Newsletter - August 2023

Farm Service Agency | Natural Resources Conservation Service | Risk Management Agency

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Maui County Producers May be Eligible for **Emergency Conservation Program Assistance**

A wildfire has caused severe damage in the Lahaina, Olinda, Kula and Pulehu areas of the County.

If you've suffered severe damage, you may be eligible for assistance under the Emergency Conservation Program (ECP) administered by the Maui County Farm Service Agency (FSA).

For land to be eligible, the natural disaster must create new conservation problems that, if untreated, would:

- be so costly to rehabilitate that Federal assistance is or will be needed to return the land to productive agricultural use
- is unusual and is not the type that would recur frequently in the same area
- affect the productive capacity of the farmland
- impair or endanger the land

If you qualify for ECP assistance, you may receive cost-share levels not to exceed 75 percent of the eligible cost of restoration measures. Eligible socially disadvantaged and beginning farmers and ranchers can receive up to 90 percent of the eligible cost of

restoration. No one is eligible for more than \$500,000 cost sharing per natural disaster occurrence.

If you've suffered a loss from a natural disaster may contact the local FSA County Office and request assistance from August 18, 2023 to October 17, 2023.

To be eligible for assistance, practices must not be started until all the following are met:

- · an application for cost-share assistance has been filed
- the local FSA County Committee (COC) or its representative has conducted an onsite inspection of the damaged area
- the Agency responsible for technical assistance, such as the Natural Resource Conservation Service (NRCS), has made a needs determination, which may include cubic yards of earthmoving, etc., required for rehabilitation

In accordance with the National Environmental Policy Act (NEPA), FSA must complete an environmental compliance review prior to producers taking any actions.

For more information about ECP, contact your Maui County USDA Service Center at 808-871-5500 ext 2 or visit fsa.usda.gov.

Got Damages? Documentation is Key

Hawaii and Maui County Farm Service Agency Producers are encouraged to review farms for possible damage resulting from the recent wildfires and high winds.

Recent adverse weather may have impacted your farm, ranch and your crop(s) or livestock. As current or future FSA program participants, we suggest you document the damage, update your personal farm inventory/production records and take pictures of the disaster event impact. It's also helpful to have photos of the pre-disaster conditions available when contacting the Farm Service Agency.

If you sustained any type of damage to your farming operation, contact your corresponding FSA county office as soon as possible. Hawaii County FSA Office at 808-933-8381 ext. 2 or our Maui County FSA at 808-871-5500 ext. 2.

USDA Announces Additional Assistance for Distressed Farmers Facing Financial Risk

USDA will provide approximately \$123 million in additional, automatic financial assistance for qualifying farm loan program borrowers who are facing financial risk, as part of the \$3.1 billion to help distressed farm loan borrowers that was provided through Section 22006 of the Inflation Reduction Act (IRA). The announcement builds on financial assistance offered to borrowers through the same program in October 2022.

The IRA directed USDA to expedite assistance to distressed borrowers of direct or guaranteed loans administered by USDA's Farm Service Agency (FSA) whose operations face financial risk. For example, in the October payments, farmers that were 60 days delinquent due to challenges like natural disasters, the pandemic or other unexpected situations were brought current and had their next installment paid to give them breathing room.

In October 2022, <u>USDA provided approximately \$800 million</u> in initial IRA assistance to more than 11,000 **delinquent direct and guaranteed borrowers** and approximately 2,100 borrowers who had their farms liquidated and still had remaining debt. USDA shared that it would conduct case-by-case reviews of about 1,600 complex cases for potential initial relief payments, including cases of **borrowers in foreclosure or bankruptcy**. These case-by-case reviews are underway.

At the same time in October 2022, USDA announced that it anticipated payments using separate pandemic relief funding totaling roughly \$66 million on over 7,000 direct loans to borrowers who used the USDA Farm Service Agency's **disaster-set-aside** option during the COVID-19 pandemic.

New Assistance for Distressed Borrowers

FSA intends to provide the new round of relief starting in April to additional distressed borrowers. This will include approximately \$123 million in automatic financial assistance for qualifying Farm Loan Program (FLP) direct loan borrowers who meet certain criteria. Similar to the automatic payments announced in October 2022, qualifying borrowers will receive an individual letter detailing the assistance as payments are made. Distressed borrowers' eligibility for these new categories of automatic payments will be determined based on their circumstances as of today. More information about the new categories that make up the \$123 million in assistance announced today and the specific amount of assistance a distressed borrower receives can be found described in this fact sheet, IRA Section 22006: Additional Automatic Payments, Improved Procedures, and Policy Recommendations.

To continue to make sure producers are aware of relief potentially available to them, all producers with open FLP loans will receive a letter detailing a new opportunity to receive assistance if they took certain extraordinary measures to avoid delinquency on their FLP loans, such as taking on more debt, selling property or cashing out retirement accounts. The letter will provide details on eligibility, the specific types of actions that may qualify for assistance, and the process for applying for and providing the documentation to seek that assistance.

These steps are part of a process USDA announced along with the October payments that is focused on assisting borrowers unable to make their next scheduled installment. Earlier this year, all borrowers should have received a letter detailing the process for seeking this type of assistance even before they become delinquent. Borrowers who are within two months of their next installment may seek a cashflow analysis from FSA using a recent balance sheet and operating plan to determine their eligibility.



State Committee Spotlight: Michael Kamiya, Kamiya Gold, Inc

The state committee is appointed by USDA Agriculture Secretary Tom Vilsack, and they 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.

The Hawaii & Pacific Basin FSA state committee is comprised of five members and over the next few months we'll be introducing you to each member. This month we introduce you to the State Committee Member Michael Kamiya from Kamiya Gold, Inc located on Oahu Island.

1) What is your farmer/rancher history? When did you start farming/ranching? What were your producing?

My farming history began with my grandfather and my father who started Kamiya Farms in the 1960's. Raised on the farm, I was always helping with the papaya operation although after graduating from college I started a career in Marketing/Advertising/PR, I then moved onto commercial printing for 11 years. In 2011, I decided to leave the print industry and come back to the farm. Since then, I have been learning everything and continue to learn how to successfully operate the farm and to grow the highest quality papayas possible. Our farm produces only papayas and we strive to be the best in Hawaii.

2) How did you initially learn about FSA? What was the first FSA Program you enrolled in? What year?

I first learned about FSA in 2012, a year after I started with the farm. Our first program was an application for an operating/expansion loan to grow the farm and to acquire additional equipment. From there, we have participated in the RTCP program every year and utilized all the Pandemic Assistance that was offered or that we were eligible for.

3) What new information that you have learned since taking office would you share with fellow farmers and ranchers that you think would impact their operation?

After serving on the State Committee, I would highly recommend any farmer to enroll in FSA and to take advantages of all the programs that can help their operations. As farmers, we know how slim the margins can be and any additional income that is offered from FSA can really help in the bottom line.

4) All Hawaii and Pacific Basin producers are unique, what makes your operation unique?

Our operation is unique in the fact that we produce one of Hawaii's highest quality papayas in the local markets. Our Kamiya papayas are known throughout the island of Oahu and we are very fortunate to have such a loyal customer base. Our papayas are sold exclusively thru Times Supermarkets and only a few other retail outlets.

5) What are 3 things that you think could be done to accelerate agriculture in Hawaii?

The 3 things that I believe would accelerate Hawaii's Agricultural Industry are:

- 1) More emphasis in Hawaii's education system on the importance of Hawaii's Agriculture Industry. There needs to be more incubator programs and pathways to help students pursue a career in agriculture. Students need to be energized to incentivized to go into the industry.
- 2) As the largest landowner, the State of Hawaii needs to make more affordable agricultural land available with long term leases. This would really help the younger/new farmers succeed in creating a sustainable and profitable business plan for their operations.
- 3) Promote and assist Hawaii's farmers in expanding their markets. Hawaii's marketability is phenomenal in the retail world, but local farmers don't know how to go about tapping the foreign or mainland markets. We need the Department of Agriculture to step up and really help the farmers thru all the steps of successfully exporting their products.
- 6) What is the most gratifying part of being a farmer or rancher?

For me, the most gratifying part of farming is seeing everything from the start to finish. We grow our papaya trees, take great care in growing them and finally having customers rave about the papayas. It makes all the hard work worth it when you know that for all the hard work and care you put into it, the customers are extremely happy. Local farms are the prime example of sustainability. In every aspect of what we do we are part of the community, from employing local workers, using vendors who are locally based and most importantly providing food for our local residents.

September 8 Deadline to sign-up for USDA's Reimbursement Transportation Cost Payment Program

The U.S. Department of Agriculture Hawaii State and the Pacific Basin opened enrollment July 10 for the Reimbursement Transportation Cost Payment Program (RTCP) for fiscal

year 2023. The enrollment period began July 10 and will run through Sept. 8. Click here to see the full press release: https://www.fsa.usda.gov/state-offices/Hawaii/news-releases/2023/enrollment-period-begins-for-usda-s-reimbursement-transportation-cost-payment-program

USDA Invests \$7.4 Million in 25 Urban Agriculture and Innovative Production Efforts

USDA is investing \$7.4 million in 25 selected grants that support urban agriculture and innovative production. Selected grant recipients, including community gardens and nonprofit farms, will increase food production and access in economically distressed communities, provide job training and education, and allow partners to develop business plans



and zoning proposals. These grants build on \$40 million in projects funded since 2020 and are part of USDA's broad support for urban agriculture through its Office of Urban Agriculture and Innovative Production (OUAIP). Funding limits only allowed USDA to select the top scoring 10% of the applications reviewed. This year, USDA received more than 300 applications, which is twice last year's applications. Read more.

Dates to Remember

<u>September 8, 2023</u> - Deadline to sign up for the <u>Reimbursement of Transportation Cost</u> <u>Payment Program</u>

<u>September 30, 2023</u> - Deadline for Floriculture, Aquaculture & Christmas Tree producers to apply for the 2023 Non-Insured Crop Disaster Assistance Program (NAP)

<u>October 17, 2023</u> - Deadline to sign up for Emergency Conservation Program for impacted producers in Maui County

<u>November 1, 2023</u> - Deadline to apply for <u>Organic Certification Cost Share Program</u> (OCCSP) for fiscal year 2023

August 2023 Interest Rates

Farm Operating - Direct 4.875%
Farm Operating - Microloan 4.875%
Farm Ownership - Direct 5.000%
Farm Ownership - Microloan 5.000%
Farm Ownership - Direct, Joint Financing 3.000%
Farm Ownership - Down Payment 1.500%
Emergency Loan - Amount of Actual Loss 3.750%



USDA website:https://www.usda.gov/ Farmer.gov website: https://www.farmers.gov/

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