U.S. DEPARTMENT OF AGRICULTURE

South Dakota USDA Newsletter - December 2022

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Message from the FSA State Director

Greetings from the South Dakota State FSA Office,

It is truly amazing how fast the year moves forward! 2022 has been a year most of us in agriculture will be glad to leave behind as we move onto next year. Certainly, the year started with great optimism as we left behind COVID shutdowns and slowdowns. For the first few months, everything was plugging along. Early spring was slow to bring the rain, but most folks were excited about not mudding in their crops; other than in the northeast part of the state where rains came early

Everything changed on Thursday, May 12, 2022 as a vast portion of East River was hit with a derecho storm which caused millions of dollars of widespread damage to farms, grain elevators, and towns. . However, May 12th wasn't the only strong storm to hit our state as parts of the northeast got hit Memorial Day weekend, followed by additional storms late June and on July 5th. All told the storms damaged an area covering from the eastern third of the state all the way out to Haakon County.

I am happy to say that the Farm Service Agency was able to assist farm and ranch families with cleanup assistance through the Emergency Conservation Program.

In addition to the storm damage, the drought was probably the cruelest act Mother Nature threw at us this past year. For many parts of the state, it was the second year of rain shortfall. Many areas of the southeast and southcentral portion of the state saw corn and bean yields as bad as 2012.

Despite Mother Nature's challenges, South Dakota farm and ranch families move forward in providing a reliable food source for families across our nation and the world.

On behalf of the 340 FSA team members and the 206 state and county FSA Committee members we want to say Merry Christmas and a Happy New Year!

Please be safe if your holiday travels take you away from your home.

Sincerely,

Steve Dick
State Executive Director
USDA - Farm Service Agency

Message from the NRCS State Conservationist

Greetings,

The new 2023 SD Grassland Planner features people across South Dakota (SD) who have a passion for managing for healthy grasslands and soils. This is the 13th year for this publication and our partnership has grown from the SD Grassland Coalition to also include the SD Soil Health Coalition, SD Association of Conservation Districts, and the Intertribal Agriculture Council, and many state and non-governmental organizations sponsors noted within the planner. The planner originated as a document that ag operators could use to record their notes during the year for their grazing systems and it could also serve as documentation for participating in USDA Farm Bill programs.

Please watch for the planner to be a special supplement in the Tri-State Livestock News and the SD Cattle Business Weekly publications. Reach out to those listed partners or your local NRCS office for additional copies of the planner free of charge.

Thank you to all SD farmers, ranchers, and landowners who are moving the needle of conservation in our state.Sincerely,

Tony Sunseri
State Conservationist
USDA - Natural Resources Conservation Service

Apply for Livestock Forage Losses

Producers in 33 SD Counties are eligible to apply for 2022, Livestock Forage Disaster Program (LFP) benefits on small grain, native pasture, improved 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 county USDA Service Center or visit fsa.usda.gov.

Disaster Assistance Available for Livestock Losses

The Livestock Indemnity Program (LIP) provides assistance to you for livestock deaths in excess of normal mortality caused by adverse weather, disease and attacks by animals reintroduced into the wild by the federal government or protected by federal law.

For disease losses, FSA county committees can accept veterinarian certifications that livestock deaths were directly related to adverse weather and unpreventable through good animal husbandry and management.

For 2022 livestock losses, you must file a notice within 30 calendar days of when the loss is first apparent. You then must provide the following supporting documentation to your local FSA office no later than 60 calendar days after the end of the calendar year in which the eligible loss condition occurred.

- Proof of death documentation
- Copy of grower's contracts
- Proof of normal mortality documentation

USDA has established normal mortality rates for each type and weight range of eligible livestock, i.e. Adult Beef Cow = 1.5% and Non-Adult Beef Cattle (less than 250 pounds) = 5%. These established percentages reflect losses that are considered expected or typical under "normal" conditions.

In addition to filing a notice of loss, you must also submit an application for payment by March 1, 2023.

For more information, contact the local County USDA Service Center or visit fsa.usda.gov.

USDA Previews Crop and Revenue Loss Assistance for Agricultural Producers

Agriculture Secretary Tom Vilsack today announced plans for additional emergency relief and pandemic assistance from the U.S. Department of Agriculture (USDA). USDA is preparing to roll out the Emergency Relief Program (ERP) Phase Two as well as the new Pandemic Assistance Revenue Program (PARP), which are two programs to help offset crop and revenue losses for producers. USDA is sharing early information to help producers gather documents and train front-line staff on the new approach.

ERP Phase Two will assist eligible agricultural producers who suffered eligible crop losses, measured through decreases in revenue, due to wildfires, hurricanes, floods, derechos, excessive heat, winter storms, freeze (including a polar vortex), smoke exposure, excessive moisture and qualifying droughts occurring in calendar years 2020 and 2021.

PARP will assist eligible producers of agricultural commodities who experienced revenue decreases in calendar year 2020 compared to 2018 or 2019 due to the COVID-19 pandemic. 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.

Emergency Relief Program Phase Two

ERP is authorized under the *Extending Government Funding and Delivering Emergency Assistance Act*, which includes $10 billion in assistance to agricultural producers impacted by wildfires, droughts, hurricanes, winter storms and other eligible disasters experienced during calendar years 2020 and 2021.

Phase Two builds on ERP Phase One, which was rolled out in May 2022 and has since paid more than $7.1 billion to producers who incurred eligible crop losses that were covered by federal crop insurance or Non-insured Crop Disaster Assistance Program.

ERP Phase Two includes producers who suffered eligible losses but may not have received program benefits in Phase One. To be eligible for Phase Two, producers must have suffered a loss in allowable gross revenue as defined in forthcoming program regulations in 2020 or 2021 due to necessary expenses related to losses of eligible crops from a qualifying natural disaster event.

Eligible crops include both traditional insurable commodities and specialty crops that are produced in the United States as part of a farming operation and are intended to be commercially marketed. Like other emergency relief and pandemic assistance programs, USDA's Farm Service Agency (FSA) continues to look for ways to simplify the process for both staff and producers while reducing the paperwork burden. The design of ERP Phase Two is part of that effort.

In general, ERP Phase Two payments are expected to be based on the difference in certain farm revenue between a typical year of revenue as will be specified in program regulations for the producer and the disaster year. ERP Phase Two assistance is targeted to the remaining needs of producers impacted by qualifying natural disaster events, while avoiding windfalls or duplicative payments. Details will be available when the rule is published later this year.

Deadline for Emergency Relief Program Phase One

Producers who are eligible for assistance through ERP Phase One have until Friday, Dec. 16, 2022, to contact FSA at their local USDA Service Center to receive program benefits. Going forward, if any additional ERP Phase One prefilled applications are generated due to corrections or other circumstances, there will be a 30-day deadline from the date of notification for that particular application.

Pandemic Assistance Revenue Program

PARP is authorized and funded by the Consolidated Appropriations Act of 2021.

To be eligible for PARP, an agricultural producer must have been in the business of farming during at least part of the 2020 calendar year and had a certain threshold decrease in allowable gross revenue for the 2020 calendar year, as compared to 2018 or 2019. Exact details on the calculations and eligibility will be available when the forthcoming rule is published.

How Producers Can Prepare

ERP Phase Two and PARP will use revenue information that is readily available from most tax records. FSA encourages producers to have their tax documents from the past few years and supporting materials ready, as explained further below. Producers will need similar documentation to what was needed for the Coronavirus Food Assistance Program (CFAP) Phase Two, where a producer could use 2018 or 2019 as the benchmark year relative to the disaster year.

In the coming weeks, USDA will provide additional information on how to apply for assistance through ERP Phase Two and PARP. In the meantime, producers are encouraged to begin gathering supporting documentation including:

- Schedule F (Form 1040); and
- *Profit or Loss from Farming* or similar tax documents for tax years 2018, 2019, 2020, 2021 and 2022 for ERP and for calendar years 2018, 2019 and 2020 for PARP.

Producers should also have, or be prepared to have, the following forms on file for both ERP and PARP program participation:

- Form AD-2047, *Customer Data Worksheet* (as applicable to the program participant);

- Form CCC-902, *Farm Operating Plan* for an individual or legal entity;
- Form CCC-901, *Member Information for Legal Entities* (if applicable); and
- Form AD-1026 *Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification*.

Most producers, especially those who have previously participated in FSA programs, will likely have these required forms on file. However, those who are uncertain or want to confirm should contact FSA at their local USDA Service Center.

In addition to the forms listed above, underserved producers are encouraged to register their status with FSA, using Form CCC-860, *Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification*, as certain existing permanent and ad-hoc disaster programs provide increased benefits or reduced fees and premiums.

Through proactive communications and outreach, USDA will keep producers and stakeholders informed as program eligibility, application and implementation details unfold.

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 Agriculture Risk Coverage (ARC) and Price Loss Coverage programs for the 2023 crop year, two key safety net programs offered by the U.S. Department of Agriculture (USDA). Signup began Monday, and 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 web-based decision tools to assist producers in making informed, educated decisions using crop data specific to their respective farming operations. Tools include:

- Gardner-farmdoc Payment Calculator, 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 2021 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 ARC and PLC webpage or contact your 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.

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

Applying for Assistance

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

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

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

Foreign Buyers Notification

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25 percent of the fair market value of the property. County government offices, realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements. The data gained from these disclosures is used in the preparation of periodic reports to the President and Congress concerning the effect of such holdings upon family farms and rural communities. Click here for more information on AFIDA.

Reminders for FSA Direct and Guaranteed Borrowers with Real Estate Security

Farm loan borrowers who have pledged real estate as security for their Farm Service Agency (FSA) direct or guaranteed loans are responsible for maintaining loan collateral. Borrowers must obtain prior consent or approval from FSA or the guaranteed lender for any transaction that affects real estate security. These transactions include, but are not limited to:

- Leases of any kind
- Easements of any kind
- Subordinations
- Partial releases
- Sales

Failure to meet or follow the requirements in the loan agreement, promissory note, and other security instruments could lead to nonmonetary default which could jeopardize your current and future loans.

It is critical that borrowers keep an open line of communication with their FSA loan staff or guaranteed lender when it comes to changes in their operation. For more information on borrower responsibilities, read Your FSA Farm Loan Compass.

Submit Loan Requests for Financing Early

The Farm Loan team in your County is already working on operating loans for spring 2023 and asks potential borrowers to submit their requests early so they can be timely processed. The farm loan team can help determine which loan programs are best for applicants.

FSA offers a wide range of low-interest loans that can meet the financial needs of any farm operation for just about any purpose. The traditional **farm operating and farm ownership loans** can help large and small farm operations take advantage of early purchasing discounts for spring inputs as well expenses throughout the year.

Microloans are a simplified loan program that will provide up to $50,000 for both Farm Ownership and Operating Microloans to eligible applicants. These loans, targeted for smaller and non-traditional operations, can be used for operating expenses, starting a new operation, purchasing equipment, and other needs associated with a farming operation. Loans to beginning farmers and members of underserved groups are a priority.

Other types of loans available include:

Marketing Assistance Loans allow producers to use eligible commodities as loan collateral and obtain a 9-month loan while the crop is in storage. These loans provide cash flow to the producer and allow them to market the crop when prices may be more advantageous.

Farm Storage Facility Loans can be used to build permanent structures used to store eligible commodities, for storage and handling trucks, or portable or permanent handling equipment. A variety of structures are eligible under this loan, including bunker silos, grain bins, hay storage structures, and refrigerated structures for vegetables and fruit. A producer may borrow up to $500,000 per loan**.**

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