

Farm Service Agency, Kansas State Office - August 7, 2023

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

Farmers to Receive Documentation of USDA Services

USDA Reminds Kansas Livestock Producers of Available Drought Assistance

USDA's Farm Service Agency (FSA) reminds drought-impacted producers in Kansas that they may be eligible for assistance through the Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program (ELAP).



For eligible livestock in qualifying counties, ELAP provides financial assistance for:

- the transportation of water to livestock;
- the above normal cost of mileage for transporting feed to livestock; and
- the above normal cost of transporting livestock to forage/grazing acres.* *Hauling livestock both ways starting in 2023, one haul per animal reimbursement and no payment for "empty miles."

Eligible livestock include cattle, bison, goats and sheep, among others, that are maintained for commercial use and located in a county where qualifying drought conditions occur. A county must have had D2 severe drought intensity on the <u>U.S. Drought Monitor</u> for eight consecutive weeks during the normal grazing period, or D3 or D4 drought intensity at any time during the normal grazing period. Producers must have risk in both eligible livestock and eligible grazing land in an eligible county to qualify for ELAP assistance.

Transporting Water

Producers must be transporting water to eligible livestock on eligible grazing land where adequate livestock watering systems or facilities were in place before the drought occurred and where water transportation is not normally required. ELAP covers costs associated with personal labor, equipment, hired labor, and contracted water transportation fees. Cost of the water itself is not covered. ELAP covers \$0.07 per gallon to transport water.

Transporting Feed

ELAP provides financial assistance to livestock producers who incur above normal expenses for transporting feed to livestock during drought. The payment formula excludes the first 25 miles and any mileage over 1,000 miles. The reimbursement rate is 60% of the cost above what would normally would have been incurred during the same time period in a normal (non-drought) year.

Livestock feed that is transported to livestock located on land enrolled in the Conservation Reserve Program (CRP) is eligible if the producer has an approved conservation plan with

acceptable grazing practices developed in coordination with the Natural Resources Conservation Service

The payment rate to transport feed is \$6.60/ loaded mile for expenses above what would have normally been incurred.

Transporting Livestock

ELAP provides financial assistance to livestock producers who are hauling livestock to a new location for feed resources due to insufficient feed or grazing in drought-impacted areas. As with transporting feed, the payment formula for transporting livestock excludes the first 25 miles and any mileage over 1,000 miles. The reimbursement rate is 60% of the costs above what would normally have been incurred during the same time period in a normal (non-drought) year.

The payment rate to transport livestock is \$6.60/loaded mile for expenses above what would have normally been incurred and covers hauling livestock one-way, one haul per animal reimbursement and no payment for "empty miles."

An <u>online tool</u> is now available to help ranchers document and estimate payments to cover feed and livestock transportation costs caused by drought.

Reporting Losses

Producers should contact FSA as soon as the loss of water or feed resources are known.

For ELAP eligibility, documentation of expenses is critical. Producers should maintain records and receipts associated with the costs of transporting water to eligible livestock, the costs of transporting feed to eligible livestock, the costs of additional feed purchases, and the costs of transporting eligible livestock to forage or other grazing acres.

Producers interested in ELAP assistance can contact their local <u>USDA Service Center</u> to learn more or to apply for programs.

USDA Announces Corrections to Emergency Relief Program Policy to More Accurately Reflect 2020 and 2021 Natural Disaster Impacts on Crops Intended for On-Farm Use

USDA updated the Emergency Relief Program (ERP) Phase Two to provide a method for valuing losses and accessing program benefits to eligible producers of certain crops, including grapes grown and used by the same producer for wine production or forage that is grown, stored and fed to livestock, that do not generate revenue directly from the sale of the crop. These updates ensure that ERP benefits are more reflective of these producers' actual crop losses resulting from 2020 and 2021 natural disaster events. USDA's Farm Service Agency (FSA) will begin accepting ERP Phase Two applications from eligible wine grape and forage producers once this technical correction to ERP is published in the Federal Register and

becomes effective, which it anticipates will be on Friday, June 16, 2023. The deadline to submit applications for ERP Phase Two is July 14.

Background

In January 2023, FSA announced ERP Phase Two, designed to wrap-up and fill remaining gaps in previous natural disaster assistance for 2020 and 2021.

To be eligible for ERP Phase Two, producers must have suffered a decrease in allowable gross revenue in 2020 or 2021 due to necessary expenses related to losses of eligible crops from a qualifying natural disaster event. Assistance is primarily for producers of crops that were not covered by Federal Crop Insurance or the Noninsured Crop Disaster Assistance Program since crops covered by Federal Crop Insurance and NAP were included in the assistance under ERP Phase One administered in 2022.

Determining Crop Value

Producers of certain crops now have a method for including crop value in their allowable gross revenue for the purpose of determining ERP Phase 2 benefits.

The value of the eligible crop intended for on-farm use will be based on the producer's actual production of the crop and a price for the crop as determined by FSA's Deputy Administrator for Farm Programs based on the best available data for each crop such as published crop price data or the average price obtained by other producers in the area. Acceptable, published sources including but are not limited to Federal Crop Insurance Corporation established prices, FSA established National Crop Table prices and National Agricultural Statistic Service prices.

Revenue and pricing guidelines for expected revenue for wine grapes and on-farm forage is available online for producer reference and convenience when applying for ERP Phase Two.

Wine grape and forage producers who have already submitted their ERP Phase Two applications to FSA have the option of revising the application and updating their allowable gross revenue to include crop value if applicable.

Producers of crops grown for on-farm use other than wine grapes and forage may request consideration to use a crop's value in their allowable gross revenue. Submit requests to RA.FSA.DCWA2.ppb@wdc.usda.gov. FSA's Deputy Administrator for Farm Programs will review submitted requests.

Additional Technical Corrections – Conservation Programs

In addition to emergency relief policy updates, FSA has also established policy corrections for the Emergency Conservation Program (ECP) and the Emergency Forest Restoration Program (EFRP). The policy correction clarifies that federal payments received for the same practice will be considered duplicative assistance for producers who receive ECP and EFRP program payments. The revised program provisions are related to program updates FSA announced in January that give more farmers, ranchers, and tribes the opportunity to apply for and access programs that support recovery following natural disasters (see <u>January 10, 2023 news release</u> for more information).

ECP and EFRP provide financial and technical assistance to restore conservation practices like fencing, damaged farmland or forests following natural disasters.

More Information

FSA offers an online <u>ERP tool</u> to help producers determine what is considered allowable gross revenue. Producers should contact their local FSA office to make an appointment to apply for ERP Phase Two. Producers should also keep in mind that July 15 is a major deadline to complete acreage reports for most crops. FSA encourages producers to complete the ERP Phase Two application and acreage report during the same office visit. Applications for the Pandemic Assistance Revenue Program, a revenue-based program for losses resulting from the pandemic, can also be completed. For more information, view the <u>ERP Phase Two Fact Sheet</u>, <u>PARP Fact Sheet</u>, the <u>ERP Phase Two-PARP Comparison Fact Sheet</u>, <u>ERP Phase Two application video tutorial</u>, <u>PARP application video tutorial</u>, <u>myth-buster blog</u> or contact your local <u>USDA Service Center</u>.

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.

Is the Noninsured Crop Disaster Assistance Program Right for You?

Farmers and ranchers rely on crop insurance to protect themselves from disasters and unforeseen events, but not all crops are insurable through the USDA's Risk Management Agency. The Farm Service Agency's (FSA) Noninsured Crop Disaster Assistance Program (NAP) provides producers another option to obtain coverage against disaster for these crops.

NAP provides financial assistance to producers of non-insurable crops impacted by natural disasters that result in lower yields, crop losses, or prevents crop planting.

Commercially produced crops and agricultural commodities for which crop insurance is not available are generally eligible for NAP. Eligible crops include those grown specifically for food, fiber, livestock consumption, biofuel or biobased products, or value loss crops such as aquaculture, Christmas trees, ornamental nursery, and others. Contact your local FSA office to see which crops are eligible in your state and county.

Eligible causes of loss include drought, freeze, hail, excessive moisture, excessive wind or hurricanes, earthquake and flood. These events must occur during the NAP policy coverage period, before or during harvest, and the disaster must directly affect the eligible crop. For guidance on causes of loss not listed, contact your local FSA county office.

Interested producers apply for NAP coverage using FSA form CCC-471, "Application for Coverage," and pay the applicable service fee at the FSA office where their farm records are maintained. These must be filed by the application closing date, which varies by crop. Contact your local FSA office to verify application closing dates and ensure coverage for eligible NAP crops.

At the time of application, each producer acknowledges they have received the <u>NAP Basic Provisions</u>, which describes NAP requirements for coverage. NAP participants must report crop acreage shortly after planting and provide verifiable or reliable crop production records when required by FSA.

Producers are required to pay service fees which vary depending on the number of crops and number of counties your operation is located in. The NAP service fee is the lesser of \$325 per crop or \$825 per producer per administrative county, not to exceed a total of \$1,950 for a producer with farming interests in multiple counties. Premiums also apply when producers elect higher levels of coverage with a maximum premium of \$15,750 per person or legal entity.

A producer's certification on Form CCC-860 Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification may serve as an application for basic NAP coverage for all eligible crops beginning with crop year 2022. These producers will have all NAP-related service fees for basic coverage waived, in addition to a 50 percent premium reduction if higher levels of coverage are elected.

For more detailed information on NAP, download the <u>NAP Fact Sheet</u>. To get started with NAP, we recommend you contact your <u>local USDA service center</u>.

USDA Develops Simplified Direct Loan Application to Improve Customer Service

The U.S. Department of Agriculture (USDA) has developed a simplified direct loan application to provide improved customer experience for producers applying for loans from the Farm Service Agency (FSA). The simplified direct loan application enables producers to complete a

more streamlined application, reduced from 29 to 13 pages. Producers will also have the option to complete an electronic fillable form or prepare a traditional, paper application for submission to their local FSA farm loan office. The paper and electronic versions of the form will be available starting March 1, 2023.

Approximately 26,000 producers submit a direct loan application to the FSA annually, but there is a high rate of incomplete or withdrawn applications, due in part to a challenging and lengthy paper-based application process. Coupled with the Loan Assistance Tool released in October 2022, the simplified application will provide all loan applicants access to information regarding the application process and assist them with gathering the correct documents before they begin the process. This new application will help farmers and ranchers submit complete loan applications and reduce the number of incomplete, rejected, or withdrawn applications.

In October 2022, USDA launched the Loan Assistance Tool, an online step-by-step guide that provides materials to help an applicant prepare their farm loan application in one tool. Farmers can access the Loan Assistance Tool by visiting farmers.gov/farm-loan-assistance-tool and clicking the 'Get Started' button. The tool is built to run on any modern browser like Chrome, Edge, Firefox, or the Safari browser. A version compatible with mobile devices is expected to be available by the summer. It does not work in Internet Explorer.

The simplified direct loan application and Loan Assistance Tool are the first of multiple farm loan process improvements that will be available to USDA customers on farmers.gov in the future. Other improvements that are anticipated to launch in 2023 include:

- An interactive online direct loan application that gives customers a paperless and electronic signature option, along with the ability to attach supporting documents such as tax returns.
- An online direct loan repayment feature that relieves borrowers from the necessity of calling, mailing, or visiting a local Service Center to pay a loan installment.

USDA provides access to credit to approximately 115,000 producers who cannot obtain sufficient commercial credit through direct and guaranteed farm loans. With the funds and direction Congress provided in Section 22006 of the Inflation Reduction Act, USDA took action in October 2022 to provide relief to qualifying distressed borrowers while working on making transformational changes to loan servicing so that borrowers are provided the flexibility and opportunities needed to address the inherent risks and unpredictability associated with agricultural operations.

Soon, all direct loan borrowers will receive a letter from USDA describing the circumstances under which additional payments will be made to distressed borrowers and how they can work with their FSA local office to discuss these options. Producers can explore all available options on all FSA loan options at <u>fsa.usda.gov</u> or by contacting their <u>local USDA Service</u> Center.



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