

USDA Monthly Newsletter - August 18, 2022

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

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A Message from the State Executive Director

Greetings to our Oklahoma Producers!

As this year progresses, the struggles of livestock and crop production cannot be ignored. My heart goes out to the struggling farmers and ranchers, but please know you are not alone. I want to take a moment and share some resources to assist you through this time.

The Small Business Administration has a Disaster Loan Program to help 25 Oklahoma counties recover from severe storms, tornadoes, and flooding. The application filing deadline for physical damage is August 29, 2022 and the filing deadline for economic injury is March 29, 2023. Types of disaster loans available are as follows:

- Business Physical Disaster Loans- loans to businesses to repair or replace disaster-damaged property owned by the business, including real estate, inventories, supplies, machinery and equipment. Businesses of any size are eligible. Private, non-profit organizations such as charities, churches, private universities, etc. are also eligible.
- <u>Economic Injury Disaster Loans-</u> Working capital loans to help small businesses, small
 agricultural cooperatives, small businesses engaged in aquaculture, and most private,
 non-profit organizations of all sizes meet their ordinary and necessary financial
 obligations that cannot be met as a direct result of the disaster. These loans are
 intended to assist through the disaster recovery period.

• <u>Home Disaster Loans</u> – Loans to homeowners or renters to repair or replace disasterdamaged real estate and personal property, including automobiles.

For additional information pertaining to the Small Business Administration Loans, please email disastercustomerservice@sba.gov, call 800-659-2955 or visit https://disasterloanassistance.sba.gov/

Additional disaster assistance through the Farm Service Agency includes:

- Livestock Indemnity Program (LIP): Compensates producers for livestock death due to natural disasters. Compensation is based on roughly 75percent of the national average price of the livestock by type and age. Report losses within 30 days. Complete applications are due 60 days after the end of the calendar year.
- Emergency Livestock Assistance Program (ELAP): Compensates producers for a percentage of the pasture or forage loss on private lands due to natural disasters. Payments are subject to a national payment factor. Report losses within 30 days. Complete applications are due 30 days after the end of the calendar year.
- Livestock Forage Disaster Program (LFP): Compensates producers who suffer pasture or forage loss due to drought or who have federally managed grazing leases but are not allowed to graze the lease because of wildfire. Report losses within 30 days. Complete applications are due 30 days after the end of the calendar year. 72 Oklahoma counties have triggered for LFP.
- Emergency Conservation Program (ECP): is administered by the U.S. Department
 of Agriculture (USDA) Farm Service Agency (FSA), provides emergency funding and
 technical assistance to farmers and ranchers to rehabilitate farmland and conservation
 structures including fences damaged by natural disasters and implement emergency
 water conservation measures in periods of severe drought.
- Non-Insured Crop Disaster Assistance Program (NAP): Provides compensation to producers who grow uninsurable crops and have purchased NAP coverage by the crop signup dates.
 - August 31, 2022 is the NAP application closing date for Alfalfa Forage, Aquaculture, Barely for Forage/Grazing, Canola, Christmas Trees, Clover, Floriculture, Cool Season Grasses for Grazing, Cool Season Mixed Forage for Grazing, Mushrooms, Oats for Forage/Grazing, Rapeseed, Rye for Forage/Grazing, Triticale for Forage/Grazing, Turfgrass Sod, and Wheat for Forage/Grazing.

I wish you the best as we transition into fall,

Steve Kouplen

Deadline Extended and More Pre-Filled Forms For 2020 and 2021 Disasters on the Way

The U.S. Department of Agriculture (USDA) today announced that it will indefinitely extend the deadline for producers to return the pre-filled applications for Phase One of the Emergency Relief Program (ERP). A new deadline will be announced after the last Phase One applications are mailed and provide at least 30 days following the mailing.

Continuing to build on the initial mailing of pre-filled applications in May, the Department will continue using existing information in USDA and crop insurance files to send additional pre-filled applications starting this week for potentially eligible Noninsured Crop Disaster
Assistance Program (NAP) participants. Once applications from eligible NAP producers are returned, these producers are expected to receive about \$105 million in ERP payments for eligible losses from 2020 and 2021 disasters.

USDA's Farm Service Agency (FSA) is now mailing pre-filled applications to NAP producers through ERP to offset crop yield and value losses. To receive a relief payment, producers should complete and return the applications by announced deadlines.

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

While most crop insurance customers that may be eligible for ERP Phase One received the pre-filed applications in May, there are some who should expect to receive a form in August including:

- Producers who had an eligible loss in 2020 that had been recorded in the crop insurance records as a 2019 loss (e.g., prevented planting claims); and
- Producers with policies that required additional information before being able to
 calculate an indemnity for 2021 losses (producers with 2020 losses would have
 already received that application). Policies that required additional information include
 Supplemental Coverage Option (SCO), Enhanced Coverage Option (ECO), Stacked
 Income Protection Plan (STAX), Margin Protection Plan (MP) or Area Risk Protection
 Insurance (ARPI).

Producers without risk management coverage through crop insurance or NAP and those with shallow losses may be covered by the forthcoming Phase Two of ERP.

USDA estimates that Phase One ERP benefits will reach more than 5,200 producers with NAP coverage for eligible 2020 and 2021 crop losses. This emergency relief complements ERP assistance recently provided to more than 162,000 producers who had received crop insurance indemnities for qualifying losses. Nearly 13,000 additional crop insurance customers will also receive pre-filled applications in August to cover eligible 2020 losses described above and for producers with more complex policies where indemnities could not be calculated for 2021 previously.

ERP and the previously announced Emergency Livestock Relief Program (ELRP) are funded 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. Overall, USDA has already

quickly disbursed over \$6 billion dollars under ERP and ELRP with reduced paperwork for the producer and field offices.

For more information on ERP eligibility, program provisions for socially disadvantaged or historically underserved producers as well as Frequently Asked Questions, NAP applicants can visit FSA's Emergency Relief webpage and program fact sheet.

Additional USDA disaster assistance information can be found on <u>farmers.gov</u>, including the <u>Disaster Assistance Discovery Tool</u>, <u>Disaster-at-a-Glance fact sheet</u> and <u>Farm Loan Discovery Tool</u>. For FSA and Natural Resources Conservation Service programs, producers should contact their local <u>USDA Service Center</u>. For assistance with a crop insurance claim, producers and landowners should contact their <u>crop insurance agent</u>.

FSA is Adjusting to Fit the Situation Facing Livestock Producers

As a former rancher myself, I know the tremendous investments—in time, sweat, and thought—that producers make even before their calves hit the ground. My experiences lead me to firmly believe that, here at the Farm Service Agency (FSA), we must find flexibilities where possible to help our farmers and ranchers best meet the challenges of the day.

In recent meetings with Senator John Hoeven, FSA North Dakota State Executive Director Marcy Svenningsen, and livestock producers in North Dakota impacted by catastrophic 2021 winter storms, it became apparent that our Livestock Indemnity Program (LIP) payment rates were not reflective of the true market value for non-adult beef, beefalo, bison, and dairy animals. It was time for us to pivot.

LIP provides benefits to livestock owners and some contract growers for livestock deaths exceeding normal mortality from eligible adverse weather events, certain predation losses and reduced sales prices due to injury from an eligible loss.

Indemnity payments are made at a rate of 75 percent of the market value of the livestock on the day before the date of death. I don't mind saying that, under our previous payment rates, cutting a LIP check to a rancher for \$150 for a calf in today's market came nowhere near covering the year-long investment in carrying the cow through pregnancy and carrying the calf from birth to sale.

To better capture ranchers' investments in their animals, we recently announced increased LIP payment rates for beef, beefalo, bison, and dairy animals less than 250 pounds. These now-updated payment rates are reflective of the substantial increased cost of these non-adult livestock in 2022:

The updated LIP payment rates are effective immediately and will be applied retroactively starting January 1, 2022, for all eligible causes of loss including excessive heat, tornado, winter storms, and other qualifying natural disasters. Producers who have already received LIP payments for 2022 will receive an additional payment, if applicable, commensurate with

these updated rates. For details on eligibility and payment rates, you can review our <u>LIP fact sheet</u>.

Other Program Improvements

These LIP policy changes complement enhancements we recently made to our <u>Emergency Assistance for Livestock</u>, <u>Honey Bees and Farm-Raised Fish Program (ELAP)</u> – changes that also were derived from the direct input and feedback of producers and the livestock groups.

In addition to paying above normal costs for hauling water to drought-stricken livestock, we also added compensation for hauling feed to livestock and livestock to forage or other grazing acres. And, in 2021, we added fish raised for food as an ELAP-eligible commodity because producers and industry leaders expressed the need.

By continually evaluating how we can deliver our programs in a manner that is meaningful to the farmers and ranchers we serve, we demonstrate our ongoing commitment to stakeholder engagement and our dedication to improving programs for livestock producers first signaled by Agriculture Secretary Tom Vilsack during a Senate Agriculture Committee hearing earlier this year.

It has been said actions speak louder than words, but when it comes to FSA programs that directly affect producers' livelihoods and way of life and ultimately impact food security for all Americans, I believe the two are not mutually exclusive. Rest assured that when producers and producer groups speak, FSA and I, to the extent possible, will do whatever is within our power to turn those words into actions.

Main Messages

- Farm Service Agency must find flexibilities where possible to help our farmers and ranchers best meet the challenges of the day.
- After catastrophic 2021 winter storms, it became apparent that our Livestock Indemnity Program (LIP) payment rates were not reflective of the true market value for non-adult beef, beefalo, bison, and dairy animals.
- LIP provides benefits to livestock owners and some contract growers for livestock deaths exceeding normal mortality from eligible adverse weather events, certain predation losses and reduced sales prices due to injury from an eligible loss.
- To better capture ranchers' investments in their animals, we recently announced increased LIP payment rates for beef, beefalo, bison, and dairy animals less than 250 pounds. These now-updated payment rates are reflective of the substantial increased cost of these non-adult livestock in 2022:
- New rates include:
 - Non-adult Beef, under 250 pounds: Old Rate \$175.27 New Rate \$474.38
 - Non-adult Beefalo under 250 pounds: Old Rate \$235.86 New Rate -\$559.20
 - Non-adult Buffalo/Bison under 250 pounds: Old Rate \$336.84 New Rate \$599.15
 - Non-adult Dairy under 250 pounds: Old Rate \$45.32 New Rate \$255.47

- The updated LIP payment rates are effective immediately and will be applied retroactively starting January 1, 2022, for all eligible causes of loss including excessive heat, tornado, winter storms, and other qualifying natural disasters.
 - o Producers who have already received LIP payments for 2022 will receive an additional payment, if applicable, commensurate with these updated rates.
- By continually evaluating how we can deliver our programs in a manner that is meaningful to the farmers and ranchers we serve, we demonstrate our ongoing commitment to stakeholder engagement and our dedication to improving programs for livestock producers.

Streamlined Delivery of Emergency Relief Programs Is Win-Win for USDA and Agricultural Producers

The U.S. Department of Agriculture (USDA) has processed more than 255,000 applications for the new Emergency Relief Program (ERP). USDA has made approximately \$6.1 billion, to date, in payments to commodity and specialty crop producers to help offset eligible losses from qualifying 2020 and 2021 natural disasters. By breaking-down agency barriers, using existing data across USDA and pre-filled applications, USDA's Farm Service Agency (FSA) in cooperation with the Risk Management Agency (RMA) has been able to expediently provide economic relief and save producers and staff over a million hours of time.

The design of ERP Phase One allowed for an expedited process that saved time for staff and producers. FSA was able to begin disbursing payments to producers within days of rolling out the program when under the predecessor program lengthy applications and processing were required before making payments. FSA county offices can process almost nine ERP applications in the time it took to process one application for the Wildfire and Hurricane Indemnity Program — Plus (WHIP+), the predecessor program for ad hoc disaster assistance. This equates to 88% less time to process applications and a reduction of more than one million staff hours for implementation of ERP compared with WHIP+. While not specifically tracked, we expect the savings for producers to be at least as significant as they previously would have had a significant burden to collect records and often sit across from the local staff as the data is entered.

These process improvements also enhanced the customer experience for farmers by reducing the number of producer trips to FSA county offices and allowing producers to spend less time completing forms so they could focus more on their agricultural operations. In addition, the ERP program design greatly diminished the risk potential for errors and leveraged the existing RMA and Federal Crop Insurance loss adjustment and verification processes. With more applications approved, more dollars distributed, and more dollars paid per application in a shorter timeframe, the streamlined application process developed to deliver ERP has significantly outperformed the previous implementation of WHIP+. FSA also has paid more than \$1 billion to historically underserved producers.

Emergency Relief Payments to Date

The efforts to streamline, improve responsiveness and work across traditional agency-borders goes beyond just the recent ERP process. FSA mailed pre-filled ERP applications to producers of commodities covered by federal crop insurance in late May and has since paid producers with eligible losses more than \$6 billion. Pre-filled ERP applications were mailed to producers with Noninsured Crop Disaster Assistance Program (NAP) coverage last week, and so far, FSA has already issued \$35.9 million in payments to producers with eligible losses. NAP-related ERP payments also were not factored and are being made, in full, from the start to speed and target assistance to the small and underserved producers that commonly rely on NAP coverage. 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.

ERP Data Now Available Online

A new <u>public-facing dashboard</u> 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 on Monday each week.

More Information

ERP and the previously announced ELRP are funded 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 disaster events 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.

Additional USDA disaster assistance information can be found on <u>farmers.gov</u>, including the <u>Disaster Assistance Discovery Tool</u>, <u>Disaster-at-a-Glance fact sheet</u> and <u>Farm Loan Discovery Tool</u>. For FSA and Natural Resources Conservation Service programs, producers should contact their local <u>USDA Service Center</u>. For assistance with a crop insurance claim, producers and landowners should contact their <u>crop insurance agent</u>.

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

Nation to Nation Tribal Collaboration Brings a World of Conservation Knowledge Together

SULPHUR, Okla. – It's true that in many ways, tomorrow starts today!

That's the approach the Oklahoma Tribal Conservation Advisory Council (OTCAC) and the Oklahoma leadership for the agencies of the U.S. Department of Agriculture followed as they hosted the "Nation to Nation" Tribal Collaboration Meeting on Aug. 16, 2022.

The next steps in conversation are taken at this truly special event where all of Oklahoma's sovereign tribes are invited to attend.

Coming off two years of virtual events because of COVID, the 2022 collaboration was a live gathering at the Chickasaw Nation Artesian Hotel & Conference Center, 1001 W. First Street, in Sulphur, Oklahoma 73086. The 2022 hosting tribe was the Chickasaw Nation. There were 89 people attending with 13 tribes represented.

The program itself was a tremendous example of teamwork and partnership. Dewegan Kwek of the Citizen Potawatomi Nation, All Women Drum Group provided the Invitational Drum Song and others; Cheyenne Peace Chief Gordon Yellowman of the Cheyenne and Arapaho Tribes offered the Traditional Opening Prayer; Jason Burwell of the Chickasaw Nation performed the traditional song and Jolie Marshall, daughter of USDA NASS' Troy Marshall played the National Anthem on the fiddle.

The opening message was provided by Chickasaw Nation Governor Bill Anoatubby along with Jack Hicks of the Choctaw Nation and Art Muller, with each of the latter two representing the OTCAC Board.

"We are thankful for the relationships that we have been able to build; one is with the United States Department of Agriculture (USDA)," Governor Anoatubby said. "We have worked to build a mutually beneficial partnership with each one of you who are part of USDA. We are thankful to the USDA and the Oklahoma Tribal Conservation Advisory Council for this opportunity to gather. As with many other tribes that are participating in this meeting, the Chickasaw Nation regularly undertakes projects, initiatives and more than that, things that positively impact not only our citizens, but also the non-tribal residents and communities

where our people live. For years we have embraced the idea of teamwork and partnerships with like-minded organizations, institutions, governments, and entities for the betterment of our communities. We've developed excellent working relationships with local, state and federal government agencies and other Tribal Nations as well. Working together is really important, because by working together we can achieve far more than any of us could alone."

This thread of working together today for tomorrow was evident throughout the collaboration.

Oklahoma NRCS State Conservationist Gary O'Neill, who has been a tremendous friend of the tribes in his career, said "The Nation to Nation collaboration event is a great way to share successes and discuss things USDA can improve on in Indian Country. This collaboration leads to stronger and more effective partnerships between Tribes in Oklahoma and USDA."

O'Neill spoke of the issues created by COVID, and how NRCS adapted to make sure their commitment to strong and professional services remained safe and never weakened.

USDA was also represented by the Farm Service Agency, National Agricultural Statistics Service, Rural Development, Food and Nutrition Service, and Animal and Plant Health Inspection Service.

But the collaboration was even larger than that as leaders stepped forward to share important information from the Oklahoma Conservation Commission, the Oklahoma Department of Agriculture, Food & Forestry, the Oklahoma Association of Conservation Districts, the Oklahoma Cooperative Extension Service, College of the Muscogee Nation and Flower Hill Institute.

That in turn led into to the introduction of Tribal Leaders.

Following lunch, a highlight of each year's program is the opportunity to share success stories. This is done with the sincere hopes that participants can take these ideas and adapt them to a service or program that would help benefit their tribal members.

Dr. Carol Crouch, USDA-Natural Resources Conservation Service Tribal Liaison, has played a significant role in making this collaboration and numerous other USDA-NRCS outreach opportunities successful.

"This event provides us with an opportunity to engage tribal leaders and administrators from across Oklahoma and helps us identify ways that USDA can better serve tribal governments and tribal members, particularly those that are engaged in farming and/or ranching," Dr. Crouch said. "We realize that protecting natural resources and preserving the land for future generations is a major priority among American Indian tribes."

Again, that is why tomorrow always starts today!



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