

#### Wisconsin Farm Service Agency - April 2022

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### **Dates to Remember**

April 11, 2022: Conservation Innovation Grant Applications Due

April 29, 2022: Spot Market Hog Pandemic Program (SMHPP) Deadline to apply

May 13, 2022: Conservation Reserve Program (CRP) Grassland Sign Up Deadline

May 30, 2022: USDA Service Centers Closed in observance of Memorial Day

**May 31, 2022:** Marketing Assistance Loan applications due for prior year harvested corn, soybeans and other oilseeds, rice, grain sorghum, and pulse crops

May 31, 2022: Noninsured Crop Disaster Assistance Program (NAP) deadline for Nursery crops for 2023 crop year

## USDA Offers Water Quality-Focused Program That Builds on CRP Contracts

The U.S. Department of Agriculture (USDA) announced the signup period for its Clean Lakes, Estuaries, And Rivers initiative (CLEAR30) — a nationwide opportunity for certain

landowners and agricultural producers currently implementing water quality practices through the <u>Conservation Reserve Program</u> (CRP) to enroll in 30-year contracts, extending the lifespan and strengthening the benefits of important water quality practices on their land.

Producers may apply for CLEAR30, a voluntary, incentive-based conservation program, from April 1, 2022, through Aug. 5, 2022.

Cropland and certain pastureland currently enrolled in Continuous CRP or the Conservation Reserve Enhancement Program (CREP) and dedicated to an eligible water quality practice such as riparian buffers, contour strips, grass waterways or wetland restoration may be eligible if their contracts are expiring by September 30, 2022.

CLEAR30 contracts will be effective beginning Oct. 1, 2022. These long-term contracts ensure that conservation practices remain in place for 30 years, which improves water quality through reducing sediment and nutrient runoff and helping prevent algal blooms. Conservation in riparian areas also provides important carbon sequestration benefits. Traditional CRP contracts run from 10 to 15 years.

#### **About CLEAR30**

CLEAR30 was established in the 2018 Farm Bill to better address water quality concerns. Originally, CLEAR30 was only available in the Great Lakes and Chesapeake Bay watersheds; in 2021, FSA made CLEAR30 available to agricultural producers and landowners nationwide, and participation grew nearly seven-fold from 2020 to 2021.

Annual rental payments for landowners who enroll in CLEAR30 will be equal to the current Continuous CRP annual payment rate plus a **20** percent water quality incentive payment and an annual rental rate adjustment of **27.5** percent.

#### **How to Sign Up**

To sign up for CLEAR30, landowners and producers should contact their local <u>USDA</u> <u>Service Center</u> by **Aug. 5, 2022**. Contact information can be found at <u>farmers.gov/service-locator</u>. Additionally, fact sheets and other resources are available at <u>fsa.usda.gov/crp</u>.

### **USDA** to Provide Payments to Livestock Producers Impacted by Drought or Wildfire

The U.S Department of Agriculture (USDA) announced that ranchers who have approved applications through the 2021 Livestock Forage Disaster Program (LFP) for forage losses due to severe drought or wildfire in 2021 will soon begin receiving emergency relief payments for increases in supplemental feed costs in 2021 through the Farm Service Agency's (FSA) new Emergency Livestock Relief Program (ELRP).

#### Background

On September 30, 2021, President Biden signed into law the *Extending Government Funding and Delivering Emergency Assistance Act* (P.L. 117-43). This Act 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. Additionally, the Act specifically targets \$750 million to provide assistance to livestock producers for losses incurred due to drought or wildfires in calendar year 2021. ELRP is part of FSA's implementation of the Act.

For impacted producers, USDA will leverage LFP data to deliver immediate relief for increases in supplemental feed costs in 2021. LFP is an important tool that provides up to 60% of the estimated replacement feed cost when an eligible drought adversely impacts grazing lands or 50% of the monthly feed cost for the number of days the producer is prohibited from grazing the managed rangeland because of a qualifying wildfire.

FSA received more than 100,000 applications totaling nearly \$670 million in payments to livestock producers under LFP for the 2021 program year.

Congress recognized requests for assistance beyond this existing program and provided specific funding for disaster-impacted livestock producers in 2021.

#### **ELRP Eligibility - Phase One**

To be eligible for an ELRP payment under phase one of program delivery, livestock producers must have suffered grazing losses in a county rated by the U.S. Drought Monitor as having a D2 (severe drought) for eight consecutive weeks or a D3 (extreme drought) or higher level of drought intensity during the 2021 calendar year, and have applied and been approved for 2021 LFP. Additionally, producers whose permitted grazing on federally managed lands was disallowed due to wildfire are also eligible for ELRP payments, if they applied and were approved for 2021 LFP.

As part of FSA's efforts to streamline and simplify the delivery of ELRP phase one benefits, producers are not required to submit an application for payment; however, they must have the following forms on file with FSA within a subsequently announced deadline as determined by the Deputy Administrator for Farm Programs:

- CCC-853, Livestock Forage Disaster Program Application
- 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, for the 2021 program year.
- 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 ELRP producer and applicable affiliates.

#### **ELRP Payment Calculation – Phase One**

To further expedite payments to eligible livestock producers, determine eligibility, and calculate an ELRP phase one payment, FSA will utilize livestock inventories and drought-affected forage acreage or restricted animal units and grazing days due to wildfire already reported by the producer when they submitted a 2021 CCC-853, *Livestock Forage Disaster Program Application* form.

Phase one ELRP payments will be equal to the eligible livestock producer's gross 2021 LFP calculated payment multiplied by a payment percentage, to reach a reasonable approximation of increased supplemental feed costs for eligible livestock producers in 2021.

The ELRP payment percentage will be 90% for historically underserved producers, including beginning, limited resource, and veteran farmers and ranchers, and 75% for all other producers. These payments will be subject to a payment limitation.

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 2021 program year.

Payments to eligible producers through phase one of ELRP are estimated to total more than \$577 million.

#### **ELRP - Phase Two**

Today's announcement is only Phase One of relief for livestock producers. FSA continues to evaluate and identify impacts of 2021 drought and wildfire on livestock producers to ensure equitable and inclusive distribution of much-needed emergency relief program benefits.

#### **Emergency Relief Program (ERP) Assistance for Crop Producers**

FSA is developing a two-phased process to provide assistance to diversified, row crop and specialty crop operations that were impacted by an eligible natural disaster event in calendar years 2020 or 2021.

This program will provide assistance to crop producers and will follow a two-phased process similar to that of the livestock assistance with implementation of the first phase in the coming weeks. Phase one of the crop assistance program delivery will leverage existing <a href="Federal Crop Insurance">Federal Crop Insurance</a> or <a href="Moninsured Crop Disaster Assistance Program">Noninsured Crop Disaster Assistance Program</a> data as the basis for calculating initial payments.

Making the initial payments using existing safety net and risk management data will both speed implementation and further encourage participation in these permanent programs, including the Pasture, Rangeland, Forage Rainfall Index Crop Insurance Program, as Congress intended.

The second phase of the crop program will be intended to fill additional assistance gaps

and cover eligible producers who did not participate in existing risk management programs.

Through proactive communication and outreach, USDA will keep producers and stakeholders informed as ERP implementation details are made available.

### **Current FSA Loan Interest Rates**

Current loan rates as of April 1, 2022.

#### Farm Loan Interest Rates:

Farm Operating - Direct	2.750%
Farm Operating - Microloan	2.750%
Farm Ownership - Direct	3.250%
Farm Ownership - Microloan	3.250%
Farm Ownership - Direct, Joint Financing	2.500%
Farm Ownership - Down Payment	1.500%
Emergency - Amount of Actual Loss	3.750%

#### Farm Storage Facility Loans (FSFL):

3-year FSFL	1.875%
5-year FSFL	1.875%
7-year FSFL	2.000%
10-year FSFL	2.000%
12-year FSFL	2.125%

Please visit the Farm Loan Program webpage for more information.

## USDA Encourages Producers to Enroll in Grasslands CRP

The U.S. Department of Agriculture (USDA) encourages producers and landowners to enroll in the Grassland Conservation Reserve Program (CRP) starting next week through May 13, 2022. Grassland CRP provides a unique opportunity for farmers, ranchers, and agricultural landowners to keep land in agricultural production and supplement their income while improving their soils and permanent grass cover. The program had its highest enrollment in history in 2021 and is part of the Biden-Harris Administration's broader effort to equip producers with the tools they need to help address climate change and invest in the long-term health of our natural resources.

Grassland CRP is a federally funded voluntary working lands program. Through the program, USDA's Farm Service Agency (FSA) provides annual rental payments to landowners to maintain and conserve grasslands while allowing producers to graze, hay, and produce seed on that land. Maintaining the existing permanent cover provides

several benefits, including reducing erosion, providing wildlife habitat and migration corridors, and capturing and maintaining carbon in the soil and cover.

FSA provides participants with annual rental payments and cost-share assistance. The annual rental rate varies by county with a national minimum rental rate of \$13 per acre for this signup. Contract duration is 10 or 15 years.

#### **Grassland CRP National Priority Zones**

Because Grassland CRP supports not only grazing operations but also biodiversity and conserving environmentally sensitive land such as that prone to wind erosion, FSA created two <u>National Priority Zones</u> in 2021: the Greater Yellowstone Migration Corridor and Dust Bowl Zone. As part of the Biden-Harris Administration's focus on conservation in important wildlife corridors and key seasonal ranges, for this year's signup, FSA is expanding the Greater Yellowstone Wildlife Migration Corridor Priority Zone to include seven additional counties across Montana, Wyoming, and Utah, to help protect the biggame animal migration corridor associated with Wyoming elk, mule deer, and antelope.

Offers within one of these National Priority Zones will receive an additional 15 ranking points and \$5 per acre if at least 50% of the offer is located in the zone.

Alongside Grassland CRP, producers and landowners can also enroll acres in Continuous CRP under the ongoing sign up, which includes projects available through the Conservation Reserve Enhancement Program (CREP) and State Acres for Wildlife Enhancement (SAFE).

#### **Broadening Reach of Program**

As part of the Agency's Justice40 efforts, producers and landowners who are historically underserved, including beginning farmers and military veterans, will receive 10 additional ranking points to enhance their offers.

Additionally, USDA is working to broaden the scope and reach of Grassland CRP by leveraging the <u>Conservation Reserve Enhancement Program</u> (CREP) to engage historically underserved communities. CREP is a partnership program that enables states, Tribal governments, non-profit, and private entities to partner with FSA to implement CRP practices and address high priority conservation and environmental objectives. Interested entities are encouraged to contact FSA.

## Wisconsin NRCS Accepting Proposals for 2022 Conservation Innovation Grants

The U.S. Department of Agriculture's Natural Resources Conservation Service (NRCS) in Wisconsin announced, the availability of \$500,000 in Wisconsin Conservation Innovation Grants (CIG) funding to stimulate the development and adoption of innovative conservation approaches and technologies. All non-federal entities and individuals are invited to apply, with the sole exception of federal agencies. Project proposal applications are due April 11, 2022.

Conservation Innovation Grants (CIG) is a competitive program that supports the development of new tools, approaches, practices, and technologies to further natural resource conservation on private lands. "Through creative problem solving and innovation, CIG partners work to address our nation's water quality, air quality, soil health and wildlife habitat challenges, all while improving agricultural operations," said Acting Wisconsin State Conservationist Eric Allness.

CIG project proposals must involve Environmental Quality Incentive Program (EQIP) eligible producers and should demonstrate the use of innovative technologies or approaches to address a natural resource concern. These resource concerns must fit into one of the following categories: Conservation Planning, Manure Management Systems or Climate Smart Management Systems.

Projects may be between one and three years in duration. The maximum award amount for a single award in 2022 is \$500,000 and the minimum award amount is \$50,000. Applicants must match the USDA funds awarded on a dollar-for-dollar basis from non-Federal sources with cash and in-kind contributions.

Wisconsin CIG grant application materials are available on Grants.gov at: https://www.grants.gov/web/grants/view-opportunity.html?oppId=337928

Complete application packets must be received by 10:59 p.m., Central Time on April 11, 2022, through <a href="www.grants.gov">www.grants.gov</a>. For technical issues with Grants.gov, contact Grants.gov Applicant Support at 1-800-518-4726 or <a href="support@grants.gov">support@grants.gov</a>. Applicants may direct their questions regarding the process to NRCS Resource Conservationist Ryan Gerlich at 608-662-4422, ext 227, or by e-mail <a href="mailto:ryan.gerlich@usda.gov">ryan.gerlich@usda.gov</a>.

The funding available through this NFO is Federal financial assistance. Grants 101 Training is highly recommended for those seeking knowledge about Federal financial assistance. The training is free and available to the public via <a href="https://www.cfo.gov/grants-training/">https://www.cfo.gov/grants-training/</a>.

### What's New and Improved for Specialty Crop Producers?

Does your operation include specialty crops? Whether you grow fruits, vegetables, tree nuts, dried fruits, horticulture, or nursery crops - USDA is here for you.

Over the past year, USDA has stepped up our support of specialty crop producers and local and regional food systems. USDA believes specialty crop producers are integral to the food system of the future, and we are working to improve available options for specialty crop producers as well as ensure equity in program delivery.

#### What's New?

The Risk Management Agency (RMA) rolled out a new insurance option for small-scale producers who sell locally, which is named **Micro Farm.** This new insurance coverage

option simplifies record keeping and covers post-production costs, such as washing and value-added products. It is available now, and you can learn more from an Approved Insurance Provider or your RMA specialty crop liaison.

In addition to Micro Farm, RMA rolled out other new insurance options in the past year, including: California Citrus Trees, Florida Citrus, Production and Revenue History option for Florida strawberries, and Hurricane Insurance Protection-Wind Index (HIP-WI). These new options either fill gaps in coverage or offer advantages over other policies. Since 2020, producers weathered several major hurricanes. The new HIP-WI played a crucial role in recovery with more than \$250 million in indemnities paid so far with most payments issued in a matter of weeks following a hurricane.

<u>Interest in growing and insuring specialty crops</u> has grown significantly with \$1 billion in liabilities for 1990 to \$22 billion in liabilities for 2021. (<u>For more details, check out reports</u> on our Specialty Crops webpage.)

The Farm Service Agency (FSA) also offered pandemic assistance for organic producers. The new <u>Organic and Transitional Education and Certification Program</u> (OTECP) provided assistance to help cover loss of markets, increased costs, labor shortages and expenses related to obtaining or renewing their organic certification.

#### What's Improved?

In the past year, RMA made improvements to existing policies -- including Whole-Farm Revenue Protection, a key insurance option for specialty crop producers. Beginning in the 2021 crop year, direct market producers could report two or more commodities using a new combined direct marketing code.

This reduced a tremendous burden for diversified producers and allowed them to receive a premium rate discount for diversification. For 2022, RMA increased coverage for organic and aquaculture producers and enabled organic producers to report certified organic acreage as long as the request for certification had been made by the reporting date, which provides additional flexibility to producers.

#### Want to Learn More?

These new and improved options for specialty crop producers are but a few of USDA's strides over the past year to build a fairer, more transparent food system rooted in local and regional production. To learn more, please read <u>USDA's January 19, 2022, news</u> release.

For crop insurance, visit <u>RMA's Specialty Crops webpage</u> or <u>contact your specialty crop</u> <u>liaison</u>.

Also, if there is not a standard offer for the crop you would like insured, you may still be able to get a written agreement for coverage. RMA Regional Offices review these requests to help provide coverage. These requests also provide Regional Offices the opportunity to review the possible expansion of the policy to your county.

Lastly, you can read our <u>Specialty Crops webpage on farmers.gov</u> and <u>question-and-answer with two specialty crop liaisons</u>, Adrienne Steinacher and Matt Wilkin.

# **USDA Updates Eligibility for Spot Market Hog Pandemic Program**

The U.S. Department of Agriculture (USDA) has clarified the definition of a spot market sale and hog eligibility under the <u>Spot Market Hog Pandemic Program</u> (SMHPP), which assists producers who sold hogs through a spot market sale from April 16, 2020, through Sept. 1, 2020. Hog producers will also now be required to submit documentation to support information provided on their SMHPP application. USDA's Farm Service Agency (FSA) will accept applications through April 29, 2022, which is an extension of the April 15, 2022, deadline previously set for the program.

USDA is offering the SMHPP in response to a reduction in packer production due to the COVID-19 pandemic, which resulted in fewer negotiated hogs being procured and subsequent lower market prices. The program is part of USDA's broader <a href="Pandemic Assistance for Producers">Pandemic Assistance for Producers</a> initiative and addresses gaps in previous assistance for hog producers.

#### **SMHPP Program Updates**

When the pandemic disrupted normal marketing channels, including access to packers, producers sold their hogs through cash sales to local processors or butchers, direct sales to individuals and third-party intermediaries, including sale barns or brokers. The use of third-party intermediaries was the only available marketing alternative for many producers and are now included in SMHPP. The only direct to packer sales that are eligible for SMHPP are those through a negotiated sale. Hogs sold through a contract that includes a premium above the spot-market price or other formula such as the wholesale cut-out price remain ineligible. Hogs must be suitable and intended for slaughter to be eligible. Immature swine (pigs) are ineligible.

FSA will now require documentation to support the accuracy of information provided on the FSA-940 Spot Market Hog Pandemic Program application, including the number of hogs reported on the application that were sold through a spot market sale and how the price was determined for the sale.

SMHPP payments will be calculated by multiplying the number of head of eligible hogs, not to exceed 10,000 head, by the payment rate of \$54 per head. To ensure SMHPP funding availability is disbursed equitably to all eligible producers, FSA will now issue payments after the application period ends. If calculated payments exceed the amount of available funding, payments will be factored.

#### **Applying for Assistance**

Eligible hog producers can apply for SMHPP by April 29, 2022, by completing the FSA-940, Spot Market Hog Pandemic Program application, along with required supporting documentation. Producers can visit <a href="mailto:farmers.gov/smhpp">farmers.gov/smhpp</a> for examples of supporting documentation, information on applicant eligibility and more information on how to apply.

Applications can be submitted to the FSA office at any USDA Service Center nationwide by mail, fax, hand delivery or via electronic means. To find their local FSA office, producers should <u>visit farmers.gov/service-locator</u>. Hog producers can also call 877-508-8364 to speak directly with a USDA employee ready to offer assistance.

# USDA Updates Farm Loan Programs to Increase Equity

The U.S. Department of Agriculture (USDA) is updating its farm loan programs to better support current borrowers, including historically underserved producers. These improvements are part of USDA's commitment to increase equity in all programs, including farm loans that provide important access to capital for covering operating expenses and purchasing land and equipment.

The 2018 Farm Bill authorized FSA to provide equitable relief to certain direct loan borrowers, who are non-compliant with program requirements due to good faith reliance on a material action of, advice of, or non-action from an FSA official. Previously, borrowers may have been required to immediately repay the loan or convert it to a non-program loan with higher interest rates, less favorable terms, and limited loan servicing.

Now, FSA has additional flexibilities to assist borrowers in such situations. If the agency provided incorrect guidance to an existing direct loan borrower, the agency may provide equitable relief to that borrower. FSA may assist the borrower by allowing the borrower to keep their loans at current rates or other terms received in association with the loan which was determined to be noncompliant or the borrower may receive other equitable relief for the loan as the Agency determines to be appropriate.

USDA encourages producers to reach out to their local loan officials to ensure they fully understand the wide range of loan and servicing options available that can assist them in starting, expanding or maintaining their operation.

#### **Additional Updates**

Equitable relief is one of several changes authorized by the 2018 Farm Bill that USDA has made to the direct and guaranteed loan programs. Other changes that were previously implemented include:

- Modifying the existing three-year farming experience requirement for Direct Farm Ownership loans to include additional items as acceptable experience.
- Allowing socially disadvantaged and beginning farmer applicants to receive a guarantee equal to 95%, rather than the otherwise applicable 90% guarantee.
- Expanding the definition of and providing additional benefits to veteran farmers.
- Allowing borrowers who received restructuring with a write down to maintain eligibility for an Emergency loan.
- Expanding the scope of eligible issues and persons covered under the agricultural Certified Mediation Program.

Additional information on these changes is available in the March 8, 2022 <u>rule on the Federal Register</u>.

#### More Background

FSA has taken other recent steps to increase equity in its programs. Last summer, USDA announced it was providing \$67 million in competitive loans through its new Heirs' Property Relending Program to help agricultural producers and landowners resolve heirs' land ownership and succession issues. FSA also invested \$4.7 million to establish partnerships with organizations to provide outreach and technical assistance to historically underserved farmers and ranchers, which contributed to a fourfold increase in participation by historically underserved producers in the Coronavirus Food Assistance Program 2 (CFAP 2), a key pandemic assistance program, since April 2021.

Additionally, in January 2021, Secretary Vilsack announced a <u>temporary suspension of past-due debt collection and foreclosures</u> for distressed direct loan borrowers due to the economic hardship imposed by the COVID-19 pandemic.

Producers can explore available loan options using the <u>Farm Loan Discover Tool on farmers.gov</u> (<u>also available in Spanish</u>) or by contacting their local <u>USDA Service Center</u>. Service Center staff continue to work with agricultural producers via phone, email, and other digital tools. Due to the pandemic, some USDA Service Centers are open to limited visitors. Producers can <u>contact their local Service Center</u> to set up an in-person or phone appointment to discuss loan options

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