U.S. DEPARTMENT OF AGRICULTURE

South Dakota USDA Newsletter - February 2023

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Message from the FSA State Director

Greetings from the South Dakota State FSA Office,

As I write this, we are starting to see the snowbanks and piles settle. Finally county roads and city streets are no longer packed with ice. However, I realize just because the calendar says the third week of February, we are by no means out the weeds in terms of snow and ice storms. Yes, we welcome the moisture we have gotten this winter. However, our state's livestock farm and ranch families have had enough of winter, especially when a simple task of doing daily chores that three to four times longer because of having to move snow just to get to the feed.

We want you to know that the Farm Service Agency is here to help. If you experienced livestock loss

due to the adverse winter weather you should file a notice of loss under the Livestock Indemnity Program with your local FSA office. This must be completed within 30 days from when the loss is first apparent.

Producers also may be eligible for assistance for transporting feed stuffs under ELAP. Please check with local FSA office about eligibility for your operation.

With February nearing its final days that means March Madness is right around the corner, and no, I don't mean the annual college basketball frenzy or the calving and lambing slam, I mean ARC/PLC sign up! You may hear people tell you "wait until the deadline before you sign up." If you have not done so already call your local FSA office to set an appointment to sign up. It is easy. Please don't wait until March 15th!

Another program that you should be aware of is the sign up for Revenue Loss Assistance. This program is part of legislation signed by President Biden in 2021 to assist farm and ranch families who experience disasters in crop years 2020 or 2021. It also provides assistance to producers who suffered a revenue loss in 2020 due to the COVID-19 pandemic. Sign up for both programs is now open. The county FSA staff has recently completed training on the new program.

Wishing everyone a safe and productive calving and lambing season and best of luck to your favorite high school and college basketball team during March Madness!

Steve Dick
State Executive Director
USDA - Farm Service Agency

Message from the NRCS State Conservationist

Greetings,

I know this winter has been trying for livestock producers due to the additional livestock feed resources needed. I encourage you to work with your local Natural Resources Conservation Service (NRCS) office if you are considering adding perennial or annual forage crops in your rotation or other changes to your crop rotation that will reduce feed costs. Our specialists and partners can offer science-based assistance for your selection and planting decisions while assessing soil health effects.

We are also here to assist South Dakota's urban producers and innovative producers with their resource needs. I encourage you to participate and provide feedback to NRCS at the February 23 meeting of the Federal Advisory Committee for Urban Agriculture and Innovative Production. The meeting information can be found at this link and in the article below. Entities and stakeholders can also participate at our South Dakota State Technical Committee meetings. Our next South Dakota meeting is scheduled for February 22. Follow the link above for more information or contact our State Office at 605-352-1200.

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

Tony Sunseri
State Conservationist
USDA - Natural Resources Conservation Service

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 Oct. 17, 2022, 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.

Rolling Out Revenue Based Disaster and Pandemic Assistance Programs

Beginning January 23, 2023, agricultural producers can begin to apply for two new important programs for revenue losses, from 2020 and 2021 natural disasters or the COVID-19 pandemic. Both programs equitably fill gaps in earlier assistance.

First, you may be eligible for assistance through the Emergency Relief Program (ERP) Phase Two if you experienced revenue losses from eligible natural disasters in 2020 and 2021. ERP Phase Two is for producers who didn't receive assistance from ERP Phase One.

You may also be eligible for the Pandemic Assistance Revenue Program (PARP) if you experienced revenue losses in calendar year 2020. PARP is addressing gaps in previous pandemic assistance, which was targeted at price loss or lack of market access, rather than overall revenue losses.

Applications for both new programs are due June 2, 2023, and you can apply for both programs during your same appointment with USDA's Farm Service Agency (FSA).

Historically, FSA programs have been designed to make direct payments to producers based on a single disaster event or for a single commodity loss. For many of you, this may be the first revenue-based program that you've applied for with FSA.

Why revenue-based programs?

ERP Phase Two and PARP take a much more holistic approach to disaster assistance, ensuring that producers not just make it through a single growing season but have the financial stability to invest in the long-term well-being of their operations and employees.

In general, ERP Phase Two payments are based on the difference in allowable gross revenue between a benchmark year, representing a typical year of revenue for the producer and the disaster year – designed to target the remaining needs of producers impacted by qualifying natural disasters and avoid duplicative payments. ERP Phase Two revenue loss is based on tax years.

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 decrease in revenue for the 2020 calendar year, as compared to a typical year. PARP revenue loss is based on calendar years.

How to Apply

In preparation for enrollment, producers should gather 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.*

- 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.

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.

Yes, FSA is stepping outside of the box.

FSA is a big proponent of agricultural producers having a say in the design, implementation and delivery of the programs that directly impact their livelihoods. We also believe that some of the most creative and useful ideas for program and process improvements come from the FSA employees who administer this assistance through our network of more than 2,100 county offices. We want to thank producers across the country, along with the entire FSA workforce, for not just thinking outside of the box but also providing their input to make sure that we can improve and enhance our programs and our approach to assistance to better and more efficiently serve all producers who need our help.

Please visit your local USDA Service Center for more information on ERP Phase Two, PARP and our full portfolio of conservation, prices support, safety-net, credit and disaster assistance programs.

South Dakota 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 of March 15, 2023.

Federal crop insurance covers crop losses from natural adversities such as drought, hail and excessive moisture. NAP covers losses from natural disasters on crops for which no permanent federal crop insurance program is available.

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

NAP offers higher levels of coverage, from 50 to 65 percent of expected production in 5 percent increments, at 100 percent of the average market price. Producers of organics and crops marketed directly to consumers also may exercise the “buy-up” option to obtain NAP coverage of 100 percent of the average market price at the coverage levels of between 50 and 65 percent of expected production. NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production.

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 USDA's online Agent Locator. You can use the USDA Cost Estimator 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.

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 your local USDA Service Center or visit fsa.usda.gov.

Maintaining Good Credit History

Farm Service Agency (FSA) loans require applicants to have a satisfactory credit history. A credit report is requested for all FSA direct farm loan applicants. These reports are reviewed to verify outstanding debts, see if bills are paid timely and to determine the impact on cash flow.

Information on your credit report is strictly confidential and is used only as an aid in conducting FSA business.

Our farm loan staff will discuss options with you if you have an unfavorable credit report and will provide a copy of your report. If you dispute the accuracy of the information on the credit report, it is up to you to contact the issuing credit report company to resolve any errors or inaccuracies.

There are multiple ways to remedy an unfavorable credit score:

- Make sure to pay bills on time
  - Setting up automatic payments or automated reminders can be an effective way to remember payment due dates.
- Pay down existing debt
- Keep your credit card balances low
- Avoid suddenly opening or closing existing credit accounts

FSA's farm loan staff will guide you through the process, which may require you to reapply for a loan after improving or correcting your credit report.

For more information on FSA farm loan programs, contact your local USDA Service Center or visit fsa.usda.gov.

Applying for FSA Guaranteed Loans

FSA guaranteed loans allow lenders to provide agricultural credit to farmers who do not meet the lender's normal underwriting criteria. Farmers and ranchers apply for a guaranteed loan through a lender, and the lender arranges for the guarantee. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan. Guaranteed loans can be used for both farm ownership and operating purposes.

Guaranteed farm ownership loans can be used to purchase farmland, construct or repair buildings, develop farmland to promote soil and water conservation or to refinance debt.

Guaranteed operating loans can be used to purchase livestock, farm equipment, feed, seed, fuel, farm chemicals, insurance and other operating expenses.

FSA can guarantee farm ownership and operating loans up to $2,037,000. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

For more information on guaranteed loans, contact your local USDA Service Center or visit fsa.usda.gov.

Save Money on Fuel with No-Till Farming

How much fuel can farmers save each year by transitioning from conventional tillage to continuous no-till? According to a new report from USDA's Conservation Effects Assessment

Project (CEAP), 3.6 gallons per acre is a reasonable estimate. With current off-road diesel fuel prices, this could translate into approximately $17 per acre saved annually.

Nearly 87 percent of all cropland acres nationwide are farmed using some form of conservation tillage, where tillage is reduced for at least one crop within a given field. Continuous no-till accounts for 33 percent of this total.

Improving soil health is one known benefit of limiting disturbance. Farmers who minimize tillage across their operation may reduce soil erosion, maximize water infiltration, improve nutrient cycling, build organic matter, and strengthen resilience to disaster events or challenging growing conditions. Based on the latest data, they may also use significantly less fuel than with conventional tillage and reduce their associated carbon dioxide emissions.

According to CEAP, farmers who implement conservation tillage practices instead of continuous conventional tillage:

Reduce potential nationwide fuel use by 763 million gallons of diesel equivalents each year, roughly the amount of energy used by 2.8 million households.

Reduce potential associated emissions by 8.5 million tons of carbon dioxide (CO_2) equivalents each year, equivalent to removing nearly 1.7 million gasoline-powered passenger vehicles from the road.

How is this possible? Annually, farmers who practice continuous no-till use approximately 3.6 fewer gallons of fuel per acre than if they practiced continuous conventional tillage. Farmers who practice seasonal no-till – farming without tilling for at least one crop – use approximately 3 fewer gallons of fuel per acre than they would with conventional tillage year-round.

Acre by acre, fuel saved is money saved. Let's assume an average off-road diesel fuel price of $4.75 per gallon*. By transitioning from continuous conventional tillage to continuous no-till, a farmer can save just over $17 per acre each year in fuel costs. A farmer who transitions from continuous conventional tillage to seasonal no-till can save more than $14 per acre on fuel annually. These potential savings are significantly larger than with CEAP's first fuel savings report, primarily due to the current price of diesel fuel.

The bottom line for farmers: Reducing tillage leads to fuel savings that deliver significant financial benefits while building healthier soils for a more resilient operation.

USDA Can Help

If you're a farmer interested in reducing tillage or pursuing other conservation efforts across your operation, USDA's Natural Resources Conservation Service (NRCS) can help.

This blog offers five simple tips for farmers interested in trying no-till for the first time.

This 90-second video provides a description of no-till and associated benefits according to a Delaware farmer.

This 23-minute video follows five South Carolina farmers seeking to quantify the benefits of conservation practices that support soil health.

This webpage details principles to improve soil health, including reduced tillage and complimentary conservation practices such as cover crops, crop rotations, and rotational grazing.

NRCS has local USDA Service Centers in nearly every county across the United States. You may find contact information for your nearest Service Center here. NRCS staff are available to provide free, one-on-one assistance with a suite of practices to strengthen your operation, conserve natural resources, and boost your bottom line. SMART nutrient management, for example, is important to consider with no-till and may help you save money on fertilizer while improving water quality – another win-win.

Visit the new NRCS website to learn more about conservation basics, getting assistance from NRCS, programs and initiatives, and resources to inform management decisions. Visit the new CEAP webpage for additional information about USDA's efforts to quantify the effects of conservation practices across croplands and other working lands.

Attend Multi-Day Annie's Project Meetings in Brookings

SDSU Extension will host Annie's Project sessions on March 21 and 28 and April 4, 11, 18, and 25 in Brookings at Perkins Restaurant & Bakery (2205 6th St., Brookings, SD 57006) and via Zoom.

Annie's Project is a multi-day series that focuses on women involved in agriculture. Participants learn about the evolving agriculture business and share life experiences with other women living and working in the same complex and dynamic environment.

This program covers topics on production; marketing; financial, legal, and human resource risk management; USDA Programs; insurance coverage; and family communications.

Registration

The registration fee for Annie's Project is $150.00 per person and includes a meal served at each in-person session. Registration is preferred by March 15 using the button below.

For more information, contact Lorna Saboe-Wounded Head, SDSU Extension Family Resource Management Field Specialist.

REGISTER AT EVENTBRITE

USDA in South Dakota

200 4th Street SW
Huron, SD 57350

Farm Service Agency

State Executive Director:
Steve Dick

Administrative Officer:
Theresa Hoadley

Program Managers:

Owen Fagerhaug - *Conservation*
Logan Kopfmann - *Disaster Relief*
Donita Garry - *Program Delivery*
Ryan Vanden Berge - *Farm Loan Program*

State Committee:

Fanny Brewer
Peggy Greenway
Troy Knecht
Larry Olsen

Phone: 605-352-1160

Natural Resources Conservation Service

State Conservationist:
Tony Sunseri

Phone: 605-352-1200

CONTACT US:
Farm Service Agency
Natural Resources Conservation Service
Risk Management Agency
Service Center Locator