

Minnesota FSA Updates - April 13, 2023

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State Executive Director Comments

Do you have questions about the programs and services FSA offers? Ask USDA, available at <u>ask.usda.gov</u>, is an online tool that provides information for all USDA programs and allows customers to search for and read answers about FSA programs and services. Producers can submit questions through email, chat, and phone if they need more information. This improved customer service approach provides a one-stop shopping experience that covers all of USDA's many programs.



USDA is investing up to \$70 million in cooperative agreements to support outreach to underserved producers and communities about opportunities with NRCS for natural resource conservation, climate-smart agriculture and forestry. These agreements will expand outreach for the delivery of conservation assistance to underserved producers and

communities and provide opportunities for students to pursue careers in agriculture, natural resources, and related sciences. Through this <u>Notice of Funding Opportunity</u>, eligible applicants may propose projects that engage underserved farmers and ranchers and their communities and offer opportunities for these producers and communities through outreach activities. More information about this current funding opportunity is available <u>here</u>. Applications must be submitted by April 27.

The Minnesota Department of Agriculture (MDA) is hosting two events with the Minnesota Farmers Union in May to provide information on grants, loans, and services available to specialty crop, livestock, and emerging farmers in Minnesota. The events will include the same content and are free to attend. They are open to all but will be oriented toward farmers and farm service provides. Register at this link for the in-person event on May 10 from 10:00 a.m. to 12:00 p.m. at the Minnesota Farmers Union Office in St. Paul. The event is also being offered online via Zoom on May 17 from 8:30 a.m. to 10:00 a.m. Those interested in participating online can register <u>here</u>.

As we move into planting season, I want to provide a reminder for producers that the deadline to <u>certify spring seeded crops</u> is July 17, 2023, being July 15 falls on a non-workday. While this may seem like the distant future right now with limited to no planting in the state to date, it will be here soon. Please contact your <u>local USDA Service Center</u> when you are finished planting to timely complete your annual acreage reporting. Current conditions indicate that spring planting could be impacted by unfavorable conditions, so please don't forget to report any prevented planting acres within 15 days after the final plant date for a specific crop. With that, I wish you a productive and safe planting season!

Respectfully,

Whitney Place, State Executive Director



Let's showcase your story online.

It's that time of year again, and we want to showcase your planting season on social media and blogs. To participate, just send us a photo and a bit of information. Learn more: <u>Share Your Plant 2023 Stories</u>

FSA Offers Livestock Indemnity Program for Livestock Losses due to Recent Flooding

The Livestock Indemnity Program (LIP) provides assistance to you for livestock deaths in excess of normal mortality caused by adverse weather (including floods), disease and attacks by animals reintroduced into the wild by the federal government or protected by federal law.

For disease losses, FSA county committees can accept veterinarian certifications that livestock deaths were directly related to adverse weather and unpreventable through good animal husbandry and management.

You must file a notice within 30 calendar days of when the loss is first apparent. You then must provide the following supporting documentation to your local FSA office no later than 60 calendar days after the end of the calendar year in which the eligible loss condition occurred.

- Proof of death documentation
- Copy of grower's contracts
- Proof of normal mortality documentation

USDA has established normal mortality rates for each type and weight range of eligible livestock, i.e. Adult Beef Cow = 1.5% and Non-Adult Beef Cattle (less than 400 pounds) = 3%. These established percentages reflect losses that are considered expected or typical under "normal" conditions.

For more information about LIP, contact your local County USDA Service Center or visit <u>fsa.usda.gov</u>.

USDA Announces Sign-up for Cost-Share Assistance for On-Farm Grain Storage in Areas with Limited Commercial Capacity Due to Severe Storms



Producers in counties affected by eligible disaster events in Kentucky, Minnesota, South Dakota, Illinois, Iowa, Missouri, North Dakota, and Tennessee can apply for cost-share assistance through the Emergency Grain Storage Facility Assistance Program (EGSFP). The new program provides cost-share assistance for the construction of new grain storage capacity and drying and handling needs, in order to support the orderly marketing of commodities. An initial allocation of \$20 million in cost-share assistance is available

to agricultural producers in affected counties impacted by the damage to or destruction of large commercial grain elevators as a result of natural disasters from Dec. 1, 2021, to Aug. 1, 2022. The application period opens later this month and closes Dec. 29, 2023.

This assistance from USDA's Farm Service Agency (FSA) is designed to help producers affected by the December 2021 tornadoes that passed through 11 counties in Kentucky, as well as producers in Illinois, Iowa, Minnesota, Missouri, North Dakota, South Dakota, and Tennessee affected by eligible disaster events in 2022. The program was <u>previewed</u> <u>last fall</u> and will be made available with the publication of the <u>Notice</u> in the Federal Register.

Eligibility

Maps showing the location of damaged grain facilities in Kentucky, Minnesota, South Dakota and surrounding eligible areas are available online. These <u>maps</u> depict damaged storage facility locations and the affected counties within a 30-mile radius of these facilities where producers may be eligible to apply for EGSFP benefits if they can demonstrate a need for additional on-farm grain storage capacity.

Additionally, FSA may determine a need for EGSFP assistance in counties in other states and regions during the application period where an eligible disaster event has damaged storage facility locations. Eligible disaster events include hurricanes, tornadoes, floods, derechos, straight-line winds and winter storms that occurred between Dec. 1, 2021, and Aug. 1, 2022.

EGSFP helps producers build permanent or temporary on-farm grain storage capacity, restore existing storage capacity, and purchase drying and handling equipment in affected counties.

The following types of new/used facilities and upgrades are eligible for cost-share assistance and must have a useful life of at least three years:

- conventional-type cribs or bins designed and engineered for grain storage
- open buildings with two end walls
- converted storage structures
- asphalt, concrete or gravel floors with grain piles and tarp covering,
- ag baggers (including bags)

On-farm grain storage structures may account for aeration, drainage, and may require loading or unloading augers, drying and handling equipment.

How to Apply

Producers must submit the EGSFP Application, form *FSA-413*, and any additional required forms to their FSA county office either in person, by mail, email, or facsimile starting later this month and by the Dec. 29, 2023, deadline. Form *FSA-413-1*, Continuation Sheet for EGSFP, must be submitted with the *FSA-413* when a group of producers are applying for assistance.

Payment Calculation

FSA will use the producer's self-certified cost of the additional on-farm grain storage capacity or drying and handling equipment needed multiplied by the producer's share of grain.

This amount will then be multiplied by the cost share factor of 75% or 90%. An eligible producer who certifies they are socially disadvantaged, limited resource, beginning and veteran farmer or rancher by filing form *CCC-860* with FSA will receive the higher 90% cost share rate.

More Information

For more information visit the <u>program webpage</u> or the <u>EGSFP fact sheet</u>. USDA also has an existing <u>Farm Storage Facility Loan Program</u> that can immediately provide low-interest financing for eligible producers who may not be eligible for EGSFP but are in need of on-farm storage capacity.

USDA Fruit, Vegetable and Wild Rice Planting Rules Unchanged in 2018 Farm Bill

Fruit, vegetable and wild rice producers will continue to follow the same rules for certain Farm Service Agency (FSA) programs.

If you intend to participate in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs, you are subject to an acre-for-acre payment reduction when fruits and nuts, vegetables or wild rice are planted on payment acres of a farm. Payment reductions do not apply to mung beans, dry peas, lentils or chickpeas. Planting fruits, vegetables or wild rice on acres not considered payment acres will not result in a payment reduction. Farms that are eligible to participate in ARC/PLC but are not enrolled for a particular year may plant unlimited fruits, vegetables and wild rice for that year but will not receive ARC/PLC payments. Eligibility for succeeding years is not affected.

Planting and harvesting fruits, vegetables and wild rice on ARC/PLC acreage is subject to the acre-for-acre payment reduction when those crops are planted on more than 15 percent of the base acres of an ARC enrolled farm using the county coverage or PLC, or

more than 35 percent of the base acres of an ARC enrolled farm using the individual coverage.

Fruits, vegetables and wild rice that are planted in a double-cropping practice will not cause a payment reduction if the farm is in a double-cropping region as designated by the USDA's Commodity Credit Corporation.

Using FSA Direct Farm Ownership Loans for Construction

The USDA Farm Service Agency's (FSA) <u>Direct Farm</u> <u>Ownership loans</u> are a resource to help farmers and ranchers become owner-operators of family farms, improve and expand current operations, increase agricultural productivity, and assist with land tenure to save farmland for future generations.



There are three types of Direct Farm Ownership Loans: regular, down payment and joint financing. FSA also offers a <u>Direct Farm Ownership</u> <u>Microloan</u> option for smaller financial needs up to \$50,000.

Direct Farm Ownership Loans can be used to construct, purchase or improve farm dwellings, service buildings or other facilities, and to make improvements essential to an operation.

Applicants must provide FSA with an estimate of the total cost of all planned development that completely describe the work, prior to loan approval and must show proof of sufficient funds to pay for the total cost of all planned development at or before loan closing. In some instances, applicants may be asked to provide certified plans, specifications or contract documents. The applicant cannot incur any debts for materials or labor or make any expenditures for development purposes prior to loan closing with the expectation of being reimbursed from FSA funds.

Construction and development work may be performed either by the contract method or the borrower method. Under the contract method, construction and development contractors perform work according to a written contract with the applicant or borrower. If applying for a direct loan to finance a construction project, the applicant must obtain a surety bond that guarantees both payment and performance in the amount of the construction contract from a construction contractor.

A surety bond is required when a contract exceeds \$100,000. An authorized agency official determines that a surety bond appears advisable to protect the borrower against default of the contractor or a contract provides for partial payments in excess of the amount of 60 percent of the value of the work in place.

Under the borrower method, the applicant or borrower will perform the construction and development work. The borrower method may only be used when the authorized agency official determines, based on information from the applicant, that the applicant possesses or arranges to obtain the necessary skill and managerial ability to complete the work satisfactorily and that such work will not interfere with the applicant's farming operation or work schedule.

Potential applicants should visit with FSA early in the initial project planning process to ensure environmental compliance.

For more eligibility requirements and information about FSA Loan programs, contact your local County USDA Service Center or visit <u>fsa.usda.gov</u>.

Update Your Records

FSA is cleaning up our producer record database and needs your help. Please report any changes of address, zip code, phone number, email address or an incorrect name or business name on file to our office. You should also report changes in your farm operation, like the addition of a farm by lease or purchase. You should also report any changes to your operation in which you reorganize to form a Trust, LLC or other legal entity.

FSA and NRCS program participants are required to promptly report changes in their farming operation to the County Committee in writing and to update their *Farm Operating Plan* on form CCC-902.

To update your records, contact your local County USDA Service Center.

FSA Offers Assistance for Flooding Feed and Grazing Losses



If you've suffered livestock feed or grazing losses due to recent flooding, you could be eligible for assistance through the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP).

ELAP covers physically damaged or destroyed livestock feed that was purchased, or mechanically harvested forage or feedstuffs intended for use as feed for *your* eligible livestock.

In order to be considered eligible, harvested forage must be baled. Forage that is only cut, raked or windrowed is not eligible. You must submit a notice of loss to their local FSA office within 30 calendar days of when the loss is apparent.

ELAP also covers up to 180 lost grazing days in instances when you've been forced to remove livestock from a grazing pasture due to wildfire.

You should maintain records and receipts documenting that livestock were removed from the grazing pasture due to flood, costs of transporting livestock feed to eligible livestock, receipts for equipment rental fees for hay lifts, feed purchase receipts and the number of gallons of water transported to livestock due to water shortages.

For beekeepers, ELAP covers beehive losses (the physical structure) in instances where the hive has been destroyed by a natural disaster including flooding. For honeybee losses, you must notify FSA within 15 calendar days of when a loss occurs or from when the loss is apparent.

For more information regarding ELAP, contact your local County USDA Service Center at or visit <u>fsa.usda.gov/disaster</u>.

Maintaining Good Credit History

Farm Service Agency (FSA) loans require applicants to have a satisfactory credit history. A credit report is requested for all FSA direct farm loan applicants. These reports are reviewed to verify outstanding debts, see if bills are paid timely and to determine the impact on cash flow.

Information on your credit report is strictly confidential and is used only as an aid in conducting FSA business.

Our farm loan staff will discuss options with you if you have an unfavorable credit report and will provide a copy of your report. If you dispute the accuracy of the information on the credit report, it is up to you to contact the issuing credit report company to resolve any errors or inaccuracies.

There are multiple ways to remedy an unfavorable credit score:

- Make sure to pay bills on time
- Setting up automatic payments or automated reminders can be an effective way to remember payment due dates.
- Pay down existing debt
- Keep your credit card balances low
- Avoid suddenly opening or closing existing credit accounts

FSA's farm loan staff will guide you through the process, which may require you to reapply for a loan after improving or correcting your credit report.

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

FSA is Accepting CRP Continuous Enrollment Offers

The Farm Service Agency (FSA) is accepting offers for specific conservation practices under the <u>Conservation</u> <u>Reserve Program (CRP) Continuous Signup</u>.

In exchange for a yearly rental payment, farmers enrolled in the program agree to remove environmentally sensitive land from agricultural production and to plant species that will improve environmental health and quality. The program's



long-term goal is to re-establish valuable land cover to improve water quality, prevent soil erosion, and reduce loss of wildlife habitat. Contracts for land enrolled in CRP are 10-15 years in length.

Under continuous CRP signup, environmentally sensitive land devoted to certain conservation practices can be enrolled in CRP at any time. Offers for continuous enrollment are not subject to competitive bidding during specific periods. Instead they are automatically accepted provided the land and producer meet certain eligibility requirements and the enrollment levels do not exceed the statutory cap.

For more information, including a list of acceptable practices, contact your local County USDA Service Center or visit <u>fsa.usda.gov/crp</u>.

Urban Producers, Public Invited to Attend April Meeting of Federal Advisory Committee for Urban Agriculture and Innovative Production



Meeting will take place April 18, 3-5 pm ET

We're inviting urban producers, innovative producers, and other stakeholders to virtually attend a public meeting of the Federal Advisory Committee for Urban Agriculture and Innovative Production on April 18 from 3-5 pm. Learn more and register at this <u>link</u>.

Minnesota USDA Farm Service Agency

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To find contact information for your local USDA Farm Service Agency Office go to: <u>www.fsa.usda.gov/mn</u>

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Minnesota State Committee: Eunice Biel, Committee Chairperson

Hannah Bernhardt, Committee Member Kurt Blomgren, Committee Member Lisa Brunner, Committee Member Tim Velde, Committee Member

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