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Biden-Harris Administration Announces Historic Investment in Partnerships for 70 Climate-Smart Commodities and Rural Projects

On September 14, 2022, Agriculture Secretary Tom Vilsack announced that the Biden-Harris Administration through the U.S. Department of Agriculture is investing up to \$2.8 billion in 70 selected projects under the first pool of the [Partnerships for Climate-Smart Commodities](#) funding opportunity, with projects from the second funding pool to be announced later this year. Ultimately, USDA's anticipated investment will triple to more than \$3 billion in pilots that will create market opportunities for American commodities produced using climate-smart production practices. These initial projects will expand markets for climate-smart commodities, leverage the greenhouse gas benefits of climate-smart commodity production and provide direct, meaningful benefits to production agriculture, including for small and underserved producers. Applicants submitted more than 450 project proposals in this first funding pool, and the strength of the projects identified led USDA to increase its investment in this opportunity from the initial \$1 billion Vilsack announced earlier this year.

“There is strong and growing interest in the private sector and among consumers for food that is grown in a climate-friendly way,” said Vilsack. “Through today’s announcement of initial selections for the Partnerships for Climate-Smart Commodities, USDA is delivering on our promise to build and expand these market opportunities for American agriculture and be global leaders in climate-smart agricultural production. This effort will increase the competitive advantage of U.S. agriculture both domestically and internationally, build wealth that stays in rural communities and support a diverse range of producers and operation types.”

Earlier this year, Vilsack announced that USDA had allocated \$1 billion for the program, divided into two funding pools. Because of the unprecedented demand and interest in the program, and potential for meaningful opportunities to benefit producers through the proposals, the Biden-Harris administration increased the total funding allocation to more than \$3 billion, with projects from the second funding pool to be announced later this year. Vilsack made the announcement from the campus of Penn State University, which is the lead partner on one of the selected pilot projects to implement climate-smart practices, quantify and track the greenhouse gas benefits and develop markets for the resulting climate-smart commodities.

Funding for Partnerships for Climate-Smart Commodities will be delivered through USDA’s [Commodity Credit Corporation](#) in two pools. Projects announced today are from the first funding pool, which included proposals seeking funds ranging from \$5 million to \$100 million. USDA received over 450 proposals from more than 350 entities for this funding pool, including nonprofit organizations; for-profits and government entities; farmer cooperatives; conservation, energy and environmental groups; state, tribal and local governments; universities (including minority serving institutions); small businesses; and large corporations. Applications covered every state in the nation as well as tribal lands, D.C. and Puerto Rico. The tentative selections announced today reflect this broad set of applicants and geographic scope, and the proposals include plans to match on average over 50% of the federal investment with nonfederal funds.

USDA will work with the applicants for the 70 identified projects to finalize the scope and funding levels in the coming months. A complete list of projects identified for this first round of funding is available at usda.gov/climate-smart-commodities.

Spanning up to five years, these 70 projects will:

- Provide technical and financial assistance to producers to implement climate-smart production practices on a voluntary basis on working lands;
- Pilot innovative and cost-effective methods for quantification, monitoring, reporting and verification of greenhouse gas benefits; and
- Develop markets and promote the resulting climate-smart commodities.

The projects announced today will deliver significant impacts for producers and communities nationwide. USDA anticipates that these projects will result in:

- **Hundreds of expanded markets and revenue streams** for producers and commodities across agriculture ranging from traditional corn to specialty crops.
- **More than 50,000 farms reached, encompassing more than 20-25 million acres of working land** engaged in climate-smart production practices such as cover crops, no-till and nutrient management.

- **More than 50 million metric tons of carbon dioxide equivalent sequestered over the lives of the projects.** This is equivalent to removing more than 10 million gasoline-powered passenger vehicles from the road for one year.
- **More than 50 universities, including multiple minority-serving institutions,** engaged and helping advance projects, especially with outreach and monitoring, measurement, reporting and verification.
- Proposals for the 70 selected projects include plans to **match on average over 50% of the federal investment with nonfederal funds.**

Projects were selected based on a range of criteria, with emphasis placed on greenhouse gas and/or carbon sequestration benefits and equity. The [Notice of Funding Opportunity](#) included a complete set of project proposal requirements and evaluation criteria.

USDA is currently evaluating project proposals from the second Partnerships for Climate-Smart Commodities funding pool, which includes funding requests from \$250,000 to \$4,999,999. Projects from this second funding pool will emphasize the enrollment of small and/or underserved producers, and/or monitoring, reporting and verification activities developed at minority-serving institutions. USDA expects to announce these selections later this Fall.

More Information

Partnerships for Climate-Smart Commodities is part of USDA's broader strategy to position agriculture and forestry as leaders in climate change mitigation through voluntary, incentive-based, market-driven approaches. Visit usda.gov/climate-smart-commodities to learn more about this effort, and usda.gov/climate-solutions for climate-related updates, resources and tools across the Department.

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 Announces Assistance for On-Farm Food Safety Expenses for Specialty Crop Growers

Agriculture Secretary Tom Vilsack announced that the U.S. Department of Agriculture (USDA) plans to provide up to \$200 million in assistance for specialty crop producers who incur eligible on-farm food safety program expenses to obtain or renew a food safety certification in calendar years 2022 or 2023. USDA's new [Food Safety Certification for Specialty Crops](#) (FSCSC) program will help to offset costs for specialty crop producers to comply with regulatory requirements and market-driven food safety certification requirements, which is part of USDA's broader effort to transform the food system to create a more level playing field for small and medium producers and a more balanced, equitable economy for everyone working in food and agriculture.

Specialty crop operations can apply for assistance for eligible expenses related to a 2022 food safety certificate issued on or after June 21, 2022, beginning June 27, 2022. USDA is delivering FSCSC to provide critical assistance for specialty crop operations, with an emphasis on equity in program delivery while building on lessons learned from the COVID-19 pandemic and supply chain disruptions. Vilsack made the announcement from Hollis, N.H., where he toured a local, family-owned farm and highlighted USDA's efforts to help reduce costs for farmers and support local economies by providing significant funding to cut regulatory costs and increase market opportunities for farmers in New Hampshire and across the nation.

Program Details

FSCSC will assist specialty crop operations that incurred eligible on-farm food safety certification and related expenses related to obtaining or renewing a food safety certification in calendar years 2022 and 2023. For each year, FSCSC covers a percentage of the specialty crop operation's cost of obtaining or renewing their certification, as well as a portion of their related expenses.

To be eligible for FSCSC, the applicant must be a specialty crop operation; meet the definition of a small business or very small business; and have paid eligible expenses related to the 2022 (issued on or after June 21, 2022) or 2023 certification.

Specialty crop operations may receive assistance for the following costs:

- Developing a food safety plan for first-time food safety certification.
- Maintaining or updating an existing food safety plan.
- Food safety certification.
- Certification upload fees.
- Microbiological testing for products, soil amendments and water.

FSCSC payments are calculated separately for each category of eligible costs. A higher payment rate has been set for socially disadvantaged, limited resource, beginning and veteran farmers and ranchers. Details about the payment rates and limitations can be found at farmers.gov/food-safety.

Applying for Assistance

The FSCSC application period for 2022 is June 27, 2022, through January 31, 2023, and the application period for 2023 will be announced at a later date. FSA will issue payments at the time of application approval for 2022 and after the application period ends for 2023. If calculated payments exceed the amount of available funding, payments will be prorated.

Interested specialty crop producers can apply by completing the FSA-888, Food Safety Certification for Specialty Crops Program (FSCSC) application. The application, along with other required documents, can be submitted to the FSA office at any USDA Service Center nationwide by mail, fax, hand delivery or via electronic means.

Producers can visit farmers.gov/food-safety for additional program details, eligibility information and forms needed to apply.

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.

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.

Preauthorized Debit Available for Farm Loan Borrowers

USDA's Farm Service Agency (FSA) has implemented pre-authorized debit (PAD) for Farm Loan Program (FLP) borrowers. PAD is a voluntary and alternative method for making weekly, bi-weekly, monthly, quarterly, semi-annual or annual payments on loans.

PAD payments are pre-authorized transactions that allow the National Financial and Accounting Operations Center (NFAOC) to electronically collect loan payments from a customer's account at a financial institution.

PAD may be useful if you use nonfarm income from regular wages or salary to make payments on loans or adjustment offers or for payments from seasonal produce stands. PAD can only be established for future payments.

To request PAD, customers, along with their financial institution, must fill out form RD 3550-28. This form has no expiration date, but a separate form RD 3550-28 must be completed for each loan to which payments are to be applied. A fillable form can be accessed on the USDA Rural Development (RD) website at rd.usda.gov/publications/regulations-guidelines. Click forms and search for "Form 3550-28."

If you have a "filter" on the account at your financial institution, you will need to provide the financial institution with the following information: Origination ID: 1220040804, Agency Name: USDA RD DCFO.

PAD is offered by FSA at no cost. Check with your financial institution to discuss any potential cost. Preauthorized debit has no expiration date, but you can cancel at any time by submitting a written request to your local FSA office. If a preauthorized debit agreement receives three payment rejections within a three-month period, the preauthorized debit agreement will be cancelled by FSA. The payment amount and due date of your loan is not affected by a cancellation of preauthorized debit. You are responsible to ensure your full payment is made by the due date.

For more information about PAD, contact your Farm Loan Team at 603-223-6003 or visit fsa.usda.gov.

Disaster Set-Aside Program for Farm Loan Borrowers

Farm Service Agency (FSA) borrowers with farms located in designated primary or contiguous disaster areas who are unable to make their scheduled FSA loan payments should consider the Disaster Set-Aside (DSA) program.

DSA is available to producers who suffered losses as a result of a natural disaster and relieves immediate and temporary financial stress. FSA is authorized to consider setting aside the portion of a payment/s needed for the operation to continue on a viable scale.

Borrowers must have at least two years left on the term of their loan in order to qualify.

Borrowers have eight months from the date of the disaster designation to submit a complete application. The application must include a written request for DSA signed by all parties liable for the debt along with production records and financial history for the operating year in which the disaster occurred. FSA may request additional information from the borrower in order to determine eligibility.

All farm loans must be current or less than 90 days past due at the time the DSA application is complete. Borrowers may not set aside more than one installment on each loan.

The amount set-aside, including interest accrued on the principal portion of the set-aside, is due on or before the final due date of the loan.

For more information, contact your Farm Loan Team at 603-223-6003 or visit fsa.usda.gov.

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