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USDA Farm Service Agency
U.S. DEPARTMENT OF AGRICULTURE

Wisconsin Farm Service Agency - December 2022

Dates to Remember

December 5, 2022: Last day to return voted ballots to the USDA Service Center for COC Elections.

December 9, 2022: Deadline for producers to sign up for Dairy Margin Coverage (DMC).

December 16, 2022: Emergency Relief Program (ERP) - Deadline for producers to submit ERP Phase 1 applications to their USDA Service Center.

December 26, 2022: USDA Service Centers closed in observance of Christmas Day.

January 2, 2023: USDA Service Centers closed in observance of New Year's Day.

January 16, 2023: USDA Service Centers closed in observance of the Birthday of Martin Luther King, Jr.

January 30, 2023: Deadline for producers to apply for 2022 Livestock Forage Disaster Program (LFP) assistance.

USDA Previews Crop and Revenue Loss Assistance for Agricultural Producers

Agriculture Secretary Tom Vilsack announced plans for additional emergency relief and pandemic assistance from the U.S. Department of Agriculture (USDA). USDA is preparing to roll out the Emergency Relief Program (ERP) Phase Two as well as the new Pandemic Assistance Revenue Program (PARP), which are two programs to help offset crop and revenue losses for producers. USDA is sharing early information to help producers gather documents and train front-line staff on the new approach.

ERP Phase Two will assist eligible agricultural producers who suffered eligible crop losses, measured through decreases in revenue, due to wildfires, hurricanes, floods, derechos, excessive heat, winter storms, freeze (including a polar vortex), smoke exposure, excessive moisture and qualifying droughts occurring in calendar years 2020 and 2021.

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.

Emergency Relief Program Phase Two

ERP is authorized under the *Extending Government Funding and Delivering Emergency Assistance Act*, which includes $10 billion in assistance to agricultural producers impacted by wildfires, droughts, hurricanes, winter storms and other eligible disasters experienced during calendar years 2020 and 2021.

Phase Two builds on ERP Phase One, which was rolled out in May 2022 and has since paid more than $7.1 billion to producers who incurred eligible crop losses that were covered by federal crop insurance or Non-insured Crop Disaster Assistance Program.

ERP Phase Two includes producers who suffered eligible losses but may not have received program benefits in Phase One. To be eligible for Phase Two, producers must have suffered a loss in allowable gross revenue as defined in forthcoming program regulations in 2020 or 2021 due to necessary expenses related to losses of eligible crops from a qualifying natural disaster event.

Eligible crops include both traditional insurable commodities and specialty crops that are produced in the United States as part of a farming operation and are intended to be commercially marketed. Like other emergency relief and pandemic assistance programs, USDA's Farm Service Agency (FSA) continues to look for ways to simplify the process for both staff and producers while reducing the paperwork burden. The design of ERP Phase Two is part of that effort.

In general, ERP Phase Two payments are expected to be based on the difference in certain farm revenue between a typical year of revenue as will be specified in program regulations for the producer and the disaster year. ERP Phase Two assistance is targeted to the remaining needs of producers impacted by qualifying natural disaster events, while avoiding windfalls or duplicative payments. Details will be available when the rule is published later this year.

Deadline for Emergency Relief Program Phase One

Producers who are eligible for assistance through ERP Phase One have until Friday, Dec. 16, 2022, to contact FSA at their local USDA Service Center to receive program benefits. Going forward, if any additional ERP Phase One prefilled applications are generated due to corrections or other circumstances, there will be a 30-day deadline from the date of notification for that particular application.

Pandemic Assistance Revenue Program

PARP is authorized and funded by the Consolidated Appropriations Act of 2021.

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 had a certain threshold decrease in allowable gross revenue for the 2020 calendar year, as compared to 2018 or 2019. Exact details on the calculations and eligibility will be available when the forthcoming rule is published.

How Producers Can Prepare

ERP Phase Two and PARP will use revenue information that is readily available from most tax records. FSA encourages producers to have their tax documents from the past few years and supporting materials ready, as explained further below. Producers will need similar documentation to what was needed for the Coronavirus Food Assistance Program (CFAP) Phase Two, where a producer could use 2018 or 2019 as the benchmark year relative to the disaster year.

In the coming weeks, USDA will provide additional information on how to apply for assistance through ERP Phase Two and PARP. In the meantime, producers are encouraged to begin gathering supporting documentation including:

- Schedule F (Form 1040); and
- *Profit or Loss from Farming* or similar tax documents for tax years 2018, 2019, 2020, 2021 and 2022 for ERP and for calendar years 2018, 2019 and 2020 for PARP.

Producers should also have, or be prepared to have, the following forms on file for both ERP and PARP program participation:

- Form AD-2047, *Customer Data Worksheet* (as applicable to the program participant);
- Form CCC-902, *Farm Operating Plan* for an individual or legal entity;
- Form CCC-901, *Member Information for Legal Entities* (if applicable); and
- Form AD-1026 *Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification*.

Most producers, especially those who have previously participated in FSA programs, will likely have these required forms on file. However, those who are uncertain or want to confirm should contact FSA at their local USDA Service Center.

In addition to the forms listed above, underserved producers are encouraged to register their status with FSA, using Form CCC-860, *Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification*, as certain existing permanent and ad-hoc disaster programs provide increased benefits or reduced fees and premiums.

Through proactive communications and outreach, USDA will keep producers and stakeholders informed as program eligibility, application and implementation details unfold.

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

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

2023 Elections and Enrollment

Producers can elect coverage and enroll in ARC-County (ARC-CO) or PLC, which provide crop-by-crop protection, or ARC-Individual (ARC-IC), which protects the entire farm. Although election changes for 2023 are optional, producers must enroll through a signed contract each year. Also, if a producer has a multi-year contract on the farm and makes an election change for 2023, they must sign a new contract.

If producers do not submit their election by the March 15, 2023 deadline, their election remains the same as their 2022 election for crops on the farm. Farm owners cannot enroll in either program unless they have a share interest in the farm.

Covered commodities include barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium and short grain rice, safflower seed, seed cotton, sesame, soybeans, sunflower seed and wheat.

Web-Based Decision Tools

In partnership with USDA, the University of Illinois and Texas A&M University offer web-based decision tools to assist producers in making informed, educated decisions using crop data specific to their respective farming operations. Tools include:

- Gardner-farmdoc Payment Calculator, a tool available through the University of Illinois allows producers to estimate payments for farms and counties for ARC-CO and PLC.
- ARC and PLC Decision Tool, a tool available through Texas A&M that allows producers to obtain basic information regarding the decision and factors that should be taken into consideration such as future commodity prices and historic yields to estimate payments for 2022.

2021 Payments and Contracts

ARC and PLC payments for a given crop year are paid out the following fall to allow actual county yields and the Market Year Average prices to be finalized. This month, FSA processed payments to producers enrolled in 2021 ARC-CO, ARC-IC and PLC for covered commodities that triggered for the crop year.

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

For ARC-IC, producers should contact their local FSA office for additional information pertaining to 2021 payment information, which relies on producer-specific yields for the crop and farm to determine benchmark yields and actual year yields when calculating revenues.

By the Numbers

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

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

Crop Insurance Considerations

ARC and PLC are part of a broader safety net provided by USDA, which also includes crop insurance and marketing assistance loans.

Producers are reminded that ARC and PLC elections and enrollments can impact eligibility for some crop insurance products.

Producers on farms with a PLC election have the option of purchasing Supplemental Coverage Option (SCO) through their Approved Insurance Provider; however, producers on farms where ARC is the election are ineligible for SCO on their planted acres for that crop on that farm.

Unlike SCO, the Enhanced Coverage Option (ECO) is unaffected by an ARC election. Producers may add ECO regardless of the farm program election.

Upland cotton farmers who choose to enroll seed cotton base acres in ARC or PLC are ineligible for the stacked income protection plan (STAX) on their planted cotton acres for that farm.

More Information

For more information on ARC and PLC, visit the ARC and PLC webpage or contact your local USDA Service Center.

Current FSA Loan Interest Rates

Current loan rates as of December 1, 2022.

Farm Loan Interest Rates:

Farm Operating - Direct	5.125%
Farm Operating - Microloan	5.125%
Farm Ownership - Direct	5.000%
Farm Ownership - Microloan	5.000%
Farm Ownership - Direct, Joint Financing	3.000%
Farm Ownership - Down Payment	1.500%
Emergency - Amount of Actual Loss	3.750%

Farm Storage Facility Loans (FSFL):

3-year FSFL	4.375%
5-year FSFL	4.125%
7-year FSFL	4.125%
10-year FSFL	4.000%
12-year FSFL	4.125%

Please visit the Farm Loan Program webpage for more information.

Dairy Producers Can Now Enroll for 2023 Signup for Dairy Margin Coverage

Dairy producers can now enroll for 2023 coverage through the Dairy Margin Coverage (DMC) Program, an important safety net program from the U.S. Department of Agriculture (USDA) that helps producers manage changes in milk and feed prices. Last year, USDA's Farm Service Agency (FSA) took steps to improve coverage, especially for small- and mid-sized dairies, including offering a new Supplemental DMC program and updating its feed cost formula to better address retroactive, current and future feed costs. These changes continue to support producers through this year's signup, which ends Dec. 9, 2022.

DMC is a voluntary risk management program that offers protection to dairy producers when the difference between the all-milk price and the average feed price (the margin) falls below a certain dollar amount selected by the producer.

So far in 2022, DMC payments to more than 17,000 dairy operations have triggered for August for more than $47.9 million. According to DMC margin projections, an indemnity payment is projected for September as well. At $0.15 per hundredweight for $9.50 coverage, risk coverage through DMC is a relatively inexpensive investment.

DMC offers different levels of coverage, even an option that is free to producers, aside from a $100 administrative fee. Limited resource, beginning, socially disadvantaged or a military veteran farmers or ranchers are exempt from paying the administrative fee, if requested. To determine the appropriate level of DMC coverage for a specific dairy operation, producers can use the online dairy decision tool.

Supplemental DMC

Last year, USDA introduced Supplemental DMC, which provided $42.8 million in payments to better help small- and mid-sized dairy operations that had increased production over the years but were not able to enroll the additional production. Supplemental DMC is also available for 2023.

Supplemental DMC coverage is applicable to calendar years 2021, 2022 and 2023. Eligible dairy operations with less than 5 million pounds of established production history may enroll supplemental pounds.

For producers who enrolled in Supplemental DMC in 2022, the supplemental coverage will automatically be added to the 2023 DMC contract that previously established a supplemental production history.

Producers who did not enroll in Supplemental DMC in 2022 can do so now. Producers should complete their Supplemental DMC enrollment before enrolling in 2023 DMC. To enroll, producers will need to provide their 2019 actual milk marketings, which FSA uses to determine established production history.

DMC Payments

Additionally, FSA will continue to calculate DMC payments using updated feed and premium hay costs, making the program more reflective of actual dairy producer expenses. These updated feed calculations use 100% premium alfalfa hay rather than 50%. The benefits of these feed cost adjustments were realized in the recent August 2022 margin payment as current high feed and premium hay costs were considered in payment calculations.

More Information

In addition to DMC, USDA offers other risk management tools for dairy producers, including the Dairy Revenue Protection (DRP) plan that protects against a decline in milk revenue (yield and price) and the Livestock Gross Margin (LGM) plan, which provides protection against the loss of the market value of livestock minus the feed costs. Both DRP and LGM livestock insurance policies are offered through the Risk Management Agency. Producers should contact their local crop insurance agent for more information.

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

USDA announces details for the upcoming Census of Agriculture

America's farmers and ranchers will soon have the opportunity to be represented in the nation's only comprehensive and impartial agriculture data for every state, county and territory. The U.S. Department of Agriculture (USDA) will mail the 2022 Census of Agriculture to millions of agriculture producers across the 50 states and Puerto Rico this fall.

The 2022 Census of Agriculture will be mailed in phases, starting with an invitation to respond online in November followed by paper questionnaires in December. Farm operations of all sizes, urban and rural, which produced and sold, or normally would have sold, $1,000 or more of agricultural product in 2022 are included in the ag census.

Collected in service to American agriculture since 1840 and now conducted every five years by USDA's National Agricultural Statistics Service (NASS), the Census of Agriculture tells the story and shows the value of U.S. agriculture. It highlights land use and ownership, producer characteristics, production practices, income and expenditures, among other topics. Between ag census years, NASS considers revisions to the questionnaire to document changes and emerging trends in the industry. Changes to the 2022 questionnaire include new questions about the use of precision agriculture, hemp production, hair sheep, and updates to internet access questions.

To learn more about the Census of Agriculture, visit nass.usda.gov/AgCensus or call 800-727-9540. On the website, producers and other data users can access frequently asked questions, past ag census data, partner tools to help spread the word about the upcoming ag census, special study information, and more. For highlights of these and the latest information on the upcoming Census of Agriculture, follow USDA NASS on twitter @usda_nass.

Reminders for FSA Direct and Guaranteed Borrowers with Real Estate Security

Farm loan borrowers who have pledged real estate as security for their Farm Service Agency (FSA) direct or guaranteed loans are responsible for maintaining loan collateral. Borrowers must obtain prior consent or approval from FSA or the guaranteed lender for any transaction that affects real estate security. These transactions include, but are not limited to:

- Leases of any kind
- Easements of any kind
- Subordinations
- Partial releases
- Sales

Failure to meet or follow the requirements in the loan agreement, promissory note, and other security instruments could lead to nonmonetary default which could jeopardize your current and future loans.

It is critical that borrowers keep an open line of communication with their FSA loan staff or guaranteed lender when it comes to changes in their operation. For more information on borrower responsibilities, read Your FSA Farm Loan Compass.

USDA Announces New Opportunities to Improve Nutrient Management

USDA welcomed the passage of the Inflation Reduction Act, which will deliver $19.5 billion in new conservation funding to support climate-smart agriculture. This historic funding will bolster the new steps that USDA's Natural Resources Conservation Service (NRCS) announced to improve opportunities for nutrient management. NRCS will target funding, increasing program flexibilities, launch a new outreach campaign to promote nutrient management's economic benefits, in addition to expanding partnerships to develop nutrient management plans. This is part of USDA's broader effort to address future fertilizer availability and cost challenges for U.S. producers.

Through USDA's conservation programs, America's farmers and ranchers will have streamlined opportunities to improve their nutrient management planning, which provides conservation benefits while mitigating the impacts of supply chain disruptions and increased input costs.

Specifically, NRCS efforts include:

- **Streamlined Nutrient Management Initiative** – A streamlined initative will incentivize nutrient management activities through key conservation programs, including the Environmental Quality Incentives Program (EQIP), EQIP Conservation Incentive Contracts, and the Conservation Stewardship Program. The initiative will use a ranking threshold for pre-approval and include a streamlined and expedited application process, targeted outreach to small-scale and historically underserved producers, and coordination with FSA to streamline the program eligibility process for producers new to USDA. In addition to otherwise available funding at the state level, NRCS is targeting additional FY23 funds for nutrient management. NRCS is also announcing a streamlined funding opportunity for up to $40 million in nutrient management grant opportunities through the Regional Conservation Partnership Program (RCPP).

- **Nutrient Management Economic Benefits Outreach Campaign** – A new outreach campaign will highlight the economic benefits of nutrient management planning for farmers. The potential net savings to farmers who adopt a nutrient management plan is estimated to be an average of $30 per acre for cropland. It is estimated that there are 89 million acres of cropland (28% of total U.S. cropland) currently exceeding the nitrogen loss threshold; and if all those acres implemented a nutrient management plan, the average net savings would be $2.6 billion. NRCS staff develop nutrient management plans to help producers use nutrient resources effectively and efficiently to adequately supply soils and plants with necessary nutrients while minimizing transport of nutrients to ground and surface waters. Producer information is available at farmers.gov/global-food-security.
- **Expanded Nutrient Management Support through Technical Service Providers Streamlining and Pilots** – New agreements with key partners who have existing capacity to support nutrient management planning and technical assistance will expand benefits and serve as a model to continue streamlining the certification process for Technical Service Providers (TSPs). NRCS is also developing new opportunities to support partner training frameworks, nutrient management outreach and education, and new incentive payments through TSP partners for nutrient management planning and implementation.

Alongside the Bipartisan Infrastructure Act and American Rescue Plan, the Inflation Reduction Act provides once-in-a-generation investment in rural communities and their infrastructure needs, while also responding to the climate crisis. The bill invests $40 billion into existing USDA programs promoting climate smart agriculture, rural energy efficiency and reliability, forest conservation, and more.

Approximately $20 billion of this investment will support conservation programs that are oversubscribed, meaning that more producers will have access to conservation assistance that will support healthier land and water, improve the resilience of their operations, support their bottom line, and combat climate change. This includes:

- $8.45 billion for EQIP
- $4.95 billion for the Regional Conservation Partnership Program (RCPP)
- $3.25 billion for the Conservation Stewardship Program (CSP)
- $1.4 billion for the Agricultural Conservation Easement Program (ACEP)

For more information and resources for nutrient management planning, visit farmers.gov/global-food-insecurity. Contact NRCS at your local USDA Service Center to get assistance with a nutrient management plan for your land.

Wisconsin NRCS Launches New Website

The new NRCS site has been designed to support and enhance our mission by delivering relevant, timely, customer-focused information in an easy-to-navigate platform. It's accessible (or 508 conformant), meaning the site is designed for use by people with disabilities. It's also mobile responsive, good for using on a phone or tablet as easily as on a desktop computer.

The NRCS new website provides information on Wisconsin ranking dates, resource concerns, programs and initiatives, and local news and events. It also provides customers details about what program and conservation practices are available to address specific natural resource concerns like water quality, soil erosion, habitat for fish and wildlife, and more.

Other items include:

- Links to technical guides, resources and instructions
- Local Service Center finder
- Data and reports
- News releases, publications and Success Stories

We plan to keep improving our website over time, so if you can't find something that you used to find on our website, contact Amanda Zelinski, amanda.zelinski@usda.gov, Acting State Public Affairs Specialist, so we can help.

Wisconsin Farm Service Agency

8030 Excelsior Drive
Suite 100
Madison, WI 53717

Phone: 608-662-4422

State Executive Director

Gene Schriefer
eugene.schriefer@usda.gov

Farm Loan Chief

Tom Brandt
tom.brandt@usda.gov

Farm Program Chief

Greg Biba
greg.biba@usda.gov

Farm Program Chief

John Palmer
john.palmer@usda.gov

State Committee:

Josh Tranel
Clara Hedrich
Tina Hinchley
Joe Koch
Heidi Randall