

California Farm Service Agency Newsletter - April 2023

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USDA Extends Deadline for Emergency Conservation Program Applications from California Producers in 52 Counties

Funding Available to Help Restore Lands to Pre-Disaster Condition, Replace or Repair Fencing

The U.S. Department of Agriculture (USDA) has extended the deadline for accepting <u>Emergency Conservation Program</u> (ECP) applications from California agricultural producers who need assistance to address damages from severe storms. The application deadline has been extended an additional six months to October 13, 2023.

"We understand the extent of the damage caused by these severe storms and the catastrophic and widespread impacts of these disasters on California's agricultural communities," said Blong Xiong, State Executive Director for the Farm Service Agency (FSA) in California. "This deadline extension will give producers more time to apply for emergency assistance and rebuild with resiliency."

ECP provides financial assistance to producers to help them restore their farmland to predisaster conditions. Approved ECP applicants may receive up to 75% of the cost of an approved restoration activity. Limited resource, socially disadvantaged, and beginning farmers and ranchers may receive up to 90% cost-share. The payment limitation for ECP is \$500,000 per disaster event.

The approved counties for ECP signup are Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Fresno, Glenn, Humboldt, Imperial Inyo, Kern, Kings, Los Angeles, Madera, Marin, Mariposa, Mendocino, Merced, Modoc, Monterey, Napa, Nevada, Placer, Plumas, Sacramento, San Benito, San Diego, San Francisco, San Joaquin, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus, Sutter, Tehama, Trinity, Tulare, Tuolumne, Ventura, Yolo and Yuba.

The approved ECP practices under this authorization for recovery include:

- Removing debris from farmland;
- Grading, shaping, releveling, or similar measures;
- Replacing or repairing permanent fences; and
- Restoring conservation structures and other installations

Producers with damage from such events must apply for assistance prior to beginning reconstructive work. They must also work with FSA to complete the National Environmental Policy Act (NEPA) and environmental compliance review process. before they begin reconstructive work. If a producer submits an ECP application after reconstructive work has been completed, their eligibility for program benefits may be adversely impacted.

FSA county committees will evaluate applications based on an applicant's estimate or measurement of the damaged land, taking into consideration the type and extent of the damage. On-site visits will be required for every ECP application. Applying for ECP assistance does not guarantee that cost-share funding will be provided.

The use of ECP funds is limited to activities to return the land to the relative pre-disaster condition. Conservation concerns that were present on the land prior to the disaster are not eligible for ECP assistance.

More Information

For more information on ECP, please contact your local FSA office or visit <u>farmers.gov/recover</u>. To find your local FSA office visit <u>farmers.gov/service-center-locator</u>.

Additional USDA disaster assistance can be found on <u>farmers.gov</u>, including the <u>Disaster Assistance Discovery Tool</u>, <u>Disaster Assistance-at-a-Glance</u> fact sheet, and <u>Loan Assistance Tool</u> 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 NRCS programs, they should contact their local <u>USDA Service Center</u>.

How to Document Flood Losses

If you've suffered excessive livestock death losses and grazing or feed losses due to recent floods, you may be eligible for disaster assistance programs through the USDA Farm Service Agency (FSA).

The Livestock Indemnity Program (LIP) offers payments to you for livestock death losses in excess of normal mortality due to adverse weather and the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP) provides emergency relief for losses due to feed or water shortages, disease, adverse weather, or other conditions, which are not adequately addressed by other disaster programs.

To participate in LIP, you will be required to provide verifiable documentation of death losses resulting from an eligible adverse weather event, and you must submit a notice of loss to your local FSA office within 30 calendar days of when the loss of livestock is apparent. To participate in ELAP, you must submit a notice of loss to your local FSA office within 30 calendar days of when the loss is apparent and should maintain documentation and receipts.

You should record all pertinent information regarding livestock losses due to the eligible adverse weather or loss condition, including:

- Documentation of the number, kind, type, and weight range of livestock that have died, supplemented if possible by photographs or video records of ownership and losses;
- Rendering truck receipts by kind, type and weight important to document prior to disposal;
- Beginning inventory supported by birth recordings or purchase receipts;
- Documentation from Animal Plant Health Inspection Service, Department of Natural Resources, or other sources to substantiate eligible death losses due to an eligible loss condition;
- Documentation that livestock were removed from grazing pastures due to an eligible adverse weather or loss condition;
- Costs of transporting livestock feed to eligible livestock, such as receipts for equipment rental fees for hay lifts and snow removal;

Feed purchase receipts if feed supplies or grazing pastures are destroyed;

For more information, contact your local FSA Office.

USDA Issues Additional Pandemic Assistance Payments for Underserved Producers

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) is currently making automatic Coronavirus Food Assistance Program 2 (CFAP 2) top-up payments to underserved farmers and ranchers. Payments will be based on the 2020 program certification on form CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification.

Producers who have not previously certified to their status for the 2020 program year have until Feb. 10, 2023, to submit form CCC-860 to be eligible for the additional payments. Contact your local <u>USDA Service Center</u> for more information.

Myth-Busting FSA's New Revenue-Based Disaster and Pandemic Assistance Programs

A Message from FSA Administrator Zach Ducheneaux

In January, we announced two new programs designed to assist producers who experienced revenue losses from 2020 and 2021 natural disasters or the COVID-19 pandemic. These programs are revenue-based and feel a little different from our regular programs, but the goal is to better support farmers.

Both the <u>Emergency Relief Program (ERP)</u> Phase Two and the <u>Pandemic Assistance</u> <u>Revenue Program (PARP)</u> offer a holistic approach to disaster assistance and provide economic support for producers who bear the financial brunt of circumstances beyond their control.

With the rollout of any new program, there is a learning curve for producers and employees alike. ERP Phase Two and PARP are no exception. To encourage producer participation in these valuable programs, I'm going to do my best to debunk some myths and misconceptions surrounding ERP Phase Two and PARP.

With a June 2, 2023, deadline to apply for both programs, it's important that we clear up confusion about how to apply, what documents are required for participation, insurance requirements and related misinformation making its way across the countryside.

Now, let's do some myth-busting.

Myth #1 – You need to submit a completed tax return to FSA to apply for ERP Phase Two or PARP.

While these programs are based on revenue losses, you do not need a tax return, completed or otherwise, to apply for assistance. In fact, we have an <u>ERP Phase 2 tool</u> and <u>PARP tool</u> that walk you through the process step by step.

We understand that you may have questions for your certified public accountant or tax preparer, who was likely been hard to reach prior to the April 18 Internal Revenue Service tax deadline but we encourage you to download the program decision tools and get started. You'll probably discover that you already have on hand much of the information you need.

The following supporting materials will help you:

- 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.

The only reason you *might* have to provide your tax returns to FSA is in the event of a spot check or a request from the FSA County Committee.

Producers can <u>register for a free webinar</u> hosted by USDA and members of the National Farm Income Tax Extension Committee on Monday, May 1 at 2 p.m. eastern for a discussion on completing the ERP Phase Two application form.

Myth #2 – You cannot receive an ERP Phase Two payment if you received a payment under Phase One.

It's possible that you can still receive ERP Phase Two benefits if you received an ERP Phase One payment. There is also a possibility that your Phase Two payment may be offset

Myth #3 – ERP Phase Two was intended to be an additional payment to those who received payment under Phase One.

ERP Phase Two was never designed or intended to be an additional payment. Instead, it was intended to assist those producers who did not receive relief in Phase One.

Click here to read the full blog and view a producer testimonial on the application process.

USDA Kicks-Off Effort to Expand Market Opportunities for Climate-Smart Commodities and Learn from Pilot Projects

Partnerships for Climate-Smart Commodities

The U.S. Department of Agriculture (USDA) today announced the official kick-off of the implementation phase for projects funded through the \$3.1 billion Partnerships for

Climate-Smart Commodities effort. Project partners are beginning work on formal implementation of the climate-smart production practices, marketing, and quantification, monitoring, reporting and verification of greenhouse gas benefits that are funded through the effort as agreements are finalized on a rolling basis. As projects get underway, today USDA is launching the Partnerships for Climate-Smart Commodities Learning Network (Partnerships Network), a collaboration of all the project partners, which will generate key lessons-learned as projects are implemented. Learn More

USDA Simplifies Application Process for Noninsured Crops for Underserved Producers; Improves Risk Management Accessibility

A message from FSA Administrator Zach Ducheneaux

Earlier this year, we made several updates to disaster assistance programs to give more farmers, ranchers, and Tribes equitable access to recovery programs administered by the Farm Service Agency (FSA).

Specifically, I'd like to point out changes made to the Noninsured Crop Disaster Assistance Program (NAP) and how we've simplified the application process for underserved producers.

This important policy change opens the door to risk management options for producers who may not have previously known about or been able to obtain coverage to protect their crops.

NAP provides financial assistance to producers of noninsurable crops when natural disaster events cause low yields, loss of inventory, or prevented planting.

Our policy improvements mean that, beginning with the 2022 crop year, having a CCC-860 form, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification, on file with FSA will provide producers with basic NAP coverage for all eligible crops. Specifically, FSA is waiving all NAP-related service fees for basic coverage for producers with a CCC-860 on file prior to the application closing date for each crop. These producers are also eligible to receive a 50% premium reduction if they elect higher levels of coverage before the application closing date for each crop.

At the end of January, we notified producers who already have the CCC-860 certification form on file regarding their eligibility for NAP basic coverage for 2022. If you suffered losses from natural disasters in 2022, you will need to contact your local FSA county office to file an acreage report, as well as a notice of loss, and an application for a NAP payment.

If you are interested in NAP coverage for 2023 and future years, your local FSA county office staff will be more than happy to provide information on eligibility, coverage options, and how to apply for additional coverage.

While these recent policy changes are intended to remove barriers to available benefits and help underserved producers manage risk, any producer of noninsurable crops can apply for NAP coverage by completing FSA form CCC-471, Application for Coverage, and paying a service fee. Your local FSA office can verify application closing dates and ensure coverage for your crops is available.

My staff and I are committed to revisiting FSA program policies and finding ways, within our authorities, to remove obstacles that prevent participation. Expanding NAP to ensure all producers of noninsured crops have access to risk coverage is the result of proactive input from producers and the willingness of FSA employees to think outside of the box for the benefit of the producers we serve.

Please contact your local <u>USDA Service Center</u> for more information on NAP coverage options.

Community Alliance with Family Farmers Offers Small Farm Tech Hub



How can technology help expand market opportunities and increase business efficiencies for small farms?

Community Alliance with Family Farmers (CAFF) Tech Hub is here to Help!

Free Consultation services available to small scale farmers, food hubs and farmers markets operating out of California.

Request an appointment at www.caff.org/techsupport

For any questions email <u>Techhub@caff.org</u> or visit <u>www.caff.org/techhub</u>

USDA Announces Grassland Conservation Reserve Program Signup for 2023

The U.S. Department of Agriculture (USDA) announced recently that agricultural producers and private landowners can now begin signing up for the Grassland Conservation Reserve Program (CRP) **running through May 26, 2023**. Among CRP enrollment opportunities, Grassland CRP is a unique working lands program, allowing producers and landowners to continue grazing and haying practices while conserving grasslands and promoting plant and animal biodiversity as well as healthier soil.

"Grassland CRP clearly demonstrates that agricultural productivity and conservation priorities can not only coexist but also complement and enhance one another," said Blong Xiong FSA State Executive Director in California. "The strength of this program lies in its many benefits — through annual rental payments, the program helps producers and landowners produce and maintain diverse wildlife habitat, sequester carbon in the soil,

and support sound, sustainable grazing. These benefits help keep agricultural lands in production while delivering lasting climate outcomes."

More than 3.1 million acres were accepted through the 2022 Grassland CRP signup from agricultural producers and private landowners. That signup—the highest ever for the program—reflects the continued success and value of investments in voluntary, producerled, working lands conservation programs. The current total participation in Grassland CRP is 6.3 million acres, which is part of the 23 million acres enrolled in CRP opportunities overall.

Since 2021, USDA's FSA, which administers all CRP programs, has made several improvements to Grassland CRP to broaden the program's reach, including:

- Creating two <u>National Priority Zones</u> to put focus on environmentally sensitive land such as that prone to wind erosion.
- Enhancing offers with 10 additional ranking points to producers and landowners who are historically underserved, including beginning farmers and military veterans.
- Leveraging the <u>Conservation Reserve Enhancement Program</u> (CREP) to engage historically underserved communities within Tribal Nations in the Great Plains.

How to Sign Up for Grassland CRP

Landowners and producers interested in Grassland CRP, or any other CRP enrollment option, should contact their local <u>USDA Service Center</u> to learn more or to apply for the program before the deadlines.

Producers with expiring CRP acres can enroll in the Transition Incentives Program (TIP), which incentivizes producers who sell or enter into a long-term lease with a beginning, veteran, or socially disadvantaged farmer or rancher who plans to sustainably farm or ranch the land.

Other CRP Signups

Under <u>Continuous CRP</u>, producers and landowners can enroll throughout the year. Offers are automatically accepted provided the producer and land meet the eligibility requirements and the enrollment levels do not exceed the statutory cap. Continuous CRP includes a Climate-Smart Practice Incentive to increase carbon sequestration and reduce greenhouse gas emissions by helping producers and landowners establish trees and permanent grasses, enhance wildlife habitat, and restore wetlands.

FSA offers several additional enrollment opportunities within Continuous CRP, including the State Acres for Wildlife Enhancement (SAFE) Initiative, the Farmable Wetlands Program (FWP), and the Conservation Reserve Enhancement Program (CREP). Also available is the Clean Lakes Estuaries and Rivers (CLEAR30) Initiative, which was originally piloted in twelve states but has since been expanded nationwide, giving producers and landowners across the country the opportunity to enroll in 30-year CRP contracts for water quality practices.

USDA hosts an annual General CRP signup. This year's <u>General CRP signup was open from Feb. 27 through April 7</u>. The program helps producers and landowners establish long-term, resource-conserving plant species, such as approved grasses or trees, to control soil erosion, improve water quality and enhance wildlife habitat on cropland. The Climate-Smart Practice Incentive is also available in the General signup.

More Information

Signed into law in 1985, CRP is one of the largest voluntary private-lands conservation programs in the United States. It was originally intended to primarily control soil erosion and potentially stabilize commodity prices by taking marginal lands out of production. The program has evolved over the years, providing many conservation and economic benefits.

Privately owned grazing lands cover nearly 30 percent of the national landscape, and USDA recognizes the tremendous opportunity address climate-change through voluntary private lands conservation. In addition to CRP, resources are available at FSA's sister agency, Natural Resources Conservation Service (NRCS). Earlier this month, NRCS <u>announced its \$12 million investment</u> in cooperative agreements for 49 projects that expand access to conservation technical assistance for livestock producers and increase the use of conservation practices on grazing lands.

USDA Microloans Help Farmers Purchase Farmland and Improve Property

Farmers can use USDA farm ownership microloans to buy and improve property. These microloans are especially helpful to beginning or underserved farmers, U.S. veterans looking for a career in farming, and those who have small and mid-sized farming operations.

Microloans have helped farmers and ranchers with operating costs, such as feed, fertilizer, tools, fencing, equipment, and living expenses since 2013.

Microloans can also help with farmland and building purchases and soil and water conservation improvements. FSA designed the expanded program to simplify the application process, expand eligibility requirements and expedite smaller real estate loans to help farmers strengthen their operations. Microloans provide up to \$50,000 to qualified producers and can be issued to the applicant directly from the USDA Farm Service Agency (FSA).

To learn more about the FSA microloan program, contact your local County USDA Service Center or visit fsa.usda.gov/microloans.

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.

Free Farm Manager Apprentice Training

Farmers, are you searching for your future manager or supervisor? Whether you have a current employee who could use some additional training, or are seeking to hire a new team member, The Beginning Farm and Ranch Management Apprenticeship provides a structured pathway for aspiring farm managers to develop the knowledge and skills they need to be successful on your farm. The Center for Land-Based Learning covers all tuition for coursework and provides support for farmers and apprentices. To learn more about training an apprentice, visit https://landbasedlearning.org/apprentice-farmer-mentor

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