

August USDA eNewsletter -August 19, 2022

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

In This Issue:

- The NRCS and FSA Nevada State Offices are moving to a new location in Reno
- FSA Offers Drought Assistance for Livestock Producers Through Emergency Assistance for Livestock, Honey Bees and Farm-raised Fish Program (ELAP)
- 2022 DMC Premiums due Sept. 1, 2022
- Applying for FSA Direct Loans
- Maintaining Good Credit History
- <u>USDA Accepting Applications to Help Cover Costs of Organic,</u> Transitioning Producers
- USDA to Mail Additional Pre-Filled Applications to Producers Impacted by 2020, 2021 Disasters
- USDA Microloans Help Farmers Purchase Farmland and Improve **Property**
- How to Document Wildfire Losses
- Five Facts About the United States Drought Monitor
- USDA Invests \$14.5 Million in Taxpayer Education, Program Outreach Efforts for Farmers and Ranchers

The NRCS and FSA Nevada State Offices are moving to a new location in Reno

The new office will be located at the C. Clifton Young Federal Building & U.S. Courthouse, 300 Booth Street, Reno, NV 89509

NRCS's move will be completed around October 2022 and NRCS's State Office staff will be teleworking until the move is complete. FSA's move will also be completed sometime before the end of the year. The FSA staff will be doing a combination of working from the new office and teleworking after August 15, 2022. Employees are available by email or you can call 775-857-8500 to schedule an in person appointment. A State Office directory on our websites can be found at nrcs.usda.gov and fsa.usda.gov

FSA Offers Drought Assistance for Livestock Producers Through Emergency Assistance for Livestock, Honey Bees and Farm-raised Fish **Program (ELAP)**

If you've suffered above normal expenses for hauling feed or water to livestock or hauling livestock to forage/grazing acres due to the impacts of drought, you may be eligible for financial assistance through the Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program (ELAP).

For eligible producers 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,
- the above normal cost of transporting livestock to forage/grazing acres.*

*Hauling livestock one-way, one haul per animal reimbursement and no payment for "empty miles."

Eligible livestock include cattle, buffalo, goats and sheep, among others, that are maintained for commercial use and located in a county where the qualifying drought conditions occur. A county must have had D2 severe drought intensity on the U.S. Drought Monitor 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.

WATER TRANSPORTATION

For ELAP water transportation assistance, a producer must be transporting water to eligible livestock on eligible grazing land where the producer had adequate livestock watering systems or facilities in place before the drought occurred and where they do not normally require the transportation of water. Payments are for costs associated with personal labor, equipment, hired labor, equipment, and/or contracted water transportation fees. Cost of the water itself is not covered. The ELAP payment formula uses a national average price per gallon.

ABOVE NORMAL COSTS OF 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 costs above what would normally have been incurred during the same time period in a normal (non-drought) year. ABOVE NORMAL COSTS OF TRANSPORTING LIVESTOCK TO FORAGE/GRAZING ACRES

ELAP provides financial assistance to livestock producers who are hauling livestock to a new location for feed resources due to insufficient feed and/or grazing in drought-impacted areas. Assistance for Livestock transportation is retroactive to 2021 and available for 2022 and subsequent years. Please contact your county FSA office for additional details.

For calendar year 2022 forward, producers must submit a notice of loss to your local FSA office within 30 calendar days of when the loss is apparent; producers should contact their county FSA office as soon as the loss of water resources 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, and the costs of transporting eligible livestock to forage/grazing acres.

ELAP also offers assistance to producers impacted by wildfire. Contact your county FSA office for more information on ELAP resources for wildfire losses. In addition, beekeepers also can benefit from ELAP provisions and should contact their county FSA office 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 or visit fsa.usda.gov/disaster.

2022 DMC Premiums due Sept. 1, 2022

Dairy producers have until Sept. 1, 2022, to pay premiums for the Dairy Margin Coverage (DMC) Program. With monthly DMC program triggers well above the \$9.50 per hundredweight (cwt) coverage level, there have been no indemnity payments distributed through the USDA's Farm Service Agency (FSA) through June 2022. In prior years, producers were able to deduct annual DMC premiums from indemnity payments, but that's not the case this year.

Approximately 75% of calendar year 2022 DMC and Supplemental DMC premiums have not been paid as the payment deadline of Sept. 1 approaches.

Failure to pay the DMC premium by the deadline may affect a dairy operation's ability to participate in the DMC program in future years. Contact your local FSA office for more information.

For more information visit the FSA dairy programs webpage or the online dairy decision tool.

Applying for FSA Direct Loans

FSA offers direct farm ownership and direct farm operating loans to producers who want to establish, maintain, or strengthen their farm or ranch. Direct loans are processed, approved and serviced by FSA loan officers.

Direct farm operating loans can be used to purchase livestock and feed, farm equipment, fuel, farm chemicals, insurance, and other costs including family living expenses. Operating loans can also be used to finance minor improvements or repairs to buildings and to refinance some farm-related debts, excluding real estate.

Direct farm ownership loans can be used to purchase farmland, enlarge an existing farm, construct and repair buildings, and to make farm improvements.

The maximum loan amount for direct farm ownership loans is \$600,000 and the maximum loan amount for direct operating loans is \$400,000 and a down payment is not required. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

Please contact your local FSA office for more information or to apply for a direct farm ownership or operating loan.

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 or visit <u>fsa.usda.gov</u>.

USDA Accepting Applications to Help Cover Costs of Organic, Transitioning Producers



Agricultural producers and handlers who are certified organic, along with producers and handlers who are transitioning to organic production, can now apply for the U.S. Department of Agriculture's (USDA) Organic and Transitional Education Certification Program (OTECP) and Organic Certification Cost Share Program (OCCSP), which help producers and handlers cover the cost of organic certification, along with other related expenses. Applications for OTECP and OCCSP are both due October 31, 2022.

OTECP covers:

- Certification costs for organic producers and handlers (25% up to \$250 per category).
- Eligible expenses for transitional producers, including fees for pre-certification inspections and development of an organic system plan (75% up to \$750).
- Registration fees for educational events (75% up to \$200).
- Soil testing (75% up to \$100).

Meanwhile, OCCSP covers 50% or up to \$500 per category of certification costs in 2022.

This cost share for certification is available for each of these categories: crops, wild crops, livestock, processing/handling and State organic program fees.

Producers can receive cost share through both OTECP and OCCSP. Both OTECP and OCCSP cover costs incurred from October 1, 2021, to September 30, 2022. Producers have until October 31, 2022 to file applications, and FSA will make payments as applications are received.

To apply, producers and handlers should contact the Farm Service Agency (FSA) at their local USDA Service Center. As part of completing the OCCSP applications, producers and handlers will need to provide documentation of their organic certification and eligible expenses. Organic producers and handlers may also apply for OCCSP through participating State agencies.

Additional details can be found on the OTECP and OCCSP webpages.

USDA to Mail Additional Pre-Filled Applications to Producers Impacted by 2020, 2021 Disasters

The U.S. Department of Agriculture (USDA) today announced another installment (phase) in assistance to commodity and specialty crop producers impacted by natural disaster events in 2020 and 2021. More than 18,000 producers will soon receive new or updated pre-filled disaster applications to offset eligible crop losses. Approximately \$6.4 billion has already been distributed to 165,000 producers through USDA's Farm Service Agency's (FSA) Emergency Relief Program (ERP).

FSA will begin mailing pre-filled applications in late August to producers who have potentially eligible losses and:

- Received crop insurance indemnities for qualifying 2020 and 2021 disaster events after May 2, 2022.
- Received crop insurance indemnities associated with Nursery, Supplemental Coverage Option (SCO), Stacked Income Protection Plan (STAX), Enhanced Coverage Option (ECO) and Margin Protection (MP) policies.
- New primary policyholders not included in the initial insured producer Phase 1 mailing from May 25, 2022, because their claim records had not been filled.
- Certain 2020 prevent plant losses related to qualifying 2020 disaster events that had only been recorded in crop insurance records as related to 2019 adverse weather events and, as such, were not previously provided in applications sent earlier this year.
- New Substantial Beneficial Interest (SBI) records, including SBIs where tax identification numbers were corrected.

Producers are expected to receive assistance direct deposited into their bank account within three business days after they sign and return the pre-filled application to the FSA county office and the county office enters the application into the system.

Before applying any program payment factors or eligibility criteria, it is estimated that this next installment (phase) may generate about \$756 million in assistance.

Emergency Relief Payments to Date

This emergency relief under ERP complements ERP assistance recently provided to more than 165,000 producers who had received crop insurance indemnities and Noninsured Crop Disaster Assistance Program (NAP) payments for qualifying losses. USDA has processed more than 255,000 applications for ERP, and to date, has made approximately \$6.4 billion in payments to commodity and specialty crop producers to help offset eligible losses from qualifying 2020 and 2021 natural disasters. Also, earlier this year, staff processed more than 100,000 payments through the Emergency Livestock Relief Program (ELRP) and paid eligible producers more than \$601.3 million for 2021 grazing losses within days of the program announcement.

Phase Two

The second phase of both ERP and ELRP will be aimed at filling gaps and provide assistance to producers who did not participate in or receive payments through the existing risk management programs that are being leveraged for phase one implementation. USDA will keep producers and stakeholders informed as program details are made available.

More Information

In addition, on Aug. 18, 2022, USDA published a technical correction to the Notice of Funds Availability for ERP and ELRP to clarify how income from the sale of farm equipment and the provision of production inputs and services to farmers, ranchers, foresters, and farm operations are to be considered in the calculation of average adjusted gross farm income. Producers whose average adjusted gross farm income is at least 75% of the producer's the average Adjusted Gross Income can gain access to a higher payment limitation.

ERP and the previously announced ELRP are authorized by the Extending Government Funding and Delivering Emergency Assistance Act, which President Biden signed into law in 2021. The law provided \$10 billion to help agricultural producers impacted by wildfires, droughts, hurricanes, winter storms and other eligible disasters experienced during calendar years 2020 and 2021.

For more information on ERP and ELRP eligibility, program provisions for historically underserved producers as well as Frequently Asked Questions, producers can visit FSA's Emergency Relief webpage. A new public-facing dashboard on the ERP webpage has information on ERP payments that can be sorted by crop type – specialty or non-specialty- specific commodities and state. FSA will update the dashboard every Monday.

Additional USDA disaster assistance information can be found on farmers.gov, including the 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.

USDA Microloans Help Farmers Purchase Farmland and Improve Property

Farmers can use USDA farm ownership microloans to buy and improve property. These microloans are especially helpful to beginning or underserved farmers, U.S. veterans looking for a career in farming, and those who have small and mid-sized farming operations.

Microloans have helped farmers and ranchers with operating costs, such as feed, fertilizer, tools, fencing, equipment, and living expenses since 2013.

Microloans can also help with farmland and building purchases and soil and water conservation improvements. FSA designed the expanded program to simplify the application process, expand eligibility requirements and expedite smaller real estate loans to help farmers strengthen their operations. Microloans provide up to \$50,000 to qualified producers and can be issued to the applicant directly from the USDA Farm Service Agency (FSA).

To learn more about the FSA microloan program, contact your local County USDA Service Center or visit fsa.usda.gov/microloans.

How to Document Wildfire Losses

If you've suffered excessive livestock death losses and grazing or feed losses due to recent wildfires, you may be eligible for disaster assistance programs through the USDA Farm Service Agency (FSA).

The Livestock Indemnity Program (LIP) offers payments to you for livestock death losses in excess of normal mortality due to adverse weather and the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP) provides emergency relief for losses due to feed or water shortages, disease, adverse weather, or other conditions, which are not adequately addressed by other disaster programs.

To participate in LIP, you will be required to provide verifiable documentation of death losses resulting from an eligible adverse weather event, and you must submit a notice of loss to your local FSA office within 30 calendar days of when the loss of livestock is apparent. To participate in ELAP, you must submit a notice of loss to your local FSA office within 30 calendar days of when the loss is apparent and should maintain documentation and receipts.

You should record all pertinent information regarding livestock losses due to the eligible adverse weather or loss condition, including:

- Documentation of the number, kind, type, and weight range of livestock that have died, supplemented if possible by photographs or video records of ownership and losses;
- Rendering truck receipts by kind, type and weight important to document prior to disposal;
- Beginning inventory supported by birth recordings or purchase receipts;
- Documentation from Animal Plant Health Inspection Service, Department of Natural Resources, or other sources to substantiate eligible death losses due to an eligible loss condition;
- Documentation that livestock were removed from grazing pastures due to an eligible adverse weather or loss condition;
- Costs of transporting livestock feed to eligible livestock, such as receipts for equipment rental fees for hay lifts and snow removal;
- Feed purchase receipts if feed supplies or grazing pastures are destroyed;
- Number of gallons of water transported to livestock due to water shortages.

For more information on these programs and documentation requirements, contact your local County USDA Service Center or visit fsa.usda.gov/disaster.

Five Facts About the United States Drought **Monitor**

This is likely no surprise to you, but drought persists across the western U.S. and is intensifying in some areas. No geographic area is immune to the potential of drought at any given time. The U.S. Drought Monitor provides a weekly drought assessment, and it plays an important role in USDA programs that help farmers and ranchers recover from drought.

Fact #1 - Numerous agencies use the Drought Monitor to inform drought-related

The map identifies areas of drought and labels them by intensity on a weekly basis. It categorizes the entire country as being in one of six levels of drought. The first two, None and Abnormally Dry (D0), are not considered to be drought. The next four describe increasing levels of drought: Moderate (D1), Severe (D2), Extreme (D3) and Exceptional (D4).

While many entities consult the Drought Monitor for drought information, drought declarations are made by federal, state and local agencies that may or may not use the Drought Monitor to inform their decisions. Some of the ways USDA uses it to determine a producer's eligibility for certain drought assistance programs, like the Livestock Forage <u>Disaster Program and Emergency Haying or Grazing on Conservation Reserve Program</u> acres and to "fast-track" Secretarial drought disaster designations.

Fact #2 - U.S. Drought Monitor is made with more than precipitation data.

When you think about drought, you probably think about water, or the lack of it. Precipitation plays a major role in the creation of the Drought Monitor, but the map's author considers <u>numerous indicators</u>, including <u>drought impacts</u> and local insight from over 450 expert observers around the country. Authors use several dozen indicators to assess drought, including precipitation, streamflow, reservoir levels, temperature and evaporative demand, soil moisture and vegetation health. Because the drought monitor depicts both short and long-term drought conditions, the authors must look at data for multiple timeframes. The final map produced each week represents a summary of the story being told by all the pieces of data. To help tell that story, authors don't just look at data. They converse over the course of the map-making week with experts across the country and draw information about drought impacts from media reports and private citizens.

Fact #3 - A real person, using real data, updates the map.

Each week's map author, not a computer, processes and analyzes data to update the drought monitor. The map authors are trained climatologists or meteorologists from the National Drought Mitigation Center at the University of Nebraska-Lincoln (the academic partner and website host of the Drought Monitor), the National Oceanic and Atmospheric Administration and USDA. The author's job is to do what a computer can't – use their expertise to reconcile the sometimes-conflicting stories told by each stream of data into a single assessment.

Fact #4 - The Drought Monitor provides a current snapshot, not a forecast.

The Drought Monitor is a "snapshot" of conditions observed during the most recent week and builds off the previous week's map. The map is released on Thursdays and depicts conditions based on data for the week that ended the preceding Tuesday. Rain that falls on the Wednesday just before the USDM's release won't be reflected until the next map is published. This provides a consistent, week-to-week product and gives the author a window to assess the data and come up with a final map.

Fact #5 – Your input can be part of the drought-monitoring process.

State climatologists and other trained observers in the drought monitoring network relay on-the-ground information from numerous sources to the US Drought monitor author each week. That can include information that you contribute.

The Drought Monitor serves as a trigger for multiple forms of federal disaster relief for agricultural producers, and sometimes producers contact the author to suggest that drought conditions in their area are worse than what the latest drought monitor shows. When the author gets a call like that, it prompts them to look closely at all available data for that area, to see whether measurements of precipitation, temperature, soil moisture and other indicators corroborate producer-submitted reports. This is the process that authors follow whether they receive one report or one hundred reports, although reports from more points may help state officials and others know where to look for impacts.

There are multiple ways to contribute your observations:

- 1. Talk to your state climatologist Find the current list at the American Association of State Climatologists website.
- 2. **Email** Emails sent to <u>droughtmonitor@unl.edu</u> inform the USDM authors.
- 3. Become a CoCoRaHS observer Submit drought reports along with daily precipitation observations to the Community Collaborative Rain, Hail & Snow Network.
- 4. Submit Condition Monitoring Observer Reports (CMOR) go.unl.edu/CMOR.

For more information, read our Ask the Expert blog with a NDMC climatologist or visit farmers.gov/protection-recovery.



USDA Invests \$14.5 Million in Taxpayer Education, Program Outreach Efforts for Farmers and Ranchers

FSA is investing in two outreach and education efforts for farmers and ranchers, including those who are new to agriculture or who have been historically underserved by programs.

First, FSA is announcing \$10 million in the new Taxpayer Education and Asset Protection Initiative. Through this initiative, FSA has partnered with the University of Arkansas and the National Farm Income Tax Extension Committee to deliver tax education resources for farmers and ranchers, which includes engagement with agricultural educators, and tax professionals through partnerships with community groups and minority serving institutions across the country.

Second, FSA is investing \$4.5 million in outreach for the Conservation Reserve Program Transition Incentives Program (CRP TIP), which increases access to land for new farmers and ranchers. FSA will award cooperative agreements to 15 to 20 partner and stakeholder organizations to conduct outreach and technical assistance and promote awareness and understanding among agricultural communities, particularly those who are military veterans, new to farming, or historically underserved.

Learn more and register for a free webinar on tax preparation here.

Nevada FSA/NRCS State Office

Bulletins - GovDelivery

300 Booth Street Reno. NV 89509

Phone: 775-857-8500

FSA State Executive Director

NRCS State Conservationist

Jan Kolvet 775.834.0895 Suzy Daubert, Acting

775.857.8500

Elko

Ely

Claire Kehoe, CED - FSA 775.738.6445 x 106

Blane Merkley, CED - FSA 725.201.6014

Jaime Jasmine, DC - NRCS 775.738.8431 x 120

Cory Lytle, DC - NRCS 775.289.4065 x 105

Fallon

Las Vegas

Annie Hoffmann, CED - FSA 775.423.5124 x 103

Blane Merkley, CED - FSA 725.201.6014

Albert Mulder, DC - NRCS

775.423.5124 x 114

Jasmine Wilson, DC - NRCS 702.407.1400 x 6003

Lovelock

Minden

Ali Phillips, CED - FSA 775.273.2922 x 100

Jessica Gwerder, DC - NRCS 775.782.3661 x 3827

Christie Scilacci, DC - NRCS

775.273.2134 x 101

Winnemucca

Yerington

Katie Nuffer, Acting CED - FSA

775.623.5025 x 104

Betty Hodik, CED - FSA 775.463.2265 x 3108

Angela Mushrush, DC - NRCS

Joe Noyes, Acting DC - NRCS

775.463.2265 x 3115

775.623.5025 x 101

CONTACT US:

Farm Service Agency

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