



California Farm Service Agency Newsletter - February 2022

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What's New and Improved for Specialty Crop Producers?

Does your operation include specialty crops? Whether you grow fruits, vegetables, tree nuts, dried fruits, horticulture, or nursery crops - USDA is here for you.

Over the past year, USDA has stepped up our support of specialty crop producers and local and regional food systems. USDA believes specialty crop producers are integral to the food system of the future, and we are working to improve available options for specialty crop producers as well as ensure equity in program delivery.

What's New?

The Risk Management Agency (RMA) rolled out a new insurance option for small-scale producers who sell locally, which is named **Micro Farm**. This new insurance coverage option simplifies record keeping and covers post-production costs, such as washing and

value-added products. It is available now, and you can learn more from an Approved Insurance Provider or your [RMA specialty crop liaison](#).

In addition to Micro Farm, RMA rolled out other new insurance options in the past year, including: **California Citrus Trees, Florida Citrus, Production and Revenue History option for Florida strawberries, and Hurricane Insurance Protection-Wind Index (HIP-WI)**. These new options either fill gaps in coverage or offer advantages over other policies. Since 2020, producers weathered several major hurricanes. The new HIP-WI played a crucial role in recovery with more than \$250 million in indemnities paid so far with most payments issued in a matter of weeks following a hurricane.

[Interest in growing and insuring specialty crops](#) has grown significantly with \$1 billion in liabilities for 1990 to \$22 billion in liabilities for 2021. ([For more details, check out reports on our Specialty Crops webpage.](#))

The Farm Service Agency (FSA) also offered pandemic assistance for organic producers. The new [Organic and Transitional Education and Certification Program](#) (OTECP) provided assistance to help cover loss of markets, increased costs, labor shortages and expenses related to obtaining or renewing their organic certification.

What's Improved?

In the past year, RMA made improvements to existing policies -- including [Whole-Farm Revenue Protection](#), a key insurance option for specialty crop producers. Beginning in the 2021 crop year, direct market producers could report two or more commodities using a new combined direct marketing code.

This reduced a tremendous burden for diversified producers and allowed them to receive a premium rate discount for diversification. For 2022, RMA increased coverage for organic and aquaculture producers and enabled organic producers to report certified organic acreage as long as the request for certification had been made by the reporting date, which provides additional flexibility to producers.

Want to Learn More?

These new and improved options for specialty crop producers are but a few of USDA's strides over the past year to build a fairer, more transparent food system rooted in local and regional production. To learn more, please read [USDA's January 19, 2022, news release](#).

For crop insurance, visit [RMA's Specialty Crops webpage](#) or [contact your specialty crop liaison](#).

Also, if there is not a standard offer for the crop you would like insured, you may still be able to get a written agreement for coverage. RMA Regional Offices review these requests to help provide coverage. These requests also provide Regional Offices the opportunity to review the possible expansion of the policy to your county.

Lastly, you can read our [Specialty Crops webpage on farmers.gov](#) and [question-and-answer with two specialty crop liaisons](#), Adrienne Steinacher and Matt Wilkin.

Agricultural Producers Have Until March 15 to Enroll in USDA's Key Commodity Safety Net Programs



Agricultural producers who have not yet enrolled in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs for the 2022 crop year have until March 15, 2022, to sign a contract. The U.S. Department of Agriculture (USDA) offers these two safety net programs to provide vital income support to farmers experiencing substantial declines in crop prices or revenues.

“The Agriculture Risk Coverage and Price Loss Coverage programs provide critical financial protections to many American farmers. As producers continue to weather a bruising pandemic and new, climate-induced disasters, these programs are all the more important,” said Zach Ducheneaux, Administrator of USDA’s Farm Service Agency (FSA). “I am encouraging producers to reach out to their county offices to learn about program eligibility and election options today, so that they can begin the enrollment process as soon as possible.”

Producers can elect coverage and enroll in ARC-County or PLC, which are both crop-by-crop, or ARC-Individual, which is for the entire farm. Although election changes for 2022 are optional, producers must enroll through a signed contract each year. Also, if a producer has a multi-year contract on the farm and makes an election change for 2022, it will be necessary to sign a new contract.

If an election is not submitted by the March 15, 2022, deadline, the election remains the same as the 2021 election for crops on the farm. Farm owners cannot enroll in either program unless they have a share interest in the crop.

Producers have completed 976,249 contracts to date, representing 54% of the more than 1.8 million expected contracts.

Producers who do not complete enrollment by the deadline will not be enrolled in ARC or PLC for the 2022 crop year and will not receive a payment if triggered.

Producers are eligible to enroll farms with base acres for the following commodities: barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium and short grain rice, safflower seed, seed cotton, sesame, soybeans, sunflower seed, and wheat.

In addition to the March 15 deadline for ARC and PLC, other important deadlines include:

- March 1, [Livestock Indemnity Program](#)
- March 11, [Conservation Reserve Program General Signup](#)

- March 15, [Pandemic Cover Crop Program](#)
- March 25, [Dairy Margin Coverage](#)

For more information on ARC and PLC, producers can visit the [ARC and PLC webpage](#) or contact their local USDA Service Center.

Environmental Review Required Before Project Implementation

The National Environmental Policy Act (NEPA) requires Federal agencies to consider all potential environmental impacts for federally funded projects before the project is approved.

For all Farm Service Agency (FSA) programs, an environmental review must be completed before actions are approved, such as site preparation or ground disturbance. These programs include, **but are not limited to**, the Emergency Conservation Program (ECP), Farm Storage Facility Loan (FSFL) program and farm loans. If project implementation begins before FSA has completed an environmental review, the request will be denied. Although there are exceptions regarding the Stafford Act and emergencies, it's important to wait until you receive written approval of your project proposal before starting any actions.

Applications cannot be approved until FSA has copies of all permits and plans. Contact your local FSA office early in your planning process to determine what level of environmental review is required for your program application so that it can be completed timely.

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 Extends Deadline for Spot Market Hog Pandemic Program

Farm Service Agency Will Accept Applications Through April 15

Hog producers who sold hogs through a spot market sale during the COVID-19 pandemic now have until April 15, 2022, to submit their applications for the U.S. Department of Agriculture's (USDA) Spot Market Hog Pandemic Program (SMHPP). SMHPP, which is part of USDA's [Pandemic Assistance for Producers](#) initiative, originally had a deadline to submit applications by Feb. 25, 2022.

SMHPP assists hog producers who sold hogs through a spot market sale from April 16, 2020, through Sept. 1, 2020, the period during which these producers faced the greatest reduction in market prices due to the pandemic. USDA is offering SMHPP in response to a reduction in packer production and supply chain issues due to the COVID-19 pandemic, which resulted in fewer negotiated hogs being procured and subsequent lower market prices. USDA's Farm Service Agency (FSA) began accepting applications for SMHPP on Dec. 15, 2021.

In response to stakeholder feedback and our analysis of the program to date, USDA will be making adjustments to clarify the definition of a spot market sale and to hog eligibility, while including documentation requirements to prevent erroneous payments. USDA will also be announcing those updates soon and wants to assure hog producers that there will be ample time to submit their applications for assistance.

Applying for Assistance

Eligible hog producers can apply for SMHPP by completing the FSA-940, Spot Market Hog Pandemic Program application. Visit farmers.gov/smhpp to learn more.

Applications can be submitted to the FSA office at any USDA Service Center nationwide by mail, fax, hand delivery or via electronic means. To find their local FSA office, producers can visit farmers.gov/service-locator. Hog producers can also call 877-508-8364 to speak directly with a USDA employee ready to offer assistance. 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. Contact your 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.

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](#).

Applying for Farm Storage Facility Loans



The Farm Service Agency's (FSA) Farm Storage Facility Loan (FSFL) program provides low-interest 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 County USDA Service Center or visit fsa.usda.gov/pricesupport.

Policy Updates for Acreage Reporting

The USDA Farm Service Agency (FSA) recently made several policy updates for acreage reporting for cover crops, revising intended use, late-filed provisions, grazing allotments as well as updated the definitions of “idle” and “fallow.”

Reporting Cover Crops:

Cover crop types can be chosen from the following four categories:

- **Cereals and other grasses**
- **Legumes**
- **Brassicas and other broadleaves**
- **Mixtures**

If the cover crop is harvested for any use other than forage or grazing and is not terminated according to policy guidelines, then that crop will no longer be considered a cover crop and the acreage report must be revised to reflect the actual crop.

Permitted Revision of Intended use After Acreage Reporting Date:

New operators or owners who pick up a farm after the acreage reporting deadline has passed and the crop has already been reported on the farm, have 30 calendar days from the date when the new operator or owner acquired the lease on land, control of the land or ownership and new producer crop share interest in the previously reported crop acreage. Under this policy, appropriate documentation must be provided to the County Committee's satisfaction to determine that a legitimate operator or ownership and producer crop share interest change occurred to permit the revision.

Acreage Reports:

In order to maintain program eligibility and benefits, you must timely file acreage reports. Failure to file an acreage report by the crop acreage reporting deadline may result in ineligibility for future program benefits. FSA will not accept acreage reports provided more than a year after the acreage reporting deadline.

Reporting Grazing Allotments:

FSA offices can now accept acreage reports for grazing allotments. You will use form "FSA-578" to report grazing allotments as animal unit months (AUMs) using the "Reporting Unit" field. Your local FSA office will need the grazing period start and end date and the percent of public land.

Definitions of Terms

FSA defines "idle" as cropland or a balance of cropland within a Common Land Unit (CLU) (field/subfield) which is not planted or considered not planted and does not meet the definition of fallow or skip row.

Fallow is considered unplanted cropland acres which are part of a crop/fallow rotation where cultivated land that is normally planted is purposely kept out of production during a regular growing season.

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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