

South Carolina FSA Newsletter for Farmers and Ranchers - January 2024

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A Note from State Executive Director Laurie Funderburk



Greetings, South Carolina Producers!

Happy New Year! I hope that you had a joyous holiday season and are ready to embrace the new year. South Carolina FSA has hit the ground running, and I have several new opportunities to share with you.

The U.S. Department of Agriculture (USDA) is now accepting applications for the Continuous Conservation Reserve Program (Continuous CRP). FSA encourages South Carolina landowners who are interested in conservation opportunities for their land in exchange for yearly rental payments to consider the enrollment options available through Continuous CRP. Also, producers participating in CRP can now apply to re-enroll if their contracts will expire this year.

The Clemson University <u>South Carolina New and Beginning Farmer Program (SCNBFP)</u> is now accepting applications for 2024. The program will run from May – December 2024 and includes a series of ten core agribusiness workshops focused on farm business management. The USDA-National Institute of Food and Agriculture (USDA-NIFA) awarded the SCNBFP a \$600,000 grant in

2022 and will continue to support the South Carolina New and Beginning Farmer Program through 2024.

The South Carolina Department of Agriculture (SCDA) will be hosting a Local Food Purchase Assistance (LFPA) Program workshop titled, "Farm Finances: How to Manage Your Finances when Selling Wholesale," on February 22, 2024, at the Horry County Clemson Extension Building. Please CLICK HERE for more information and to register to attend.

The USDA Agricultural Marketing Service and the South Carolina Department of Agriculture (SCDA) are partnering to offer over \$4 million in competitive grants under the Resilient Food System Infrastructure program, or RFSI. These grants support middle-of-the-food-supply-chain infrastructure for domestic food and farm businesses and other eligible entities. The application deadline for the Simplified Equipment-Only Grant is February 9, 2024, and the application deadline for the Infrastructure Grant is March 1, 2024.

Congratulations to Dr. Willette Crawford, Director for the Center of Food Safety and Health at South Carolina State University, for her recent appointment by USDA to the <u>Advisory Committee on Minority Farmers</u>. This committee was established by Congress in the Food Conservation and Energy Act of 2008 to ensure that underserved farmers have equal access to USDA programs, as well as make recommendations to the Secretary on how to increase minority participation in USDA programs.

Lastly, I would like to remind our producers that USDA can help you prepare for and recover from severe winter weather. Winter storms that bring ice or snow can create significant challenges for producers and often result in catastrophic loss, especially for those raising livestock and vulnerable crops, such as peaches and strawberries. As you prepare for the impacts of potential winter weather this season, please know that USDA offers several programs to help with recovery. Please read below for more information.

I am proud to be a part of an agency focused on serving our nation's farmers and ranchers, and I look forward to working with you in 2024!

Laurie Slade Funderburk State Executive Director

USDA Helps Producers Prepare for and Recover from Severe Winter Weather



Winter storms create significant challenges and often result in catastrophic loss for agricultural producers, especially for those raising livestock, row crops and vulnerable crops like citrus. Despite every attempt to mitigate risk, your operation may suffer losses. As you prepare for the potential impacts of upcoming winter weather, know that USDA offers several programs to help with recovery.

Risk Management

For producers who have risk protection through <u>Federal Crop Insurance</u> or the <u>Noninsured Crop Disaster Assistance Program</u> (NAP), we want to remind you to report crop damage to your crop insurance agent or the local Farm Service Agency (FSA) office.

If you have crop insurance, contact your agency within 72 hours of discovering damage and be sure to follow up in writing within 15 days. If you have NAP coverage, file a Notice of Loss (also called Form CCC-576) within 15 days of loss becoming apparent, except for hand-harvested crops, which should be reported within 72 hours.

Disaster Assistance

USDA also offers disaster assistance programs, which are especially important to livestock, fruit and vegetable, specialty and perennial crop producers.

First, the Livestock Indemnity Program (LIP) and Emergency Assistance for Livestock, Honeybee and Farm-raised Fish Program (ELAP) reimburses producers for a portion of the value of livestock, poultry and other animals that died as a result of a qualifying natural disaster event– like these winter storms – or for loss of grazing acres, feed and forage. To participate in LIP and ELAP, you will need to file a Notice of Loss by the annual program payment application date. The LIP payment application and notice of loss deadline is Feb. 29, 2024, for the 2023 program year and March 3, 2025, for 2024 program year losses. For ELAP, producers are required to complete and a notice of loss to their local FSA office no later than the annual program application deadline of January 30 following the program year in which the loss occurred.

Next, the <u>Tree Assistance Program</u> (TAP) provides cost share assistance to rehabilitate and replant tree, vines or shrubs loss experienced by orchards and nurseries. This complements NAP or crop insurance coverage, which covers the crop but not the plants or trees in all cases.

For TAP, you will need to file a program application within 90 days of the disaster event or the date when the loss of the trees, bushes, or vines is apparent.

Documentation

It's critical to keep accurate records to document all losses following this devastating cold weather event. Livestock producers are advised to document beginning livestock numbers by taking time and date-stamped video or pictures prior to and after the loss.

Other common documentation options include:

- Purchase records
- Production records
- Vaccination records
- Bank or other loan documents
- Third-party certification

Other Programs

The <u>Emergency Conservation Program</u> and <u>Emergency Forest Restoration Program</u> can assist landowners and forest stewards with financial and technical assistance to restore fencing, damaged farmland or forests, and remove snow from feed stocks, water supplies, and feeding areas.

Additionally, FSA offers a variety of loans available including emergency loans that are triggered by disaster declarations and operating loans that can assist producers with credit needs. You can use these loans to replace essential property, purchase inputs like livestock, equipment, feed and seed, or refinance farm-related debts, and other needs. Additionally, FSA offers several loan servicing options available for borrowers who are unable to make scheduled payments on their farm loan programs debt to the agency because of reasons beyond their control.

Meanwhile, USDA's Natural Resources Conservation Service (NRCS) provides financial resources through its <u>Environmental Quality Incentives Program</u> to help with immediate needs and long-term support to help recover from natural disasters and conserve water resources. Assistance may also be available for emergency animal mortality disposal from natural disasters and other causes.

Additional Resources

Additional details – including payment calculations – can be found on our <u>NAP</u>, <u>ELAP</u>, <u>LIP</u>, and <u>TAP</u> fact sheets. On farmers.gov, the <u>Disaster Assistance Discovery Tool</u>, <u>Disaster-at-a-Glance fact sheet</u>, and <u>Farm Loan Assistance Tool</u> can help you determine program or loan options.

While we never want to have to implement disaster programs, we are here to help. To inquire about available programs, contact your local <u>USDA Service Center</u>.

Agriculture Risk Coverage and Price Loss Coverage Programs Receive 2018 Farm Bill One Year Extension, Farmers Can Now Enroll for the 2024 Crop Year



The U.S. Department of Agriculture (USDA) today announced that agricultural producers can now enroll in the Farm Service Agency's (FSA) <u>Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC)</u> programs for the 2024 crop year. Producers can enroll and make election changes for the 2024 crop year starting Dec. 18, 2023. The deadline to complete enrollment and any election change is March 15, 2024.

On Nov. 16, 2023, President Biden signed into law H.R. 6363, the *Further Continuing Appropriations and Other Extensions Act, 2024* (Pub. L. 118-22), which extended the *Agriculture Improvement Act of 2018* (Pub. L. 115-334), more commonly known as the 2018 Farm Bill, through September 30, 2024. This extension allows authorized programs, including ARC and PLC, to continue operating.

2024 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 2024 are optional, producers must enroll through a signed contract each year. Also, if a producer has a multi-year contract on the farm it will continue for 2024 unless an election change is made.

If producers do not submit their election revision by the March 15, 2024, deadline, their election remains the same as their 2023 election for commodities on the farm. Farm owners cannot enroll in either program unless they have a share interest in the cropland.

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 grain rice, safflower seed, seed cotton, sesame, soybeans, sunflower seed and wheat.

2022 Crop Year Payments

This fall, FSA issued payments totaling more than \$267 million to agricultural producers who enrolled in the 2022 ARC-CO option and the ARC ARC-IC option for covered commodities that triggered a payment. Payments through the PLC option did not trigger for the 2022 crop year.

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. These payments help mitigate fluctuations in either revenue or prices for certain crops. Payments for crops that may trigger for the 2023 crop year will be issued in the fall of 2024.

Crop Insurance Considerations

ARC and PLC are part of a broader USDA safety net that 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 can purchase 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.

Web-Based Decision Tools

Many universities offer web-based decision tools to help producers make informed, educated decisions using crop data specific to their respective farming operations. Producers are encouraged to use the tool of their choice to support their ARC and PLC elections.

More Information

For more information on ARC and PLC, producers can visit the <u>ARC and PLC webpage</u> or contact their local <u>USDA Service Center</u>. Producers can also make elections and complete enrollment online with level 2 eAuth.

USDA Reminds Specialty Crop Growers of Deadline to Apply for Assistance for 2023 On-Farm Food Safety Expenses



The U.S. Department of Agriculture (USDA) reminds specialty crop growers that assistance is available for producers who incur eligible on-farm food safety program expenses to obtain or renew a food safety certification through the Food Safety Certification for Specialty Crops (FSCSC) program. Producers can apply for assistance on their calendar year 2023 expenses through Jan. 31, 2024.

Program Details

FSCSC assists specialty crop operations that incurred eligible on-farm food safety certification and related expenses pertaining to obtaining or renewing a food safety certification in calendar year 2023. FSCSC covers a percentage of the specialty crop operation's cost of obtaining or renewing its certification, as well as a portion of related expenses.

To be eligible for FSCSC, the applicant must be a specialty crop operation; meet the definition of a small business or very small business; and have paid eligible expenses related to the 2023 certification.

Specialty crop operations may receive assistance for the following costs:

- Developing a food safety plan for first-time food safety certification.
- Maintaining or updating an existing food safety plan.
- Food safety certification.
- Certification upload fees.
- Microbiological testing for products, soil amendments and water.
- Training.

FSCSC payments are calculated separately for each category of eligible costs. A higher payment rate has been set for socially disadvantaged, limited resource, beginning and veteran farmers and

ranchers. Details about the payment rates and limitations can be found at <u>farmers.gov/food-safety</u>.

Applying for Assistance

The FSCSC application period for 2023 closes Jan. 31, 2024. FSA will issue payments after the application period closes. If calculated payments exceed the amount of available funding, payments will be prorated.

Interested specialty crop producers can apply by completing the FSA-888, Food Safety Certification for Specialty Crops Program (FSCSC) application. The application, along with other required documents, can be submitted to the FSA office at any USDA Service Center nationwide by mail, fax, hand delivery or via electronic means.

Specialty crop producers can also call 877-508-8364 to speak directly with a USDA employee ready to assist. Visit <u>farmers.gov/food-safety</u> for additional program details, eligibility information and forms needed to apply.

South Carolina Producers Encouraged to Apply for USDA's Continuous Conservation Reserve Program

The U.S. Department of Agriculture (USDA) is now accepting applications for the Continuous Conservation Reserve Program (Continuous CRP). USDA's Farm Service Agency (FSA) encourages agricultural producers and landowners in South Carolina who are interested in conservation opportunities for their land in exchange for yearly rental payments to consider the enrollment options available through Continuous CRP, which also includes the Conservation Reserve Enhancement Program (CREP) offered by FSA partners. Additionally, producers participating in CRP can now apply to re-enroll, if their contracts will expire this year.

To submit an offer, producers should contact the FSA at their local <u>USDA Service Center</u> by July 31, 2024, in order to have an offer effective by Oct. 1, 2024. To ensure enrollment acreages do not exceed the statutory cap, FSA will accept offers from producers on a first-come, first-served basis and will return offers for approval in batches throughout the year.

Additionally, producers with acres enrolled in Continuous CRP set to expire Sept. 30, 2024, can now offer acres for re-enrollment. A producer can both enroll new acres into Continuous CRP and re-enroll any acres expiring Sept.30, 2024.

FSA water quality practices, such as riparian buffers, prairie strips, grassed waterways, and wetlands, will receive an additional 20% incentive. Buffer practices have a positive impact on water quality. Additionally, the Climate-Smart Practice Incentive launched in 2021 is also available in the Continuous signup.

Livestock Producers in 8 Counties in South Carolina Are Eligible for Drought Recovery Assistance

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) announced that FSA is now accepting applications for the <u>Livestock Forage Disaster Program (LFP)</u> in Cherokee, Chester, Greenville, Oconee, Pickens, Spartanburg, Union and York Counties for grazing losses due to drought. <u>The deadline to apply for 2023 LFP assistance is Jan. 30, 2024.</u>

LFP provides compensation to eligible livestock producers who suffered grazing losses for covered livestock due to drought on privately owned or cash leased land or fire on federally managed land. For LFP, qualifying drought intensity levels are determined using the <u>U.S. Drought Monitor</u>. Producers in Cherokee, Chester, Greenville, Oconee, Pickens, Spartanburg, Union and York Counties are eligible to apply for 2023 LFP benefits for grazing losses on full season

improved mixed pasture, full season improved pasture and native pasture. Visit the <u>FSA LFP</u> webpage for a full list of eligible counties and pasture types.

Livestock eligible for LFP include alpacas, beef cattle, bison, buffalo, beefalo, dairy cattle, deer, elk, emus, equine, goats, llamas, ostriches, reindeer, or sheep that have been or would have been grazing the eligible grazing land or pastureland. Recently, FSA updated LFP policy to expand program eligibility to include additional income producing grazing animals, like horses and ostrich, that contribute to the commercial viability of an agricultural operation.

Livestock used for hunting and consumption by the owner and horses and other animals that are used or intended to be used for racing and wagering remain ineligible.

As a reminder, producers who want to participate in many USDA programs including disaster assistance programs like LFP, must file timely acreage reports by filling out the FSA-578 form to remain eligible for program benefits.

More information in USDA disaster assistance is available at farmers.gov/recover.

Submit Loan Requests for Financing Early

South Carolina Farm Loan teams in are already working on operating loans for spring 2024 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.

Is the Noninsured Crop Disaster Assistance Program Right for You?

Farmers and ranchers rely on crop insurance to protect themselves from disasters and unforeseen events, but not all crops are insurable through the USDA's Risk Management Agency. The Farm Service Agency's (FSA) Noninsured Crop Disaster Assistance Program (NAP) provides producers another option to obtain coverage against disaster for these crops. NAP provides financial

assistance to producers of non-insurable crops impacted by natural disasters that result in lower yields, crop losses, or prevents crop planting.

Commercially produced crops and agricultural commodities for which crop insurance is not available are generally eligible for NAP. Eligible crops include those grown specifically for food, fiber, livestock consumption, biofuel or biobased products, or value loss crops such as aquaculture, Christmas trees, ornamental nursery, and others. Contact your local FSA office to see which crops are eligible in your state and county.

Eligible causes of loss include drought, freeze, hail, excessive moisture, excessive wind or hurricanes, earthquake and flood. These events must occur during the NAP policy coverage period, before or during harvest, and the disaster must directly affect the eligible crop. For guidance on causes of loss not listed, contact your local FSA county office.

Interested producers apply for NAP coverage using FSA form CCC-471, "Application for Coverage," and pay the applicable service fee at the FSA office where their farm records are maintained. These must be filed by the application closing date, which varies by crop. Contact your local FSA office to verify application closing dates and ensure coverage for eligible NAP crops.

At the time of application, each producer acknowledges they have received the NAP Basic Provisions, which describes NAP requirements for coverage. NAP participants must report crop acreage shortly after planting and provide verifiable or reliable crop production records when required by FSA.

Producers are required to pay service fees which vary depending on the number of crops and number of counties your operation is located in. The NAP service fee is the lesser of \$325 per crop or \$825 per producer per administrative county, not to exceed a total of \$1,950 for a producer with farming interests in multiple counties. Premiums also apply when producers elect higher levels of coverage with a maximum premium of \$15,750 per person or legal entity.

A producer's certification on Form CCC-860 Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification may serve as an application for basic NAP coverage for all eligible crops beginning with crop year 2022. These producers will have all NAP-related service fees for basic coverage waived, in addition to a 50 percent premium reduction if higher levels of coverage are elected.

For more detailed information on NAP, download the <u>NAP Fact Sheet</u>. To get started with NAP, we recommend you contact your <u>local USDA service center</u>.

Communication Is Key in Lending

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

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

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

For more information on FSA farm loan programs, please visit <u>fsa.usda.gov</u>.

Tax Resources for USDA Program Participants

Navigating filing taxes can be challenging, especially if you are new to running a farm business, participating in disaster programs for first time, or trying to forecast the farm's tax bill. Receiving funds from USDA through activities such as a conservation program payment or a disaster program is considered farm income that includes a tax liability for farm businesses. USDA technical assistance is free and creates no tax implications.

At the end of the tax year, USDA issues tax forms 1098 and 1099 forms for farm loans, conservation programs administered by the Farm Service Agency and Natural Resource Conservation Service including the Conservation Reserve Program and Environmental Quality Incentives Program, crop disaster payments, and the Market Facilitation Program. USDA also issues tax forms for recipients of assistance for distressed borrowers, including through Section 22006 of the Inflation Reduction Act.

If you have received tax forms related to your operation, USDA cannot and does not provide tax advice but wants you to be aware of options that may help manage your tax liability. USDA has partnered with experts to provide resources to help you make the right tax decisions for your operation. Monthly webinars are available for registration and to view on demand at https://www.farmers.gov/working-with-us/taxes.

The <u>Tax Estimator Tool</u> is an interactive spreadsheet that producers can download to estimate tax liability. It is for informational and educational purposes and should not considered tax or legal advice. Producers may need to work with a tax professional to determine the correct information to be entered in the Tax Estimator Tool.

We encourage you to visit https://www.farmers.gov/working-with-us/taxes for more information on how to find and work with a tax preparer as well as instructions on how to request copies of USDA documents and links to other helpful tax resources.

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