

South Carolina FSA Newsletter for Farmers and Ranchers - September 2023

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A Note from State Executive Director Laurie Funderburk



Greetings, South Carolina Producers!

September is here and the cooler days of autumn are right around the corner. As the weather in South Carolina begins to change, please be mindful that hurricane season has not ended. USDA encourages ag producers and residents to prepare for a hurricane well in advance. USDA staff in regional, state and county offices stand ready to help during the time of crisis. Also, the Risk Management Agency has released the counties in Florida, Georgia and South Carolina that triggered for Hurricane Insurance Protection-Wind Index (HIP-WI) Payment Indicator for Hurricane Idalia.

The month of September also brings important updates from the United States Department of Agriculture (USDA). USDA

designated <u>Horry County as a primary natural disaster area</u> due to recent excessive rain and high winds in July. This designation extends emergency credit to eligible producers

recovering from the natural disaster, and impacts landowners in Dillon, Georgetown, and Marion counties, as well.

<u>USDA announced Milk Loss Program (MLP) assistance</u> for eligible dairy operations for milk that was dumped or removed, without compensation, from the commercial milk market due to qualifying weather events and the consequences of those weather events that inhibited delivery or storage of milk (e.g., power outages, impassable roads, infrastructure losses, etc.) during calendar years 2020, 2021 and 2022. Signup for MLP begins Sept. 11 and runs through Oct. 16, 2023.

USDA recently <u>announced</u> that, in partnership with <u>Action for Healthy Kids</u>, it will be awarding nearly \$30M in subgrants to <u>264 school districts</u> in 44 states and D.C. to implement its Healthy Meals Incentives Initiative (HMI), which help improve the nutritional quality of school meals and modernize school meal operations. Four school districts in South Carolina will be awarded grants from the counties of Edgefield, Lee, Lexington and Spartanburg.

Lastly, the Farm Service Agency (FSA) and the Natural Resources Conservation Service (NRCS) will be hosting a *grand opening ceremony for the new Greenville and Pickens USDA Service Center location on September 26, 2023*. In addition to the invitation sent from the local office, I would like to personally invite landowners in Greenville and Pickens counties to join us. We look forward to seeing you!

As always, thank you for all you do for South Carolina agriculture.

Laurie Slade Funderburk State Executive Director

USDA Announces Milk Loss Assistance for Dairy Operations Impacted by 2020, 2021 and 2022 Disaster Events



USDA announced Milk Loss Program (MLP) assistance for eligible dairy operations for milk that was dumped or removed, without compensation, from the commercial milk market due to qualifying weather events and the consequences of those weather events that inhibited delivery or storage of milk (e.g., power outages, impassable roads, infrastructure losses, etc.) during calendar years 2020, 2021 and 2022. Administered by the

Farm Service Agency (FSA), signup for MLP begins Sept. 11 and runs through Oct. 16, 2023.

Background

On Dec. 29, 2022, President Biden signed into law the *Extending Government Funding and Delivering Emergency Assistance Act* (P.L. 117-43), providing \$10 billion for crop losses, including milk losses due to qualifying disaster events that occurred in calendar years 2020 and 2021. Additionally, the *Disaster Relief Supplemental Appropriations Act, 2023* (Pub. L. 117-328) provides approximately \$3 billion for disaster assistance for similar losses that occurred in calendar year 2022.

Eligibility

MLP compensates dairy operations for milk dumped or removed without compensation from the commercial milk market due to qualifying disaster events, including droughts, wildfires, hurricanes, floods, derechos, excessive heat, winter storms, freeze (including a polar vortex), and smoke exposure that occurred in the 2020, 2021 and 2022 calendar years. Tornadoes are considered a qualifying disaster event for calendar year 2022 only.

The milk loss claim period is each calendar month that milk was dumped or removed from the commercial market. Each MLP application covers the loss in a single calendar month. Milk loss that occurs in more than one calendar month due to the same qualifying weather event requires a separate application for each month.

The days that are eligible for assistance begin on the date the milk was removed or dumped and for concurrent days milk was removed or dumped. Once the dairy operation restarts milk marketing, the dairy operation is ineligible for assistance unless after restarting commercial milk marketing, additional milk is dumped due to the same qualifying disaster event. The duration of yearly claims is limited to 30 days per year for 2020, 2021 and 2022.

How to Apply

To apply for MLP, producers must submit:

- FSA-376, Milk Loss Program Application
- Milk marketing statement from the:
 - Month prior to the month milk was removed or dumped.
 - o Affected month.
- Detailed written statement of milk removal circumstances, including the weather event type and geographic scope, what transportation limitations occurred and any information on what was done with the removed milk.
- Any other information required by the regulation.

If not previously filed with FSA, applicants must also submit all the following items within 60 days of the MLP application deadline:

- Form AD-2047, Customer Data Worksheet.
- Form CCC-902, Farm Operating Plan for an individual or legal entity.
- Form CCC-901, Member Information for Legal Entities (if applicable).
- Form FSA-510, Request for an Exception to the \$125,000 Payment Limitation for Certain Programs (if applicable).
- Form CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification, (if applicable).
- A highly erodible land conservation (sometimes referred to as HELC) and wetland conservation certification (Form AD-1026 Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification) for the MLP producer and applicable affiliates.

Most producers, especially those who have previously participated in FSA programs, will likely have these required forms already on file. However, those who are uncertain or want to confirm the status of their forms can contact their local FSA county office.

MLP Payment Calculation

The final MLP payment is determined by factoring the MLP payment calculation by the applicable MLP payment percentage.

The calculation for determining MLP payment is:

 ((Base period per cow average daily milk production x the number of milking cows in a claim period x the number of days milk was removed or dumped in a claim period) ÷ 100) x pay price per hundredweight (cwt.).

For MLP payment calculations, the milk loss base period is the first full month of production before the dumping or removal occurred.

The MLP payment percentage will be 90% for underserved producers, including socially disadvantaged, beginning, limited resource, and veteran farmers and ranchers and 75% for all other producers.

To qualify for the higher payment percentage, eligible producers must have a CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification, form on file with FSA for the 2022 program year.

Adjusted Gross Income (AGI) limitations do not apply to MLP, however the payment limitation for MLP is determined by the person's or legal entity's average adjusted gross farm income (income derived from farming, ranching and forestry operations). Specifically, a person or legal entity, other than a joint venture or general partnership, cannot receive, directly or indirectly, more than \$125,000 in payments under MLP if their average adjusted gross farm income is less than 75% of their average AGI or more than \$250,000 if their adjusted gross farm income is at least 75% of their average AGI.

More Information

In other FSA dairy safety-net support, <u>Dairy Margin Coverage (DMC)</u> program payments have triggered every month, January through July, for producers who obtained coverage for the 2023 program year. July 2023's income over feed margin of \$3.52 per hundredweight (cwt.) is the lowest margin since DMC program benefits to dairy producers started in 2019. To date, FSA has paid more than \$1 billion in DMC benefits to covered dairy producers for the 2023 program year.

Additionally, FSA closed the <u>Organic Dairy Marketing Assistance Program (ODMAP)</u> application period on Aug. 11.

On farmers.gov, the <u>Disaster Assistance Discovery Tool</u>, <u>Disaster Assistance-at-a-Glance fact sheet</u> and <u>Loan Assistance Tool</u> can help producers and landowners determine program or loan options. For assistance with a crop insurance claim, producers and landowners should contact their <u>crop insurance agent</u>. For FSA and NRCS programs, they should contact their local USDA Service Center.

USDA Updates Livestock Disaster Payment Rate to Assist Producers Hard-Hit by Heat and Humidity

FSA is updating the <u>Livestock Indemnity Program (LIP)</u> payment rate to support livestock producers in the Midwest who have lost cattle to the extreme heat and humidity experienced this summer. To help indemnify ranchers to reflect a trend towards higher cattle weights in feedlots, the 2023 LIP payment rate for beef calves over 800 pounds will increase from \$1244 per head to \$1618, an increase of \$374.

LIP provides benefits to livestock owners and some contract growers for livestock deaths exceeding normal mortality from eligible adverse weather events, certain predation losses and reduced sales prices due to injury from an eligible loss. Indemnity payments are made at a rate of 75% of the prior year's average fair market value of the livestock.

The updated LIP payment rate is effective immediately and will be applied retroactively starting Jan.1, 2023, for all eligible causes of loss including excessive heat, tornado, winter storms, and other qualifying adverse weather. Producers who have already received LIP payments for 2023 losses will receive an additional payment, if applicable, commensurate with this updated rate. For details on eligibility and payment rates, review the LIP fact sheet.

FSA recognizes that an annual update of LIP payment rates does not account for the volatile nature of livestock markets and is further exploring flexibilities to establish more current payment rates.

More Information

On <u>farmers.gov</u>, the <u>Disaster Assistance Discovery Tool</u>, <u>Disaster Assistance-at-a-Glance fact sheet</u>, and <u>Loan Assistance Tool</u> can help producers and landowners determine program or loan options. For assistance with a crop insurance claim, producers and landowners should contact their <u>crop insurance agent</u>. For FSA and NRCS programs, they should contact their <u>local USDA Service Center</u>.

Upcoming Urban Agriculture and Innovative Production Opportunities

Agriculture brings so much value to our communities, including food production, open space, and economic prosperity. This is true no matter where an agricultural operation is located – whether rural or urban. USDA is committed to working with farms of all sizes and in all locations, including those in urban areas.

Our commitment includes opening new offices and providing staff expertise in urban communities to increase access to services designed to meet the unique operational needs of urban producers. Last month, Agriculture Secretary Tom Vilsack <u>announced a series of investments</u> in urban agriculture and food and market access, including \$40 million for initiatives supporting urban and suburban producers. As part of that announcement, we are proud to highlight several new services and opportunities that our urban agricultural customers can look forward to and access in 2023 and beyond.

Visiting a New Urban Service Center

USDA works with agricultural producers through a network of more than 2,300 Service Centers nationwide. These Service Centers are where producers can meet face-to-face with Farm Service Agency (FSA) and Natural Resources Conservation Service (NRCS) employees to discuss their vision, goals, and ways USDA can help.

We're excited to announce that FSA and NRCS collaborated to open 17 new <u>Urban Service Centers</u>, which will offer personalized assistance with farm loans, conservation, disaster assistance, and risk management programs to producers in and near urban areas and communities. These new Urban Service Centers are located in: Albuquerque, NM; Atlanta, GA; Chicago, IL; Cleveland, OH; Dallas, TX; Detroit, MI; Grand Rapids, MI; Los Angeles, CA; Oakland, CA; Minneapolis-St. Paul, MN; New Orleans, LA; New York, NY; Philadelphia, PA; Phoenix, AZ; Portland, OR; Richmond, VA; and St. Louis, MO.

If you farm in one of these locations, we encourage you to reach out to <u>your local Urban</u>
<u>Service Center staff</u>. If not, you can find the Service Center nearest you on our <u>Service Center</u>
<u>Locator</u>.

If you're new to working with us, don't worry, we have a <u>checklist on how to prepare for your</u> visit and what to expect.

Serving on an Urban County Committee

Serving on an urban county committee is an important opportunity for urban producers to affect USDA priorities and funding. Urban county committee members make decisions that impact local urban growers, and share information with USDA staff to provide urban producers better and more efficient access to USDA programs and services. Urban county committee members serve as spokespeople on USDA's available resources and encourage and promote urban, indoor, innovative and other emerging agricultural production practices.

This year, USDA is adding 10 new urban county committees to the 17 that currently exist nationwide. The cities with new urban county committees will be Boston, MA; Columbia, SC; Denver, CO; Houston, TX; Jackson, MS; Kansas City, MO; Las Vegas, NV; Little Rock, AR; Memphis, TN; and Pittsburgh, PA.

To learn more about county committees, including urban county committees, visit the <u>county</u> <u>committees webpage</u>.

Taking Advantage of Training and Professional Development Opportunities

To make sure that the Urban Service Centers and urban county committees will be as effective as they can be, USDA is partnering with local and national organizations to train USDA staff about how best to serve urban producers. These organizations will also provide outreach, training, and technical assistance for producers and interested community members in urban areas. More information about professional development opportunities from our partners will be coming shortly.

Currently, USDA offers live and on-demand webinars on topics that are of interest to urban producers, including the <u>People's Garden webinar series</u>, <u>farm record tutorials</u>, and <u>tax</u> assistance videos.

Learning More about Future Funding and Other Opportunities

USDA's Office of Urban Agriculture and Innovative Production publishes a monthly newsletter with resources for urban and innovative producers, including lists of grant and technical assistance programs that are accepting applications. To receive the newsletter, subscribe to USDA emails on farmers.gov by selecting "Urban Agriculture and Innovative Production" from the list of topics.

The zip code or size of a community should not determine whether families can purchase healthy, locally grown food. Through programs like these, USDA is investing in America's urban and suburban communities and strengthening local food systems. We look forward to building on this great work with future expansions to support our urban customer base.

Financial Assistance Application Process Opens for USDA Farm Loan Borrowers Who Have Faced Discrimination

The U.S. Department of Agriculture (USDA) announced the opening of the financial assistance application process for eligible farmers, ranchers, and forest landowners who experienced discrimination in USDA farm lending programs prior to January 2021. Section 22007 of the Inflation Reduction Act (IRA) directs USDA to provide this assistance. Since the law's passage, USDA has worked diligently to design the program in accordance with significant stakeholder input.

The program website, <u>22007apply.gov</u>, is now open. The website includes an English- and Spanish-language application that applicants can download or submit via an e-filing portal, information on how to obtain technical assistance in-person or virtually, and additional resources and details about the program.

Farmers, ranchers, and forest landowners who experienced discrimination by USDA in its farm loan programs prior to January 1, 2021 and/or are currently debtors with assigned or assumed USDA farm loan debt that was the subject of USDA discrimination that occurred prior to January 1, 2021, are eligible for this program.

To apply, borrowers have the option to apply via the e-filing portal at 22007apply.gov or submit paper-based forms via mail or in-person delivery to the program's local offices. The application process will be open from July 7 to October 31, 2023. Under the planned timeline, applications will be reviewed in November and December, with payments reaching recipients soon thereafter. Importantly, applicants should know that the application process is not on a first come, first served, basis. All applications received or postmarked before the October 31 deadline will be considered.

To support producers throughout the application process, USDA is ensuring that organizations with extensive experience conducting outreach to farm organizations are able to support

individuals who may be eligible for the program. These groups include <u>AgrAbility</u>, <u>Farmer Veteran Coalition</u>, <u>Farmers' Legal Action Group</u>, <u>Federation of Southern Cooperatives</u>, <u>Intertribal Agriculture Council</u>, <u>Land Loss Prevention Program</u>, <u>National Young Farmers Coalition</u>, and Rural Coalition.

Vendors operating four regional hubs are also providing technical assistance and working closely with these and other community-based organizations to conduct outreach using digital and grassroots strategies, to ensure potential applicants are informed about the program and have the opportunity to apply. These hubs are operating a network of brick-and-mortar program offices and will conduct extensive outreach about the program. Windsor Group serves farmers in the eastern regions of the U.S. and Analytic Acquisitions serves the western regions. A national administrator, Midtown Group, is responsible for program oversight and integrity, and will lead a national call-center, operate the application website - 2007apply.gov, which is now open – and review and process applications and payments. All vendors have experience in professional services, supporting government contracts, and complex program operations.

Landowners can visit our South Carolina location for assistance here: 100 South Congress St., Winnsboro, SC 29180.

On March 1, 2023, USDA shared initial <u>details on how the Section 22007 program will</u> <u>work</u>, including that the Inflation Reduction Act specifies the Secretary of Agriculture is responsible for providing this assistance through qualified nongovernmental entities, under standards set by USDA. USDA entered into agreements with vendors and cooperators in May.

In addition to the Discrimination Financial Assistance Program (DFAP) opening today, the Inflation Reduction Act also created several other programs that are helping USDA rebuild trust, address systemic issues and improve service to people who may have been underserved by USDA in the past. Information about USDA's equity agenda and progress is available at www.usda.gov/equity.

In standing up this program, USDA has become aware of some lawyers and groups spreading misleading information about the discrimination assistance process, pressuring people to sign retainer agreements, and asking people to fill out forms with private and sensitive information. As of today, the official application process has begun and filling out an application is **free**.

No attorneys' fees will be paid to applicants or their counsel by USDA or by any other agency or department of the United States. The amount of financial assistance will not be increased for those claimants who are represented by an attorney. Applicants are not required to retain an attorney. USDA, the national administrator, and the regional hub vendors will neither recommend that any applicant retain counsel or retain a specific attorney or law firm, nor discourage an applicant from obtaining counsel or using a specific attorney or law firm. For more information, read our <u>fact sheet about the program timeline and ways to protect against possible scams.</u>

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, promoting competition and 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 www.usda.gov.

Ask the Expert: Customer Farm Records Mapping Q&A with Gwen Uecker

In this Ask the Expert, Gwen Uecker answers a few questions about USDA's farmers.gov customer portal. Gwen serves as the Team Lead for the Program Delivery Division (PDD), Common Processes Branch for the Deputy Administrator of Farm Program within Farm Service Agency (FSA). She helps lead PDD's effort to provide personalized customer information via farmers.gov.

A farmers.gov account provides self-service opportunities to FSA and Natural Resources Conservation Service (NRCS) customers via a secure authenticated access process.

What is the value of Customer Farm Records Mapping and why should producers use farmers.gov?

Customer Farm Records Mapping (cFRM) provides you with self-help options and access to FSA data from home 24/7. For example, you do not have to wait for FSA to mail out maps for acreage reporting or make a special trip to the office to pick up your maps. You can print farm tract maps directly from farmers.gov.

New features include the ability to import precision agriculture planting boundaries and create labels containing crop information that can be printed on-farm tract maps. The maps can then be provided to FSA at the local USDA Service Center for completing the annual crop acreage report. You can use the draw tools to determine acres in a drawn area. The drawn area can be printed on a map and provided to the Service Center, a third party such as a chemical applicator, or exported as a feature file for use in other geospatial applications.

In addition, you can "Switch Profile" to view cFRM data for individuals or entities you are authorized to act on behalf of. This means you can view and print maps for your entity's farms. Producers can also view and print farm records details, including base and yield information (FSA-156EZ).

The FSA Farm Records Mapping page is accessed by clicking the blue "View Farm Records" button from the farmers.gov LAND tab.

To read the full blog visit <u>Ask the Expert: Customer Farm Records Mapping Q&A with Gwen Uecker | Farmers.gov</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 <u>local USDA Service Center</u> or visit <u>fsa.usda.gov/nap</u>.

Ask the Expert: A Q&A on Farm Storage Facility Loans

In this *Ask the Expert*, Toni Williams answers questions about how Farm Storage Facility Loans (FSFLs) provide low-interest financing to help producers build or upgrade commodity storage facilities. Toni is the Agricultural Program Manager for FSFLs at the Farm Service Agency (FSA).

Toni has worked for FSA for more than 32 years and is responsible for providing national policy and guidance for Farm Storage Facility Loans.

What are Farm Storage Facility Loans?

Farm Storage Facility Loans provide low-interest financing for eligible producers to build or upgrade facilities to store commodities.

The FSFL program was created in May 2000 to address an existing grain shortage. Historically, FSFLs benefitted grain farmers, but a change in the 2008 Farm Bill extended the program to fruit and vegetable producers for cold storage. An additional change extended the program to washing and packing sheds, where fresh produce is washed, sorted, graded, labeled, boxed up, and stored before it heads to market. Since May 2000, FSA has made more than 40,000 loans for on-farm storage.

Eligible facility types include grain bins, hay barns, bulk tanks, and facilities for cold storage. Drying and handling and storage equipment including storage and handling trucks are also eligible. Eligible facilities and equipment may be new or used, permanently affixed or portable.

To read the full blog visit <u>farmers.gov/blog/ask-the-expert-qa-on-farm-storage-facility-loans-with-toni-williams</u>.

Avoid Scams Related to USDA Financial Assistance for Farmers Facing Discrimination

The Inflation Reduction Act provides \$2.2 billion in financial assistance for farmers, ranchers, and forest landowners who experienced discrimination in USDA's farm lending programs prior to January 1, 2021.

USDA has become aware of some lawyers and groups spreading misleading information about this process, pressuring people to sign retainer agreements, and asking people to fill out forms with private and sensitive information.

Application forms for this program **are not yet available** and the **application filing period has not started**. Before the application process opens, USDA will publish a list of trusted community organizations located across the country that will provide **FREE** help completing applications.

Please beware of organizations seeking to file your application for a fee. Filing an application for the program will be **FREE**. You **will not** need a lawyer to file an application for this program. If you feel the need for legal advice, seek the assistance of a trusted, licensed attorney.

Beware of solicitations by mail, email, or phone calls from individuals claiming to be connected to USDA. **USDA will not solicit you for information.**

The most up-to-date information on this program will be posted at www.farmers.gov/22007, a USDA website. Please check there for any concerns or reach out to your local FSA office. To find your local office, visit farmers.gov/service-locator.

If you believe there is an organization conducting a scam related to this process, please contact the USDA Office of the Inspector General (OIG) or any other appropriate authorities. The USDA OIG hotline can be accessed online at https://usdaoig.oversight.gov/hotline and by phone at (800) 424-9121.

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