USDA Farm Service Agency
U.S. DEPARTMENT OF AGRICULTURE

**California Farm Service Agency Newsletter** - December 2021

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# Deadline Extended to Apply for Pandemic Support for Certified Organic and Transitioning Operations


The U.S. Department of Agriculture (USDA) has extended the deadline for agricultural producers who are certified organic, or transitioning to organic, to apply for the Organic and Transitional Education and Certification Program (OTECP). This program provides pandemic assistance to cover certification and education expenses. The deadline to apply for 2020 and 2021 eligible expenses is now **Feb. 4, 2022**, rather than the original deadline of Jan. 7, 2022.

“We listened to feedback from our stakeholders and are happy to provide organic producers, and those transitioning their operations, enough time to learn about the program and complete the application,” said Zach Ducheneaux, FSA Administrator.

Signup for OTECP, administered by USDA’s Farm Service Agency (FSA), began Nov. 8.

**Program Background**

Certified operations and transitional operations may apply for OTECP for eligible expenses paid during the 2020, 2021 and 2022 fiscal years. Signup for the 2022 fiscal year will be announced at a later date.

For each year, OTECP covers 25% of a certified operation’s eligible certification expenses, up to $250 per certification category (crop, livestock, wild crop, handling and State Organic Program fee). This includes application fees, inspection fees, USDA organic certification costs, state organic program fees and more.

Crop and livestock operations transitioning to organic production may be eligible for 75% of a transitional operation’s eligible expenses, up to $750, for each year. This includes fees charged by a certifying agent or consultant for pre-certification inspections and development of an organic system plan.

For both certified operations and transitional operations, OTECP covers 75% of the registration fees, up to $200, per year, for educational events that include content related to organic production and handling in order to assist operations in increasing their knowledge of production and marketing practices that can improve their operations, increase resilience and expand available marketing opportunities. Additionally, both certified and transitional operations may be eligible for 75% of the expense of soil testing required under the National Organic Program (NOP) to document micronutrient deficiency, not to exceed $100 per year.

Producers apply through their local FSA office and can also obtain one-on-one support with applications by calling 877-508-8364. The program application and additional information can be found at farmers.gov/otecp.

**Additional Organic Support**

OTECP builds upon USDA’s Organic Certification Cost Share Program (OCCSP) which provides cost share assistance of 50%, up to a maximum of $500 per scope, to producers and handlers of agricultural products who are obtaining or renewing their certification under the NOP. Although the application period for OCCSP ended Nov. 1, 2021, FSA will consider late-filed applications for those operations who still wish to apply.

Meanwhile, USDA’s Risk Management Agency (RMA) recently made improvements to Whole-Farm Revenue Protection to make it more flexible and accessible to organic producers.

To learn more about USDA’s broader assistance for organic producers, visit usda.gov/organic.

# Applying for Youth Loans

The Farm Service Agency (FSA) makes loans to youth to establish and operate agricultural income-producing projects in connection with 4-H clubs, FFA and other agricultural groups.

Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is $5,000.

**Youth Loan Eligibility Requirements:**

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Comply with FSA's general eligibility requirements
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the youth loan applicant, along with providing adequate supervision.

For help preparing the application forms, contact your local county USDA Service Center.

# 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

# USDA Expands Partnerships for Conservation Through Its Conservation Reserve Enhancement Program

The U.S. Department of Agriculture (USDA) is leveraging its authorities under the Conservation Reserve Enhancement Program (CREP) to bring in new types of partners and ultimately expand opportunities in voluntary conservation for the Nation's agricultural producers and private landowners. In direct response to feedback from state agencies, Tribes, non-profits and other groups, USDA has updated CREP's rule regarding matching fund requirements, and invested in additional staff to work directly with partners for streamlined, partner-driven conservation efforts.

CREP is part of the Conservation Reserve Program (CRP) and enables USDA's Commodity Credit Corporation (CCC), through Farm Service Agency (FSA), and partners to co-invest in partner-led projects. CREP also plays an important role in USDA's broader climate change strategy, bringing together producers, landowners and partners for climate-smart land management.

"CREP is one of the most flexible tools we have for locally-driven, partner-led efforts to reward producers and drive important environmental and climate outcomes," said FSA Administrator Zach Ducheneaux. "We look forward to working with new, diverse partners who can shape CRP to address priorities most important to them and to local communities, from water quality and conservation to wildlife habitat and climate outcomes. The CREP changes in this rule will remove barriers and provide partners with increased flexibility to participate in this powerful program."

**Matching Funds**

A Dec. 6, 2019, rule required that 50% of matching funds from partners be in the form of direct payments, which made it more difficult for diverse types of groups to participate as partners in CREP. With this rule change, partners can now provide their negotiated level of matching funds in the form of cash, in-kind contributions, or technical assistance. This change allows for greater flexibility and opportunity for additional partners to participate in the program.

This change was enacted through a Dec. 13, 2021 rule in the Federal Register.

The rule also updated policy to now provide a full annual rental rate to producers who are impacted by state, Tribal or local laws, ordinances and regulations that require a resource conserving or environmental protection measure. The previous rule reduced the rental payment made to producers who were covered by such laws.

**Additional Capacity to Support Partners and Producers**

In order to implement these changes, FSA has hired three new CREP staff members, using a regional approach to work closely with potential and existing partners and expand program availability. The team members include:

- **Evelyn Whitesides**, focusing on Alabama, Connecticut, Delaware, Florida, Georgia, Kentucky Maine, Maryland, Massachusetts, Mississippi, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia and Caribbean Region (Puerto Rico and Virgin Islands).
- **Kim Martin**, focusing on Arkansas, Illinois, Indiana, Iowa, Kansas, Louisiana, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma, South Dakota, Texas and Wisconsin.
- **Patrick Lewis**, focusing on Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Pacific Basin, Utah, Washington and Wyoming.

“We want to build capacity so that we can better reach partners, including those who we may not have worked with before,” Ducheneaux said. “We’re taking action to reduce barriers to access and opportunity for historically underserved producers and landowners, and by engaging more partners, we’re working with groups that provide a direct link to these communities.”

These investments in CREP staffing build on other recent outreach and education efforts by FSA, including a $4.7 million investment announced this year to establish partnerships with organizations to provide outreach and technical assistance to historically underserved farmers and ranchers on a variety of CCC and FSA programs, including conservation programs.

Currently, all CREP partners are States; however, FSA is strongly encouraging Tribes and non-governmental organizations to consider partnerships. This program is a great vehicle for their conservation-focused efforts.

**About CREP**

Currently, CREP has 34 projects in 26 states. In total, more than 860,000 acres are enrolled in CREP.

Eligible partners include States, Tribal groups, and non-governmental organizations. Potential partners interested in CREP should contact their FSA State Office or one of the new CREP team members listed above.

**More Information**

Earlier this year, FSA rolled out a number of improvements to CRP, which included a larger emphasis on climate-smart agriculture through a new Climate-Smart Practice Incentive for CRP general and continuous signups. Learn more in our “What’s New with CRP” fact sheet. These updates to CREP build on FSA’s larger effort to improve all components of CRP.

To learn about CREP and other CRP opportunities, producers and landowners should contact their local USDA Service Center.

CREP is one of many USDA programs to support the America the Beautiful Initiative, and today the Biden-Harris Administration issued its first annual progress report highlighting steps the Administration has taken over the past year to support locally led and voluntary initiatives efforts to conserve and restore lands and waters across the nation.

# USDA Offers Online Tool for Drought-Stricken Ranchers to Estimate Compensation for Feed Transportation Costs

An online tool is now available to help ranchers document and estimate payments to cover feed transportation costs caused by drought, which are now covered by the Emergency Assistance for Livestock, Honeybees and Farm-raised Fish Program (ELAP). The U.S. Department of Agriculture (USDA) updated the program this year to include feed transportation costs as well as lowered the threshold for when assistance for water hauling expenses is available. USDA’s Farm Service Agency (FSA) will begin taking applications this fall.

The new ELAP Feed Transportation Producer Tool is a Microsoft Excel workbook that enables ranchers to input information specific to their operation to determine an estimated payment. Final payments may vary depending on eligibility.

To use the tool, ranchers will need:

- Number of truckloads for this year.
- Mileage per truckload this year.
- Share of feed cost this year (if splitting loads).
- Number of truckloads you normally haul.
- Normal mileage per truckload.
- Share of normal feed cost

The tool requires Microsoft Excel, and a tutorial video is available.

**Updates to ELAP**

ELAP provides financial assistance to eligible producers of livestock, honeybees and farm-raised fish for losses due to disease, certain adverse weather events or loss conditions as determined by the Secretary of Agriculture. ELAP now covers feed transportation costs where grazing and hay resources have been depleted. This includes places where:

Drought intensity is D2 for eight consecutive weeks as indicated by the U.S. Drought Monitor; or

Drought intensity is D3 or greater.

The tool calculates the estimated payment for feed transportation assistance, but it is not an application. Once FSA begins accepting applications later this fall for feed transportation assistance, ranchers should contact their FSA county office to apply. To simplify the application process, ranchers can print or email payment estimates generated by this tool for submission to FSA. The deadline to apply for ELAP, including feed transportation costs, for 2021 is Jan. 31, 2022.

ELAP already covers above normal costs for hauling water to livestock in areas where drought intensity is D3 or greater on the drought monitor. FSA is also updating ELAP to also cover water hauling in areas experiencing D2 for eight consecutive weeks, lowering the threshold for this assistance to be available. Program benefits are retroactive for 2021.

**Payment Calculations**

USDA will reimburse eligible ranchers 60% of feed transportation costs above what would have been incurred in a normal year. Producers qualifying as underserved (socially disadvantaged, limited resource, beginning or military veteran) will be reimbursed for 90% of the feed transportation cost above what would have been incurred in a normal year.

USDA uses a national cost formula to determine reimbursement costs that will not include the first 25 miles and distances exceeding 1,000 transportation miles. The calculation will also exclude the normal cost to transport hay or feed if the producer normally purchases some feed. For 2021, the initial cost formula of $6.60 per mile will be used (before the percentage is applied).

**Eligibility**

To be eligible for ELAP assistance, livestock must be intended for grazing and producers must have incurred feed transportation costs on or after Jan. 1, 2021. Although producers will self-certify losses and expenses to FSA, producers are encouraged to maintain good records and retain receipts and related documentation in the event these documents are requested for review by the local FSA County Committee.

**More Drought Recovery Information**

USDA has taken additional steps to assist drought-impacted producers, including:

- Extending deadlines for crop insurance premium and administrative fees, and deferring interest accrual.
- Streamlining and accelerating losses and issuance of indemnity payments for crop insurance.
- Investing $41.8 million through a four-state pilot of the Environmental Quality Incentives Program Conservation Incentive Contracts focused on drought practices.
- Investing $15 million through a block grant to the Klamath Drought Response Agency to provide payments to producers to reduce irrigation demand.

USDA offers a comprehensive portfolio of disaster assistance programs.  On farmers.gov, the Disaster Assistance Discovery Tool, Disaster Assistance-at-a-Glance fact sheet, and Farm Loan Discovery Tool can help producers and landowners determine all program or loan options available for disaster recovery assistance. For details, producers should contact their local USDA Service Center.

# Higher Loan Limit Now Available for USDA Guaranteed Farm Loans


The U.S. Department of Agriculture (USDA) now offers a higher loan limit for borrowers seeking a guaranteed farm loan from $1.776 million to $1.825 million.

FSA farm loans offer access to funding for a wide range of producer needs, from securing land to financing the purchase of equipment. Guaranteed loans are financed and serviced by commercial lenders. FSA provides up to a 95% guarantee against possible financial loss of principal and interest. Guaranteed loans can be used for both farm ownership and operating purposes.

In fiscal year 2021, FSA saw continued strong demand for guaranteed loans. FSA obligated more than $3.4 billion in guaranteed farm ownership and operating loans. This includes nearly $1.2 billion for beginning farmers. The number of guaranteed borrowers has grown by 10% to more than 38,750 farmers and ranchers over the last decade. FSA expects the increasing demand for farm loans to continue into fiscal year 2022.

**Disaster Set-Aside Extension**

USDA has additional support available to producers given the recent outbreaks of the COVID-19 Delta variant and has extended the availability of COVID-19 Disaster Set-Aside (DSA) for installments due through Jan. 31, 2022. In addition, FSA will permit a second DSA for COVID-19 and a second DSA for natural disasters for those who had an initial COVID-19 DSA. Requests for a COVID-19 DSA or a second DSA must be received no later than May 1, 2022.

Last year, FSA broadened the use of the DSA. Normally used in the wake of natural disasters, the DSA can now allow farmers with USDA farm loans who are affected by COVID-19 and determined to be eligible, to have their next payment set aside. The set-aside payment's due date is moved to the final maturity date of the loan or extended up to twelve months in the case of an annual operating loan. Any principal set-aside will continue to accrue interest until it is repaid. This will improve the borrower’s cashflow in the current production cycle.

# File a Notice of Loss for Failed and Prevented Planted Acres

USDA Farm Service Agency (FSA) reminds you to report prevented planting and failed acres in order to establish or retain FSA program eligibility for some programs.

You should report crop acreage you intended to plant, but due to natural disaster, were prevented from planting. Prevented planting acreage must be reported on form *CCC-576, Notice of Loss*, no later than 15 calendar days after the final planting date as established by FSA and Risk Management Agency (RMA).

If you’re unable to report the prevented planting acreage within the 15 calendar days following the final planting date, a late-filed report can be submitted. Late-filed reports will only be accepted if FSA conducts a farm visit to assess the eligible disaster condition that prevented the crop from being planted. A measurement service fee will be charged.

Additionally, if you have failed acres, you should also use form *CCC-576, Notice of Loss*, to report failed acres.

For hand-harvested crops and certain perishables, you must notify FSA of damage or loss through the administrative County Office within 72 hours of the date of damage or loss first becomes apparent. This notification can be provided by filing a CCC-576, email, fax or phone. If you notify the County Office by any method other than by filing the CCC-576, you are still required to file a CCC-576, *Notice of Loss*, within the required 15 calendar days.

For losses on crops covered by the Non-Insured Crop Disaster Assistance Program (NAP), you must file a *Notice of Loss* within 15 days of the occurrence of the disaster or when losses become apparent. You must timely file a *Notice of Loss* for failed acres on all crops including grasses.

For more information, contact your local county USDA Service Center or visit [fsa.usda.gov](fsa.usda.gov).

# 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 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

# Update to Dairy Margin Coverage to Provide an Additional $12,410,105 for California Dairy Producers

The U.S. Department of Agriculture have begun issuing additional payments for dairy producers who enrolled in 2020 and 2021 coverage through the Dairy Margin Coverage (DMC). USDA's Farm Service Agency (FSA) updated the feed cost calculation by using 100% premium alfalfa hay rather than 50% premium hay in determining the monthly margin, which means an additional $12,410,105 for dairy producers in California. Payments will be retroactive to Jan. 1, 2020. Dairy operations with 2020 and 2021 contracts will be paid automatically for the applicable months.

"Updating feed cost calculations for DMC to include 100 percent premium hay will help producers to receive more payments," FSA Acting State Executive Director Jacque Johnson said. "This update builds on other efforts of the Biden-Harris Administration to improve DMC and other key USDA dairy programs."

In addition to updating the feed cost, USDA announced other dairy-related updates, including the start of the 2022 DMC signup as well as the new Supplemental DMC. Both will run from Dec. 13, 2021 to Feb. 18, 2022. DMC is an important safety-net program. So far in 2021, DMC payments have triggered for January through October for more than $1.0 billion. This includes $98,169,643 for California.

**More Information**

To learn more or to participate in DMC, producers should contact their local USDA Service Center. To determine the appropriate level of DMC coverage for a specific dairy operation, producers can also use the online dairy decision tool. Service Center staff continue to work with agricultural producers via phone, email and other digital tools. Because of the pandemic, some USDA Service Centers are open to limited visitors. Producers should contact their Service Center to set up an in-person or phone appointment. Additionally, more information related to USDA's response and relief for producers can be found at farmers.gov/coronavirus.

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**Farm Service Agency**

**California State Office**

430 G Street, Ste. 4161
Davis, CA 95616

Phone: 530-792-5520

**Acting State Executive Director**

Jacque Johnson
Jacque.Johnson@usda.gov

https://www.fsa.usda.gov/ca

**Administrative Officer**

BreAnna Martinez
BreAnna.Martinez@usda.gov

**Farm Loan Program Chief**

John Oosterman
John.Oosterman@usda.gov

**Farm Program Chief**

Navdeep Dhillon
Navdeep.Dhillon@usda.gov