

South Carolina FSA Newsletter for Farmers and Ranchers - August 2021

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# **USDA Accepting Applications to Help Cover Costs** for Organic Certification



USDA's Farm Service Agency (FSA) announced that organic producers and handlers can apply for USDA funds to assist with the cost of receiving and maintaining organic certification through the <u>Organic Certification Cost Share Program</u> (OCCSP). Applications for eligible certification expenses paid between Oct. 1, 2020, and Sept. 30, 2021, are due Nov. 1, 2021.

OCCSP provides cost-share assistance to producers and handlers of agricultural products for the costs of obtaining or maintaining organic certification under the USDA's National Organic Program. Eligible producers include any certified producers or handlers who have paid organic certification fees to a USDA-accredited certifying agent. Producers can be reimbursed for expenses including application fees, inspection costs, fees related to equivalency agreement and arrangement requirements, travel expenses for inspectors, user fees, sales assessments and postage.

For 2021, OCCSP will reimburse 50 percent of a certified operation's allowable certification costs, up to a maximum of \$500 for each of the following categories or "scopes:"

- crops
- wild crops
- livestock
- processing/handling
- State organic program fees.

Organic farmers and ranchers may apply through an FSA county office or a participating state agency.

#### More Information

To learn more about organic certification cost share, please visit the OCCSP webpage, visit usda.gov/organic, or contact your local USDA Service Center.

### **USDA Announces Pandemic Assistance for Timber Harvesters and Haulers**



The U.S. Department of Agriculture (USDA) is providing up to \$200 million to provide relief to timber harvesting and timber hauling businesses that have experienced losses due to COVID-19 as part of USDA's Pandemic Assistance for Producers initiative. Loggers and truckers can apply for assistance through USDA's Farm Service Agency (FSA) July 22 through Oct. 15, 2021. The Pandemic Assistance for Timber Harvesters and Haulers program (PATHH) is administered by FSA in partnership

with the U.S. Forest Service.

The Consolidated Appropriations Act, 2021, authorized this critical assistance for the timber industry. Timber harvesting and hauling businesses that have experienced a gross revenue loss of at least 10% during the period of Jan. 1 and Dec. 1, 2020, compared to the period of Jan. 1 and Dec. 1, 2019, are encouraged to apply.

#### **Program Details**

To be eligible for payments, individuals or legal entities must be a timber harvesting or timber hauling business where 50% or more of its gross revenue is derived from one or more of the following:

- Cutting timber.
- Transporting timber.
- Processing of wood on-site on the forest land (chipping, grinding, converting to biochar, cutting to smaller lengths, etc.).

Payments will be based on the applicant's gross revenue received from Jan. 1, 2019, through Dec. 1, 2019, minus gross revenue received from Jan. 1, 2020, through Dec. 1, 2020, multiplied by 80%. FSA will issue an initial payment equal to the lesser of the calculated payment amount or \$2,000 as applications are approved. A second payment will be made after the signup period has ended based upon remaining PATHH funds.

The maximum amount that a person or legal entity may receive directly is \$125,000.

#### **Applying for Assistance**

Loggers and truckers can apply for PATHH beginning on July 22 by completing form FSA-1118, Pandemic Assistance for Timber Harvesters and Haulers Program application, and certifying to their gross revenue for 2019 and 2020 on the application. Additional documentation may be required. Visit farmers.gov/pathh for more information on how to apply.

Applications can be submitted to the FSA office at any USDA Service Center nationwide by mail, fax, hand delivery, or via electronic means. To find a local FSA office, loggers and truckers can visit <a href="mailto:farmers.gov/service-locator">farmers.gov/service-locator</a>. They can also call 877-508-8364 to speak directly with a USDA employee ready to offer assistance.

# USDA Announces Dates for Conservation Reserve Program Grasslands Signups

Agricultural producers and landowners in South Carolina can apply for the <u>Conservation Reserve Program</u> (CRP) Grasslands signup from today until August 20. This year, the U.S. Department of Agriculture (USDA) updated signup options to provide greater incentives for producers and increased the program's conservation and climate benefits, including setting a minimum rental rate and identifying two national priority zones.



The CRP Grassland signup is competitive, and USDA's Farm Service Agency (FSA) will provide for annual rental payments for land devoted to conservation purposes.

#### **Grasslands Signup**

CRP Grasslands helps South Carolina landowners and operators protect grassland, including rangeland, and pastureland and certain other lands, while maintaining the areas as working grazing lands. Protecting grasslands contributes positively to the economy of many regions, provides biodiversity of plant and animal populations, and provides important carbon sequestration benefits.

FSA has updated the Grasslands Signup to establish a minimum rental rate of \$15 per acre, which will benefit 1,300 counties.

To focus on important wildlife corridors, FSA also identified National Grassland Priority Zones, providing extra incentives to producers for enrolling grasslands in important migratory corridors and environmentally sensitive areas – the Greater Yellowstone Elk Migration Corridor and the Severe Wind Erosion – Dust Bowl Zone. Counties within these two zones get extra ranking points as well as \$5 added to their rental rate. The <a href="CRP Grasslands Ranking Factors">CRP Grasslands Ranking Factors</a> has additional information.

#### **How to Sign Up**

To enroll in the CRP Grasslands signup, producers and landowners should contact USDA by the August 20 deadline. Service Center staff continue to work with agricultural producers via phone, email, and other digital tools. Because of the pandemic, some USDA Service Centers are open to limited visitors. Contact your Service Center to set up an in-person or phone

appointment. Additionally, more information related to USDA's response and relief for producers can be found at farmers.gov/coronavirus.

#### More Information on CRP

Signed into law in 1985, CRP is one of the largest voluntary private-lands conservation programs in the United States. It was originally intended to primarily control soil erosion and potentially stabilize commodity prices by taking marginal lands out of production. The program has evolved over the years, providing many conservation and economic benefits. The program marked its 35-year anniversary this past December.

# Biden Administration to Invest \$67 Million to Help Heirs Resolve Land Ownership and Succession Issues

U.S. Department of Agriculture (USDA) is providing \$67 million in competitive loans through the new Heirs' Property Relending Program (HPRP), which aims to help agricultural producers and landowners resolve heirs' land ownership and succession issues. Intermediary lenders -- cooperatives, credit unions, and nonprofit organizations – can apply for loans up to \$5 million at 1% interest once the Farm Service Agency (FSA) opens the two-month signup window in late August.

After FSA selects lenders, heirs can apply directly to those lenders for loans and assistance. Heirs' property issues have long been a barrier for many producers and landowners to access USDA programs and services, and this relending program provides access to capital to help producers find a resolution to these issues.

The Heirs' Property Relending Program is another example of how USDA is working to rebuild trust with America's farmers and ranchers. HPRP is a loan and will need to be repaid as directed by the 2018 Farm Bill.

The program's benefits go far beyond its participants. It will also keep farmland in farming, protect family farm legacies and support economic viability.

#### **Eliqible Lenders**

To be eligible, intermediary lenders must be certified as a community development financial institution and have experience and capability in making and servicing agricultural and commercial loans that are similar in nature.

If applications exceed the amount of available funds, those applicants with at least 10 years or more of experience with socially disadvantaged farmers that are located in states that have adopted a statute consisting of enactment or adoption of the Uniform Partition of Heirs Property Act (UPHPA) will receive first preference. A list of these states is available at <a href="mailto:farmers.gov/heirs/relending">farmers.gov/heirs/relending</a>. A secondary preference tier is established for those that have applications from ultimate recipients already in process, or that have a history of successfully relending previous HPRP funds. When multiple applicants are in the same tier, or there are no applicants in tier 1 or 2, applications will be funded in order of the date the application was received.

Selected intermediary lenders will determine the rates, terms, and payment structure for loans to heirs. Interest rates will be the lowest rate sufficient for intermediaries to cover cost of operating and sustaining the loan.

Additional information for lenders, including how to apply for funding, can be found in the <u>HPRP final rule</u> (PDF, 387 KB).

#### **Relending to Heirs**

Heirs may use the loans to resolve title issues by financing the purchase or consolidation of property interests and financing costs associated with a succession plan. This may also include costs and fees associated with buying out fractional interests of other heirs in jointly-owned property to clear the title, as well as closing costs, appraisals, title searches, surveys, preparing documents, mediation, and legal services.

Heirs may not use loans for any land improvement, development purpose, acquisition or repair of buildings, acquisition of personal property, payment of operating costs, payment of finders' fees, or similar costs.

Intermediary lenders will make loans to heirs who:

- Are individuals or legal entities with authority to incur the debt and to resolve ownership and succession of a farm owned by multiple owners;
- Are a family member or heir-at-law related by blood or marriage to the previous owner of the property;
- · Agree to complete a succession plan.

More information on how heirs can borrow from lenders under HPRP will be available in the coming months.

#### **More Information**

Heirs' property is a legal term that refers to family land inherited without a will or legal documentation of ownership. It has historically been challenging for heirs to benefit from USDA programs because of the belief that they cannot get a farm number without proof of ownership or control of land. However, FSA provides alternative options that allow an heir to obtain a farm number. In states that have adopted the UPHPA, producers may provide specific documents to receive a farm number. To learn more about heirs property, HPRP, or UPHPA, visit farmers.gov/heirs/relending.

### USDA to Provide Pandemic Assistance to Livestock Producers for Animal Losses

Livestock and poultry producers who suffered losses during the pandemic due to insufficient access to processing can apply for assistance for those losses and the cost of depopulation and disposal of the animals. The U.S. Department of Agriculture (USDA) Secretary Vilsack announced the Pandemic Livestock Indemnity Program (PLIP) in [recorded] remarks at the National Pork Industry Conference in Wisconsin Dells, WI. The announcement is part of

USDA's Pandemic Assistance for Producers initiative. Livestock and poultry producers can apply for assistance through USDA's Farm Service Agency (FSA) July 20 through Sept. 17, 2021.

The Consolidated Appropriations Act, 2021, authorized payments to producers for losses of livestock or poultry depopulated from March 1, 2020 through December 26, 2020, due to insufficient processing access as a result of the pandemic. PLIP payments will be based on 80% of the fair market value of the livestock and poultry and for the cost of depopulation and disposal of the animal. Eligible livestock and poultry include swine, chickens and turkeys.

#### **PLIP Program Details**

Eligible livestock must have been depopulated from March 1, 2020, through December 26, 2020, due to insufficient processing access as a result of the pandemic. Livestock must have been physically located in the U.S. or a territory of the U.S. at the time of depopulation.

Eligible livestock owners include persons or legal entities who, as of the day the eligible livestock was depopulated, had legal ownership of the livestock. Packers, live poultry dealers and contract growers are not eligible for PLIP.

PLIP payments compensate participants for 80% of both the loss of the eligible livestock or poultry and for the cost of depopulation and disposal based on a single payment rate per head. PLIP payments will be calculated by multiplying the number of head of eligible livestock or poultry by the payment rate per head, and then subtracting the amount of any payments the eligible livestock or poultry owner has received for disposal of the livestock or poultry under the Natural Resources Conservation Service (NRCS) Environmental Quality Incentives Program (EQIP) or a state program. The payments will also be reduced by any Coronavirus Food Assistance Program (CFAP 1 and 2) payments paid on the same inventory of swine that were depopulated.

There is no per person or legal entity payment limitation on PLIP payments. To be eligible for payments, a person or legal entity must have an average adjusted gross income (AGI) of less than \$900,000 for tax years 2016, 2017 and 2018.

#### **Applying for Assistance**

Eligible livestock and poultry producers can apply for PLIP starting July 20, 2021, by completing the FSA-620, Pandemic Livestock Indemnity Program application, and submitting it to any FSA county office. Additional documentation may be required. Visit <a href="mailto:farmers.gov/plip">farmers.gov/plip</a> for a copy of the Notice of Funding Availability and more information on how to apply.

Applications can be submitted to the FSA office at any USDA Service Center nationwide by mail, fax, hand delivery or via electronic means. To find your local FSA office, visit <a href="mailto:farmers.gov/service-locator">farmers.gov/service-locator</a>. Livestock and poultry producers can also call 877-508-8364 to speak directly with a USDA employee ready to offer assistance.

### Gear Up for the 2021 Hurricane Season: Prepare and Recover with USDA

Hurricane season is underway, and it lasts until November 30. The National Oceanic and Atmospheric Administration (NOAA) predicts that the 2021 hurricane season will be above normal in the Atlantic and produce 13 to 20 named storms with six to 10 hurricanes and three to five major hurricanes. The eastern Pacific hurricane season will produce 12 to 18 named storms, with five to 10 hurricanes and two to five major hurricanes.

USDA is here to help you prepare for and recover from hurricane events.

Take precautions to prepare and protect your family and operation.

- Develop an Emergency Plan Ensure your household and employees know your hurricane plan, including meeting points, emergency contact lists, and alternate evacuation routes in case infrastructure is damaged.
- Remove Debris and Secure Large Objects Clean out culverts, ditches, and other
  drainage areas, especially before and during peak hurricane season to reduce water
  damage. Most injuries to animals, people, or structures during a hurricane are caused
  by flying objects. To lessen the risk, minimize the presence of equipment, supplies,
  and debris that may become airborne during high winds or encountered in
  floodwaters.
- Secure Important Records and Documents Pre- and post-hurricane documentation is extremely important for insurance compensation and recovery assistance. You'll want to have thorough records of damages and losses sustained on your farm as well as documentation of your cleanup and recovery efforts.

It is critical to document inventory of farm buildings, vehicles, equipment, and livestock before a disaster occurs. Take photos, videos, or make written lists with descriptions. Keep copies of this inventory in multiple places: computer, off-site in a safe location, and on a cloud-based server where information is transmitted and saved weekly.

Know Your Insurance Options - Regularly review your insurance policies with your
agent to be sure you have adequate coverage, including flood insurance, for your
facilities, vehicles, farm buildings, crops and livestock. Note, there are limitations on
how soon insurance coverage will take effect. Generally, insurance policies will not
cover damage if the policy was not in place before a disaster.

For counties within or adjacent to the area of sustained hurricane-force winds, the Risk Management Agency's (RMA) Hurricane Insurance Protection – Wind Index (HIP-WI) covers a portion of your underlying crop insurance policy's deductible. HIP-WI covers 70 crops and is available in counties near the Gulf of Mexico, the Atlantic, and Hawaii.

- **Gather Supplies** Have drinking water, canned food, a generator, batteries, a flashlight, and fuel available in case you lose power. For widespread outages, credit and debit cards may not work, so have cash handy.
- Access Real-time Emergency Information Download the FEMA app for free on the App Store and Google Play for safety tips on what to do before, during, and after disasters.

### **Understanding the U.S. Drought Monitor**

Are drought conditions affecting your agricultural operation? The <u>U.S. Drought Monitor</u> (<u>USDM</u>) is a resource producers can use to help determine how to best respond and react to a drought as it develops or lingers.

The USDM is an online, weekly map showing the location, extent, and severity of drought across the United States. It categorizes the entire country as being in one of six levels of drought. The map is released on Thursdays and depicts conditions for the week.

The USDM provides producers with the latest information about drought conditions where they live, enabling producers to best respond and react to a drought as it develops or lingers. In some cases, the USDM may help a producer make specific decisions about their operation, such as reducing the stocking rate because forage is not growing. For others, it may provide a convenient big-picture snapshot of broader environmental conditions.

The USDM incorporates varying data – rain, snow, temperature, streamflow, reservoir levels, soil moisture, and more – as well as first-hand information submitted from on-the-ground sources such as photos, descriptions, and experiences. The levels of drought are connected to the frequency of occurrence across <u>several different drought indicators</u>. What makes the USDM unique is that it is not a strictly numeric product. The mapmakers rely on their judgment and a nationwide network of 450-plus experts to interpret conditions for each region. They synthesize their discussion and analysis into a single depiction of drought for the entire country.

USDA uses the Drought Monitor to determine a producer's eligibility for certain drought assistance programs, like the <u>Livestock Forage Disaster Program</u> and <u>Emergency Haying or Grazing on Conservation Reserve Program acres</u>.

Additionally, the Farm Service Agency uses the Drought Monitor to trigger and "fast track" Secretarial Disaster Designations which then provides producers impacted by drought access to emergency loans that can assist with credit needs.

Learn more about the U.S. Drought Monitor.

### **Applying for Youth Loans**

The Farm Service Agency (FSA) makes loans to youth to establish and operate agricultural income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5,000.

#### Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien;
- Be 10 years to 20 years of age;
- Comply with FSA's general eligibility requirements;
- Be unable to get a loan from other sources;
- Conduct a modest income-producing project in a supervised program of work as outlined above:
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the youth loan applicant, along with providing adequate supervision.

For more information, contact your <u>local USDA Service Center</u>.

## Farmers.gov Feature Helps Producers Find Farm Loans that Fit Their Operation

Farmers and ranchers can use the *Farm Loan Discovery Tool* on farmgers.gov to find information on USDA farm loans that may best fit their operations.

USDA's Farm Service Agency (FSA) offers a variety of loan options to help farmers finance their operations. From buying land to financing the purchase of equipment, FSA loans can help.

USDA conducted field research in eight states, gathering input from farmers and FSA farm loan staff to better understand their needs and challenges.

#### **How the Tool Works**

Farmers who are looking for financing options to operate a farm or buy land can answer a few simple questions about what they are looking to fund and how much money they need to borrow. After submitting their answers, farmers will receive information on farm loans that best fit their specific needs. The loan application and additional resources also will be provided.

Farmers can download application quick guides that outline what to expect from preparing an application to receiving a loan decision. There are four guides that cover loans to individuals, entities, and youth, as well as information on microloans. The guides include general eligibility requirements and a list of required forms and documentation for each type of loan. These guides can help farmers prepare before their first USDA service center visit with a loan officer.

Farmers can access the *Farm Loan Discovery Tool* by visiting <u>farmers.gov/fund</u> and clicking the "Start" button. Follow the prompts and answer five simple questions to receive loan information that is applicable to your agricultural operation. The tool is built to run on any

modern browser like Chrome, Edge, Firefox, or the Safari browser, and is fully functional on mobile devices. It does not work in Internet Explorer.

#### **About Farmers.gov**

In 2018, USDA unveiled farmers.gov, a dynamic, mobile-friendly public website combined with an authenticated portal where farmers will be able to apply for programs, process transactions, and manage accounts.

The Farm Loan Discovery Tool is one of many resources on farmers.gov to help connect farmers to information that can help their operations. Earlier this year, USDA launched the My Financial Information feature, which enables farmers to view their loan information, history, payments, and alerts by logging into the website.

USDA is building farmers.gov for farmers, by farmers. In addition to the interactive farm loan features, the site also offers a Disaster Assistance Discovery Tool. Farmers can visit <a href="mailto:farmers.gov/recover/disaster-assistance-tool#step-1">farmers.gov/recover/disaster-assistance-tool#step-1</a> to find disaster assistance programs that can help their operation recover from natural disasters.

For more information, contact your <u>local USDA Service Center</u> at or visit <u>farmers.gov</u>.

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