

Newsletter - November 2023

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

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Deadline Extended to November 30 to submit documentation for USDA's Reimbursement Transportation Cost Payment Program

The U.S. Department of Agriculture (USDA) has extended the deadline to submit documentation for the Reimbursement Transportation Cost Payment Program (RTCP)

from November 3 to November 30 for applicants who submitted a completed application by the September 29 deadline.

RTCP helps U.S. farmers and ranchers outside the 48 contiguous states who are at a competitive disadvantage when transporting agricultural products to market by offsetting a portion of the cost of transporting agricultural products over long distances.

The Consolidated Appropriations Act, 2023 authorized \$4 million for RTCP and allows farmers and livestock producers in Alaska, Hawaii and insular areas including the Commonwealth of Puerto Rico, Guam, American Samoa, Commonwealth of Northern Mariana Islands, Virgin Islands of the United States, Federated States of Micronesia, Republic of the Marshall Islands and Republic of Palau, to recover costs to transport agricultural commodities or inputs used to produce an agricultural commodity. Nearly \$3 million was issued to almost 1,100 producers through the 2022 Reimbursement Transportation Cost Payment program.

RTCP payments are calculated based on the costs incurred for transportation of agricultural commodities or inputs during a 12-month period, subject to an \$8,000 per producer cap per fiscal year. If claims for payments exceed the funds available from the program for a fiscal year, payments will be reduced on a pro-rata basis.

To find their local FSA county office, producers can visit <u>farmers.gov/service-center-locator</u>.

Farmers.gov Local Dashboard Now Available for Producers in Hawaii

Farmers in Hawaii can now access county specific farming data and USDA resources all in one place via the new farmers.gov local dashboard. Your new farmers.gov local dashboard includes farming data and USDA resources including USDA news, commodity pricing, weather forecasts, historical climate data, past storm events, USDA service center locator and additional state resources for Hawaii and your county The dashboard transforms complex data sets into easy-to-read charts and graphs to help you quickly find information that matters to you.

USDA to Provide More Than \$3 Billion to Commodity and Specialty Crop Producers Impacted by 2022 Natural Disasters

The U. S Department of Agriculture (USDA) will provide more than \$3 billion to commodity and specialty crop producers impacted by natural disaster events in 2022. Eligible impacted producers can apply for financial assistance through the Emergency Relief <a href="Program (ERP) 2022. The program will help offset the financial impacts of crop yield and value losses from qualifying disasters occurring in 2022.

Background

On Dec. 29, 2022, President Biden signed into law the *Disaster Relief Supplemental Appropriations Act, 2023 (P.L. 117-328)* that provides about \$3.7 billion in financial assistance for agricultural producers impacted by eligible natural disasters that occurred in calendar year 2022.

ERP 2022 covers losses to crops, trees, bushes and vines due to qualifying, calendar year 2022 natural disaster events including wildfires, hurricanes, floods, derechos, excessive heat, tornadoes, winter storms, freeze (including a polar vortex), smoke exposure, excessive moisture, qualifying drought and related conditions.

ERP 2022 program benefits will be delivered to eligible producers through a two-track process. FSA intends to make both tracks available to producers at the same time. This two-track approach enables USDA to:

- Streamline the application process.
- Reduce the paperwork burden on producers.
- Proactively include provisions for underserved producers who have not been well served by past emergency relief efforts.
- Encourage producer participation in existing risk management programs to mitigate the impacts of future severe weather events.

It's important to note that disaster-impacted producers may be eligible for ERP 2022 assistance under one or both tracks. To avoid duplicative benefits, if a producer applies for both tracks, the Track 2 payment calculation will take into account any payments received through Track 1.

ERP 2022 Application Process – Track 1

ERP 2022 Track 1 leverages existing federal crop insurance or Noninsured Crop Disaster Assistance Program (NAP) data as the basis for calculating payments for eligible crop producers who received indemnities through these risk management programs.

Although FSA is sending pre-filled ERP 2022 Track 1 application forms to producers who have crop insurance and NAP data already on file with USDA, producers indemnified for losses resulting from 2022 natural disasters do not have to wait to receive the application before requesting ERP 2022 assistance. Effective Oct. 31, 2023, producers can apply for ERP 2022 benefits whether they have received the pre-filled application or not. Receipt of a pre-filled application is not confirmation that a producer is eligible to receive an ERP 2022 Track 1 payment.

USDA estimates that ERP Track 1 benefits will reach more than 206,000 producers who received indemnities for losses covered by federal crop insurance and more than 4,500 producers who obtained NAP coverage for the 2022 crop year.

ERP 2022 Application Process – Track 2

Track 2 is a revenue-based certification program designed to assist eligible producers who suffered an eligible decrease in revenue resulting from 2022 calendar year disaster events when compared with revenue in a benchmark year using revenue information that is readily available from most tax records. In cases where revenue does not reasonably reflect a normal year's revenue, Track 2 provides an alternative method for establishing revenue. Likewise, Track 2 affords producers of crops that are used within an operation and do not generate revenue from the sale of the crop a method for establishing revenue for the purpose of applying for ERP 2022 benefits. Producers are not required to submit tax records to FSA unless requested by the County Committee if required for an FSA compliance spot check.

Although not required when applying for ERP 2022 Track 2, applicants might find the following documents useful to the process:

- Schedule F (Form 1040)
- Profit or Loss from Farming or similar tax documents for tax years 2018, 2019, 2022 and 2023.

Track 2 targets gaps in emergency relief assistance for eligible producers whose eligible losses were not covered by crop insurance or NAP including revenue losses too small (shallow loss) to be covered by crop insurance.

Producers interested in applying for ERP 2022 Track 2, should contact their local FSA county office. Additional reference resources can be found on FSA's emergency relief website.

Additional Required Forms

For both ERP 2022 tracks, all producers must have certain required forms on file with FSA within 60 days of the ERP 2022 deadline. Producers can apply for ERP 2022 starting Oct. 31, 2023. The application deadline has not yet been determined and will be announced at a later date. If not already on file, producers can update, complete and submit required forms to FSA at any time.

Required forms:

- Form AD-2047, Customer Data Worksheet.
- Form CCC-902, Farm Operating Plan for an individual or legal entity.
- Form CCC-901, Member Information for Legal Entities (if applicable).
- Form FSA-510, Request for an Exception to the \$125,000 Payment Limitation for Certain Programs (if applicable).
- Form CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification, if applicable, for the 2022 program year.
- A highly erodible land conservation (sometimes referred to as HELC) and wetland conservation certification (Form AD-1026 Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification) for the ERP producer and applicable affiliates.

Most producers, especially those who have previously participated in FSA programs, will likely have these required forms on file. However, those who are uncertain or want to confirm the status of their forms can contact their local FSA county office.

Future Insurance Coverage Requirements

All producers who receive ERP 2022 payments must purchase crop insurance, or NAP coverage where crop insurance is not available, in the next two available crop years as determined by the Secretary. Purchased coverage must be at the 60/100 coverage level or higher for insured crops or at the catastrophic coverage level or higher for NAP crops.

More Information

ERP 2022 eligibility details and payment calculation factor tables are available on the <u>emergency relief website</u>, in the <u>ERP Track 1</u> and <u>ERP Track 2</u> fact sheets and through your local FSA county office.

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 crop losses 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 County USDA Service Center or visit fsa.usda.gov/nap. December 31, 2023 is the deadline to apply for the Noninsured Crop Disaster Assistance Program for fruit, grass, honey and vegetable crops.



Urban Producers, Public Invited to November Federal Advisory Committee Meeting

Urban producers, innovative producers and other stakeholders are invited to a virtually public meeting of the Federal Advisory Committee for Urban Agriculture and Innovative Production on November 29 from 8-10am HST. Learn more and register here.



Producers Encouraged to Apply Now for USDA Conservation Programs

The U.S. Department of Agriculture (USDA) is encouraging agricultural producers and forest landowners to participate in voluntary conservation programs and adopt climate-smart practices in fiscal year 2024 as part of President Biden's Investing in America agenda. USDA's Natural Resources Conservation Service (NRCS) is accepting applications for the Environmental Quality Incentives Program (EQIP), Conservation Stewardship Program (CSP) and Agricultural Conservation Easement Program (ACEP), which help a wide variety of producers, including urban and organic producers.

NRCS accepts producer applications for its conservation programs year-round. To apply for fiscal year 2024 funding in the Pacific Islands Area, apply by March 24, 2024. For more information, contact your local <u>Pacific Islands Area Service Center</u>.

For fiscal year 2024, NRCS has \$3 billion in Inflation Reduction Act funds to invest in <u>climate-smart mitigation activities</u>. This year, NRCS expanded the list of those activities as well as expanded priority areas for ACEP for grasslands, wetlands and farmlands at risk of conversion. Learn more about those expansions in our <u>Sept. 28, 2023 news release</u>.

Additionally, for fiscal year 2024, NRCS has over \$2 billion in Farm Bill funding available to producers for priorities like organic and urban agriculture, soil health, water quality and quantity and wildlife habitat development. This extensive amount of funding will be used to meet producer demand for our oversubscribed programs, maximize climate benefits and help producers address their natural resource challenges.

Dates to Remember

November 30, 2023 - Deadline to submit documentation for the Reimbursement Transportation Cost Payment Program (RTCP)

December 4. 2023 - Due date for complete County Committee (COC) ballots to be returned/postmarked to County Office

December 11, 2023 - Deadline to sign up for Emergency Conservation Program for impacted producers in Maui County

<u>December 31, 2023</u> - Deadline to apply for the <u>Nonin</u>sured Crop Disaster Assistance Program for fruit, grass, honey and vegetable crops

November 2023 Interest Rates

Farm Operating - Direct 5.375% Farm Operating – Microloan 5.375% Farm Ownership – Direct 5.500% Farm Ownership - Microloan 5.500%

Farm Ownership - Direct, Joint Financing 3.500% 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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