

# Wisconsin Farm Service Agency - January 2023

- Dates to Remember
- <u>USDA Announces February 10, 2023, Application Deadline for</u> Conservation Stewardship Program
- Farmers Can Now Make 2023 Crop Year Elections, Enroll in Agriculture Risk Coverage and Price Loss Coverage Programs
- Current FSA Loan Interest Rates
- 2023 Dairy Margin Coverage Deadline Extended Jan. 31, 2023, Last Day to Enroll
- <u>USDA Expands Eligibility, Enhances Benefits for Key Disaster</u> Programs
- Applying for FSA Guaranteed Loans
- <u>USDA Highlights New Project with Marbleseed in Wisconsin, Part of</u> \$325 Million Investment through Partnerships for Climate-Smart <u>Commodities</u>
- Two Wisconsin Employees receive FSA Administrator's Award for Service to Agriculture

# **Dates to Remember**

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

**January 31, 2023:** Deadline for Producers to sign up for the <u>Dairy Margin Coverage</u> Program.

**January 31, 2023:** Deadline for producers to sign up for the <u>Food Safety Certification for Specialty Crops Program</u>.

**February 20, 2023:** USDA Service Centers closed in observance of Washington's Birthday.

**March 15, 2023:** Deadline for producers to sign up for the <u>Agriculture Risk Coverage</u> (ARC) and Price Loss Coverage (PLC) Programs.

# **USDA Announces February 10, 2023, Application Deadline for Conservation Stewardship Program**

The next deadline for Conservation Stewardship Program (CSP) applications to be considered for funding this year is February 10, 2023. Through CSP, the U.S. Department of Agriculture's (USDA) Natural Resources Conservation Service (NRCS) helps farmers, ranchers and forest landowners earn payments for expanding conservation activities while maintaining agricultural production on their land. CSP also encourages adoption of new technologies and management techniques.

Changes in the 2018 Farm Bill authorize NRCS to accept new CSP enrollments from 2020–2023 and makes additional improvements to the program. Some highlights include the following:

- NRCS now enrolls eligible, high-ranking applications based on dollars rather than acres.
- Higher payment rates are now available under the 2018 Farm Bill for certain conservation activities, including cover crops and resource conserving crop rotations
- NRCS now provides specific support for organic and for transitioning to organic, production activities through CSP.

While applications are accepted throughout the year, interested producers should submit applications to their local NRCS office by the deadline to ensure their applications are considered for 2023 funding.

# **About the Program**

CSP is offered in Wisconsin through continuous signups. The program provides many benefits including increased crop yields, decreased inputs, wildlife habitat improvements and increased resilience to weather extremes. CSP is for working lands including cropland, pastureland, rangeland, nonindustrial private forest land and agricultural land under the jurisdiction of a tribe.

Online services are available to customers with an eAuthentication (eAuth) account, which provides access to the <u>farmers.gov</u> portal where producers can view USDA farm loan information and payments and view and track certain USDA program applications and payments. An eAuth account is a way for you to interact with USDA websites online. It gives you the ability to identify yourself to the USDA via your User ID and password. It permits you to access a wide range of USDA applications across the many USDA agencies and their services. Customers who do not already have an eAuth account can enroll at farmers.gov/account.

For additional information about CSP, landowners should contact their local NRCS office at the USDA Service Center for their county. For more information, visit our website.

# 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 <u>Agriculture Risk</u> <u>Coverage (ARC) and Price Loss Coverage</u> 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 webbased decision tools to assist producers in making informed, educated decisions using crop data specific to their respective farming operations. Tools include:

- <u>Gardner-farmdoc Payment Calculator</u>, 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 <u>2021</u> 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 <u>ARC and PLC webpage</u> or contact your local <u>USDA Service Center</u>.

# **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                  | 5.250% |
| Farm Ownership - Microloan               | 5.250% |
| Farm Ownership - Direct, Joint Financing | 3.250% |
| Farm Ownership - Down Payment            | 1.500% |
| Emergency - Amount of Actual Loss        | 3.750% |

# Farm Storage Facility Loans (FSFL):

| 3-year FSFL  | 4.125% |
|--------------|--------|
| 5-year FSFL  | 3.750% |
| 7-year FSFL  | 3.750% |
| 10-year FSFL | 3.625% |
| 12-year FSFL | 3.625% |

Please visit the <u>Farm Loan Program</u> webpage for more information.

# 2023 Dairy Margin Coverage Deadline Extended – Jan. 31, 2023, Last Day to Enroll

USDA extended the deadline for producers to enroll in <u>Dairy Margin Coverage</u> (<u>DMC</u>) and <u>Supplemental Dairy Margin Coverage (SDMC</u>) for program year 2023 to Jan. 31, 2023.

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.

Nearly 18,000 operations that enrolled in DMC for 2022 have received margin payments for August and September for a total of \$76.3 million. 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, and military veteran farmers and 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. The enrollment period for 2023 Supplemental DMC is also extended to Jan. 31, 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**

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%. For more information on DMC, visit the <a href="DMC webpage">DMC webpage</a> or contact your local <a href="USDA Service Center">USDA Service Center</a>.

# USDA Expands Eligibility, Enhances Benefits for Key Disaster Programs

The U.S. Department of Agriculture (USDA) made updates to several conservation, livestock and crop disaster assistance programs to give more farmers, ranchers, and tribes the opportunity to apply for and access programs that support recovery following natural disasters. Specifically, USDA's Farm Service Agency (FSA) expanded eligibility and enhanced available benefits for a suite of its programs. These updates will provide critical assistance to producers who need to rebuild and recover after suffering catastrophic losses of production and infrastructure due to natural disasters.

FSA has updated the following programs: The Emergency Conservation Program (ECP), the Emergency Forest Restoration Program (EFRP), the Emergency Assistance for Livestock, Honeybees, and Farm-raised Fish (ELAP), the Livestock Forage Disaster Program (LFP), the Livestock Indemnity Program (LIP) and the Noninsured Crop Disaster Assistance Program (NAP).

# **Conservation Disaster Assistance Updates**

FSA updated ECP to:

 Allow producers who lease Federally owned or managed lands, including tribal trust land, as well as State land the opportunity to participate. Provide advance payments, up to 25% of the cost, for all ECP practices before the
restoration is carried out, an option that was previously only available for fence
repair or replacement. The cost-share payment must be spent within 60 days.

Additionally, Congress also authorized the Federal government to pay 100% of the ECP and EFRP cost for damage associated with the Hermit's Peak/Calf Canyon Fire in New Mexico. This fire burned over 340,000 acres from April 2022 to June 2022 and was the largest wildfire in recorded history in New Mexico. ECP and EFRP cost-share assistance is typically capped at 75%. This policy change for 100% cost-share applies only to those locations impacted by the Hermit's Peak/Calf Canyon Fire.

ECP and EFRP provide financial and technical assistance to restore conservation practices like fencing, damaged farmland or forests.

# **Livestock Disaster Assistance Updates**

FSA also expanded eligible livestock under ELAP, LFP and LIP. Specifically, horses maintained on eligible grazing land are eligible for ELAP, LFP and LIP. Many family farms and ranches use their forage to raise horses to augment their other agriculture endeavors. FSA recognizes that animals maintained in a commercial agriculture operation, add value to the operation and could be available for marketing from the farm. FSA regulations have been updated to include these animals as eligible livestock

Horses and other animals that are used or intended to be used for racing and wagering remain ineligible.

Ostriches are also now eligible for LFP and ELAP. FSA is making this change because ostriches satisfy more than 50% of their net energy requirement through the consumption of growing forage grasses and legumes and are therefore considered "grazing animals".

This change for ostriches is effective for the 2022 program year for both LFP and ELAP. ELAP requires a notice of loss to be filed with FSA within 30 days of when the loss is first apparent. Because this deadline may have passed for 2022, FSA is extending the deadline for filing notices of loss through March 31, 2023.

LIP and 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 or for loss of grazing acres, feed and forage. LFP provides benefits for grazing losses due to drought and eligible wildfires on federally managed lands.

# **Noninsured Crop Disaster Assistance**

NAP provides financial assistance to producers of non-insurable crops when low yields, loss of inventory or prevented planting occur due to natural disasters. Basic NAP coverage is equivalent to the catastrophic level risk protection plan of insurance coverage, which is based on the amount of loss that exceeds 50% of expected production at 55% of the average market price for the crop.

Previously, to be eligible for NAP coverage, a producer had to submit an application (Form CCC-471) for NAP coverage on or before the application closing date. For 2022, if a producer has a *Socially Disadvantaged*, *Limited Resource*, *Beginning and Veteran Farmer or Rancher Certification* (Form CCC-860) on file with FSA, it will serve as an application

for basic coverage for all eligible crops having a 2022 application closing date and all NAP-related service fees for basic coverage will be waived for these producers.

FSA will notify all eligible producers who already have the CCC-860 certification form on file of their eligibility for NAP basic coverage for 2022. To potentially receive NAP assistance, producers who suffered losses due to natural disasters in 2022 should file an acreage report as well as a notice of loss with the FSA at their local Service Center.

Producers who are interested in obtaining NAP coverage for 2023 and subsequent years should also contact their local FSA county office for information on eligibility, coverage options and applying for coverage.

# **Reporting Losses**

Producers impacted by a natural disaster should report losses and damages and file an application with their <u>FSA county office</u>. Timelines for reporting losses and applying for payments differ by program.

For LIP and ELAP, producers will need to file a Notice of Loss for livestock and grazing or feed losses within 30 days and honeybee losses within 15 days. For LFP, producers must provide a completed application for payment and required supporting documentation to their FSA office within 30 calendar days after the end of the calendar year in which the grazing loss occurred.

For NAP, producers should contact their local FSA office for guidelines on submitting a notice of loss and filing an acreage certification.

# **More Information**

The updates to these programs build on other Biden-Harris administration efforts to improve disaster assistance programs, including additional flexibility in obtaining Noninsured Crop Disaster Assistance Program (NAP) basic coverage for socially disadvantaged, beginning, limited resource and veteran farmers and ranchers.

Previous enhancement to the ELAP provide program benefits to producers of fish raised for food and other aquaculture species as well as cover above normal expenses for transporting livestock to forage and grazing acres and transport feed to livestock impacted by qualifying drought. And earlier updates to the LIP payment rates better reflect the true market value of non-adult beef, beefalo, bison and dairy animals.

FSA announced it would begin accepting applications for the Emergency Relief Program (ERP) Phase Two and the new Pandemic Assistance Revenue Program (PARP) on Jan. 23, 2023, through June 2, 2023. ERP Phase Two is designed to fill gaps in the delivery of program benefits not covered in ERP Phase One and improves equity in program delivery to underserved producers. 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. Learn more in the Jan. 9, 2023 news release.

# **Additional Resources**

On <u>farmers.gov</u>, the <u>Disaster Assistance Discovery Tool</u>, <u>Disaster Assistance-at-a-Glance</u> fact sheet, and Farm Loan Discovery Tool can help producers and landowners determine

program or loan options. For assistance with a crop insurance claim, producers and landowners should contact their <u>crop insurance agent</u>. For FSA and Natural Resources Conservation Service programs, contact the local <u>USDA Service Center</u>.

# **Applying for FSA Guaranteed Loans**

FSA guaranteed loans allow lenders to provide agricultural credit to farmers who do not meet the lender's normal underwriting criteria. Farmers and ranchers apply for a guaranteed loan through a lender, and the lender arranges for the guarantee. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan. Guaranteed loans can be used for both farm ownership and operating purposes.

Guaranteed farm ownership loans can be used to purchase farmland, construct or repair buildings, develop farmland to promote soil and water conservation or to refinance debt.

Guaranteed operating loans can be used to purchase livestock, farm equipment, feed, seed, fuel, farm chemicals, insurance and other operating expenses.

FSA can guarantee farm ownership and operating loans up to \$2,037,000. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

# USDA Highlights New Project with Marbleseed in Wisconsin, Part of \$325 Million Investment through Partnerships for Climate-Smart Commodities

The U.S Department of Agriculture (USDA) is highlighting a new partnership with Marbleseed, part of a \$325 million investment in 71 projects under the second funding pool of the <u>Partnerships for Climate-Smart Commodities</u> effort. In total, the investment from both funding pools is over \$3.1 billion for 141 tentatively selected projects. Partnerships for Climate-Smart Commodities is working to expand markets for American producers who produce climate-smart commodities, leverage greenhouse gas benefits of climate-smart production, and provide meaningful benefits to producers, including small and underserved producers.

Zenk met with Lori Stern, Executive Director of Marbleseed (formerly MOSES), and about a dozen grain farmers to discuss this new project.

This project will focus on promoting, measuring, and verifying organic farming practices that organic grain producers can implement, such as robust crop rotations and cover crops, to achieve climate mitigation outcomes across 14 states spanning the upper Midwest to the southeastern United States (Plans to include North Dakota, South Dakota, Nebraska, Kansas, Missouri, Iowa, Minnesota, Wisconsin, Illinois, Indiana, Michigan, Ohio, Tennessee and Kentucky). Marblseed will work with a range of partners, including

Michael Fields Agricultural Institute, present at the event, to promote these types of organic farming practices.

# Two Wisconsin Employees receive FSA Administrator's Award for Service to Agriculture



USDA Farm Service Agency in Wisconsin would like to extend our upmost congratulations to Farm Loan Officer Renee Vosberg and Farm Program Chief Greg Biba for receiving the 2022 FSA Administrator's Award for Service to Agriculture (AASA).

FSA plays a critical role in supporting rural economies and their backbone—our nation's farmers, ranchers, and producers. FSA's mission is to equitably serve all farmers, ranchers, producers, and agricultural partners through the delivery of effective and efficient agricultural programs. Our vision is to keep America's agriculture growing by implementing our core values of ethics, customer service, teamwork, inclusive decision-making, and fiscal responsibility. We are only successful because of the work of our outstanding staff and employees across the nation.

Vosberg received the award for showing outstanding community service by hosting the annual Grant County, Wisconsin Dairy Breakfast, along with numerous other contributions to the community. The event included not only a meal, but several other activities to educate the public about the dairy industry. This included a tour of the farm operation's facilities, where they milk 250 Holstein dairy cows and operate 650 acres.

Greg Biba has served within the Farm Service Agency for 24 years, 20 of them being at the Wisconsin State Office. Biba received the award for his exemplary contributions to the National Dairy Task Force over the past 15 years. He has contributed to Dairy Policy for three Farm Bills and continues to serve as an expert in the area. Biba is being recognized specifically for the roll out of the Supplemental Dairy Margin Coverage Program, and the insight he and his team provided to help implement the program successfully in the field.

Vosberg and Biba are incredible assets to their communities, the Farm Service Agency, and the agriculture industry.



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 Program Chief**

Greg Biba greg.biba@usda.gov

# **Farm Loan Chief**

Tom Brandt tom.brandt@usda.gov

# **Farm Program Chief**

John Palmer john.palmer@usda.gov

# **State Committee:**

Josh Tranel Clara Hedrich Tina Hinchley Joe Koch Heidi Randall