup starting **April 17 through May 26, 2023.** Among CRP enrollment opportunities, Grassland CRP is unique as a <u>working lands program</u>, allowing producers and landowners to continue grazing and haying practices while protecting grasslands and promoting plant and

animal biodiversity and conservation.

Clemson University will host a meeting for forestry producers who would like to learn more about participating in the Climate-Smart Grown in SC project, which is funded through a \$70 million Climate-Smart Partnership grant from USDA. This project is being organized to increase the acreage and number of farmers using Climate-Smart (conservation) practices on their farms to reduce greenhouse gas emissions or sequester carbon. This virtual meeting will be held on **April 26, 2023, at 10 am, EST**. To register, please visit: Climate-Smart Grown in SC Forestry Program Interest Meeting

USDA has expanded Farmers.gov to include farm records. Producers with <u>farmers.gov accounts</u> can now quickly and easily access farm records and maps online in real time by desktop computer, tablet or phone. This helps to save both time and money by reducing visits to the USDA Service Center.

It's not too late for producers to be heard through the ag census, which occurs only once every five years. USDA's National Agricultural Statistics Service is continuing to contact producers via mail and telephone to collect information. **If you have already submitted your 2022 Census of Agriculture, thank you!** If you still need to respond, you can complete the census online at nass.usda.gov/AgCensus. For those preferring the paper option, another copy should be hitting your mailbox soon.

Lastly, USDA will begin *The People's Garden Webinar Series* on April 26, 2023, at 3 p.m. EST and will feature experts from USDA and beyond who will share planting tips and resources that benefit community gardens. They will also share on-the-ground stories of gardens making a difference by growing fresh, nutritious food for their communities. Webinars will be recorded and available for viewing on the USDA website. Register for the April 26 webinar and preview topics for upcoming monthly webinars at People's Garden Webinars | USDA

Again, thank you for all you do for agriculture in South Carolina!

Laurie Slade Funderburk State Executive Director

Share Your #Plant2023 Season



It's that time of year again, and we want to showcase your planting season on social media and blogs. To participate, just send us a photo and a bit of information. Learn more: https://www.farmers.gov/blog/share-your-plant-2023-stories

Register for free National Gardening Month webinar on April 26 at 3 p.m. ET



The People's Garden webinar series will begin on April 26 at 3 p.m. ET and will feature experts from USDA and beyond who will share planting tips and resources that benefit community gardens. We'll also share on-the-ground stories of gardens making a difference by growing fresh, nutritious food for their communities. Webinars will be recorded and available for viewing on our website.

Register for the April 26 webinar and preview topics for upcoming monthly

webinars at People's Garden Webinars | USDA

USDA Announces Grassland Conservation Reserve Program Signup for 2023



The U.S. Department of Agriculture (USDA) announced that agricultural producers and private landowners can begin applying for the Grassland Conservation Reserve Program (CRP) signup starting **April 17 through May 26, 2023.** Among CRP enrollment opportunities, Grassland CRP is unique as a *working lands program*, allowing producers and landowners to continue grazing and haying practices while protecting grasslands and promoting plant and animal biodiversity and conservation.

Protecting grasslands with CRP not only benefits participants with annual rental payments and cost share assistance; it also contributes positively to the economy of many regions, builds biodiversity, and provides important carbon sequestration benefits to deliver lasting climate outcomes.

More than 2.4 million acres were enrolled through the 2022 Grassland CRP Signup from agricultural producers and private landowners. That signup – the highest ever for the program– reflects the continued success and value of investments in voluntary, producer-led, working lands conservation programs. The

current total participation in Grassland CRP is 6.3 million acres, which is part of the 23 million acres enrolled in CRP opportunities overall.

Since 2021, the USDA's Farm Service Agency (FSA), which administers all CRP programs, has made several improvements to Grassland CRP to broaden the program's reach, including:

- Creating two <u>National Priority Zones</u> to put focus on environmentally sensitive land such as that prone
 to wind erosion.
- Enhanced offers with 10 additional ranking points to producers and landowners who are historically underserved, including beginning farmers and military veterans.
- Leverage the <u>Conservation Reserve Enhancement Program</u> (CREP) to engage historically underserved communities Tribal Nations in the Great Plains

Other CRP Signups

General CRP

General CRP signup closed on April 7. The program helps producers and landowners establish long-term, resource-conserving plant species, such as approved grasses or trees, to control soil erosion, improve water quality and enhance wildlife habitat on cropland. Additionally, General CRP includes a Climate-Smart Practice Incentive to help increase carbon sequestration and reduce greenhouse gas emissions by helping producers and landowners establish trees and permanent grasses, enhance wildlife habitat, and restore wetlands.

Continuous CRP

Under <u>Continuous CRP</u>, producers and landowners can enroll in CRP throughout the year. Offers are automatically accepted provided the producer and land meet the eligibility requirements and the enrollment levels do not exceed the statutory cap. The Climate-Smart Practice Incentive is also available in the Continuous signup.

FSA offers several additional enrollment opportunities within Continuous CRP, including the State Acres for Wildlife Enhancement (SAFE) Initiative, the Farmable Wetlands Program (FWP), and the Conservation Reserve Enhancement Program (CREP). Also available is the Clean Lakes Estuaries and Rivers Initiative CLEAR30 Initiative, which was originally piloted in twelve states but has been expanded nationwide, allowing producers and landowners to enroll in 30-year CRP contracts for water quality practices.

How to Sign Up

Landowners and producers interested in Grassland CRP, or any other CRP enrollment option, should contact their local USDA Service Center to learn more or to apply for the program before their deadlines.

Producers with expiring CRP acres can use the Transition Incentives Program (TIP), which incentivizes producers who sell or enter a long-term lease with a beginning, veteran, or socially disadvantaged farmer or rancher who plans to sustainably farm or ranch the land.

More Information

Signed into law in 1985, CRP is one of the largest voluntary private-lands conservation programs in the United States. It was originally intended to primarily control soil erosion and potentially stabilize commodity prices by taking marginal lands out of production. The program has evolved over the years, providing many conservation and economic benefits.

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 Announces Additional Assistance for Distressed Farmers Facing Financial Risk

The U.S. Department of Agriculture (USDA) today announced that beginning in April it will provide approximately \$123 million in additional, automatic financial assistance for qualifying farm loan program borrowers who are facing financial risk, as part of the \$3.1 billion to help distressed farm loan borrowers that was provided through Section 22006 of the Inflation Reduction Act (IRA). The announcement builds on financial assistance offered to borrowers through the same program in October 2022.

The IRA directed USDA to expedite assistance to distressed borrowers of direct or guaranteed loans administered by USDA's Farm Service Agency (FSA) whose operations face financial risk. For example, in the October payments, farmers that were 60 days delinquent due to challenges like natural disasters, the pandemic or other unexpected situations were brought current and had their next installment paid to give them breathing room.

In October 2022, <u>USDA provided approximately \$800 million</u> in initial IRA assistance to more than 11,000 **delinquent direct and guaranteed borrowers** and approximately 2,100 borrowers who had their farms liquidated and still had remaining debt. USDA shared that it would conduct case-by-case reviews of about 1,600 complex cases for potential initial relief payments, including cases of **borrowers in foreclosure or bankruptcy**. These case-by-case reviews are underway.

At the same time in October 2022, USDA announced that it anticipated payments using separate pandemic relief funding totaling roughly \$66 million on over 7,000 direct loans to borrowers who used the USDA Farm Service Agency's **disaster-set-aside** option during the COVID-19 pandemic. The majority of these payments have been processed and USDA anticipates it will complete all such payments in April 2023.

New Assistance for Distressed Borrowers

FSA intends to provide the new round of relief starting in April to additional distressed borrowers. This will include approximately \$123 million in automatic financial assistance for qualifying Farm Loan Program (FLP) direct loan borrowers who meet certain criteria. Similar to the automatic payments announced in October 2022, qualifying borrowers will receive an individual letter detailing the assistance as payments are made. Distressed borrowers' eligibility for these new categories of automatic payments will be determined based on their circumstances as of today. More information about the new categories that make up the \$123 million in assistance announced today and the specific amount of assistance a distressed borrower receives can be found described in this fact sheet, IRA Section 22006: Additional Automatic Payments, Improved Procedures, and Policy Recommendations.

To continue to make sure producers are aware of relief potentially available to them, all producers with open FLP loans will receive a letter detailing a new opportunity to receive assistance if they took certain extraordinary measures to avoid delinquency on their FLP loans, such as taking on more debt, selling property or cashing out retirement accounts. The letter will provide details on eligibility, the specific types of actions that may qualify for assistance, and the process for applying for and providing the documentation to seek that assistance.

These steps are part of a process USDA announced along with the October payments that is focused on assisting borrowers unable to make their next scheduled installment. Earlier this year, all borrowers should have received a letter detailing the process for seeking this type of assistance even before they become delinquent. Borrowers who are within two months of their next installment may seek a cashflow analysis from FSA using a recent balance sheet and operating plan to determine their eligibility.

Tax Resources

USDA will continue to work with the Department of Treasury to help borrowers understand the potential tax implications from the receipt of an IRA payment, including that options may be available to potentially avoid or alleviate any tax burden incurred as a result of receiving this financial assistance.

In early April, USDA will send a specific set of revised tax documents, educational materials and resources to borrowers that received assistance in 2022, including a link to a webinar hosted by a group of farm tax experts to provide education on the options available. USDA cannot provide tax advice and encourages borrowers to consult their own tax professional, but FSA is providing educational materials for borrowers to be aware of the options. USDA has tax-related resources available at farmers.gov/taxes.

Improved Procedures and Policy Recommendations

FSA is finalizing changes to its policy handbooks to remove unnecessary hurdles, improve loan making and loan servicing and provide more flexibility on how loans are structured to maximize the opportunities for borrowers. Additional details on those changes can be found in the linked fact sheet and are the start of a broader set of process enhancements. The fact sheet also provides information on the eight, no-cost legislative proposals included in the Fiscal Year 2024 President's Budget that are designed to improve the borrower experience.

USDA Announces Signup for Pandemic Assistance Revenue Program

The Pandemic Assistance Revenue Program (PARP) will assist eligible producers of agricultural commodities who experienced revenue decreases in calendar year 2020 compared to 2018 or 2019 due to the COVID-19 pandemic. PARP will help address gaps in previous pandemic assistance, which was targeted at price loss or lack of market access, rather than overall revenue losses.

USDA's Farm Service Agency will accept PARP applications from January 23, 2023, through June 2, 2023.

Eligible and Ineligible Commodities

For PARP, eligible agricultural commodities include crops, aquaculture, livestock, livestock byproducts, or other animals or animal byproducts that are produced as part of a farming operation and are intended to be commercially marketed. This includes only commodities produced in the United States or those produced outside the United States by a producer located in the United States and marketed inside the United States.

The following commodities are not eligible for PARP:

- · Wild free-roaming animals.
- Horses and other animals used or intended to be used for racing or wagering.
- Aguatic species that do not meet the definition of aguaculture.
- Cannabis sativa L. and any part of that plant that does not meet the definition of hemp.
- Timber.

Program Eligibility

PARP payments will be made on a whole-farm basis, not commodity-by-commodity. To be eligible for PARP, an agricultural producer must have been in the business of farming during at least part of the 2020 calendar year and must have experienced a 15 percent decrease in allowable gross revenue in 2020, as compared to either:

- The 2018 or 2019 calendar year, as elected by the producer, if they received allowable gross revenue during the 2018 or 2019 calendar years, or
- The producer's expected 2020 calendar year allowable gross revenue, if the producer had no allowable gross revenue in 2018 or 2019.

PARP payments will be issued after the application period ends on June 2, 2023.

For more information on determining allowable gross revenue visit <u>farmers.gov/coronavirus/pandemicassistance/parp</u> or review the <u>PARP fact sheet</u>.

More Information

To apply for PARP, contact your <u>local USDA Service Center</u>.

Report Noninsured Crop Disaster Assistance Program (NAP) Losses

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.

To receive payment, you had to purchase NAP coverage for 2023 crops and file a notice of loss the earlier of 15 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.

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 USDA Service Center or visit fsa.usda.gov/nap.

USDA Launches Loan Assistance Tool to Enhance Equity and Customer Service

The U.S. Department of Agriculture (USDA) launched a new online tool to help farmers and ranchers better navigate the farm loan application process. This uniform application process will help to ensure all farm loan applicants receive equal support and have a consistent customer experience with USDA's Farm Service Agency (FSA) regardless of their individual circumstances.

USDA experiences a high rate of incomplete or withdrawn applications, particularly among underserved customers, due in part to a challenging and lengthy paper-based application process. The Loan Assistance Tool is available 24/7 and gives customers an online step-by-step guide that supplements the support they receive when working in person with a USDA employee, providing materials that may help an applicant prepare their loan application in one tool.

Farmers can access the Loan Assistance Tool by visiting <u>farmers.gov/farm-loan-assistance-tool</u> and clicking the 'Get Started' button. From here they can follow the prompts to complete the Eligibility Self-Assessment

and start the farm loan journey. 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.

The Loan Assistance Tool is the first of multiple farm loan process improvements that will be available to USDA customers on farmers.gov in the future. Other improvements and tools that are anticipated to launch in 2023 include:

- A streamlined and simplified direct loan application, reduced from 29 pages to 13 pages.
- An interactive online direct loan application that gives customers a paperless and electronic signature
 option, along with the ability to attach supporting documents such as tax returns.
- An online direct loan repayment feature that relieves borrowers from the necessity of calling, mailing, or visiting a local Service Center to pay a loan installment.

Background

USDA provides access to credit to approximately 115,000 producers who cannot obtain sufficient commercial credit through direct and guaranteed farm loans. With the funds and direction Congress provided in Section 22006 of the Inflation Reduction Act, USDA is taking action to immediately provide relief to qualifying distressed borrowers whose operations are at financial risk while working on making transformational changes to loan servicing so that borrowers are provided the flexibility and opportunities needed to address the inherent risks and unpredictability associated with agricultural operations.

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, please visit fsa.usda.gov/pricesupport.

Guide Available for Underserved Farmers, Ranchers

A multi-agency guide for USDA assistance for underserved farmers and ranchers is now available. If you are a farmer or rancher and are a minority, woman, veteran, beginning, or limited resource producer, you can use this booklet to learn about assistance and targeted opportunities available to you. This includes programs offered through the Farm Service Agency, Natural Resources Conservation Service, and Risk Management Agency.

<u>Download the guide here</u>. The guide is also available in Spanish, Hmong, Korean, Vietnamese, Thai and Chinese on farmers.gov/translations.

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