

Wisconsin Farm Service Agency - September 2022

- Dates to Remember
- <u>Linkage Requirements for Payments Received Under WHIP+ and/or QLA</u>
- Top 6 Emergency Relief Program Checklist Items for Eligible Farmers
- Current FSA Loan Interest Rates
- New Guide Available for Underserved Farmers, Ranchers
- <u>USDA to Invest \$15 Million in Innovative Projects for Climate-Smart</u>
 Agriculture, Urban Agriculture and Addressing Invasive Species
- Reminders for FSA Direct and Guaranteed Borrowers with Real Estate Security
- USDA to Invest up to \$300 million in New Organic Transition Initiative
- <u>USDA Invests \$14.5 Million in Taxpayer Education, Program Outreach</u>
 Efforts for Farmers and Ranchers

Dates to Remember

September 30, 2022: Acreage Reporting Deadline for 2023 Value-Loss and controlled environment crops (except nursery)

September 30, 2022: Noninsured Crop Disaster Assistance Program (NAP) WI Sales Closing Deadlines for Alfalfa, Bridsfoot/Trefoil, Clover, Garlic, Grass, Mixed Forage, Rhubarb, Triticale, Vetch, Wheat, Flowers, Christmas Trees, Fin Fish, Ginseng, Turfgrass Sod, and Wild Rice (For 2023 Crop Year)

October 10, 2022: USDA Service Centers closed in observance of Columbus Day

October 31, 2022: Organic and Transitional Education and Certification Program (OTECP) Deadline to apply for Fiscal Year 2022.

October 31, 2022: Organic Certification Cost Share Program (OCCSP) Deadline to Apply

Linkage Requirements for Payments Received Under WHIP+ and/or QLA

If you received a payment under the Wildfires and Hurricanes Indemnity Program+ (WHIP+) or the Quality Loss Adjustment Program (QLA) for crop production and/or quality losses occurring in 2018, 2019, or 2020 crop years, you are required to meet linkage requirements by obtaining federal crop insurance or Non-Insured Crop Disaster Assistance Program (NAP) coverage at the 60/100 level, or higher, for both the 2022 and 2023 crop years.

When applying for WHIP+ or QLA, form FSA-895 (Crop Insurance and/or NAP Coverage Agreement) was submitted acknowledging the requirement to obtain federal crop insurance, if available, or NAP coverage if federal crop insurance is not available. The coverage requirement is applicable to the physical location county of the crop that received WHIP+ and/or QLA benefits.

Producers should not delay contacting their federal crop insurance agent or local county FSA Office to inquire about coverage options, as **failure to obtain the applicable coverage by the sales/application closing date will result in the required refund of WHIP+ benefits received on the applicable crop, plus interest.** You can determine if crops are eligible for federal crop insurance or NAP by <u>visiting the RMA website</u>.

Top 6 Emergency Relief Program Checklist Items for Eligible Farmers

FSA recently began mailing 5,200 pre-filled applications to commodity and specialty crop producers who obtained Noninsured Crop Insurance Disaster Assistance Program (NAP) coverage for the Emergency Relief Program (ERP), a new program designed to help agricultural producers impacted by wildfires, droughts, hurricanes, winter storms, and other qualifying natural disasters experienced during calendar years 2020 and 2021. This mailing is in addition to the 303,000 pre-filled applications mailed out in May to producers who had crop insurance coverage for losses in 2021 and 2021.

The past few years have been tough to say the least. As producers have dealt with the continued impacts of the COVID-19 pandemic, they have also struggled to recover from more frequent, more intense natural disasters. I am grateful that Congress passed, and President Biden signed into law the Extending Government Funding and Delivering Emergency Assistance Act (P.L. 117-43), which includes \$10 billion in critical emergency relief.

After extensive stakeholder outreach, including with producers and groups that have not always been included in USDA programs, our team began work developing a responsive, easier-to-access program that could be rolled out in phases. We're now rolling out the first phase of ERP, which uses existing Federal Crop Insurance or Noninsured Crop Disaster Assistance Program (NAP) data as the basis for calculating initial payments.

By leveraging existing data, we have been able to already deliver \$6 billion in assistance on a faster timeline; at the same time, my team and I are committed to ensuring that producers who do not have existing data on file with USDA are captured in the second

phase of ERP, which will be explicitly focused on filling gaps in previously implemented emergency assistance.

To apply for ERP Phase 1, here's what you need to do:

Check Your Mailbox

The form being mailed to you includes eligibility requirements, outlines the application process, and provides estimated ERP payment calculations. Producers will receive a separate application form for each program year in which an eligible loss occurred. Receipt of a pre-filled application is not confirmation that a producer is eligible to receive an ERP phase one payment. This application takes about 0.176 hours (that's less than 15 minutes) for producers to complete, compared to the former Wildfire and Hurricane Indemnity Program – Plus application which took several hours for producers to complete and even longer for FSA staff.

Check Your Eligibility

ERP covers losses to crops, trees, bushes, and vines due to a qualifying natural disaster event in calendar years 2020 and 2021. Eligible crops include all crops for which crop insurance or NAP coverage was available, except for crops intended for grazing. Qualifying natural disaster events include wildfires, hurricanes, floods, derechos, excessive heat, winter storms, freeze (including a polar vortex), smoke exposure, excessive moisture, qualifying drought*, and related conditions.

*Lists of 2020 and 2021 drought counties eligible for ERP are available online.

Check Required Forms on File with FSA

Producers must have the following forms on file with FSA:

- 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).
- 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 ERP producer and applicable affiliates.

If you have previously participated in FSA programs, you will likely have these required forms on file. However, if you're uncertain or want to confirm the status of your forms, contact your local FSA county office.

Check Historically Underserved Status with FSA, If Applicable

The ERP payment percentage for historically underserved producers, including beginning, limited resource, socially disadvantaged, and veteran farmers, and ranchers will be increased by 15% of the calculated ERP payment.

To qualify for the higher payment percentage, eligible producers must have the following form on file with FSA:

 Form CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification.

Check Your Future Insurance Coverage

All producers who receive ERP phase one payments are statutorily required to purchase crop insurance, or NAP coverage where crop insurance is not available, for the next two available crop years, as determined by the Secretary.

Coverage requirements will be determined from the date a producer receives an ERP payment and may vary depending on the timing and availability of crop insurance or NAP for a producer's particular crops.

The final crop year to purchase crop insurance or NAP coverage to meet the second year of coverage for this requirement is the 2026 crop year.

Check Your bank

Once the completed ERP application for payment is submitted to and signed by FSA, producers who have direct deposit should look for payment within three business days.

More Information

We have additional resources, including:

- ERP July 27, 2022 News Release
- ERP June 29, 2022 News Release
- ERP May 16, 2022 News Release
- ERP Fact Sheet
- Answers to Frequently Asked Questions (FAQs)
- Emergency Relief Webpage
- ERP Notice of Funding Availability

In addition to ERP, FSA is also implementing the first phase of the new Emergency Livestock Relief Program. At this time, FSA has made more than \$590 million in payments to impacted livestock producers.

Bottom line, we take your feedback seriously, and we wanted to deliver this relief as soon as possible. We learned from previous relief programs, and we're excited to be getting this to you as swiftly as we can.

Current FSA Loan Interest Rates

Current loan rates as of September 1, 2022.

Farm Loan Interest Rates:

Farm Operating - Direct	4.125%
Farm Operating - Microloan	4.125%
Farm Ownership - Direct	4.375%
Farm Ownership - Microloan	4.375%
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	3.125%
5-year FSFL	2.875%
7-year FSFL	2.875%
10-year FSFL	2.750%
12-year FSFL	2.875%

Please visit the Farm Loan Program webpage for more information.

New Guide Available for Underserved Farmers, Ranchers

A new multi-agency guide for USDA assistance for underserved farmers and ranchers is now available. If you are a farmer or rancher and are a minority, woman, veteran, beginning, or limited resource producer, you can use this booklet to learn about assistance and targeted opportunities available to you. This includes programs offered through the Farm Service Agency, Natural Resources Conservation Service, and Risk Management Agency. The guide is also available in Spanish, Hmong, Korean, Vietnamese, Thai and Chinese on farmers.gov/translations.

USDA to Invest \$15 Million in Innovative Projects for Climate-Smart Agriculture, Urban Agriculture and Addressing Invasive Species

The U.S. Department of Agriculture (USDA) announced today it will invest \$15 million this year for the Conservation Innovation Grants (CIG) Classic program. Through CIG, grantees work to address our nation's water quality, water quantity, air quality, soil health and wildlife habitat challenges, all while supporting agricultural production. This year's

funding priorities are climate-smart agriculture, addressing invasive species and conservation in urban agricultural systems.

For the fiscal 2022 award process, at least 10% of the total funds available are set aside for proposals that entirely benefit historically underserved (HU) producers. This HU set-aside will ensure that equity is incorporated in the planning and delivery of CIG projects to align with NRCS's Justice 40 goals. HU applicants can also waive the non-Federal match requirements.

Applications are being accepted now through October 11, 2022. Private entities whose primary business is related to agriculture, nongovernmental organizations with experience working with agricultural producers and non-federal government agencies are eligible to apply. For more information and to apply, visit grants.gov.

About CIG

The national CIG program has two parts: CIG Classic and CIG On-Farm Conservation Innovation Trials. Through CIG Classic, grantees develop new tools, technologies and strategies to support next-generation conservation efforts on working lands and develop market-based solutions to resource challenges. CIG On-Farm Trials support more widespread adoption and evaluation of innovative conservation approaches in partnership with agricultural producers. Incentive payments are provided to producers to offset the risk of implementing innovative approaches. Last month, USDA announced \$25 million in funding for CIG On-Farm Trials.

For more information about the Conservation Innovation Grants program, visit the NRCS website.

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 to Invest up to \$300 million in New Organic Transition Initiative

Agriculture Secretary Tom Vilsack announced details of the U.S. Department of Agriculture's (USDA) \$300 million investment, including with American Rescue Plan funds, in a new Organic Transition Initiative that will help build new and better markets and streams of income for farmers and producers. Organic production allows producers to hold a unique position in the marketplace and thus take home a greater share of the food dollar.

According to the USDA National Agricultural Statistics Service, the number of non-certified organic farms actively transitioning to organic production dropped by nearly 71 percent since 2008. Through the comprehensive support provided by this initiative USDA hopes to reverse this trend, opening opportunities for new and beginning farmers and expanding direct consumer access to organic foods through increased production.

The initiative will deliver wrap-around technical assistance, including farmer-to-farmer mentoring; provide direct support through conservation financial assistance and additional crop insurance assistance, and support market development projects in targeted markets.

USDA's Agricultural Marketing Service (AMS), Risk Management Agency (RMA) and Natural Resources Conservation Service (NRCS) are the primary agencies supporting the Initiative, which will focus on three areas.

Transition to Organic Partnership Program

Through this initiative, USDA aims to ensure that farmers transitioning to organic have the support they need to navigate that transition, including a full supply chain to American consumers who demand organic choices in their supermarkets daily. AMS will build partnership networks in six regions across the United States with trusted local organizations serving direct farmer training, education, and outreach activities. The organizations will connect transitioning farmers with mentors, building paid mentoring networks to share practical insights and advice. Each regional team will also provide community building, including train-the-mentor support; as well as technical assistance, workshops, and field days covering topics including organic production practices, certification, conservation planning, business development (including navigating the supply chain), regulations, and marketing to help transitioning and recently transitioned producers overcome technical, cultural, and financial shifts during and immediately following certification. USDA will provide up to \$100 million for this program.

Direct Farmer Assistance

NRCS will develop a new Organic Management conservation practice standard and offer financial and technical assistance to producers who implement the practice. Payments will

be modeled on those already available to producers meeting the existing nutrient and pest management conservation practice standards. USDA will provide \$75 million for this effort. This will include an increase in organic expertise throughout its regions, creating organic experts at each of its regional technology support centers. These experts will train staff who provide direct services to USDA customers. These services include hosting hands-on organic training for state and field NRCS staff and fielding organic-related staff questions.

USDA will provide \$25 million to RMA for the new Transitional and Organic Grower Assistance Program (TOGA) which will support transitioning and certain certified organic producers' participation in crop insurance, including coverage of a portion of their insurance premium.

Organic Pinpointed Market Development Support

Stakeholders have shared that specific organic markets have market development risks due to inadequate organic processing capacity and infrastructure, a lack of certainty about market access, and insufficient supply of certain organic ingredients. This AMS initiative will focus on key organic markets where the need for domestic supply is high, or where additional processing and distribution capacity is needed for more robust organic supply chains. Examples of markets seeking support include organic grain and feed; legumes and other edible rotational crops; and livestock and dairy. USDA will invest up to \$100 million to help improve organic supply chains in pinpointed markets. The Department will seek stakeholder input on these pinpointed initiatives beginning in September, resulting in an announcement of specific policy initiatives later this year.

Other USDA Organic Assistance

This USDA initiative complements <u>existing assistance for organic producers</u>, including FSA's Organic Certification Cost Share Program (OCCSP) and Organic and Transitional Education and Certification Program (OTECP). OCCSP helps producers obtain or renew their organic certification, and OTECP provides additional funding to certified and transitioning producers during the pandemic.

NRCS offers conservation programs, such as the Environmental Quality Incentives Program (EQIP) and the Conservation Stewardship Program (CSP), which can provide assistance to help with managing weeds and pests, and establishing high tunnels, improving soil health, and implementing other practices key to organic operations. RMA also administers federal crop insurance options available to organic producers, including Whole Farm Revenue Protection and Micro Farm.

USDA Invests \$14.5 Million in Taxpayer Education, Program Outreach Efforts for Farmers and Ranchers

FSA is investing in two outreach and education efforts for farmers and ranchers, including those who are new to agriculture or who have been historically underserved by programs.

First, FSA is announcing \$10 million in the new Taxpayer Education and Asset Protection Initiative. Through this initiative, FSA has partnered with the University of Arkansas and the National Farm Income Tax Extension Committee to deliver tax education resources for farmers and ranchers, which includes engagement with agricultural educators, and tax professionals through partnerships with community groups and minority serving institutions across the country.

Second, FSA is investing \$4.5 million in outreach for the Conservation Reserve Program Transition Incentives Program (CRP TIP), which increases access to land for new farmers and ranchers. FSA will award cooperative agreements to 15 to 20 partner and stakeholder organizations to conduct outreach and technical assistance and promote awareness and understanding among agricultural communities, particularly those who are military veterans, new to farming, or historically underserved.

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