

Wisconsin Farm Service Agency - February 2023

- Dates to Remember
- <u>USDA Issues Additional Pandemic Assistance Payments for Underserved Producers</u>
- <u>Farmers Can Now Make 2023 Crop Year Elections, Enroll in Agriculture</u>
 <u>Risk Coverage and Price Loss Coverage Programs</u>
- Current FSA Loan Interest Rates
- <u>USDA Reminds Producers of Continuous Certification Option for</u> Perennial Forage
- <u>USDA Expands Eligibility, Enhances Benefits for Key Disaster</u> Programs
- FSA Offers Joint Financing Option on Direct Farm Ownership Loans
- <u>USDA Announces February 10, 2023, Application Deadline for Conservation Stewardship Program</u>
- Producers Urged to Consider NAP Risk Protection Coverage Before Crop Sales Deadlines

Dates to Remember

February 10, 2023: Deadline for <u>Conservation Stewardship Program (CSP)</u> applications to be considered for funding this year.

February 20, 2023: USDA Service Centers closed in observance of Washington's Birthday.

February 20, 2023: UW-Extension Webinar: Preparing for Tax Season: Impacts of the Inflation Reduction Act Assistance for Distressed Borrowers. Click Here for More Information.

March 1, 2023: <u>Livestock Indemnity Program (LIP)</u> deadline to submit application for payment for 2022 losses

March 15, 2023: Deadline for producers to sign up for the <u>Agriculture Risk Coverage</u> (ARC) and Price Loss Coverage (PLC) Programs.

March 15, 2023: Non-insured Disaster Assistance Program (NAP) deadline for spring seeded annual crops.

USDA Issues Additional Pandemic Assistance Payments for Underserved Producers

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) is currently making automatic Coronavirus Food Assistance Program 2 (CFAP 2) top-up payments to underserved farmers and ranchers. Payments will be based on the 2020 program certification on form CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification.

Producers who have not previously certified to their status for the 2020 program year have until Feb. 10, 2023, to submit form CCC-860 to be eligible for the additional payments. Contact your local <u>USDA Service Center</u> for more information.

Farmers Can Now Make 2023 Crop Year Elections, Enroll in Agriculture Risk Coverage and Price Loss Coverage Programs

Agricultural producers can now change election and enroll in the <u>Agriculture Risk</u> <u>Coverage (ARC) and Price Loss Coverage</u> programs for the 2023 crop year, two key safety net programs offered by the U.S. Department of Agriculture (USDA). Producers have until March 15, 2023, to enroll in these two programs. Additionally, USDA's Farm Service Agency (FSA) has started issuing payments totaling more than \$255 million to producers with 2021 crops that have triggered payments through ARC or PLC.

2023 Elections and Enrollment

Producers can elect coverage and enroll in ARC-County (ARC-CO) or PLC, which provide crop-by-crop protection, or ARC-Individual (ARC-IC), which protects the entire farm. Although election changes for 2023 are optional, producers must enroll through a signed contract each year. Also, if a producer has a multi-year contract on the farm and makes an election change for 2023, they must sign a new contract.

If producers do not submit their election by the March 15, 2023 deadline, their election remains the same as their 2022 election for crops on the farm. Farm owners cannot enroll in either program unless they have a share interest in the farm.

Covered commodities include barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium and short grain rice, safflower seed, seed cotton, sesame, soybeans, sunflower seed and wheat.

Web-Based Decision Tools

In partnership with USDA, the University of Illinois and Texas A&M University offer webbased decision tools to assist producers in making informed, educated decisions using crop data specific to their respective farming operations. Tools include:

- <u>Gardner-farmdoc Payment Calculator</u>, a tool available through the University of Illinois allows producers to estimate payments for farms and counties for ARC-CO and PLC.
- ARC and PLC Decision Tool, a tool available through Texas A&M that allows
 producers to obtain basic information regarding the decision and factors that
 should be taken into consideration such as future commodity prices and historic
 yields to estimate payments for 2022.

2021 Payments and Contracts

ARC and PLC payments for a given crop year are paid out the following fall to allow actual county yields and the Market Year Average prices to be finalized. This month, FSA processed payments to producers enrolled in 2021 ARC-CO, ARC-IC and PLC for covered commodities that triggered for the crop year.

For ARC-CO, producers can view the <u>2021</u> ARC-CO Benchmark Yields and Revenues online database, for payment rates applicable to their county and each covered commodity. For PLC, payments have triggered for rapeseed and peanuts.

For ARC-IC, producers should contact their local FSA office for additional information pertaining to 2021 payment information, which relies on producer-specific yields for the crop and farm to determine benchmark yields and actual year yields when calculating revenues.

By the Numbers

In 2021, producers signed nearly 1.8 million ARC or PLC contracts, and 251 million out of 273 million base acres were enrolled in the programs. For the 2022 crop year signed contracts surpassed 1.8 million, to be paid in the fall of 2023, if a payment triggers.

Since ARC and PLC were first authorized by the 2014 Farm Bill and reauthorized by the 2018 Farm Bill, these safety-net programs have paid out more than \$34.9 billion to producers of covered commodities.

Crop Insurance Considerations

ARC and PLC are part of a broader safety net provided by USDA, which also includes crop insurance and marketing assistance loans.

Producers are reminded that ARC and PLC elections and enrollments can impact eligibility for some crop insurance products.

Producers on farms with a PLC election have the option of purchasing Supplemental Coverage Option (SCO) through their Approved Insurance Provider; however, producers on farms where ARC is the election are ineligible for SCO on their planted acres for that crop on that farm.

Unlike SCO, the Enhanced Coverage Option (ECO) is unaffected by an ARC election. Producers may add ECO regardless of the farm program election.

Upland cotton farmers who choose to enroll seed cotton base acres in ARC or PLC are ineligible for the stacked income protection plan (STAX) on their planted cotton acres for that farm.

More Information

For more information on ARC and PLC, visit the <u>ARC and PLC webpage</u> or contact your local USDA Service Center.

Current FSA Loan Interest Rates

Current loan rates as of February 1, 2023.

Farm Loan Interest Rates:

Farm Operating - Direct	4.750%
Farm Operating - Microloan	4.750%
Farm Ownership - Direct	4.750%
Farm Ownership - Microloan	4.750%
Farm Ownership - Direct, Joint Financing	2.750%
Farm Ownership - Down Payment	1.500%
Emergency - Amount of Actual Loss	3.750%

Farm Storage Facility Loans (FSFL):

3-year FSFL	4.000%
5-year FSFL	3.750%
7-year FSFL	3.750%
10-year FSFL	3.625%
12-year FSFL	3.750%

Please visit the Farm Loan Program webpage for more information.

USDA Reminds Producers of Continuous Certification Option for Perennial Forage

The U.S. Department of Agriculture (USDA) reminds agricultural producers with perennial forage crops of an option to report their acreage once, without having to report that acreage in subsequent years, as long as there are no applicable changes on the farm.

Interested producers can select the continuous certification option after USDA's Farm Service Agency (FSA) certifies their acreage report.

An acreage report documents a crop grown on a farm or ranch and its intended uses, including perennial crops like mixed forage, birdsfoot trefoil, chicory/radicchio, kochia (prostrata), lespedeza, perennial peanuts and perennial grass varieties. To access many USDA programs, producers must file an accurate and timely acreage report for all crops and land uses, including failed acreage and prevented planting acreage.

The perennial crop continuous certification process requires a producer to initially complete an acreage report certifying the perennial crop acreage. The producer may select the continuous certification option any time after the crop is certified. Once the continuous certification option is selected, the certified acreage will roll forward annually and does not require additional action on the producer's part in subsequent years unless the acreage report changes.

Once an producer selects continuous certification, then continuous certification is appliable to all fields on the farm for the specific crop, crop type and intended use. If continuous certification is selected by any producers sharing in the crop, then the continuous certification is appliable to fields in which the producer has a share for the specific crop, crop type and intended use.

Producers can opt out of continuous certification at any time. The continuous certification will terminate automatically if a change in the farming operation occurs.

How to File a Report

To file a crop acreage report, producers need to provide:

- Crop and crop type or variety.
- Intended use of the crop.
- Number of acres of the crop.
- Map with approximate boundaries for the crop.
- Planting date(s).
- Planting pattern, when applicable.
- · Producer shares.
- Irrigation practice(s).
- Acreage prevented from planting, when applicable.
- Other information as required.

More Information

Producers can contact their local FSA office to see if their crops are eligible for continuous certification or to make an appointment. Producers can make an appointment to report acres by contacting their local <u>USDA Service Center</u>.

USDA Expands Eligibility, Enhances Benefits for Key Disaster Programs

The U.S. Department of Agriculture (USDA) made updates to several conservation, livestock and crop disaster assistance programs to give more farmers, ranchers, and tribes the opportunity to apply for and access programs that support recovery following natural disasters. Specifically, USDA's Farm Service Agency (FSA) expanded eligibility and enhanced available benefits for a suite of its programs. These updates will provide critical assistance to producers who need to rebuild and recover after suffering catastrophic losses of production and infrastructure due to natural disasters.

FSA has updated the following programs: The Emergency Conservation Program (ECP), the Emergency Forest Restoration Program (EFRP), the Emergency Assistance for Livestock, Honeybees, and Farm-raised Fish (ELAP), the Livestock Forage Disaster Program (LFP), the Livestock Indemnity Program (LIP) and the Noninsured Crop Disaster Assistance Program (NAP).

Conservation Disaster Assistance Updates

FSA updated ECP to:

- Allow producers who lease Federally owned or managed lands, including tribal trust land, as well as State land the opportunity to participate.
- Provide advance payments, up to 25% of the cost, for all ECP practices before the
 restoration is carried out, an option that was previously only available for fence
 repair or replacement. The cost-share payment must be spent within 60 days.

Additionally, Congress also authorized the Federal government to pay 100% of the ECP and EFRP cost for damage associated with the Hermit's Peak/Calf Canyon Fire in New Mexico. This fire burned over 340,000 acres from April 2022 to June 2022 and was the largest wildfire in recorded history in New Mexico. ECP and EFRP cost-share assistance is typically capped at 75%. This policy change for 100% cost-share applies only to those locations impacted by the Hermit's Peak/Calf Canyon Fire.

ECP and EFRP provide financial and technical assistance to restore conservation practices like fencing, damaged farmland or forests.

Livestock Disaster Assistance Updates

FSA also expanded eligible livestock under ELAP, LFP and LIP. Specifically, horses maintained on eligible grazing land are eligible for ELAP, LFP and LIP. Many family farms and ranches use their forage to raise horses to augment their other agriculture endeavors. FSA recognizes that animals maintained in a commercial agriculture operation, add value to the operation and could be available for marketing from the farm. FSA regulations have been updated to include these animals as eligible livestock

Horses and other animals that are used or intended to be used for racing and wagering remain ineligible.

Ostriches are also now eligible for LFP and ELAP. FSA is making this change because ostriches satisfy more than 50% of their net energy requirement through the consumption of growing forage grasses and legumes and are therefore considered "grazing animals".

This change for ostriches is effective for the 2022 program year for both LFP and ELAP. ELAP requires a notice of loss to be filed with FSA within 30 days of when the loss is first apparent. Because this deadline may have passed for 2022, FSA is extending the deadline for filing notices of loss through March 31, 2023.

LIP and ELAP reimburses producers for a portion of the value of livestock, poultry and other animals that died as a result of a qualifying natural disaster event or for loss of grazing acres, feed and forage. LFP provides benefits for grazing losses due to drought and eligible wildfires on federally managed lands.

Noninsured Crop Disaster Assistance

NAP provides financial assistance to producers of non-insurable crops when low yields, loss of inventory or prevented planting occur due to natural disasters. Basic NAP coverage is equivalent to the catastrophic level risk protection plan of insurance coverage, which is based on the amount of loss that exceeds 50% of expected production at 55% of the average market price for the crop.

Previously, to be eligible for NAP coverage, a producer had to submit an application (Form CCC-471) for NAP coverage on or before the application closing date. For 2022, if a producer has a *Socially Disadvantaged*, *Limited Resource*, *Beginning and Veteran Farmer or Rancher Certification* (Form CCC-860) on file with FSA, it will serve as an application for basic coverage for all eligible crops having a 2022 application closing date and all NAP-related service fees for basic coverage will be waived for these producers.

FSA will notify all eligible producers who already have the CCC-860 certification form on file of their eligibility for NAP basic coverage for 2022. To potentially receive NAP assistance, producers who suffered losses due to natural disasters in 2022 should file an acreage report as well as a notice of loss with the FSA at their local Service Center.

Producers who are interested in obtaining NAP coverage for 2023 and subsequent years should also contact their local FSA county office for information on eligibility, coverage options and applying for coverage.

Reporting Losses

Producers impacted by a natural disaster should report losses and damages and file an application with their <u>FSA county office</u>. Timelines for reporting losses and applying for payments differ by program.

For LIP and ELAP, producers will need to file a Notice of Loss for livestock and grazing or feed losses within 30 days and honeybee losses within 15 days. For LFP, producers must provide a completed application for payment and required supporting documentation to their FSA office within 30 calendar days after the end of the calendar year in which the grazing loss occurred.

For NAP, producers should contact their local FSA office for guidelines on submitting a notice of loss and filing an acreage certification.

More Information

The updates to these programs build on other Biden-Harris administration efforts to improve disaster assistance programs, including additional flexibility in obtaining Noninsured Crop Disaster Assistance Program (NAP) basic coverage for socially disadvantaged, beginning, limited resource and veteran farmers and ranchers.

Previous enhancement to the ELAP provide program benefits to producers of fish raised for food and other aquaculture species as well as cover above normal expenses for transporting livestock to forage and grazing acres and transport feed to livestock impacted by qualifying drought. And earlier updates to the LIP payment rates better reflect the true market value of non-adult beef, beefalo, bison and dairy animals.

FSA announced it would begin accepting applications for the Emergency Relief Program (ERP) Phase Two and the new Pandemic Assistance Revenue Program (PARP) on Jan. 23, 2023, through June 2, 2023. ERP Phase Two is designed to fill gaps in the delivery of program benefits not covered in ERP Phase One and improves equity in program delivery to underserved producers. PARP will help address gaps in previous pandemic assistance, which was targeted at price loss or lack of market access, rather than overall revenue losses. Learn more in the Jan. 9, 2023 news release.

Additional Resources

On <u>farmers.gov</u>, the <u>Disaster Assistance Discovery Tool</u>, <u>Disaster Assistance-at-a-Glance</u> fact sheet, 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 Natural Resources Conservation Service programs, contact the local <u>USDA Service Center</u>.

FSA Offers Joint Financing Option on Direct Farm Ownership Loans

The USDA Farm Service Agency's (FSA) <u>Direct Farm Ownership loans</u> can help farmers and ranchers become owner-operators of family farms, improve and expand current operations, increase agricultural productivity, and assist with land tenure to save farmland for future generations.

There are three types of Direct Farm Ownership Loans: regular, down payment and joint financing. FSA also offers a <u>Direct Farm Ownership Microloan</u> option for smaller financial needs up to \$50,000.

Joint financing allows FSA to provide more farmers and ranchers with access to capital. FSA lends up to 50 percent of the total amount financed. A commercial lender, a State program or the seller of the property being purchased, provides the balance of loan funds,

with or without an FSA guarantee. The maximum loan amount for a joint financing loan is \$600,000, and the repayment period for the loan is up to 40 years.

The operation must be an eligible farm enterprise. Farm Ownership loan funds cannot be used to finance nonfarm enterprises and all applicants must be able to meet general eligibility requirements. Loan applicants are also required to have participated in the business operations of a farm or ranch for at least three years out of the 10 years prior to the date the application is submitted. The applicant must show documentation that their participation in the business operation of the farm or ranch was not solely as a laborer.

USDA Announces February 10, 2023, Application Deadline for Conservation Stewardship Program

The next deadline for Conservation Stewardship Program (CSP) applications to be considered for funding this year is February 10, 2023. Through CSP, the U.S. Department of Agriculture's (USDA) Natural Resources Conservation Service (NRCS) helps farmers, ranchers and forest landowners earn payments for expanding conservation activities while maintaining agricultural production on their land. CSP also encourages adoption of new technologies and management techniques.

Changes in the 2018 Farm Bill authorize NRCS to accept new CSP enrollments from 2020–2023 and makes additional improvements to the program. Some highlights include the following:

- NRCS now enrolls eligible, high-ranking applications based on dollars rather than acres.
- Higher payment rates are now available under the 2018 Farm Bill for certain conservation activities, including cover crops and resource conserving crop rotations.
- NRCS now provides specific support for organic and for transitioning to organic, production activities through CSP.

While applications are accepted throughout the year, interested producers should submit applications to their local NRCS office by the deadline to ensure their applications are considered for 2023 funding.

About the Program

CSP is offered in Wisconsin through continuous signups. The program provides many benefits including increased crop yields, decreased inputs, wildlife habitat improvements and increased resilience to weather extremes. CSP is for working lands including cropland, pastureland, rangeland, nonindustrial private forest land and agricultural land under the jurisdiction of a tribe.

Online services are available to customers with an eAuthentication (eAuth) account, which provides access to the <u>farmers.gov</u> portal where producers can view USDA farm loan information and payments and view and track certain USDA program applications and payments. An eAuth account is a way for you to interact with USDA websites online. It

gives you the ability to identify yourself to the USDA via your User ID and password. It permits you to access a wide range of USDA applications across the many USDA agencies and their services. Customers who do not already have an eAuth account can enroll at farmers.gov/account.

For additional information about CSP, landowners should contact their local NRCS office at the USDA Service Center for their county. For more information, visit our website.

Producers Urged to Consider NAP Risk Protection Coverage Before Crop Sales Deadlines

The USDA Farm Service Agency (FSA) encourages you to review available USDA crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the crop deadline. The local sales closing date for crop insurance is March 15, 2022 for barley, cabbage, corn, cucumbers, dry beans, forage seeding, grain sorghum, green peas, hemp, mint, oats, popcorn, potatoes, processing beans, soybeans, sweet corn, and whole farm revenue protection. Wisconsin Sales Closing deadlines for NAP for all spring seeded crops is also March, 15, 2022.

If you received a payment under the Wildfires and Hurricanes Indemnity Program Plus (WHIP+) or the Quality Loss Adjustment Program (QLA) for crop production and/or quality losses occurring in 2018, 2019, or 2020 crop years, you are required to meet linkage requirements by obtaining federal crop insurance or Non-Insured Crop Disaster Assistance Program (NAP) coverage at the 60/100 level, or higher, for both the 2022 and 2023 crop years.

When applying for WHIP+ or QLA, form FSA-895 (Crop Insurance and/or NAP Coverage Agreement) was submitted acknowledging the requirement to obtain federal crop insurance, if available, or NAP coverage if federal crop insurance is not available. The coverage requirement is applicable to the physical location county of the crop that received WHIP+ and/or QLA benefits.

You can determine if crops are eligible for federal crop insurance or NAP by <u>visiting the RMA website</u>.

NAP offers two levels of coverage. Basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production. Higher levels of coverage may be purchased, from 50 to 65 percent of expected production in 5 percent increments, at 100 percent of the average market price. Organic and direct market producers may be eligible for additional price incentives with their NAP coverage.

For all coverage levels, the NAP service fee is the lesser of \$325 per crop or \$825 per producer per county, not to exceed a total of \$1,950 for a producer with farming interests in multiple counties.

Beginning, underserved, veterans and limited resource farmers are now eligible for free catastrophic level coverage.

Federal crop insurance coverage is sold and delivered solely through private insurance agents. Agent lists are available at all USDA Service Centers or at <u>USDA's online Agent Locator</u>. You can use the <u>USDA Cost Estimator</u> to predict insurance premium costs.

For more information on NAP, service fees, sales deadlines, contact your local USDA Service Center or visit fsa.usda.gov.

Qualified veteran farmers or ranchers are eligible for a service fee waiver and premium reduction, if the NAP applicant meets certain eligibility criteria.

Wisconsin Farm Service Agency

8030 Excelsior Drive Suite 100 Madison, WI 53717

Phone: 608-662-4422

State Executive Director

Gene Schriefer eugene.schriefer@usda.gov

Farm Program Chief

Greg Biba greg.biba@usda.gov **Farm Loan Chief**

Tom Brandt tom.brandt@usda.gov

Farm Program Chief

John Palmer john.palmer@usda.gov

State Committee:

Josh Tranel Clara Hedrich Tina Hinchley Joe Koch Heidi Randall