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#### USDA U.S. DEPARTMENT OF AGRICULTURE

Virginia July Newsletter Articles and Updates - July 2024

Farm Service Agency | Natural Resources Conservation Service | Risk Management Agency

In This Issue:

- <u>State Executive Director Message</u>
- <u>NRCS Director Message</u>
- RD State Director Message
- USDA and FarmRaise Launch Additional Online Disaster Assistance
  Decision Tool for Livestock, Honey Bee and Farm-Raised Fish
  Producers
- Is the Noninsured Crop Disaster Assistance Program Right for You?
- FSA Is Accepting CRP Continuous Enrollment Offers
- <u>Reminder: Insurance Linkage Requirements for Payments Received</u>
  <u>Through the Emergency Relief Program</u>
- Environmental Review Required Before Project Implementation
- <u>Applying for Farm Storage Facility Loans</u>
- FSA Outlines MAL and LDP Policy
- Know your Final Planting Dates
- USDA Reminds Producers of Climate-Smart Opportunities Using Farm
  Loan Programs
- USDA Microloans Help Farmers Purchase Farmland and Improve Property
- <u>NRCS Announces FY2025 Application Batching Date for ACEP, CSP,</u> <u>EQIP, RCPP</u>
- Selected Interest Rates for July 2024

#### State Executive Director Message



Secretary Vilsack and State Executive Director, Dr. Ronald M. Howell, Jr. emphasized that the importance of an internship experience cannot be overstated. Today, employers favor prospective employees who have done not only one internship but multiple internships. A college education will serve to propel a graduate into a profession by conferring a degree, which demonstrates an academic proficiency in various theoretical and practical examples of ways that a job might be performed. An internship makes the classroom's abstract theories and learned examples concrete by placing the student in a real-life work situation with real live co-workers performing actual professional tasks, which the job encompasses.

Therefore, a paid internship allows you to gain valuable professional experience, where you might otherwise have none, your self-confidence and self-esteem grows, and statistics indicate that the percentage you'll be one of the people who finds a job easily dramatically increases, which after all is why you're going to college in the first place.

USDA is looking to increase positive change. Well, one way is ensured that new employees are knowledgeable and efficient in what they bring to the workplace, maximizing time and integration into the present workplace. Another way is for USDA to work with colleges and universities on career day to bring knowledgeable and energetic interns. USDA wants to ensure

#### NRCS Director Message

I was fortunate earlier this month to attend a one-day stakeholder forum at Virginia State University that featured the Virginia Climate-Smart Commodities Program. The goal of the meeting was to enhance communication between USDA and state-level project leaders and the broader agricultural and conservation communities. Our hosts were the Institute for Engagement and Negotiation in collaboration with the Virginia Soil Health Coalition.

The USDA and its Natural Resources Conservation Service (NRCS) are dedicated to supporting a wide range of customers through these partnerships while emphasizing climate-smart practices and their significant benefits to agricultural production.

Nationwide, the USDA has committed more than \$3.1 billion to 141 approved projects through the climate-smart initiative, with \$937 million allocated to 30 projects that include Virginia. These projects are tailored to our state and region, encompassing 54 key commodities and 94 supportive, climate-smart practices. The national total represents 21 percent of all USDA-funded projects.

I'd like to thank the forum's organizers for giving NRCS a seat at the table and staging an efficient and highly productive meeting centering on one of our most significant ongoing initiatives.

Dr. Edwin Martinez Martinez, NRCS Virginia State Conservationist

#### **RD State Director Message**

If you've worked with USDA Rural Development or its sister agencies for any length of time, you're probably used to a lot of "alphabet soup." We've got acronyms for everything and have just added one more that could ultimately benefit your operation.

It's called the **Food Access and Retail Expansion Fund (FARE Fund)** and the program is designed to help retailers and retail suppliers implement projects to get fresh, nutritious meal options into areas with limited access to grocery stores. If you're wondering why you should be interested in this new program, the answer is simple. Market opportunities.

Food deserts can be found in every region of our state and getting healthier choices into more Virginia communities is a win for us all. The FARE Fund will be available for the next five years and falls under the <u>Healthy Food Financing Initiative</u> (HFFI), which has already helped stores in many rural communities increase the food they purchase from local farmers and provide more options for customers.

Over <u>\$25 million</u> has been awarded directly to food retail and food enterprise projects in 48 states, Washington D.C. and Puerto Rico. More than \$40 million has also been awarded to 16 new and existing regional, state, and local food financing programs through

HFFI's Local and Regional Healthy Food Financing Partnerships Program launched last year.

Thanks to President Biden's American Rescue Plan Act, we've been able to set aside \$60 million in loans, grants and technical assistance for the next round of projects. That's a great step forward for farmers AND underserved communities!

#### Perry Hickman - State Director

## USDA and FarmRaise Launch Additional Online Disaster Assistance Decision Tool for Livestock, Honey Bee and Farm-Raised Fish Producers

The U.S. Department of Agriculture, in partnership with FarmRaise, today launched a new, online Emergency Assistance for Livestock, Honey Bees and Farm-raised Fish Program (ELAP) Decision Tool. The USDA's Farm Service Agency (FSA) tool is designed to assist agricultural producers who have been impacted by natural disasters access available program support. This ELAP Decision Tool, a component of a broader disaster assistance program educational module, further expands the library of online FSA disaster and farm loan program reference resources and decision aids currently available to agricultural producers on the FarmRaise <u>FSA educational hub</u>. The Decision Tool is a resource only and is not an application for benefits or a determination of eligibility.

<u>ELAP</u> is designed to address losses not covered by other FSA disaster assistance programs. The program provides recovery assistance to eligible producers of livestock, honey bee, and farm-raised fish losses due to an eligible adverse weather or loss condition, including drought, blizzards, disease, water shortages and wildfires. ELAP covers grazing and feed losses, transportation of water and feed to livestock and hauling livestock to grazing acres due to an eligible loss condition. ELAP also covers certain mortality losses, due to an eligible condition, for livestock including honey bees and farmraised fish as well as honey bee hive losses.

#### New FarmRaise Tools and Resources

<u>FarmRaise</u>, in partnership with FSA, recently launched their online, <u>educational hub</u> – the FarmRaise | FSA Educational Hub – comprised of videos, tools and interactive resources that enable USDA cooperators and agricultural producers to learn about and access major FSA programs.

A new addition to the hub, the ELAP Decision Tool helps eligible producers impacted by qualifying natural disasters and other eligible causes of loss better understand program eligibility and application requirements, learn about record-keeping and supporting loss documentation requirements and track the steps needed before applying for program benefits. The document generated by the ELAP Decision Tool can be used to support the ELAP application process, but it is not a program application. Producers will need to complete and submit the ELAP Application to their local FSA county office. Upon request,

applicants may be asked to provide additional supporting documentation per the program requirements.

Through use of the ELAP Decision Tool, producers can segment by loss type (honey bee, farm-raised fish and livestock). This enables easier navigation, as guided by the tool, to assistance available to meet specific disaster recovery needs. After entering the type of loss, identifying the loss condition and entering their inventory and loss information, producers are guided through a worksheet that helps identify required loss documentation — documentation (i.e., pictures, receipts, truck logs, etc.) that can be uploaded through the ELAP tool and sent directly to the producer's local FSA county office, or producers can provide a copy of the tool-generated worksheet summary document when they visit their local FSA county office to complete and submit the required ELAP application.

#### Additional FarmRaise Resources

The previously announced Livestock Indemnity Program (LIP) Decision Tool, also available through the FarmRaise | FSA Educational Hub, assists livestock producers who suffered losses from eligible adverse weather events and other causes of loss as well as cooperators who are helping disaster-impacted livestock producers navigate available federal disaster assistance programs. The LIP Decision Tool gives producers guidance on what is needed to gather and submit required loss documentation, reducing the amount of time needed to complete applications and enabling FSA county office staff to deliver much-needed assistance faster. Using the LIP Decision Tool is not an application for benefits or a determination of eligibility.

In addition to the new ELAP Decision Tool and the LIP Decision Tool, the FarmRaise | FSA Educational Hub offers several, easily navigated farm loan programs how-to videos designed to introduce producers to FSA's many farm loan programs options and guide them through the application process.

More FSA program resources and tools will continue to be added to the FarmRaise | FSA Educational Hub. Cooperators and agricultural producers are encouraged to visit the FarmRaise | FSA Educational Hub often to access all available educational resources.

## Is the Noninsured Crop Disaster Assistance Program Right for You?

Farmers and ranchers rely on crop insurance to protect themselves from disasters and unforeseen events, but not all crops are insurable through the USDA's Risk Management Agency. The Farm Service Agency's (FSA) Noninsured Crop Disaster Assistance Program (NAP) provides producers another option to obtain coverage against disaster for these crops. NAP provides financial assistance to producers of non-insurable crops impacted by natural disasters that result in lower yields, crop losses, or prevents crop planting.

Commercially produced crops and agricultural commodities for which crop insurance is not available are generally eligible for NAP. Eligible crops include those grown specifically for food, fiber, livestock consumption, biofuel or biobased products, or value loss crops such as aquaculture, Christmas trees, ornamental nursery, and others. Contact your local FSA office to see which crops are eligible in your state and county.

Eligible causes of loss include drought, freeze, hail, excessive moisture, excessive wind or hurricanes, earthquake and flood. These events must occur during the NAP policy coverage period, before or during harvest, and the disaster must directly affect the eligible crop. For guidance on causes of loss not listed, contact your local FSA county office.

Interested producers apply for NAP coverage using FSA form <u>CCC-471</u>, "Application for Coverage," and pay the applicable service fee at the FSA office where their farm records are maintained. These must be filed by the application closing date, which varies by crop. Contact your local FSA office to verify application closing dates and ensure coverage for eligible NAP crops.

At the time of application, each producer acknowledges they have received the <u>NAP Basic</u> <u>Provisions</u>, which describes NAP requirements for coverage. NAP participants must report crop acreage shortly after planting and provide verifiable or reliable crop production records when required by FSA.

Producers are required to pay service fees which vary depending on the number of crops and number of counties your operation is located in. The NAP service fee is the lesser of \$325 per crop or \$825 per producer per administrative county, not to exceed a total of \$1,950 for a producer with farming interests in multiple counties. Premiums also apply when producers elect higher levels of coverage with a maximum premium of \$15,750 per person or legal entity.

A producer's certification on Form CCC-860 *Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification* may serve as an application for basic NAP coverage for all eligible crops beginning with crop year 2022. These producers will have all NAP-related service fees for basic coverage waived, in addition to a 50 percent premium reduction if higher levels of coverage are elected.

For more detailed information on NAP, download the <u>NAP Fact Sheet</u>. To get started with NAP, we recommend you contact your <u>local USDA service center</u>.

#### FSA Is Accepting CRP Continuous Enrollment Offers

The Farm Service Agency (FSA) is accepting offers for specific conservation practices under the <u>Conservation Reserve Program (CRP) Continuous Signup</u>.

In exchange for a yearly rental payment, farmers enrolled in the program agree to remove environmentally sensitive land from agricultural production and to plant species that will improve environmental health and quality. The program's long-term goal is to re-establish valuable land cover to improve water quality, prevent soil erosion, and reduce loss of wildlife habitat. Contracts for land enrolled in CRP are 10-15 years in length.

Under continuous CRP signup, environmentally sensitive land devoted to certain conservation practices can be enrolled in CRP at any time. Offers for continuous

enrollment are not subject to competitive bidding during specific periods. Instead they are automatically accepted provided the land and producer meet certain eligibility requirements and the enrollment levels do not exceed the statutory cap.

For more information, including a list of acceptable practices, contact your County USDA Service Center or visit <u>fsa.usda.gov/crp</u>.

#### Reminder: Insurance Linkage Requirements for Payments Received Through the Emergency Relief Program

Producers who received an Emergency Relief Program (ERP) payment need to meet ERP insurance linkage requirements by purchasing crop insurance, or Noninsured Crop Disaster Assistance Program (NAP) coverage where crop insurance is not available.

Purchase 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 for the next two available crop years, which will be determined from the date you received an ERP payment and may vary depending on the timing and availability of coverage. The insurance coverage requirement applies to the physical location of the county where the crop was located and for which an ERP payment was issued.

Contact your crop insurance agent or local FSA county office as soon as possible to ask about coverage options. Producers who do not obtain the applicable coverage by the sales/application closing date will be required to refund the ERP benefits received on the applicable crop, plus interest. To determine which crops are eligible for federal crop insurance or NAP, visit the RMA website.

For more information, contact your local <u>USDA Service Center</u> or visit fsa.usda.gov.

## Environmental Review Required Before Project Implementation

The National Environmental Policy Act (NEPA) requires Federal agencies to consider all potential environmental impacts for federally funded projects before the project is approved.

For all Farm Service Agency (FSA) programs, an environmental review must be completed before actions are approved, such as site preparation or ground disturbance. These programs include, **but are not limited to**, the Emergency Conservation Program (ECP), Farm Storage Facility Loan (FSFL) program and farm loans. If project implementation begins before FSA has completed an environmental review, the request will be denied. Although there are exceptions regarding the Stafford Act and emergencies, it's important to wait until you receive written approval of your project proposal before starting any actions. Applications cannot be approved until FSA has copies of all permits and plans. Contact your local FSA office early in your planning process to determine what level of environmental review is required for your program application so that it can be completed timely.

## 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 <u>fsa.usda.gov/pricesupport</u>.

#### FSA Outlines MAL and LDP Policy

Marketing Assistance Loans (MALs) and Loan Deficiency Payments (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 2024 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 <u>CCC-633EZ</u>, <u>Page 1</u> 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 County USDA Service Center or visit <u>fsa.usda.gov</u>.

#### 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.

#### USDA Reminds Producers of Climate-Smart Opportunities Using Farm Loan Programs

The U.S. Department of Agriculture's Farm Service Agency (FSA) reminds agricultural producers that Farm Loan Programs can be used to support a variety of climate-smart agriculture practices, which build on many practices that farmers and ranchers already use, like cover cropping, nutrient management and conservation tillage.

Climate-smart agricultural practices generate significant environmental benefits by capturing and sequestering carbon, improving water management, restoring soil health and more. Farm loan funding complements other tools to help producers adopt climate-smart practices, such as FSA's <u>Conservation Reserve Program</u>, <u>crop insurance options</u> that support conservation, and <u>conservation programs</u> offered by USDA's Natural Resources Conservation Service (NRCS).

FSA offers <u>multiple types of loans</u> to help farmers and ranchers start, expand or maintain a family agricultural operation. These loans can provide the capital needed to invest in climate-smart practices and equipment including the establishment of rotational grazing systems, precision agriculture equipment or machinery for conversion to no-till residue management. Additionally, for programs like Conservation Reserve Program and NRCS conservation programs where USDA and the producer share the implementation cost, a farm loan could be used for the producer's share, if consistent with the authorized loan purpose.

Some additional ways farm loans can be leveraged to invest in climate-smart agriculture practices or equipment include:

- Precision Agriculture Equipment Eligible producers could use a Term Operating Loan to purchase equipment like GPS globes, monitors, or strip till fertilizer equipment.
- Cover Crops Eligible producers could use an Annual Operating Loan for seed costs.
- **No/Reduced Till** Eligible producers could use a Term Operating Loan to purchase equipment.
- Livestock Facility Air Scrubber or Waste Treatment Eligible producers could use a Farm Ownership Loan for capital improvements to livestock facilities.
- **Cross Fencing** Eligible producers could use an Annual or Term Operating Loan to purchase fencing and installation equipment.

Visit the <u>Climate-Smart Agriculture and Forestry webpage on farmers.gov</u> to learn more and see detailed examples of how an FSA farm loan can support climate-smart agriculture practices.

## USDA Microloans Help Farmers Purchase Farmland and Improve Property

Farmers can use USDA farm ownership microloans to buy and improve property. These microloans are especially helpful to beginning or underserved farmers, U.S. veterans looking for a career in farming, and those who have small and mid-sized farming operations. Microloans have helped farmers and ranchers with operating costs, such as feed, fertilizer, tools, fencing, equipment, and living expenses since 2013.

Microloans can also help with farmland and building purchases and soil and water conservation improvements. FSA designed the expanded program to simplify the application process, expand eligibility requirements and expedite smaller real estate loans to help farmers strengthen their operations. Microloans provide up to \$50,000 to qualified producers and can be issued to the applicant directly from the USDA Farm Service Agency (FSA).

To learn more about the FSA microloan program, contact your County USDA Service Center or visit <u>fsa.usda.gov/microloans</u>.

# NRCS Announces FY2025 Application Batching Date for ACEP, CSP, EQIP, RCPP

The Virginia Natural Resources Conservation Service (NRCS) is announcing the close of business on Oct. 11, 2024, as the batching date by which all applications to be evaluated for funding in Fiscal Year 2025 must be received by the local NRCS service center.

The programs are the Agricultural Conservation Easement Program (ACEP), the Conservation Stewardship Program (CSP), the Environmental Quality Incentives Program (EQIP) and the Regional Conservation Partnership Program (RCPP). To be considered for funding in FY2025, applicants must additionally be 100 percent eligible by close of business on Dec. 13, 2024.

Applications must be submitted to your local <u>USDA NRCS office</u>. Each applicant must establish themselves as a USDA customer and obtain all Farm Service Agency (FSA) eligibility requirements by Dec. 13. Please note, Adjusted Gross Income (AGI) determination takes an average of three weeks to be processed by the Internal Revenue Service. It is highly recommended that applicants submit their completed AGI form to FSA several weeks prior to the FSA eligibility determination. Anyone submitting an AGI form to FSA on the last day of the application period will fail to meet the deadline for consideration during FY2025.

Although applications are accepted on a year-round basis, eligible applicants interested in ACEP, CSP, EQIP or RCPP must first submit their application to their local service center by Oct. 11 and then submit the following eligibility determinations to FSA by Dec. 13:

- Highly erodible lands and wetland determination (AD 1026)
- Adjusted Gross Income form (CCC 941)
- Farm and track eligibility determination
- Farm operating plan (CCC 902)

Additional documentation may be required for ACEP applications.

NRCS will conduct an assessment and rank all eligible applications received by the batching date and will fund applications in ranking order as available funding allows.

Selected Interest Rates for July 2024	
90-Day Treasury Bill	5.5%
Farm Operating Loans — Direct	5.5%
Farm Ownership Loans — Direct	5.75%

Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.75%
Emergency Loans	3.75%
Farm Storage Facility Loans - (7 years)	4.375%
Commodity Loans 1996-Present	6.125%



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