U.S. DEPARTMENT OF AGRICULTURE

South Dakota USDA Newsletter - August 2023

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Message from the FSA State Director

Greetings from the South Dakota State FSA Office!

In a few days the South Dakota State Fair will take place in Huron. Although I never participated in 4-H, my family always looked forward to spending a day at the fair. It was a chance to see the latest in farm equipment, check out potential replacement bucks and bulls, and even learn about the latest kitchen gadgets!   But most importantly, it was an opportunity to see friends from a neighboring county, folks that your family knew, but may only run into at the State Fair or the district basketball tournaments.

One activity at the State Fair this year is the "Getting Young Producers in Agriculture" discussion panel sponsored by South Dakota Farmers Union. On the panel will be Farm Service Agency Director Zach Ducheneaux along with Gail Gullickson, the USDA Beginning Farmer Rancher Coordinator for South Dakota. Both Zach and Gail will share with fair goers what various programs the FSA has to offer beginning farmers and ranchers at 10 am on Freedom Stage on Saturday, September 2nd.

FSA's loan program has been called many things in the past, but today it truly is the "lender of first opportunities." As evidenced by the more than 4,500 Youth and Beginning Farmer loans that South Dakota young men and women participate in. Many of these youth will have their work displayed at the State Fair.

Another favorite activity of mine at the State Fair is the South Dakota Farm and Ranch Recognition Program. The South Dakota Farm Bureau, The South Dakota Department of Ag, and Natural Resources sponsors the program and recognizes farm and ranch families who have reached milestones in their family operations longevity. This year they will be honoring farms that have been in the same family for 100 years; 125 years; and even some which have been owned for 150 years in the same family. The recognition program starts 10 am on Thursday, August 31st on the Farm Bureau Freedom Stage.

Lastly, I want to remind folks who have experienced discrimination in USDA farm lending programs prior to January 2021 that Section 22007 of the Inflation Reduction Act (IRA) directs USDA to provide this assistance. Please check the link to learn more about Section 22007.

Sincerely,

Steve Dick
State Executive Director
USDA-Farm Service Agency

Message from the NRCS State Conservationist

Farmers and ranchers have a role in conservation and carbon sequestration on private land but so do many others including non-operating landowners, agriculture lenders, tribal leaders, homeowners, landscape professionals, teachers, and more. I invite you all to stop at our Natural Resources Conservation Service (NRCS) display in the FFA Ag Adventure Center when attending the South Dakota State Fair to visit about ways we can assist with natural resource conservation efforts.

Homeowners, landscape professionals, and others now have a new resource booklet, created here in South Dakota, packed with tips and photos of practices and principles homeowners can use to build better soil in their gardens, lawns, and acreages. Receive your copy at our State Fair display or request the 20 page 'Healthy Soil at Home' booklet by calling (605) 352-1200.

Additionally, I know teachers and administrators are preparing for the new school year. The Soil Education Network website includes Kindergarten through 5th grade soil health lesson plans for instructors to incorporate into their classroom setting. Vocabulary words and teaching periods per activity are provided. These lesson plans have the correct terminology to easily align to the South Dakota state science standards and typical lesson plan development. The Soil Health Primer and the South Dakota Soil Health Coalition's

Soil Health bucket's 13 lessons additionally are aligned with Next Generation Science Standards used by South Dakota and other states in Standard development for upper level students. Please, if you are in an educator role, consider incorporating these soil and soil health lessons into your long-term plans. Again, visit with us at our State Fair display or request your hard copy and more information by calling (605) 352-1200.

We will hold our next regularly scheduled State Technical Committee (STC) session on August 24, 2023. I invite you or your organization to be a part of these sessions. Learn more by visiting our STC webpage or calling (605) 352-1200.

Finally, don't delay working with your local NRCS office to develop a Conservation Plan specific to your needs. The Inflation Reduction Act provides significant funding towards efforts to sequester carbon and other climate mitigation activities. Local staff can contact NRCS specialists as needed to prepare your plan for funding consideration.

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

Sincerely,

Tony Sunseri
State Conservationist
USDA-Natural Resources Conservation Service

South Dakota FSA Provides Updated Contact Information

South Dakota Producers may have recently received a letter with an incorrect phone number listed for the South Dakota State FSA office.

The correct contact information for the South Dakota State FSA Office is (605)352-1160. We apologize for the inconvenience.

FSA Reminds Producers About CRP Haying and Grazing Timeframes

Emergency Haying and Grazing
Conservation Reserve Program (CRP) participant can utilize up to 90 consecutive days or a total of 90 days before and after the Primary Nesting System (PNS) (if county is still eligible for emergency grazing) of emergency grazing subject to a modified conservation plan during the program year on all practices. A CRP participant has up to 60 days from receiving a contract plan modification allowing emergency haying to harvest one cutting of hay outside the PNS.

Non-Emergency Haying
Non-emergency haying must end by the date specified in the conservation plan, but not later than August 31.

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

FSA Offers Drought Assistance for Livestock Producers Through Emergency Assistance for Livestock, Honey Bees and Farm-raised Fish Program (ELAP)

If you've suffered above normal expenses for hauling feed or water to livestock or hauling livestock to forage/grazing acres due to the impacts of drought, you may be eligible for financial assistance through the Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program (ELAP).

For eligible producers in qualifying counties, ELAP provides financial assistance for:

- the transportation of water to livestock;
- the above normal cost of mileage for transporting feed to livestock,
- the above normal cost of transporting livestock to forage/grazing acres.*

**Hauling livestock one-way, one haul per animal reimbursement and no payment for "empty miles."*

Eligible livestock include cattle, buffalo, goats and sheep, among others, that are maintained for commercial use and located in a county where the qualifying drought conditions occur. A county must have had D2 severe drought intensity on the U.S. Drought Monitor for eight consecutive weeks during the normal grazing period, or D3 or D4 drought intensity at any time during the normal grazing period. Producers must have risk in both eligible livestock and eligible grazing land in an eligible county to qualify for ELAP assistance.

WATER TRANSPORTATION

For ELAP water transportation assistance, a producer must be transporting water to eligible livestock on eligible grazing land where the producer had adequate livestock watering systems or facilities in place before the drought occurred and where they do not normally require the transportation of water. Payments are for costs associated with personal labor, equipment, hired labor, equipment, and/or contracted water transportation fees. Cost of the water itself is not covered. The ELAP payment formula uses a national average price per gallon.

ABOVE NORMAL COSTS OF TRANSPORTING FEED

ELAP provides financial assistance to livestock producers who incur above normal expenses for transporting feed to livestock during drought. The payment formula excludes the first 25 miles and any mileage over 1,000 miles. The reimbursement rate is 60% of the costs above what would normally have been incurred during the same time period in a normal (non-drought) year. **ABOVE NORMAL COSTS OF TRANSPORTING LIVESTOCK TO FORAGE/GRAZING ACRES**

ELAP provides financial assistance to livestock producers who are hauling livestock to a new location for feed resources due to insufficient feed and/or grazing in drought-impacted areas. Assistance for Livestock transportation is retroactive to 2021 and available for 2022 and subsequent years. **Please contact your county FSA office for additional details.**

For calendar year 2022 forward, producers must submit a notice of loss to your local FSA office **within 30 calendar days** of when the loss is apparent; producers should contact their county FSA office as soon as the loss of water resources or feed resources are known. For ELAP eligibility, documentation of expenses is critical. Producers should maintain records and receipts associated with the costs of transporting water to eligible livestock, the costs of transporting feed to eligible livestock, and the costs of transporting eligible livestock to forage/grazing acres.

ELAP also offers assistance to producers impacted by wildfire. In addition, beekeepers also can benefit from ELAP provisions and should contact their county FSA office within 15 calendar days of when a loss occurs or from when the loss is apparent. For more information regarding ELAP, contact your local County USDA Service Center or visit fsa.usda.gov/disaster.

Report Noninsured Crop Disaster Assistance Program (NAP) Losses

NAP provides financial assistance to you for crops that aren't eligible for crop insurance to protect against lower yields or crops unable to be planted due to natural disasters including freeze, hail, excessive moisture, excessive wind or hurricanes, flood, excessive heat and qualifying drought (includes native grass for grazing), among others.

To receive payment, you had to purchase NAP coverage for 2023 crops and file a notice of loss the earlier of 15 days of the occurrence of the disaster or when losses become apparent or 15 days of the final harvest date. For hand-harvested crops and certain perishable crops, you must notify FSA within 72 hours of when a loss becomes apparent.

Eligible crops must be commercially produced agricultural commodities for which crop insurance is not available, including perennial grass forage and grazing crops, fruits, vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

For more information on NAP, contact your local County USDA Service Center at or visit fsa.usda.gov/nap.

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 202X 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, contact your local County USDA Service Center or visit fsa.usda.gov.

Maintaining the Quality of Farm-Stored Loan Grain

Bins are ideally designed to hold a level volume of grain. When bins are overfilled and grain is heaped up, airflow is hindered and the chance of spoilage increases.

If you take out marketing assistance loans and use the farm-stored grain as collateral, remember that you are responsible for maintaining the quality of the grain through the term of the loan.

Maintaining ARC/PLC Acreage

If you're enrolled in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs, you must protect all cropland and noncropland acres on the farm from wind and water erosion and noxious weeds. By signing ARC county or individual contracts and PLC contracts, you agree to effectively control noxious weeds on the farm according to sound agricultural practices. If you fail to take necessary actions to correct a maintenance problem on your farm that is enrolled in ARC or PLC, the County Committee may elect to terminate your contract for the program year.

USDA Launches Loan Assistance Tool to Enhance Equity and Customer Service

The U.S. Department of Agriculture (USDA) launched a new online tool to help farmers and ranchers better navigate the farm loan application process. This uniform application process will help to ensure all farm loan applicants receive equal support and have a consistent customer experience with USDA's Farm Service Agency (FSA) regardless of their individual circumstances.

USDA experiences a high rate of incomplete or withdrawn applications, particularly among underserved customers, due in part to a challenging and lengthy paper-based application process. The Loan Assistance Tool is available 24/7 and gives customers an online step-by-step guide that supplements the support they receive when working in person with a USDA employee, providing materials that may help an applicant prepare their loan application in one tool.

Farmers can access the Loan Assistance Tool by visiting farmers.gov/farm-loan-assistance-tool and clicking the 'Get Started' button. From here they can follow the prompts to complete the Eligibility Self-Assessment and start the farm loan journey. The tool is built to run on any modern browser like Chrome, Edge, Firefox, or the Safari browser, and is fully functional on mobile devices. It does not work in Internet Explorer.

The Loan Assistance Tool is the first of multiple farm loan process improvements that will be available to USDA customers on farmers.gov in the future. Other improvements and tools that are anticipated to launch in 2023 include:

- A streamlined and simplified direct loan application, reduced from 29 pages to 13 pages.
- An interactive online direct loan application that gives customers a paperless and electronic signature option, along with the ability to attach supporting documents such as tax returns.
- An online direct loan repayment feature that relieves borrowers from the necessity of calling, mailing, or visiting a local Service Center to pay a loan installment.

Background

USDA provides access to credit to approximately 115,000 producers who cannot obtain sufficient commercial credit through direct and guaranteed farm loans. With the funds and direction Congress provided in Section 22006 of the Inflation Reduction Act, USDA is taking action to immediately provide relief to qualifying distressed borrowers whose operations are at financial risk while working on making transformational changes to loan servicing so that borrowers are provided the flexibility and opportunities needed to address the inherent risks and unpredictability associated with agricultural operations.

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.

NRCS Delivering Climate Solutions through the Inflation Reduction Act

The Inflation Reduction Act of 2022 represents the single largest investment in climate and clean energy solutions in American history. It provides $19.5 billion from fiscal years 2023 to 2027 for climate smart agriculture through several of the conservation programs that USDA's Natural Resources Conservation Service (NRCS) implements. Last February, NRCS announced it was making $850 million of those funds available in fiscal year 2023 for its oversubscribed conservation programs – the Environmental Quality Incentives Program (EQIP), Conservation Stewardship Program (CSP), Regional Conservation Partnership Program (RCPP), and Agricultural Conservation Easement Program (ACEP).

NRCS is well on its way to implementing IRA in fiscal year 2023, and we're planning for 2024 and beyond. In past years, producer demand for conservation assistance through these programs has outpaced available funding. We're excited that many producers can now benefit from this additional funding, and we're preparing for the additional help they will need to implement these climate change mitigation practices.

Locally, we're getting funding out to individual producers, and we're improving and streamlining programs to make it easier to sign up.

- So far in fiscal year (FY) 2023, NRCS is ahead of historical rates in obligating financial assistance for conservation programs and has obligated more than 19,500 contracts, compared to an average of just over 12,000 at this same time over the last 4 years.
- Since announcing the availability of FY 2023 IRA funds in February, we have had over 10,000 applications for IRA in EQIP and CSP—and that number is growing every day. We're currently receiving an average of 29 IRA applications per hour for CSP and EQIP combined.

Producers need to know that NRCS accepts applications for our conservation programs year-round. And, no matter when they apply, their application will automatically carry over for consideration in future funding cycles. We encourage producers to apply now so that they can take advantage of this opportunity for additional funding over the next few years.

To receive consideration for the current funding cycle in FY23, producers should apply by their state’s program ranking dates.

We expect to announce funding recommendations for ACEP soon. The national ranking date for ACEP closed on March 17, 2023, and we received over $174 million in request for the $65 million of available funding. And, as part of the ongoing effort to streamline our conservation programs, ensure that they are more convenient to utilize, and to help strengthen IRA implementation, we announced improvements to ACEP on May 9.

We’re getting funding out to partners.

We are also getting funding out to partners through the Regional Conservation Partnership Program, a partner-driven program that leverages partner resources to advance innovative projects that address issues such as climate change. On May 19, we announced that applications were being accepted through August 18, 2023, for RCPP Classic and RCPP Alternative Funding Arrangements (AFA). Projects selected under this funding opportunity may be awarded through either Farm Bill 2018 or IRA funding, however applications for RCPP climate-related projects will receive priority consideration for IRA funding.

These and many other efforts are continuing in 2023 and beyond. NRCS will continue to keep partners and producers informed about new funding opportunities, recruitment efforts, partnerships available, and plans for IRA implementation in the years ahead.

USDA Expands Risk Management Options with Greater Enterprise Unit Possibilities

USDA is expanding its insurance coverage options for specialty crops and other actual production history (APH) crop programs. Through its Risk Management Agency (RMA), it will expand the availability of enterprise units to crops where they were previously unavailable, giving agricultural producers greater options to manage their risk.

An enterprise unit allows a producer to insure all acres of the insured crop in the county together, as opposed to other unit structures that separate the acreage for insurance. Enterprise units are attractive to producers due to lower premium rates offered to recognize the lower risk associated with the geographic diversification. In general, the larger the enterprise unit, the lesser the risk, and the greater the enterprise unit discount.

This furthers RMA’s efforts to improve and expand the insurance program for specialty crops as required by the 2018 Farm Bill. Moreover, this expansion also meets producer requests for enterprise units for other APH crop insurance programs. The initial set of targeted crops can enjoy this new option when it becomes effective on June 30, 2023. RMA plans to expand to dozens more specialty and other APH crop programs with these benefits in the coming months.

The following crops will have enterprise units available beginning with the 2024 crop year:

- Alfalfa seed
- Cultivated wild rice
- Forage production

- Mint*
- Onions*
- Potatoes* (Enterprise units will be available in California for the 2025 crop year)

*Specialty Crop

Crop insurance is sold and delivered solely through private crop insurance agents. A list of crop insurance agents is available at all USDA Service Centers and online at the RMA Agent Locator. Learn more about crop insurance and the modern farm safety net at rma.usda.gov or by contacting your RMA Regional Office.

USDA Invites Input on Crop Insurance Coverage for Prevented Planting

USDA published a Request for Information, announcing public listening sessions and soliciting public comments on possible changes to prevented planting crop insurance coverage. Coinciding with the public comment period, USDA's Risk Management Agency (RMA) will hold in-person and virtual listening sessions June through August. This includes in-person listening sessions in Arkansas, Arizona, California, Colorado, Indiana, Iowa, Michigan, New Mexico, North Dakota, Pennsylvania, South Carolina and Texas. Meanwhile, RMA will accept written comments through its request for information until September 1.

The request for information on prevented planting requests input on prevented planting topics to include:

- Harvest Price Option – Feedback on whether to allow the prevented planting payment calculations to be based on the higher of projected price or harvest price under the revenue protection plan of insurance.
- "1 in 4" Rule – Input on the challenges or experiences since the rule (to be eligible for a prevented planting coverage acreage must have been planted to a crop, insured, and harvested in at least 1 out of the previous 4 crop years) was implemented nationwide.
- 10 percent additional coverage option – Input on if RMA should reinstate the option to buy-up prevented planting coverage by 10 percent.
- Contract price – Whether prevented planting costs are higher for contracted crops and how prevented planting payments should be calculated for contract crops.
- General – Willingness to pay additional premium for expanded prevented planting benefits, recommendations on other prevented planting limitations, etc.

RMA will hold at least a dozen in-person sessions over the next few months. Additional details on the listening sessions are available on the RMA website.

The request for information, which includes details for submitting feedback, is available in this Federal Register notice.

Prevented planting insurance provisions provide valuable coverage when extreme weather conditions prevent expected plantings. Prevented planting is when a producer is unable to plant an insured crop due to an insurable cause of loss in time to grow a viable crop. Final planting dates and late planting periods are detailed in a producer's crop insurance policy, and they vary by crop and location. Prevented planting coverage is intended to assist with normal costs associated with preparing the land up to the point of seed going into the ground (pre-plant costs).

USDA in South Dakota

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