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State Executive Director Comments

As harvest continues across the state, wishing you all good weather, safety, and minimal equipment breakdowns! We have been continuing to monitor [drought conditions](#) across the state. Some of Minnesota has now hit the D3 Extreme Drought level. We will be looking at options for emergency disaster loans in those areas.

It is that time of year again when dairy producers start thinking about the coverage level they may want to take for the [Dairy Margin Coverage \(DMC\) program](#). DMC offers protection to dairy producers when the difference between the all-milk price and the average feed cost (the margin) falls below a certain dollar amount selected by the producer. The annual registration and coverage election period for 2023 will take place



from October 17, 2022, to December 9, 2022. Producers can apply for 2023 DMC by contacting their [local USDA Service Center](#).

At the end of September, Agriculture Secretary Tom Vilsack [announced](#) that the USDA will make available \$20 million in cost-share assistance to help agricultural producers in Kentucky, Minnesota, South Dakota and surrounding areas to rebuild storage facilities damaged by devastating natural disaster events in 2021 and 2022. This assistance will help producers who were hard-hit by disasters and are currently struggling with a lack of available grain storage have the resources they need throughout the 2022 crop harvest. We are awaiting details regarding program eligibility, application and implementation that should be made available in the coming weeks. If you are interested in this program, please contact your [local FSA office](#) where our staff will be drafting lists of producers who are interested in the program.

The Risk Management Agency (RMA) is offering virtual workshops for ag producers to learn more about two insurance options: Whole-Farm Revenue Protection (WFRP) and Micro Farm. These insurance options are especially important to specialty crop, organic, urban, and direct market producers, and this is part of RMA's efforts to increase participation in these options and crop insurance overall. Producers can visit [RMA's Outreach and Education webpage](#) for links to the virtual workshops, which are upcoming on November 15 and December 13.

Respectfully,

Whitney Place, State Executive Director

Biden-Harris Administration Makes \$500 Million Available to Increase Innovative American-Made Fertilizer Production

New Grant Program Will Spur Competition and Help US Farmers Address Rising Costs

U.S. Department of Agriculture (USDA) Secretary Tom Vilsack announced that the Biden-Harris Administration is making \$500 million in grants available to increase American-made fertilizer production to spur competition and combat price hikes on U.S. farmers caused by the war in Ukraine.

The Biden-Harris Administration's [Fertilizer Production Expansion Program](#) is part of a whole-of-government effort to promote competition in agricultural markets. The funds are being made available through the Commodity Credit Corporation.

Eligible entities are for-profit businesses and corporations, nonprofit entities, Tribes and Tribal organizations, producer-owned cooperatives and corporations, certified benefit corporations, and state or local governments. Private entities must be independently owned and operated to apply.

The Department will begin accepting applications in the coming days via www.grants.gov. Notably, there will be two opportunities for submission.

[Learn more.](#)

USDA to Provide up to \$20 Million for Construction of On-Farm Grain Storage Facilities in Areas Impacted by Recent Natural Disasters



Agriculture Secretary Tom Vilsack announced the U.S. Department of Agriculture (USDA) will make available \$20 million in cost-share assistance to help agricultural producers in Kentucky, Minnesota, South Dakota and surrounding areas to rebuild storage facilities damaged by devastating natural disaster events in 2021 and 2022. This assistance will help producers who were hard-hit by disasters and are currently struggling with a lack of available grain storage have the resources they need as they head into the 2022 crop harvest.

This assistance from USDA's Farm Service Agency (FSA) will be designed to help producers affected by the December 2021 tornadoes that passed through eleven counties in Kentucky, as well as producers in Minnesota and South Dakota affected by the derechos (severe thunderstorms and straight-line winds) that swept through these states in May 2022 and July 2022.

Similar to other USDA cost-share programs, USDA anticipates that the funds announced today will cover 75% of the eligible expenses associated with building grain storage capacity or purchasing equipment such as grain baggers for a producer's own use or for a shared-cost arrangement among a group of producers who want to use a common facility. The program will be primarily focused on supporting producers or groups of producers in their efforts to build new storage capacity in eligible areas where there is a shortage of local grain storage. Details on the program and the process to seek cost share will be available in a future Federal Register notice, but USDA also has an existing [Farm Storage Facility Loan Program](#) that can immediately provide low-interest financing. Producers should contact their local service center for details or to ensure they are on a list for updates.

To determine locations where producers may be eligible for emergency grain storage facility assistance, state impact area maps for Kentucky, Minnesota, South Dakota and surrounding areas are now available online. These [maps](#) depict damaged storage facility locations and counties within a 30-mile radius of these facilities where producers may be eligible for this new program. If a producer believes their county should also qualify for this program, there will be a procedure to consider and add additional counties.

Through proactive communications and outreach, USDA will keep producers and stakeholders informed as program eligibility, application and implementation details are made available in the coming weeks.

Additional USDA disaster assistance information can be found on [farmers.gov](#), including the USDA [Disaster Assistance Discovery Tool](#), [Disaster-at-a-Glance fact sheet](#), and [Farm Loan Discovery Tool](#). For FSA and Natural Resources Conservation Service programs, producers

should contact their local [USDA Service Center](#). For assistance with a crop insurance claim, producers and landowners should contact their [crop insurance agent](#).

Transitioning Expiring CRP Land to Beginning, Veteran or Underserved Farmers and Ranchers

CRP contract holders are encouraged to transition their Conservation Reserve Program (CRP) acres to beginning, veteran or socially disadvantaged farmers or ranchers through the Transition Incentives Program (TIP). TIP provides annual rental payments to the landowner or operator for up to two additional years after the CRP contract expires.

CRP contract holders no longer need to be a retired or retiring owner or operator to transition their land. TIP participants must agree to sell, have a contract to sell, or agree to lease long term (at least five years) land enrolled in an expiring CRP contract to a beginning, veteran, or socially disadvantaged farmer or rancher who is not a family member.

Beginning, veteran or social disadvantaged farmers and ranchers and CRP participants may enroll in TIP beginning two years before the expiration date of the CRP contract. The TIP application must be submitted prior to completing the lease or sale of the affected lands. New landowners or renters that return the land to production must use sustainable grazing or farming methods.

For more information, contact your local County USDA Service Center or visit fsa.usda.gov.

Malted Grains and Maple Syrup Eligible for Farm Storage Facility Loans

Malted small grains and maple syrup are now eligible for Farm Storage Facility Loans (FSFL) through the USDA Farm Service Agency (FSA).

FSFLs provide 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 malted small grains include barley, oats, rice, rye and wheat. Maple sap is used to produce maple syrup.

The low-interest funds can be used for:

- bottler or filling systems for maple syrup, excluding containers



- equipment to improve, maintain, or monitor the quality of stored FSFL commodities, such as cleaners, moisture testers, heat detectors, along with a proposed storage facility
- handling and drying equipment determined by the County Committee to be needed and essential to the proper functioning of a storage system
- electrical equipment, such as pumps, lighting, motors, and wiring, integral to the proper operation of the storage and handling equipment, excluding installing electric service to the electrical meter.

FSFLs are not available for the actual processing of the small grain into the malted commodity or maple sap into maple syrup. Additionally, purchased commodities are not eligible for FSFLs.

The following storage and handling equipment is ineligible for FSFLs:

- boiling equipment
- feed handling and processing equipment
- production and feed facilities
- structures of a temporary nature not having a useful life of the term of the loan
- maple sap tubing and pumping systems.

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.

USDA Packages Disaster Protection with Loans to Benefit Specialty Crop and Diversified Producers

Free basic coverage available for new and underserved loan applicants

Producers who apply for Farm Service Agency (FSA) farm loans will be offered the opportunity to enroll in the Noninsured Crop Disaster Assistance Program (NAP). NAP is available to producers who grow non-insurable crops and is especially important to fruit, vegetable, and other specialty crop growers.

New, underserved and limited income specialty growers who apply for farm loans could qualify for basic loss coverage at no cost.

The basic disaster coverage protects at 55 percent of the market price for crop losses that exceed 50 percent of production. Covered “specialty” crops include vegetables, fruits, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, hay, forage, grazing and energy crops. FSA allows beginning, underserved or limited income producers to obtain NAP coverage up to 90 days after the normal application closing date when they also apply for FSA credit.

Producers can also protect value-added production, such as organic or direct market crops, at their fair market value in those markets. Targeted underserved groups eligible for free or discounted coverage include American Indians or Alaskan Natives, Asians, Blacks or African Americans, Native Hawaiians or other Pacific Islanders, Hispanics, and women.

FSA offers a variety of loan products, including farm ownership loans, operating loans and microloans that have a streamlined application process.

NAP coverage is not limited to FSA borrowers, beginning, limited resource, or underserved farmers. Any producer who grows eligible NAP crops can purchase coverage. To learn more, contact your local County USDA Service Center or visit fsa.usda.gov/nap or fsa.usda.gov/farmloans.

Emergency Assistance for Livestock, Honeybee, and Farm-Raised Fish Program (ELAP)



ELAP provides emergency assistance to eligible livestock, honeybee, and farm-raised fish producers who have losses due to disease, adverse weather or other conditions, such as blizzards and wildfires, not covered by other agricultural disaster assistance programs.

Eligible losses include:

- **Livestock** - grazing losses not covered under the Livestock Forage Disaster Program (LFP), loss of purchased feed and/or mechanically harvested feed due to an eligible adverse weather event, additional cost of transporting water because of an eligible drought and additional cost associated with gathering livestock to treat for cattle tick fever.
- **Honeybee** - loss of purchased feed due to an eligible adverse weather event, cost of additional feed purchased above normal quantities due to an eligible adverse weather condition, colony losses in excess of normal mortality due to an eligible weather event or loss condition, including CCD, and hive losses due to eligible adverse weather.

- **Farm-Raised Fish** - death losses in excess of normal mortality and/or loss of purchased feed due to an eligible adverse weather event.

If you've suffered eligible livestock, honeybee, or farm-raised fish losses during calendar year 2022, you must file:

- A notice of loss within 30 calendar days after the loss is apparent (15 days for honeybee losses)
- An application for payment by Jan. 30, 2023

Applying for Beginning Farmer Loans

The Farm Service Agency (FSA) assists beginning farmers to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more than 10 years
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
- Does not own a farm in excess of 30 percent of the county's average size farm.

For more information contact, contact your local County USDA Service Center or visit fsa.usda.gov.

Communication is Key in Lending

Farm Service Agency (FSA) is committed to providing our farm loan borrowers the tools necessary to be successful. FSA staff will provide guidance and counsel from the loan application process through the borrower's graduation to commercial credit. While it is FSA's commitment to advise borrowers as they identify goals and evaluate progress, it is crucial for borrowers to communicate with their farm loan staff when changes occur. It is the borrower's responsibility to alert FSA to any of the following:



- Any proposed or significant changes in the farming operation
 - Any significant changes to family income or expenses
 - The development of problem situations
 - Any losses or proposed significant changes in security
-

If a farm loan borrower can't make payments to suppliers, other creditors, or FSA on time, contact your farm loan staff immediately to discuss loan servicing options.

For more information on FSA farm loan programs, contact your local County USDA Service Center or visit fsa.usda.gov.

Linkage Requirements for Payments Received Under WHIP+ and/or QLA

If you received a payment under the Wildfires and Hurricanes Indemnity Program+ (WHIP+) or the Quality Loss Adjustment Program (QLA) for crop production and/or quality losses occurring in 2018, 2019, or 2020 crop years, you are required to meet linkage requirements by obtaining federal crop insurance or Non-Insured Crop Disaster Assistance Program (NAP) coverage at the 60/100 level, or higher, for both the 2022 and 2023 crop years.

When applying for WHIP+ or QLA, form FSA-895 (Crop Insurance and/or NAP Coverage Agreement) was submitted acknowledging the requirement to obtain federal crop insurance, if available, or NAP coverage if federal crop insurance is not available. The coverage requirement is applicable to the physical location county of the crop that received WHIP+ and/or QLA benefits.

Producers should not delay contacting their federal crop insurance agent or local county FSA Office to inquire about coverage options, as **failure to obtain the applicable coverage by the sales/application closing date will result in the required refund of WHIP+ benefits received on the applicable crop, plus interest.** You can determine if crops are eligible for federal crop insurance or NAP by [visiting the RMA website](#).

For more information, contact your local USDA Service Center or visit fsa.usda.gov.

Linkage Requirements for Payments Received Under Phase 1 ERP



If you received a payment under the Emergency Relief Program (ERP) for crop production losses occurring in 2020, 2021, or 2022 calendar years due to qualifying events occurring in calendar years 2020 or 2021, you are required to purchase crop insurance or NAP, as may be applicable for the crop, at a coverage level equal to or greater than 60 percent for insurable crops (60/100); or at the catastrophic level (50/55) or higher for

NAP crops, for the next two available crop years. You can determine if crops are eligible for federal crop insurance or NAP by [visiting the RMA website](#).

The next two available crop years are determined from the date you received your ERP payment. Example: Producer G received ERP benefits for 2021 rye losses and received an ERP payment in June of 2022. The sales closing date to purchase insurance for the 2023 crop year is September 30, 2022. Based on the date Producer G received ERP benefits, and the sales closing date for the crop, the next 2 available crop years for Producer G are 2023 and 2024.

The coverage requirement is applicable to the crop and the specific physical location of that crop. Please refer to your ERP application (FSA-520) to identify crops for which you received an ERP payment. Questions about physical location can be directed to your local county FSA office.

Failure to meet the linkage requirement will require you to refund ERP payments received on the applicable crop(s), plus interest.

Obtaining Payments Due to Deceased Producers

In order to claim a Farm Service Agency (FSA) payment on behalf of a deceased producer, all program conditions for the payment must have been met before the applicable producer's date of death.

If a producer earned a FSA payment prior to his or her death, the following is the order of precedence for the representatives of the producer:

- administrator or executor of the estate
- the surviving spouse
- surviving sons and daughters, including adopted children
- surviving father and mother
- surviving brothers and sisters
- heirs of the deceased person who would be entitled to payment according to the State law

For FSA to release the payment, the legal representative of the deceased producer must file a form FSA-325 to claim the payment for themselves or an estate. The county office will verify that the application, contract, loan agreement, or other similar form requesting payment issuance, was signed by the applicable deadline by the deceased or a person legally authorized to act on their behalf at that time of application.

If the application, contract or loan agreement form was signed by someone other than the deceased participant, FSA will determine whether the person submitting the form has the legal authority to submit the form.

Payments will be issued to the respective representative's name using the deceased program participant's tax identification number. Payments made to representatives are subject to offset regulations for debts owed by the deceased.

FSA is not responsible for advising persons in obtaining legal advice on how to obtain program benefits that may be due to a participant who has died, disappeared or who has been declared incompetent.

Report Banking Changes to FSA

Farm Service Agency (FSA) program payments are issued electronically into your bank account. In order to receive timely payments, you need to notify your FSA servicing office if you close your account or if your bank information is changed for any reason (such as your financial institution merging or being purchased). Payments can be delayed if FSA is not notified of changes to account and bank routing numbers.



For some programs, payments are not made until the following year. For example, payments for crop year 2019 through the Agriculture Risk Coverage and Price Loss Coverage program aren't paid until 2020. If the bank account was closed due to the death of an individual or dissolution of an entity or partnership before the payment was issued, please notify your local FSA office as soon as possible to claim your payment.

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