



In This Issue:

- [FSA State Director Message](#)
- [RD State Director Message](#)
- [USDA Offers Drought Impacted Virginia Farmers and Ranchers Immediate Disaster Assistance](#)
- [FSA Offers Disaster Assistance for Qualifying Tree, Bush and Vine Losses](#)
- [USDA Reminds Virginia Livestock Producers of Available Drought Assistance](#)
- [USDA to Provide More Than \\$3 Billion to Commodity and Specialty Crop Producers Impacted by 2022 Natural Disasters](#)
- [Maintaining ARC/PLC Acreage](#)
- [Know your Final Planting Dates](#)
- [Applying for Farm Storage Facility Loans](#)
- [Malted Grains and Maple Syrup Eligible for Farm Storage Facility Loans](#)
- [Borrower Training for Farm Loan Customers](#)
- [Disaster Set-Aside Program for Farm Loan Borrowers](#)
- [Selected Interest Rates for December](#)

FSA State Director Message

As the holiday season approaches, I want to extend our warmest wishes to you and your family. May this time be filled with joy, peace, and happiness. Your hard work throughout the year has been invaluable, and we look forward to another year of achievements together.

There have been a host of other personal and professional challenges we faced in 2023. Yet challenge always bring about great opportunity. Our agency core values, to provide fair and equitable service.

I have seen employees step up and tackle issues in innovative way. I am very grateful and proud of our accomplishments this year. We have continued to carry out important work, meeting deadlines and reaching the community to share program information.

We all deserve a chance to relax, recharge and reflect as the year ends. As your State Executive Director, I sincerely encourage you to take time this holiday season to connect with your loved ones and renew your strength for the year ahead.

Happy Holidays

Dr. Ronald M. Howell, Jr., FSA State Executive Director

RD State Director Message

While many holiday traditions are unique to our families and cultures, I think we can all agree that this season brings people together to reflect on what's really important. Your friends at Rural Development are committed to making Virginia's small towns the best possible places to live and work and are grateful for the opportunity to work alongside you to build a brighter future for communities across the commonwealth.

This has truly been a year to remember with significant achievements in every program area. From fiber-to-the-premises broadband network expansion to infrastructure upgrades and meat and poultry supply chain improvements, the Virginia team led the way in transforming rural America for the better. Working closely with community partners, we engaged in targeted outreach and one-on-one conversations to ensure that investments were made in areas of greatest need.

RD helped more than 300 Virginians to become homeowners and provided loans and grants for police and fire vehicles to enhance public safety in persistent poverty areas. Water and wastewater treatment plant upgrades addressed identified health hazards and Emergency Rural Healthcare and Distance Learning and Telemedicine grants positively impacted quality of life in Appalachia and beyond.

We also added to our growing family of [Value Added Producer Grant](#) (VAPG) recipients, unveiling 16 new projects after the Thanksgiving holiday. The \$250,000 awards will help eight vineyards, two breweries/distilleries, two vegetable operations, three meat and seafood businesses and one goat farm create new and better markets for their products and strengthen the nation's food supply chains in the process.

[Read the full release](#) to learn more about this year's investments in Virginia agricultural enterprises and reach out to Casi McKinnon at (276) 228-3513, ext. 9380, or cassidy.mckinnon@usda.gov to open a dialogue on proposed 2024 projects. While the application window is currently closed, it's never too early to start exploring opportunities available through this program.

Best wishes for a happy holiday season and health and prosperity in the new year.

Perry Hickman, RD State Director

USDA Offers Drought Impacted Virginia Farmers and Ranchers Immediate Disaster Assistance

USDA's Farm Service Agency (FSA) offers disaster assistance and low-interest loan programs to assist you in your recovery efforts following drought. Available programs and loans include:

- **Non-Insured Crop Disaster Assistance Program (NAP)** - provides financial assistance to producers of non-insurable crops when low yields, loss of inventory, or prevented planting occur due to natural disasters including qualifying drought (includes native grass for grazing).
- **Livestock Forage Disaster Program (LFP)** – provides compensation to eligible livestock producers who suffered grazing losses for covered livestock due to drought on privately owned or cash leased land
- **Livestock Indemnity Program (LIP)** - offers payments to eligible producers for livestock death losses in excess of normal mortality due to adverse weather. Drought is not an eligible adverse weather event, except when associated with anthrax, a condition that occurs because of drought and directly results in the death of eligible livestock.
- **Tree Assistance Program (TAP)** – provides assistance to eligible orchardists and nursery tree growers for qualifying tree, shrub and vine losses due to natural disasters including excessive wind and qualifying drought.
- **Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP)** - provides emergency relief for losses due to feed or water shortages, disease, adverse weather, or other conditions, which are not adequately addressed by other disaster programs.
- **Emergency Loan Program** – available to producers with agriculture operations located in a county under a primary or contiguous Secretarial Disaster designation. These low interest loans help producers recover from production and physical losses.
- **Emergency Conservation Program (ECP)** - provides emergency funding for farmers and ranchers to rehabilitate land severely damaged by natural disasters and to implement emergency water conservation measures in periods of severe drought.

To establish or retain FSA program eligibility, you must report prevented planting and failed acres (crops and grasses). Prevented planting acreage must be reported on form *FSA-576, Notice of Loss*, no later than 15 calendar days after the final planting date as established by FSA and Risk Management Agency (RMA).

For more information on these programs, contact your County USDA Service Center at or visit fsa.usda.gov/disaster.

FSA Offers Disaster Assistance for Qualifying Tree, Bush and Vine Losses

If you're an orchardist or nursery tree grower whose experienced losses from natural disasters during calendar year 2023, you must submit a TAP application either 90 calendar days after the disaster event or the date when the loss is apparent.

TAP provides financial assistance to help you replant or rehabilitate eligible trees, bushes and vines damaged by natural disasters.

Eligible tree types include trees, bushes or vines that produce an annual crop for commercial purposes. Nursery trees include ornamental, fruit, nut and Christmas trees that are produced for commercial sale. Trees used for pulp or timber are ineligible.

To qualify for TAP, orchardists must suffer a qualifying tree, bush or vine loss in excess of 15 percent mortality from an eligible natural disaster, plus an adjustment for normal mortality. The eligible trees, bushes or vines must have been owned when the natural disaster occurred; however, eligible growers are not required to own the land on which the eligible trees, bushes and vines were planted.

If the TAP application is approved, the eligible trees, bushes and vines must be replaced within 12 months from the date the application is approved. The cumulative total quantity of acres planted to trees, bushes or vines, for which you can receive TAP payments, cannot exceed 1,000 acres annually.

USDA Reminds Virginia Livestock Producers of Available Drought Assistance

USDA's Farm Service Agency (FSA) reminds drought-impacted producers in Virginia that they may be eligible for assistance through the [Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program \(ELAP\)](#).

For eligible livestock 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; and
- the above normal cost of transporting livestock to forage/grazing acres.* **Hauling livestock both ways starting in 2023, one haul per animal reimbursement and no payment for "empty miles."*

Eligible livestock include cattle, bison, goats and sheep, among others, that are maintained for commercial use and located in a county where 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.

Transporting Water

Producers must be transporting water to eligible livestock on eligible grazing land where adequate livestock watering systems or facilities were in place before the drought occurred and where water transportation is not normally required. ELAP covers costs associated with personal labor, equipment, hired labor, and contracted water transportation fees. Cost of the water itself is not covered. ELAP covers \$0.07 per gallon to transport water.

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 cost above what would normally would have been incurred during the same time period in a normal (non-drought) year.

Livestock feed that is transported to livestock located on land enrolled in the Conservation Reserve Program (CRP) is eligible if the producer has an approved conservation plan with acceptable grazing practices developed in coordination with the Natural Resources Conservation Service

The payment rate to transport feed is \$6.60/ loaded mile for expenses above what would have normally been incurred.

Transporting Livestock

ELAP provides financial assistance to livestock producers who are hauling livestock to a new location for feed resources due to insufficient feed or grazing in drought-impacted areas. As with transporting feed, the payment formula for transporting livestock 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.

The payment rate to transport livestock is \$6.60/loaded mile for expenses above what would have normally been incurred and covers hauling livestock one-way, one haul per animal reimbursement and no payment for “empty miles.”

An [online tool](#) is now available to help ranchers document and estimate payments to cover feed and livestock transportation costs caused by drought.

Reporting Losses

Producers should contact FSA as soon as the loss of water 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, the costs of additional feed purchases, and the costs of transporting eligible livestock to forage or other grazing acres.

More Information

Producers interested in ELAP assistance can contact their local [USDA Service Center](#) to learn more or to apply for programs.

USDA to Provide More Than \$3 Billion to Commodity and Specialty Crop Producers Impacted by 2022 Natural Disasters

The U. S Department of Agriculture (USDA) will provide more than \$3 billion to commodity and specialty crop producers impacted by natural disaster events in 2022. Eligible impacted producers can apply for financial assistance through the [Emergency Relief Program \(ERP\) 2022](#). The program will help offset the financial impacts of crop yield and value losses from qualifying disasters occurring in 2022.

Background

On Dec. 29, 2022, President Biden signed into law the *Disaster Relief Supplemental Appropriations Act, 2023 (P.L. 117-328)* that provides about \$3.7 billion in financial assistance for agricultural producers impacted by eligible natural disasters that occurred in calendar year 2022.

ERP 2022 covers losses to crops, trees, bushes and vines due to qualifying, calendar year 2022 natural disaster events including wildfires, hurricanes, floods, derechos, excessive heat, tornadoes, winter storms, freeze (including a polar vortex), smoke exposure, excessive moisture, qualifying drought and related conditions.

ERP 2022 program benefits will be delivered to eligible producers through a two-track process. FSA intends to make both tracks available to producers at the same time. This two-track approach enables USDA to:

- Streamline the application process.
- Reduce the paperwork burden on producers.
- Proactively include provisions for underserved producers who have not been well served by past emergency relief efforts.
- Encourage producer participation in existing risk management programs to mitigate the impacts of future severe weather events.

It's important to note that disaster-impacted producers may be eligible for ERP 2022 assistance under one or both tracks. To avoid duplicative benefits, if a producer applies for both tracks, the Track 2 payment calculation will take into account any payments received through Track 1.

ERP 2022 Application Process – Track 1

ERP 2022 Track 1 leverages existing federal crop insurance or Noninsured Crop Disaster Assistance Program (NAP) data as the basis for calculating payments for eligible crop producers who received indemnities through these risk management programs.

Although FSA is sending pre-filled ERP 2022 Track 1 application forms to producers who have crop insurance and NAP data already on file with USDA, producers indemnified for losses resulting from 2022 natural disasters do not have to wait to receive the application before requesting ERP 2022 assistance. Effective Oct. 31, 2023, producers can apply for ERP 2022 benefits whether they have received the pre-filled application or not. Receipt of a pre-filled application is not confirmation that a producer is eligible to receive an ERP 2022 Track 1 payment.

USDA estimates that ERP Track 1 benefits will reach more than 206,000 producers who received indemnities for losses covered by federal crop insurance and more than 4,500 producers who obtained NAP coverage for the 2022 crop year.

ERP 2022 Application Process – Track 2

Track 2 is a revenue-based certification program designed to assist eligible producers who suffered an eligible decrease in revenue resulting from 2022 calendar year disaster events when compared with revenue in a benchmark year using revenue information that is readily available from most tax records. In cases where revenue does not reasonably reflect a normal year's revenue, Track 2 provides an alternative method for establishing revenue. Likewise, Track 2 affords producers of crops that are used within an operation and do not generate revenue from the sale of the crop a method for establishing revenue for the purpose of applying for ERP 2022 benefits. Producers are not required to submit tax records to FSA unless requested by the County Committee if required for an FSA compliance spot check.

Although not required when applying for ERP 2022 Track 2, applicants might find the following documents useful to the process:

- Schedule F (Form 1040)
- *Profit or Loss from Farming* or similar tax documents for tax years 2018, 2019, 2022 and 2023.

Track 2 targets gaps in emergency relief assistance for eligible producers whose eligible losses were not covered by crop insurance or NAP including revenue losses too small (shallow loss) to be covered by crop insurance.

Producers interested in applying for ERP 2022 Track 2, should contact their local FSA county office. Additional reference resources can be found on FSA's [emergency relief website](#).

Additional Required Forms

For both ERP 2022 tracks, all producers must have certain required forms on file with FSA within 60 days of the ERP 2022 deadline. Producers can apply for ERP 2022 starting Oct. 31, 2023. The application deadline has not yet been determined and will be announced at a later date. If not already on file, producers can update, complete and submit required forms to FSA at any time.

Required forms:

- Form AD-2047, *Customer Data Worksheet*.
- Form CCC-902, *Farm Operating Plan* for an individual or legal entity.
- Form CCC-901, *Member Information for Legal Entities* (if applicable).
- Form FSA-510, *Request for an Exception to the \$125,000 Payment Limitation for Certain Programs* (if applicable).
- Form CCC-860, *Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification*, if applicable, for the 2022 program year.
- A highly erodible land conservation (sometimes referred to as HELC) and wetland conservation certification (Form AD-1026 *Highly Erodible Land Conservation (HELC)*)

and Wetland Conservation (WC) Certification) for the ERP producer and applicable affiliates.

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 the status of their forms can contact their local FSA county office.

Future Insurance Coverage Requirements

All producers who receive ERP 2022 payments must purchase crop insurance, or NAP coverage where crop insurance is not available, in the next two available crop years as determined by the Secretary. Purchased coverage must be at the 60/100 coverage level or higher for insured crops or at the catastrophic coverage level or higher for NAP crops.

More Information

ERP 2022 eligibility details and payment calculation factor tables are available on the [emergency relief website](#), in the [ERP Track 1](#) and [ERP Track 2](#) fact sheets and through your local [FSA county office](#).

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.

Know your Final Planting Dates

All producers are encouraged to contact their local FSA office for more information on the final planting date for specific crops. The final planting dates vary by crop, planting period and county so please contact your local FSA office for a list of county-specific planting deadlines. The timely planting of a crop, by the final planting date, may prevent loss of program benefits.

Applying for Farm Storage Facility Loans

The Farm Service Agency's (FSA) Farm Storage Facility Loan (FSFL) program provides low-interest financing to help you build or upgrade storage facilities and to purchase portable (new or used) structures, equipment and storage and handling trucks.

Eligible commodities include corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley, minor oilseeds harvested as whole grain, pulse crops (lentils, chickpeas and dry peas), hay, honey, renewable biomass, fruits, nuts and vegetables for cold storage facilities, floriculture, hops, maple sap, rye, milk, cheese, butter, yogurt, meat and poultry (unprocessed), eggs, and aquaculture (excluding systems that maintain live animals through

uptake and discharge of water). Qualified facilities include grain bins, hay barns and cold storage facilities for eligible commodities.

Loans up to \$50,000 can be secured by a promissory note/security agreement, loans between \$50,000 and \$100,000 may require additional security, and loans exceeding \$100,000 require additional security.

You do not need to demonstrate the lack of commercial credit availability to apply. The loans are designed to assist a diverse range of farming operations, including small and mid-sized businesses, new farmers, operations supplying local food and farmers markets, non-traditional farm products, and underserved producers.

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

Malted Grains and Maple Syrup Eligible for Farm Storage Facility Loans

Malted small grains and maple syrup are now eligible for Farm Storage Facility Loans (FSFL) through the USDA Farm Service Agency (FSA).

FSFLs provide low-interest financing to help you build or upgrade storage facilities and to purchase portable (new or used) structures, equipment and storage and handling trucks.

Eligible malted small grains include barley, oats, rice, rye and wheat. Maple sap is used to produce maple syrup.

The low-interest funds can be used for:

- bottler or filling systems for maple syrup, excluding containers
- equipment to improve, maintain, or monitor the quality of stored FSFL commodities, such as cleaners, moisture testers, heat detectors, along with a proposed storage facility
- handling and drying equipment determined by the County Committee to be needed and essential to the proper functioning of a storage system
- electrical equipment, such as pumps, lighting, motors, and wiring, integral to the proper operation of the storage and handling equipment, excluding installing electric service to the electrical meter.

FSFLs are not available for the actual processing of the small grain into the malted commodity or maple sap into maple syrup. Additionally, purchased commodities are not eligible for FSFLs.

The following storage and handling equipment is ineligible for FSFLs:

- boiling equipment
- feed handling and processing equipment
- production and feed facilities

- structures of a temporary nature not having a useful life of the term of the loan
- maple sap tubing and pumping systems.

Loans up to \$50,000 can be secured by a promissory note/security agreement, loans between \$50,000 and \$100,000 may require additional security, and loans exceeding \$100,000 require additional security.

You do not need to demonstrate the lack of commercial credit availability to apply. The loans are designed to assist a diverse range of farming operations, including small and mid-sized businesses, new farmers, operations supplying local food and farmers markets, non-traditional farm products, and underserved producers.

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

Borrower Training for Farm Loan Customers

Borrower training is available for all Farm Service Agency (FSA) customers. This training is required for all direct loan applicants, unless the applicant has a waiver issued by the agency.

Borrower training includes instruction in production and financial management. The purpose is to help the applicants develop and improve skills that are necessary to successfully operate a farm and build equity in the operation. It aims to help the producer become financially successful. Borrower training is provided, for a fee, by agency approved vendors. Contact your local FSA Farm Loan Manager for a list of approved vendors.

Disaster Set-Aside Program for Farm Loan Borrowers

Farm Service Agency (FSA) borrowers with farms located in designated primary or contiguous disaster areas who are unable to make their scheduled FSA loan payments should consider the Disaster Set-Aside (DSA) program.

DSA is available to producers who suffered losses as a result of a natural disaster and relieves immediate and temporary financial stress. FSA is authorized to consider setting aside the portion of a payment/s needed for the operation to continue on a viable scale.

Borrowers must have at least two years left on the term of their loan in order to qualify.

Borrowers have eight months from the date of the disaster designation to submit a complete application. The application must include a written request for DSA signed by all parties liable for the debt along with production records and financial history for the operating year in which the disaster occurred. FSA may request additional information from the borrower in order to determine eligibility.

All farm loans must be current or less than 90 days past due at the time the DSA application is complete. Borrowers may not set aside more than one installment on each loan.

The amount set-aside, including interest accrued on the principal portion of the set-aside, is due on or before the final due date of the loan.

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

Selected Interest Rates for December

90-Day Treasury Bill	5.625%
Farm Operating Loans — Direct	5.75%
Farm Ownership Loans — Direct	5.875%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.875%
Emergency Loans	3.75%
Farm Storage Facility Loans - (7 years)	4.625%
Commodity Loans 1996-Present	6.375%



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