

South Carolina FSA Newsletter for Farmers and Ranchers - July 2022

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## A Note from State Executive Director Laurie Funderburk



**Greetings, South Carolina Producers!** 

I'm sure many of you are very busy this time of year, as you begin summer harvesting of spring crops. Adverse weather can be a real threat to our South Carolina producers, so please be mindful that FSA provides assistance to eligible landowners who

may be recovering from the effects of a natural disaster. In the months of June and July, FSA received two Secretarial Natural Disaster Designations to extend emergency credit to producers in 28 counties in South Carolina. These emergency loans can be used to meet various recovery needs, including the replacement of essential items, such as equipment or livestock, reorganization of a farming operation or the refinance of certain debts. Please visit your county's local FSA office to learn more about FSA programs that may assist you.

Additionally, the 2022 Hurricane Season is officially underway, and it lasts until November 30. Below, in this month's newsletter, we have provided tips on how you can take precautions to prepare and protect your family and agricultural operation. On farmers.gov, the <a href="https://example.com/hurricane">Hurricane</a> Webpage, Disaster Assistance Discovery Tool, Disaster-at-a-Glance fact sheet, and Farm

<u>Loan Discovery Tool</u> can help producers and landowners determine program or loan options that can provide assistance.

Lastly, I would like to remind producers that the nomination period for FSA County Committee (COC) Elections ends on August 1. If you or a fellow farmer are interested in serving on your local County Committee, please visit your local FSA office for information on nominations. Farmers and ranchers who are elected to serve on FSA county committees use their judgement and knowledge to help with the decisions necessary to administer FSA programs in their counties, ensuring the needs of local producers are met. The U.S. Department of Agriculture (USDA) encourages all eligible producers with farming or ranching operations to participate in COC elections by voting or offering to serve on their local county committee.

Again, thank you for all you do for South Carolina agriculture!

Laurie Slade Funderburk State Executive Director

## **Top 6 Emergency Relief Program Checklist Items for Eligible Farmers**



FSA recently began mailing 303,000 pre-filled applications for the Emergency Relief Program (ERP), a new program designed to help agricultural producers impacted by wildfires, droughts, hurricanes, winter storms, and other qualifying natural disasters experienced during calendar years 2020 and 2021.

The past few years have been tough to say the least. As producers have dealt with the continued impacts of the COVID-

19 pandemic, they have also struggled to recover from more frequent, more intense natural disasters. I am grateful that Congress passed, and President Biden signed into law the *Extending Government Funding and Delivering Emergency Assistance Act* (P.L. 117-43), which includes \$10 billion in critical emergency relief.

After extensive stakeholder outreach, including with producers and groups that have not always been included in USDA programs, our team began work developing a responsive, easier-to-access program that could be rolled out in phases. We're now rolling out the first phase of ERP, which uses existing <a href="Federal Crop Insurance">Federal Crop Insurance</a> or <a href="Moninsured Crop Disaster Assistance Program">Noninsured Crop Disaster Assistance Program</a> (NAP) data as the basis for calculating initial payments.

By leveraging existing data, we will be able to deliver approximately \$6 billion in assistance on a faster timeline; at the same time, my team and I are committed to ensuring that producers who do not have existing data on file with USDA are captured in the second phase of ERP, which will be explicitly focused on filling gaps in previously implemented emergency assistance.

To apply for ERP Phase 1, here's what you need to do:

#### 1. Check Your Mailbox

The form being mailed to you includes eligibility requirements, outlines the application process, and provides estimated ERP payment calculations. Producers will receive a separate

application form for each program year in which an eligible loss occurred. Receipt of a prefilled application is not confirmation that a producer is eligible to receive an ERP phase one payment. This application takes about 0.176 hours (that's less than 15 minutes) for producers to complete, compared to the former Wildfire and Hurricane Indemnity Program – Plus application which took several hours for producers to complete and even longer for FSA staff.

The deadline to return completed ERP applications to FSA is **Friday**, **July 22**, **2022**. If you have NAP coverage, you will receive pre-filled ERP applications later this summer. Details on ERP Phase 2 will be forthcoming as well.

#### 2. Check Your Eligibility

ERP covers losses to crops, trees, bushes, and vines due to a qualifying natural disaster event in calendar years 2020 and 2021. Eligible crops include all crops for which crop insurance or NAP coverage was available, except for crops intended for grazing. Qualifying natural disaster events include wildfires, hurricanes, floods, derechos, excessive heat, winter storms, freeze (including a polar vortex), smoke exposure, excessive moisture, qualifying drought\*, and related conditions.

\*Lists of <u>2020</u> and <u>2021</u> drought counties eligible for ERP are available online.

#### 3. Check Required Forms on File with FSA

#### Producers must have the following forms on file with FSA:

- Form AD-2047, Customer Data Worksheet.
- Form CCC-902, Farm Operating Plan for an individual or legal entity.
- Form CCC-901, Member Information for Legal Entities(if applicable).
- Form FSA-510, Request for an Exception to the \$125,000 Payment Limitation for Certain Programs(if applicable).
- A highly erodible land conservation (sometimes referred to as HELC) and wetland conservation certification (Form AD-1026 Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification) for the ERP producer and applicable affiliates.

If you have previously participated in FSA programs, you will likely have these required forms on file. However, if you're uncertain or want to confirm the status of your forms, contact your <u>local FSA county office</u>.

#### 4. Check Historically Underserved Status with FSA, If Applicable

The ERP payment percentage for historically underserved producers, including beginning, limited resource, socially disadvantaged, and veteran farmers, and ranchers will be increased by 15% of the calculated ERP payment.

To qualify for the higher payment percentage, eligible producers must have the following form on file with FSA:

• Form CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification.

#### 5. Check Your Future Insurance Coverage

All producers who receive ERP phase one payments are statutorily required to purchase crop insurance, or NAP coverage where crop insurance is not available, for the next two available crop years, as determined by the Secretary.

Coverage requirements will be determined from the date a producer receives an ERP payment and may vary depending on the timing and availability of crop insurance or NAP for a producer's particular crops. The final crop year to purchase crop insurance or NAP coverage to meet the second year of coverage for this requirement is the 2026 crop year.

#### 6. Check Your bank

Once the completed ERP application for payment is submitted to and signed by FSA, producers who have direct deposit should look for payment within three business days.

#### **More Information**

We have additional resources, including:

- ERP May 16, 2022 New Release
- ERP Fact Sheet
- Answers to Frequently Asked Questions (FAQs)
- Emergency Relief Webpage
- ERP Notice of Funding Availability

In addition to ERP, FSA is also implementing the first phase of the new Emergency Livestock Relief Program. At this time, FSA has made more than \$588 million in payments to impacted livestock producers.

Bottom line, we take your feedback seriously, and we wanted to deliver this relief as soon as possible. We learned from previous relief programs, and we're excited to be getting this to you as swiftly as we can.

# Agricultural Producers Have Until August 1st for Nominations for Farmers and Ranchers to Serve on Local County Committees



Farmers and ranchers have until Aug. 1, 2022, to nominate candidates to serve on their local County Farm Service Agency (FSA) Committee. Elections will occur in certain Local Administrative Areas (LAA) for members. LAAs are elective areas for FSA committees in a single county or multi-county jurisdiction. This may include LAAs that are focused on an urban or suburban area.

County committee members make important decisions about how Federal farm programs are administered locally. <u>All nomination forms for the 2022 election must be postmarked or received in the local FSA office by Aug. 1, 2022.</u>

Agricultural producers who participate or cooperate in a USDA program and reside in the LAA that is up for election this year, may be nominated for candidacy for the county committee. A cooperating producer is someone who has provided information about their farming or ranching operation to FSA, even if they have not applied or received program benefits. Individuals may nominate themselves or others and qualifying organizations may also nominate candidates. USDA encourages minority producers, women, and beginning farmers or ranchers to nominate, vote and hold office.

Nationwide, more than 7,700 dedicated members of the agricultural community serve on FSA county committees. The committees are made up of three to 11 members who serve three-year terms. Producers serving on FSA county committees play a critical role in the day-to-day operations of the agency. Committee members are vital to how FSA carries out disaster programs, as well as conservation, commodity and price support programs, county office employment and other agricultural issues.

#### **More Information**

Producers should contact their local FSA office today to register and find out how to get involved in their county's election, including if their LAA is up for election this year. To be considered, a producer must be registered and sign an <u>FSA-669A</u> nomination form. Urban farmers should use an <u>FSA-669-A-3</u> for urban county committees. The form and other information about FSA county committee elections are available at <u>fsa.usda.gov/elections</u>.

Election ballots will be mailed to eligible voters beginning Nov. 7, 2022. Producers can find their local USDA Service Center at <u>farmers.gov/service-locator</u>.

USDA touches the lives of all Americans each day in so many positive ways. In the Biden-Harris administration, USDA is transforming America's food system with a greater focus on more resilient local and regional food production, fairer markets for all producers, ensuring access to safe, healthy and nutritious food in all communities, building new markets and streams of income for farmers and producers using climate smart food and forestry practices, making historic investments in infrastructure and clean energy capabilities in rural America, and committing to equity across the Department by removing systemic barriers and building a workforce more representative of America. To learn more, visit www.usda.gov.

### **Gear Up for the 2022 Hurricane Season**



Hurricane season is officially underway, and it lasts until November 30. The National Oceanic and Atmospheric Administration (NOAA) predicts that the 2022 hurricane season will be above normal in the Atlantic and produce 14 to 21 named storms with six to 10 hurricanes and three to six major hurricanes. Additionally, NOAA predicts that the eastern Pacific hurricane season will produce 10 to 17 named storms, with four to eight hurricanes and zero to three major hurricanes.

Take precautions to prepare and protect your family and agricultural operation.

1. **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.

- 2. 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.
- 3. **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.
- 4. 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.
- 5. **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.
- 6. 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. Subscribe to the USDA's Farm Production and Conservation <u>text message and email service</u> to receive real-time, local operational and recovery information from the Farm Service Agency, Natural Resources Conservation Service, and Risk Management Agency.

On farmers.gov, the <u>Hurricane Webpage</u>, <u>Disaster Assistance Discovery Tool</u>, <u>Disaster-at-a-Glance fact sheet</u>, and <u>Farm Loan Discovery Tool</u> can help producers and landowners determine program or loan options. For assistance with a crop insurance claim, producers and landowners should contact their <u>crop insurance agent</u>. For FSA and NRCS programs, they should contact their local USDA Service Center.

## 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.
- Training.

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 <u>farmers.gov/food-safety</u> for additional program details, eligibility information and forms needed to apply.

## **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>U.S. Drought Monitor</u> 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 decisions.

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 Disaster

Program and Emergency Haying or Grazing on Conservation Reserve Program 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 <u>map authors</u> 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 onthe-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 <u>American Association of State Climatologists</u> website.
- 2. **Email** Emails sent to droughtmonitor@unl.edu inform the USDM authors.
- 3. **Become a CoCoRaHS observer** Submit drought reports along with daily precipitation observations to the <u>Community Collaborative Rain</u>, Hail & Snow Network.
- 4. Submit Condition Monitoring Observer Reports (CMOR) go.unl.edu/CMOR.

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

### **FSA Outlines MAL and LDP Policy**

The 2018 Farm Bill extends loan authority through 2023 for Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs).

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, pulse crops, rice, peanuts, cotton, wool and honey. MALs provide you with interim financing after harvest to help you meet cash flow needs without having to sell your commodities when market prices are typically at harvest-time lows. A producer who is eligible to obtain a loan, but agrees to forgo the loan, may obtain an LDP if such a payment is

available. Marketing loan provisions and LDPs are not available for sugar and extra-long staple cotton.

FSA is now accepting requests for 2022 MALs and LDPs for all eligible commodities after harvest. Requests for loans and LDPs shall be made on or before the final availability date for the respective commodities.

Commodity certificates are available to loan holders who have outstanding nonrecourse loans for wheat, upland cotton, rice, feed grains, pulse crops (dry peas, lentils, large and small chickpeas), peanuts, wool, soybeans and designated minor oilseeds. These certificates can be purchased at the posted county price (or adjusted world price or national posted price) for the quantity of commodity under loan, and must be immediately exchanged for the collateral, satisfying the loan. MALs redeemed with commodity certificates are not subject to Adjusted Gross Income provisions.

To be considered eligible for an LDP, you must have form CCC-633EZ, Page 1 on file at your local FSA Office before losing beneficial interest in the crop. Pages 2, 3 or 4 of the form must be submitted when payment is requested.

Marketing loan gains (MLGs) and loan deficiency payments (LDPs) are no longer subject to payment limitations, actively engaged in farming and cash-rent tenant rules.

Adjusted Gross Income (AGI) provisions state that if your total applicable three-year average AGI exceeds \$900,000, then you're not eligible to receive an MLG or LDP. You must have a valid CCC-941 on file to earn a market gain of LDP. The AGI does not apply to MALs redeemed with commodity certificate exchange.

For more information and additional eligibility requirements, visit fsa.usda.gov.

### **Apply for Livestock Forage Losses**

Producers in Beaufort, Colleton, Hampton, and Jasper counties are eligible to apply for 2022 Livestock Forage Disaster Program (LFP) benefits on native pasture, improved pasture, improved mixed pasture, and forage sorghum.

LFP provides compensation if you suffer grazing losses for covered livestock due to drought on privately owned or cash leased land or fire on federally managed land.

County committees can only accept LFP applications after notification is received by the National Office of qualifying drought or if a federal agency prohibits producers from grazing normal permitted livestock on federally managed lands due to qualifying fire. You must complete a CCC-853 and the required supporting documentation no later than January 30, 2023, for 2022 losses.

For additional Information about LFP, including eligible livestock and fire criteria, contact your local USDA Service Center 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, visit fsa.usda.gov.

### **Communication is Key in Lending**

Farm Service Agency (FSA) is committed to providing our farm loan borrowers the tools necessary to be successful. FSA staff will provide guidance and counsel from the loan application process through the borrower's graduation to commercial credit. While it is FSA's commitment to advise borrowers as they identify goals and evaluate progress, it is crucial for borrowers to communicate with their farm loan staff when changes occur. It is the borrower's responsibility to alert FSA to any of the following:

- Any proposed or significant changes in the farming operation
- Any significant changes to family income or expenses
- The development of problem situations
- Any losses or proposed significant changes in security

If a farm loan borrower can't make payments to suppliers, other creditors, or FSA on time, contact your farm loan staff immediately to discuss loan servicing options.

For more information on FSA farm loan programs, visit <u>fsa.usda.gov</u>.

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