

Connecticut Farm Service Agency Newsletter - April 16, 2024

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Message from the State Executive Director



Spring is upon us, and planting season has begun. And yes – while we all know the saying that April showers bring May flowers, we had double the rain in March - so, perhaps fewer April showers would be appreciated.

Recent Highlights

Last month, CT also celebrated Ag Day at the Capitol. It was a wonderful celebration of Connecticut's diverse agricultural community. It was also an opportunity to celebrate the future of agriculture here in the Nutmeg State – the Future Farmers of America were highlighted and celebrated and Jared McCool of Steadfast Farms was named as the 2024 Outstanding Young Farmer for his dedication to regenerative and best practices on his farm, for establishing the state's only USDA poultry slaughter facility, and for his inspiring work as founder of the Farmer Veteran Coalition in Connecticut. I also had the absolute honor of joining FFA's annual Leadership Training event and got to know several members of the Trumball Regional FFA group over lunch. These students are the next generation of leaders and I look forward to what they will achieve in their future careers.



Celebrations in April

In 2021, President Biden declared April to be Arab-American Heritage Month – and for us here at USDA we are celebrating the rich history and vibrant culture of Arab Americans and recognizing the invaluable role they have played in shaping USDA's workforce and communities. And this month, many of my wonderful colleagues will be celebrating Passover. I wish all who celebrate a happy Passover and wish you a family-filled and joyous seder.

Earth Day – April 22

With April also comes Earth Day. And being the soil scientist that I am, my focus on Earth Day has always gravitated downward – to Earth's earth – the soil. The ecosystem services provided to us by soil are essential to life on earth. To name just a few:

- soil filters water to help protect our rivers, lakes, and ocean water quality
- soil provides the foundation for our kids' soccer fields, and other recreational spaces
- soil hosts organisms that produce antibiotics and other medicines
- soil provides nutrients and physical support for crops that provide food, fuel, and fiber.

In fact, more than 95% of our food is produced on our soils. Our farmers understand the value of healthy and productive soil and are some of the best stewards of this natural resource.

This Earth Day, I encourage you participate in your own local Earth Day events – my family will be participating in our town clean-up. But there is another way you can celebrate Earth Day - you can celebrate those that steward the earth under our feet and visit a farm stand or market, bring home some local produce that was grown in our local soils, and support our local farmers while you're at it.

NRCS Program Opportunities

Greenhouses, maple syrup operations, forestland, cropland, livestock farms, pastureland, vegetable operations and urban farms can benefit from Climate Smart Agriculture and Forestry Mitigation Activities and supporting conservation practices.

Apply by **April 22, 2024** to the <u>Environmental Quality Incentives Program (EQIP)</u> or the <u>Conservation Stewardship Program (CSP)</u> to be considered in NRCS Connecticut's 2024 Round 3 funding, made possible through the <u>Inflation Reduction Act (IRA) - the largest climate</u> <u>and conservation investment in history</u>.

I wish you all a productive planting season – and as always, FSA staff is here to help you.

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Emily J. Cole, PhD State Executive Director

Important Upcoming Deadlines:

April 22, 2024 - Deadline to apply for the <u>Environmental Quality Incentives Program (EQIP)</u> and the <u>Conservation Stewardship Program (CSP)</u>

April 29, 2024 - Deadline to enroll in the 2024 Dairy Margin Coverage Program (DMC).

New London County FSA Office Is Hiring

The New London County Farm Service Agency (FSA) office in Norwich is hiring a full time Program Technician (PT). The deadline to apply is **April 29, 2024**.

Duties include general office activities supporting FSA programs administered at the field level. Successful applicants must be reliable, have a professional attitude and enjoy working with the public.

If you are interested or know of someone who might be interested, please share this information with them. Here is the direct link to the position with information on how to apply: <u>https://www.usajobs.gov/GetJob/ViewDetails/785656100</u>

Applications must be completed through USAJOBs no later than close of business April 29, 2024.

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Dairy Producers in Connecticut Reminded to Enroll in 2024 Dairy Margin Coverage by April 29

Contact your service center today!

The U.S. Department of Agriculture (USDA) is encouraging dairy producers to enroll by April 29, 2024, for 2024 Dairy Margin Coverage (DMC), an important safety net program that helps offset milk and feed price differences. This year's DMC signup began Feb. 28, 2024, and payments, retroactive to January, began in March 2024. So far, DMC payments triggered in January and February of 2024 at margins of \$8.48 and \$9.44 respectively.

2024 DMC Coverage and Premium Fees

FSA revised DMC regulations to extend coverage for calendar year 2024, which is retroactive to Jan. 1, 2024, and to provide an adjustment to the production history for dairy operations with less than 5 million pounds of production. In previous years, smaller dairy operations could establish a supplemental production history and receive Supplemental Dairy Margin Coverage.

For 2024, dairy producers can establish one adjusted base production history through DMC for each participating dairy operation to better reflect the operation's current production.

For 2024 DMC enrollment, dairy operations that established supplemental production history through Supplemental Dairy Margin Coverage for coverage years 2021 through 2023, will combine the supplemental production history with established production history for one adjusted base production history.

For dairy operations enrolled in 2023 DMC under a multi-year lock-in contract, lock-in eligibility will be extended until Dec. 31, 2024. In addition, dairy operations enrolled in multi-year lock-in contracts are eligible for the discounted DMC premium rate during the 2024 coverage year. To confirm 2024 DMC lock-in coverage or opt out in favor of an annual contract for 2024, dairy operations having lock-in contracts must enroll during the 2024 DMC enrollment period.

DMC offers different levels of coverage, even an option that is free to producers, minus a \$100 administrative fee. The administrative fee is waived for dairy producers who are considered limited resource, beginning, socially disadvantaged or a military veteran. To determine the appropriate level of DMC coverage for a specific dairy operation, producers can use the <u>online dairy decision tool</u>.

Congress passed a 2018 Farm Bill extension requiring these regulatory changes to the program. DMC is also authorized through calendar year 2024.

DMC Payments

DMC payments are calculated 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.

More Information

DMC is a voluntary risk management program providing 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. In 2023, DMC payments triggered in 11 months including two months, June and July, where the margin fell below the catastrophic level of \$4.00 per hundredweight, a first for DMC or its predecessor Margin Protection Program.

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

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

Foreign Investors Must Report U.S. Agricultural Land Holdings

File with your county office within 90 days of land transactions

U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) State Executive Director Dr. Emily Cole reminds foreign investors with an interest in agricultural land in Connecticut that they are required to report their land holdings and transactions to USDA.

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires foreign investors who buy, sell or hold an interest in U.S. agricultural land to report their holdings and transactions to the USDA. Foreign investors must file AFIDA Report Form FSA-153 with the FSA county office in the county where the land is located. Large or complex filings may be handled by AFIDA headquarters staff in Washington, D.C.

According to CFR Title 7 Part 781, any foreign person who holds an interest in U.S. agricultural land is required to report their holdings no later than 90 days after the date of the transaction.

Foreign investors should report holdings of agricultural land totaling 10 acres or more used for farming, ranching or timber production, and leaseholds on agricultural land of 10 or more years. Tracts totaling 10 acres or less in the aggregate, and which produce annual gross receipts in excess of \$1,000 from the sale of farm, ranch, forestry or timber products, must also be reported. AFIDA reports are also required when there are changes in land use, such as from agricultural to nonagricultural use. Foreign investors must also file a report when there is a change in the status of ownership.

The information from AFIDA reports is used to prepare an annual report to Congress. These annual reports to Congress, as well as more information, are available on the FSA <u>AFIDA</u> <u>webpage</u>.

Assistance in completing the FSA-153 report may be obtained from the local FSA office. For more information regarding AFIDA or FSA programs, contact your local <u>USDA office</u> or visit <u>farmers.gov</u>.

FSA Offers Joint Financing Option on Direct Farm Ownership Loans

The USDA Farm Service Agency's (FSA) <u>Direct Farm Ownership loans</u> can help farmers and ranchers become owner-operators of family farms, improve and expand current operations, increase agricultural productivity, and assist with land tenure to save farmland for future generations.

There are three types of Direct Farm Ownership Loans: regular, down payment and joint financing. FSA also offers a <u>Direct Farm Ownership Microloan</u> option for smaller financial needs up to \$50,000.

Joint financing allows FSA to provide more farmers and ranchers with access to capital. FSA lends up to 50 percent of the total amount financed. A commercial lender, a State program or the seller of the property being purchased, provides the balance of loan funds, with or without an FSA guarantee. The maximum loan amount for a joint financing loan is \$600,000, and the repayment period for the loan is up to 40 years.

The operation must be an eligible farm enterprise. Farm Ownership loan funds cannot be used to finance nonfarm enterprises and all applicants must be able to meet general eligibility requirements. Loan applicants are also required to have participated in the business operations of a farm or ranch for at least three years out of the 10 years prior to the date the application is submitted. The applicant must show documentation that their participation in the business operation of the farm or ranch was not solely as a laborer.

For more information about farm loans, contact your local <u>USDA Service Center</u> or visit <u>fsa.usda.gov</u>.

Farmers.gov Local Dashboard Now Available for Producers in Connecticut



Access local data to assist with your farming operation including weather forecasts and up-todate commodity pricing

Farmers in Connecticut can now access county specific farming data and USDA resources all in one place via the <u>new farmers.gov local dashboard</u>. Your farmers.gov local dashboard includes farming data and USDA resources including USDA news, commodity pricing, weather forecasts, historical climate data, past storm events, USDA service center locator and additional state resources for Connecticut and your county The dashboard transforms complex data sets into easy-to-read charts and graphs to help you quickly find information that matters to you. <<u>link to farmers.gov</u>>

Biden-Harris Administration Makes Record Investment in Private Lands Conservation As Part of Investing in America Agenda

The Biden-Harris Administration today announced that it made record investments in private lands conservation in fiscal year 2023 thanks to historic resources made available by President Biden's Inflation Reduction Act, the largest investment in climate action in history.

In fiscal year 2023, USDA supported more than 45,000 conservation contracts, more than any year in the 89-year history of USDA's Natural Resources Conservation Service (NRCS), totaling over \$2.8 billion in financial assistance to producers for conservation efforts. NRCS also released <u>updated state-by-state data</u> showing where investments went in FY2023 for resources provided under both the Farm Bill and Inflation Reduction Act.

The last year showed unprecedented demand for conservation from farmers and ranchers, with applications outpacing available funding. Even with the additional Inflation Reduction Act funding, NRCS had significant unmet producer demand for conservation through the Environmental Quality Incentives Program (EQIP) and the Agricultural Conservation Easement Program (ACEP). In addition, NRCS received \$2.2 billion in Regional Conservation Partnership Program (RCPP) proposals in fiscal year 2023 but was only able to fund half of the projects.

A total of \$19.5 billion from the Inflation Reduction Act is available over several years for climate-smart agriculture and forestry mitigation activities, including through NRCS conservation programs – EQIP, ACEP, RCPP and the Conservation Stewardship Program (CSP). Implementation began in fiscal year 2023, when NRCS made \$850 million available in financial and technical assistance through the Inflation Reduction Act. In fiscal year 2024, the second year of implementation, NRCS is making over \$3 billion available from the Inflation Reduction Act in addition to the \$2 billion in Farm Bill funding.

Details on program enrollment in fiscal year 2023 are available in a <u>fact sheet</u>, an <u>Inflation</u> <u>Reduction Act Data Visualization Tool</u> and <u>NRCS Financial Assistance Program Data</u>.

To learn more about NRCS programs, producers can contact their local <u>USDA Service</u> <u>Center</u>. Producers can also apply for NRCS programs, manage conservation plans and contracts, and view and print conservation maps by <u>logging into their farmers.gov account</u>. If you don't have an account, <u>sign up today</u>.

Silvopasture Can Help Diversify Ag Operations & Expand Income

Harming your land is never part of the plan, but without proper grazing practices, the land's productivity could decline. Improving your land's quality can start with good grazing management techniques. One popular grazing technique is silvopasture, a grazing system that combines trees, forage and livestock as a single practice on the same acreage.

Silvopasture can help with critical issues including lack of income, economic risks, lack of income diversity in timber or livestock, controlling weeds and providing shade and shelter. Using silvopasture, you can start creating and enhancing wildlife habitat by establishing a diverse blend of plant species. When these plants attract wildlife, this helps increase income opportunities for hunting leases.

USDA's Natural Resources Conservation Service can provide technical and financial assistance to help you create a silvopasture system on your land. The assistance includes help with planting trees and pruning, building fences, fertilizing, multiple row plantings and other activities. For more information, contact your local <u>USDA Service Center</u> or visit <u>nrcs.usda.gov</u>.

Ask USDA Available to Answer Questions About FSA Programs

Ask USDA is now available as a tool for FSA customers to ask questions about FSA programs and services.

Ask USDA, available at <u>ask.usda.gov</u> is similar to AskFSA, which was decommissioned Sept. 21, but it also provides information for all USDA programs. Ask USDA allows USDA customers to search for and read answers about FSA programs and services in the same location as they read about other USDA programs and services.

Customers are able to submit questions through email, chat, and phone if they need more information. This improved customer service approach provides a one-stop shopping experience that covers all of USDA's many programs.

Applying for Farm Storage Facility Loans

The Farm Service Agency's (FSA) Farm Storage Facility Loan (FSFL) program provides lowinterest financing to help you build or upgrade storage facilities and to purchase portable (new or used) structures, equipment and storage and handling trucks.

Eligible commodities include corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley, minor oilseeds harvested as whole grain, pulse crops (lentils, chickpeas and dry peas),

hay, honey, renewable biomass, fruits, nuts and vegetables for cold storage facilities, floriculture, hops, maple sap, rye, milk, cheese, butter, yogurt, meat and poultry (unprocessed), eggs, and aquaculture (excluding systems that maintain live animals through uptake and discharge of water). Qualified facilities include grain bins, hay barns and cold storage facilities for eligible commodities.

Loans up to \$50,000 can be secured by a promissory note/security agreement, loans between \$50,000 and \$100,000 may require additional security, and loans exceeding \$100,000 require additional security.

You do not need to demonstrate the lack of commercial credit availability to apply. The loans are designed to assist a diverse range of farming operations, including small and mid-sized businesses, new farmers, operations supplying local food and farmers markets, non-traditional farm products, and underserved producers.

For more information, contact your local <u>USDA Service Center</u> or visit <u>fsa.usda.gov/pricesupport</u>.

RMA Offers New Resource for Specialty and Small-Scale Farmers

Finding the right risk management fit for your farm can feel overwhelming, especially for specialty crop and small-scale farmers and ranchers. That's why the USDA's Risk Management Agency (RMA) created a <u>new searchable directory</u> of crop insurance agents who have experience selling <u>Whole-Farm Revenue Protection (WFRP)</u> and <u>Micro</u> <u>Farm</u> policies.

With 1,135 crop insurance agents listed, providing coverage in all 50 states, the process of finding the "right risk management fit" just got easier.

In addition to the new directory, there are other resources available for specialty crop producers including regional specialists located in each of the <u>RMA regional offices</u>. Feedback is crucial to continually improving risk management options, and specialty crop producers can reach out with suggestions or questions by e-mailing <u>SpecialtyCrops@usda.gov</u>.

Specialty crop and small-scale producers are encouraged to use the <u>new searchable</u> <u>directory</u> and visit the <u>RMA Specialty Crops page</u>.

Whole-Farm Revenue Protection

The first of its kind, WFRP recognizes diversification found on specialty and small-scale farms. With WFRP producers can insure their entire operation including crops, livestock, and nursery production, under one policy. Another advantage of WFRP coverage, is it bridges the insurance gap for several specialty crops that don't currently have individual policies available.

Micro Farm

Also included in WFRP, the Micro Farm option gives smaller operations more streamlined insurance options. It provides a risk management safety net for all commodities on your farm under one insurance policy. This insurance plan is tailored for any farm with up to \$350,000 in

approved revenue, including farms with specialty or organic commodities (both crops and livestock), or those marketing to local, regional, farm-identity preserved, specialty, or direct markets.

Payment Limitation

Program payments may be limited by direct attribution to individuals or entities. A legal entity is defined as an entity created under Federal or State law that owns land or an agricultural commodity, product or livestock. Through direct attribution, payment limitation is based on the total payments received by a person or legal entity, both and indirectly. Qualifying spouses are eligible for a separate payment limitation.

Payments and benefits under certain FSA programs are subject to some or all of the following:

- payment limitation by direct attribution (including common attribution)
- · payment limitation amounts for the applicable programs
- substantive change requirements when a farming operation adds persons, resulting in an increase in persons to which payment limitation applies
- actively engaged in farming requirements
- cash-rent tenant rule
- foreign person rule
- average AGI limitations
- programs subject to AGI limitation

No program benefits subject to payment eligibility and limitation will be provided until all required forms for the specific situation are provided and necessary payment eligibility and payment limitation determinations are made. Payment eligibility and payment limitation determinations may be initiated by the County Committee or requested by the producer.

Statutory and Regulatory rules require persons and legal entities, provide the names and Tax Identification Numbers (TINs) for all persons and legal entities with an ownership interest in the farming operation to be eligible for payment.

Payment eligibility and payment limitation forms submitted by persons and legal entities are subject to spot check through FSA's end-of-year review process.

Persons or legal entities selected for end-of-year review must provide the County Committee with operating loan documents, income and expense ledgers, canceled checks for all expenditures, lease and purchase agreements, sales contracts, property tax statements, equipment listings, lease agreements, purchase contracts, documentation of who provided actual labor and management, employee time sheets or books, crop sales documents, warehouse ledgers, gin ledgers, corporate or entity papers, etc.

A finding that a person or legal entity is not actively engaged in farming results in the person or legal entity being ineligible for any payment or benefit subject to the actively engaged in farming rules. Noncompliance with AGI provisions, either by exceeding the applicable limitation or failure to submit a certification and consent for disclosure statement, will result in payment ineligibility for all program benefits subject to AGI provisions. Program payments are reduced in an amount that is commensurate with the direct and indirect interest held by an ineligible person or legal entity in any legal entity, general partnership, or joint operation that receives benefits subject to the average AGI limitations.

If any changes occur that could affect an actively engaged in farming, cash-rent tenant, foreign person, or average Adjusted Gross Income (AGI) determination, producers must timely notify the County FSA Office by filing revised farm operating plans and/or supporting documentation, as applicable. Failure to timely notify the County Office may adversely affect payment eligibility.

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