



California Farm Service Agency Newsletter - August 2022

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USDA Names Appointees to the California Farm Service Agency State Committee

The USDA Farm Service Agency (FSA) recently announced appointees who will serve on the California USDA Farm Service Agency (FSA) state committee.

Members of the FSA state committee are appointed by Secretary of Agriculture Tom Vilsack and are responsible for the oversight of farm programs and county committee operations, resolving program delivery appeals from the agriculture community, maintaining cooperative relations with industry stakeholders, keeping producers informed about FSA programs and operating in a manner consistent with USDA equal opportunity and civil rights policies.

Each FSA state committee is comprised of three to five members including a designated chairperson. The individuals appointed to serve on this committee for California are:

- Committee Chair Ron Kelley - Sacramento
- Rodney Kamper - Riverdale
- Nikiko Masumoto - Fowler
- Joe Rascon - Kerman
- Karlie Moore- Stanford

“The FSA state committee members play an integral role in the continuity of operations, equitable and inclusive program administration and ensure the overall integrity of services to the nation’s agricultural producers,” said Marcus Graham, FSA Deputy Administrator for Field Operations. “These individuals have proven themselves to be leaders, early adopters and key influencers in the agriculture industry in their respective states – qualities that will serve them well in these key Biden-Harris Administration leadership positions.

The Farm Service Agency serves farmers, ranchers, foresters, and agricultural partners through the effective, efficient, and equitable delivery of federal agricultural programs. The Agency offers producers a strong safety net through the administration of farm commodity and disaster programs. Additionally, through conservation programs, FSA continues to preserve and protect natural resources and provides credit to agricultural producers who are unable to receive private, commercial credit, including targeted loan funds for beginning, underserved, women and military veterans involved in production agriculture.

Deadline Extended and More Pre-Filled Forms For 2020 and 2021 Disasters on the Way

More Producers to Soon Receive Applications for over \$105 Million in Additional Emergency Relief

The U.S. Department of Agriculture (USDA) recently announced that it will indefinitely extend the deadline for producers to return the pre-filled applications for Phase One of the Emergency Relief Program (ERP). A new deadline will be announced after the last Phase One applications are mailed and provide at least 30 days following the mailing.

Continuing to build on the initial mailing of pre-filled applications in May, the Department will continue using existing information in USDA and crop insurance files to send additional pre-filled applications starting this week for potentially eligible [Noninsured Crop Disaster Assistance Program](#) (NAP) participants. Once applications from eligible NAP producers are returned, these producers are expected to receive about \$105 million in ERP payments for eligible losses from 2020 and 2021 disasters.

USDA’s Farm Service Agency (FSA) is now mailing pre-filled applications to NAP producers through ERP to offset crop yield and value losses. To receive a relief payment, producers should complete and return the applications by announced deadlines.

Producers are expected to receive assistance direct deposited into their bank account within three business days after they sign and return the prefilled application to the FSA county office and the county offices enters the application into the system.

While most crop insurance customers that may be eligible for ERP Phase One received the pre-filed applications in May, there are some who should expect to receive a form in August including:

- Producers who had an eligible loss in 2020 that had been recorded in the crop insurance records as a 2019 loss (e.g., prevented planting claims); and
- Producers with policies that required additional information before being able to calculate an indemnity for 2021 losses (producers with 2020 losses would have already received that application). Policies that required additional information include Supplemental Coverage Option (SCO), Enhanced Coverage Option (ECO), Stacked Income Protection Plan (STAX), Margin Protection Plan (MP) or Area Risk Protection Insurance (ARPI).

Producers without risk management coverage through crop insurance or NAP and those with shallow losses may be covered by the forthcoming Phase Two of ERP.

USDA estimates that Phase One ERP benefits will reach more than 5,200 producers with NAP coverage for eligible 2020 and 2021 crop losses. This emergency relief complements ERP assistance recently provided to more than 162,000 producers who had received crop insurance indemnities for qualifying losses. Nearly 13,000 additional crop insurance customers will also receive pre-filled applications in August to cover eligible 2020 losses described above and for producers with more complex policies where indemnities could not be calculated for 2021 previously.

ERP and the previously announced Emergency Livestock Relief Program (ELRP) are funded by the *Extending Government Funding and Delivering Emergency Assistance Act*, which President Biden signed into law in 2021. The law provided \$10 billion to help agricultural producers impacted by wildfires, droughts, hurricanes, winter storms and other eligible disasters experienced during calendar years 2020 and 2021. Overall, USDA has already quickly disbursed over \$6 billion dollars under ERP and ELRP with reduced paperwork for the producer and field offices.

For more information on ERP eligibility, program provisions for socially disadvantaged or historically underserved producers as well as Frequently Asked Questions, NAP applicants can visit FSA's [Emergency Relief webpage](#) and program [fact sheet](#).

Additional USDA disaster assistance information can be found on [farmers.gov](#), including the [Disaster Assistance Discovery Tool](#), [Disaster-at-a-Glance fact sheet](#) and [Farm Loan Discovery Tool](#). For FSA and Natural Resources Conservation Service programs, producers should contact their local [USDA Service Center](#). For assistance with a crop insurance claim, producers and landowners should contact their [crop insurance agent](#).

FSA Offers Joint Financing Option on Direct Farm Ownership Loans

The USDA Farm Service Agency's (FSA) [Direct Farm Ownership loans](#) 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 [Direct Farm Ownership Microloan](#) 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.

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

The U.S. Department of Agriculture (USDA) is investing in two outreach and education efforts for farmers and ranchers, including those who are new to farming or who have been historically underserved by USDA programs. USDA's Farm Service Agency (FSA) is investing \$10 million for agriculture-oriented taxpayer education as well as \$4.5 million in outreach for the Conservation Reserve Program's [Transition Incentives Program](#) (CRP TIP), which helps with access to land for beginning and socially disadvantaged farmers and ranchers. Both efforts help advance equity and access to USDA programs and agriculture.

"Running a farm operation is tough, and we are working to help meet gaps where farmers need assistance," said Blong Xiong, FSA Executive Director in California. "First, filing taxes for an agricultural operation can be challenging and many agricultural producers may not have the funds to hire accountants or tax professionals to assist, especially for new and historically underserved producers. This new initiative offers support to producers in navigating tax season. Second, we want to make sure producers are aware of our many program options, and Conservation Reserve Program Transition Incentives Program

(CRP TIP) provides a unique opportunity for producers with expiring CRP land to help bring new farmers into the fold.”

Taxpayer Education

FSA’s \$10 million investment funds the new Taxpayer Education and Asset Protection Initiative. As part of the first phase of this work, FSA has established a partnership with the University of Arkansas and the National Farm Income Tax Extension Committee. This partnership is establishing hubs for taxpayer education while developing and delivering tax education resources to farmers, ranchers, agricultural educators and tax professionals through partnerships with stakeholders and minority- serving institutions across the country.

Many producers are not aware that receiving USDA program funds for activities, such as conservation contracts, disaster assistance payments, and pandemic relief are taxable income, and need support to assist with short- and long-term business planning associated with their program payments. To address these issues, FSA is investing in partnerships with the University of Arkansas, the National Farm Income Tax Extension Committee and other partners to develop and deliver taxpayer education to producers to help them better understand the important relationships between federal income taxes and USDA farm programs. The next phases of this work will include a suite of online resources for producers, continuing education opportunities for tax attorneys and CPAs, as well as cooperative agreement funding and training opportunities for stakeholder organizations.

“Many rural areas lack legal and certified accounting services, and agricultural producers need additional knowledge and/or resources to integrate tax planning into their financial planning,” said Ronald L. Rainey, Assistant Vice President of the University of Arkansas System Division of Agriculture. “This partnership will help the University of Arkansas and USDA work together to overcome inequalities in tax services to serve agriculture communities.”

These tax education partnerships focus on addressing the immediate needs of producers by delivering agricultural tax and asset protection training and information to farmers as well as developing infrastructure to support rural taxpayer education and tax preparation for limited resource, beginning, and historically underserved farmers and ranchers for the long term.

Tax Estimator Tool

Additionally, USDA is updating and expanding online tax resources for producers, including the new [Tax Estimator Tool](#), an interactive spreadsheet that producers can download to estimate tax liability. It is for informational and educational purposes only and should not be considered tax or legal advice. Producers may need to work with a tax professional to determine the correct information to be entered in the Tax Estimator Tool. The tool is available at ruraltax.org.

Registration is also open for a webinar on [Using the Tax Calculator](#) to estimate your tax burden. The webinar will be held on Aug. 15 at 2 p.m. Eastern Standard Time. Previous webinars, fact sheets and other resources are available on farmers.gov/taxes.

Available Funding for CRP TIP Outreach

TIP provides financial incentives to CRP participants with expiring contracts, if they sell or rent the land to a beginning producer, veteran farmer or rancher, or a producer from a socially disadvantaged group.

FSA is making available up to \$4.5 million in funding and expects to award 15 to 20 partner and stakeholder organizations to conduct outreach and provide technical assistance to promote awareness and understanding of CRP TIP among agricultural communities, in particular those who are military veterans, new to farming, or historically underserved.

Eligible stakeholders include Federally-recognized Indian tribal organizations, State governments, local governments, nonprofit organizations, and higher education institutions. Interested stakeholders may submit one-to-two-year proposals, and must submit their applications via [Grants.gov](https://www.grants.gov) by October 14, 2022.

Deputy Under Secretary Montaño added: “This technical assistance funding will be critical in helping our external stakeholders connect contract holders to beginning producers, and make sure landowners understand TIP.”

CRP TIP Training for Staff

FSA will also train field employees on CRP TIP to improve and increase staff and producer awareness and support participation. Training will help staff understand the larger issues that can affect landowners’ considerations around CRP TIP and allow them to further help producers.

More Information

Producers interested in CRP TIP and other USDA programs should contact their local [USDA Service Center](#) to learn more or to apply for programs.

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 TechHub@caff.org or visit www.caff.org/techhub

CAFF is a registered 501(c)(3) non-profit that works to build sustainable food and farming systems through policy advocacy and on-the-ground programs that create more resilient family farms, communities and ecosystems. The Small Farm Tech Hub is a program under CAFF and funded by the USDA Farmers Market Promotion Program.

Noninsured Crop Coverage Helps Producers Manage Risks

The Farm Service Agency's (FSA) Noninsured Crop Disaster Assistance Program (NAP) helps you manage risk through coverage for both crop losses and crop planting that was prevented due to natural disasters. The eligible or "noninsured" crops include agricultural commodities not covered by federal crop insurance.

You must be enrolled in the program and have purchased coverage for the eligible crop in the crop year in which the loss incurred to receive program benefits following a qualifying natural disaster.

NAP Buy-Up Coverage Option

NAP offers higher levels of coverage, from 50 to 65 percent of expected production in 5 percent increments, at 100 percent of the average market price. Buy-up levels of NAP coverage are available if the producer can show at least one year of previously successfully growing the crop for which coverage is being requested.

Producers of organics and crops marketed directly to consumers also may exercise the "buy-up" option to obtain NAP coverage of 100 percent of the average market price at the coverage levels of between 50 and 65 percent of expected production.

NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production.

Buy-up coverage is not available for crops intended for grazing.

NAP Service Fees

For all coverage levels, the NAP service fee is the lesser of \$325 per crop or \$825 per producer per county, not to exceed a total of \$1,950 for a producer with farming interests in multiple counties.

NAP Enhancements for Qualified Military Veterans

Qualified veteran farmers or ranchers are eligible for a service fee waiver and premium reduction, if the NAP applicant meets certain eligibility criteria.

Beginning, limited resource and targeted underserved farmers or ranchers remain eligible for a waiver of NAP service fees and premium reduction when they file form CCC-860, "*Socially Disadvantaged, Limited Resource and Beginning Farmer or Rancher Certification.*"

For NAP application, eligibility and related program information, contact your local FSA office or visit fsa.usda.gov/nap.

USDA Announces Streamlined Guaranteed Loans and Additional Lender Category for Small-Scale Operators



Options Help More Beginning, Small and Urban Producers Gain Access to Credit

Producers can apply for a streamlined version of USDA guaranteed loans, which are tailored for smaller scale farms and urban producers. EZ Guarantee Loans use a simplified application process to help beginning, small, underserved, and family farmers and ranchers apply for loans of up to

\$100,000 from USDA-approved lenders to purchase farmland or finance agricultural operations.

A new category of lenders will join traditional lenders, such as banks and credit unions, in offering USDA EZ Guarantee Loans. Microlenders, which include Community Development Financial Institutions and Rural Rehabilitation Corporations, will be able to offer their customers up to \$50,000 of EZ Guaranteed Loans, helping to reach urban areas and underserved producers. Banks, credit unions and other traditional USDA-approved lenders, can offer customers up to \$100,000 to help with agricultural operation costs.

EZ Guarantee Loans offer low interest rates and terms up to seven years for financing operating expenses and 40 years for financing the purchase of farm real estate. USDA-approved lenders can issue these loans with the Farm Service Agency (FSA) guaranteeing the loan up to 95 percent.

For more information about the available types of FSA farm loans, contact your local FSA county USDA Service Center or visit fsa.usda.gov/farmloans.

Maintaining Good Credit History

Farm Service Agency (FSA) loans require applicants to have a satisfactory credit history. A credit report is requested for all FSA direct farm loan applicants. These reports are reviewed to verify outstanding debts, see if bills are paid timely and to determine the impact on cash flow.

Information on your credit report is strictly confidential and is used only as an aid in conducting FSA business.

Our farm loan staff will discuss options with you if you have an unfavorable credit report and will provide a copy of your report. If you dispute the accuracy of the information on the credit report, it is up to you to contact the issuing credit report company to resolve any errors or inaccuracies.

There are multiple ways to remedy an unfavorable credit score:

- Make sure to pay bills on time

- Setting up automatic payments or automated reminders can be an effective way to remember payment due dates.
- Pay down existing debt
- Keep your credit card balances low
- Avoid suddenly opening or closing existing credit accounts

FSA's farm loan staff will guide you through the process, which may require you to reapply for a loan after improving or correcting your credit report.

California Agricultural Mediation Program (CALAMP) helps farmers and ranchers

The USDA Farm Service Agency (FSA) in California has partnered with the California Agriculture Mediation Program to provide free mediation services. Mediation can be an effective tool for farmers and ranchers who are experiencing challenges with their farm loans, creditors, neighbors, leases, or USDA agencies.

Mediation is free to any producer for debt/credit issues, family farm transitions, leases, neighbor disputes, organic certification, adverse USDA decisions, and more. If your issue is not included in our authorized list of covered topics, we'll work with you to find an affordable option.

Discussions and notes made during mediation cannot be shared unless everyone agrees to do so. Keeping information private helps create a safe space for difficult conversations. If you come to an agreement or plan, the parties may then decide to share it outside of the meeting.

Mediators are trained to help people talk to each other in a productive way. The mediator does not take a "side" in the conversation, but instead is there to support the conversation and move it forward to address the issue at hand. All of our mediators have agricultural backgrounds, so they understand the issues that are unique to the industry.

The mediator leads a discussion about reaching an agreement or plan. Should the parties reach an agreement, the mediator will draft a settlement document, which is a binding contract. But the parties, not the mediator, decide the outcome and course of action.

Statistically, 75 percent of mediations result in an agreement. Sometimes even if a final agreement is not reached, everyone gains a better understanding of the issue. Mediation can go hand-in-hand with other processes such as working with an estate planner or applying for a farm loan. Mediation can reopen lines of communication and help the participants continue productive conversations outside the meeting.

For more information, submit a request for mediation at www.calamp.org

Or contact:

Matt Strassberg (Director) at 916-330-4500 x101 or matts@emcenter.org

Mary Campbell (S. CA Coordinator) at 916-330-4500 x101 or maryc@emcenter.org

Jenna Muller (N. CA Coordinator) at 916-330-4500 x101 or jennam@emcenter.org

Free Farm Manager Apprenticeship 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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