

Virginia May Newsletter Articles and Updates - May 18, 2024

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

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State Executive Director Message

USDA Now Accepting Applications for Available Funds to Help Cover Organic Certification Costs

VIRGINIA, now accepting application through the <u>Organic Certification Cost Share</u> <u>Program</u> (OCCSP), USDA's Farm Service Agency (FSA) will cover up to 75% of organic certification costs at a maximum of \$750 per certification category. FSA is now accepting applications, and organic producers and handlers should apply for OCCSP by the Oct. 31, 2024, deadline for eligible expenses incurred from Oct. 1, 2023, to Sept. 30, 2024. FSA will issue payments as applications are received and approved.

Costs associated with obtaining organic certification can be a barrier for Virginia producers wanting to get certified. FSA helps Virginia organic producers obtain certification and leverage

related benefits like premium prices for commodities and access to broader markets and additional technical assistance.

OCCSP was part of a <u>broader organic announcement</u> made by Agriculture Secretary Tom Vilsack on May 15, 2024, which also included the Organic Market Development Grant program and Organic Transition Initiative.

How to Apply

To apply, producers and handlers should contact FSA at their local <u>USDA Service Center</u> and be prepared to provide documentation of organic certification and eligible expenses. OCCSP applications can also be submitted through participating state departments of agriculture. For more information, visit the <u>OCCSP</u> webpage.

NRCS Director Message

I'd like to use my space this month to promote what I feel is one of the Natural Resources Conservation Service's most valuable forms of outreach, both in Virginia and in the nation at large. Every spring, every NRCS field office is tasked with helping to assemble and conduct a meeting with a Local Work Group (LWG) composed of ag producers and landowners in the area served by that field office. LWGs serve to create consistency and continuity in NRCS field operations and to increase communication on all levels between our staff members and our clients. Just as importantly for me, they underline the fact that all our programs are designed to be active partnership efforts, emphasizing local leadership and community involvement.

Each of our 41 field offices in the state – in conjunction with its aligned soil and water conservation district -- will be forming an LWG this spring. Meetings will include topics chosen in advance by the organizers, but will also provide for discussions suggested by attendees. Participants can also expect to be briefed on new USDA initiatives and to receive progress reports on existing USDA and SWCD programs. Following the meetings, NRCS district managers will file a detailed report with the State Office, where inputs will be reviewed by the state conservationist and other decision-makers. Contact your local USDA service center for an update on your Local Working Group. If it's too late for you to participate in 2024, we'll be repeating the process next year. If you've been looking for a mechanism to have your voice heard on conservation and agricultural issues, joining an LWG is one of the best ways I know to make it happen.

Dr. Edwin Martinez Martinez, NRCS State Conservationist

RD State Director Message

If you're like me, you probably get email surveys and opinion polls on a near-daily basis with similar messages popping up in text format. It's easy to hit delete and move on with your day, but some of these inquiries are actually worthy of a response because they can help make a real difference in your community and quality of life.

U.S. Department of Agriculture (USDA) Rural Development is now seeking your input on a plan to lessen the burden on communities that may lack the time, resources and staffing to submit successful applications for grant funding. The <u>Better Grants Better Service</u> initiative

underscores USDA's commitment to being transparent and inclusive in the design and delivery of programs that strengthen local businesses and economies.

The first two focal areas will be equipment-only and technical assistance grants, which can benefit cooperatives and agricultural producers. Customers and stakeholders are encouraged to email recommendations to <u>SM.RD.BetterGrants@usda.gov</u> by **May 31, 2024**, so USDA RD can use this feedback to:

- Make it easier for people to apply for, receive and use grant funds.
- Increase the efficiency and consistency of customer service.
- Enhance the overall experience for Rural Development grant applicants and recipients.

Public comments will ultimately be analyzed to streamline more than 30 grant programs that offer access to better housing, infrastructure and business opportunities in rural and Tribal communities. View this short video in English or Spanish to learn more about Better Grants Better Service and visit our <u>GovDelivery subscriber page</u> to get updates on this initiative to create a superior customer experience.

This is one "survey" that could make a big impact on your life and operation!

Perry Hickman, State Director

Shellfish Crop Insurance Program Offers Oyster Producers Needed Protection from Environmental Challenges and More

The new Shellfish Pilot Crop Insurance Program, offered through the USDA's Risk Management Agency (RMA), offers you, as an oyster producer, needed protection from environmental challenges and it also allows you to insure for a higher price based on your personal sales records. You are now eligible for protection against losses due to named storms, excessive heat during a low tide event, freeze during a low tide event, or low salinity due to excessive rainfall.

After the 2018 Farm Bill, shellfish producers expressed a strong desire for a crop insurance program tailored to their operations and needs, rather than modifying Whole Farm Revenue Protection options. So, in early 2020, we began hosting listening sessions with these producers, which led to the creation of RMA's Shellfish Development Team and a contract to develop a pilot program that RMA rolled out in a <u>limited area</u> for the 2024 crop year.

Not only RMA, but the entire USDA, has improved its risk management options for shellfish producers. The new shellfish program leverages existing producer records, reducing record-keeping burdens. It offers personalized protection based on a producer's oyster survival rates and prices. For some producers, relying on a county average price just doesn't cut it.

RMA's Shellfish Development Team, which included Regional Offices representing coastal areas and members from Product Management, represents teamwork at its finest. Creating a new shellfish program with limited historical data availability was no small task!

There were a lot of challenges. Overall, the product is much different due to the diverse production methods and growth cycles of the crop. Accounting for these differences made it challenging to develop a product that would be actuarially sound while not making the program too burdensome to producers.

This new shellfish program is incredibly important for aquaculture producers who are historically underserved by USDA programs. Additionally, with the global population projected to reach over 9 billion by 2050, there will be enormous demand for seafood products and a greater need for risk management options.

As many you know, farmed oysters are a growing industry and one of the most sustainable seafoods available. But oyster producers face production risks like any other farmers and RMA is uniquely positioned to help them manage these risks.

This program allows producers who typically have not participated in government programs to have a risk management tool for a very unique crop. During our outreach efforts, there has been a lot of interest from other aquaculture sectors to be added to this program.

Of course, improving existing programs and expanding the commodities that Federal crop insurance covers is an ongoing effort. We are working with the FCIC Board of Directors to improve the shellfish program for 2025 and we're hoping it can expand to other underwater farmed fish species in the future!

However, shellfish are part of a much bigger picture at RMA. We're working every day to support the largest permanent Farm Safety Net program in the world. There were roughly \$30 billion in Federal crop insurance liabilities nationwide about 25 years ago—today that figure is north of \$200 billion.

A key factor behind that enormous growth in a quarter century is program expansion. When Federal crop insurance first became available 85 years ago, only wheat was covered. Today, nearly 600 commodities are insured. One sector of agriculture that has seen particular growth in coverage over the past few decades is aquaculture.

Learn more about RMA's Shellfish Crop Insurance Program.

Foreign Investors Must Report U.S. Agricultural Land Holdings

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) reminds foreign investors with an interest in agricultural land in the United States that they are required to report their land holdings and transactions to USDA.

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires foreign investors who buy, sell or hold an interest in U.S. agricultural land to report their holdings and transactions to the USDA. Foreign investors must file AFIDA Report Form FSA-153 with the FSA county office in the county where the land is located. Large or complex filings may be handled by AFIDA headquarters staff in Washington, D.C.

According to CFR Title 7 Part 781, any foreign person who holds an interest in U.S. agricultural land is required to report their holdings no later than 90 days after the date of the transaction.

Foreign investors should report holdings of agricultural land totaling 10 acres or more used for farming, ranching or timber production, and leaseholds on agricultural land of 10 or more years. Tracts totaling 10 acres or less in the aggregate, and which produce annual gross receipts in excess of \$1,000 from the sale of farm, ranch, forestry or timber products, must also be reported. AFIDA reports are also required when there are changes in land use, such as from agricultural to nonagricultural use. Foreign investors must also file a report when there is a change in the status of ownership.

The information from AFIDA reports is used to prepare an annual report to Congress. These annual reports to Congress, as well as more information, are available on the FSA <u>AFIDA</u> <u>webpage</u>.

Assistance in completing the FSA-153 report may be obtained from the local FSA office. For more information regarding AFIDA or FSA programs, contact your FSA county office at phone or visit farmers.gov.

USDA Hosts Informational Workshops on Newly Expanded Nursery Insurance Option

USDA has <u>expanded its Nursery Value Select (NVS) crop insurance</u> program to all counties in all states, and the USDA Risk Management Agency (RMA) is encouraging interested nursery producers to learn more about the program through upcoming informational workshops. These sessions will be valuable for producers in the newly expanded areas and especially for the Nursery Field Grown and Container (FG&C) crop insurance program, which ends beginning with the 2026 crop year.

Nursery Value Select is a pilot program that enables nursery producers to select the dollar amount of coverage that best fits their risk management needs. Its expansion is part of RMA's efforts to provide insurance options for a broader group of producers, including specialty crop producers.

There is one more Nursery Value Select workshop on July 18. See more details here.

RMA has administered the Nursery FG&C crop insurance program for nearly 30 years. However, the program relies on a partnership between RMA and a private contractor to update and maintain the Eligible Plant List and Plant Price Schedule and associated software packages. The private contractor will be closing after providing all necessary contractual obligations for the 2025 crop year. Without access to the price schedule and associated software, the Nursery FG&C program will no longer be available to nursery producers beginning with the 2026 crop year.

Nursery Value Select will be able to offer comparable but improved risk management options for those who currently have coverage with the Nursery FG&C program, making RMA's informational workshops a valuable opportunity to learn more about Nursery Value Select and any required transitions.

Prior to the expansion, Nursery Value Select was only available in select counties in Alabama, Colorado, Florida, Michigan, New Jersey, Oregon, Tennessee, Texas and Washington. Beginning with the 2025 crop year, Nursery Value Select **will be available in all counties in all states**. The sales closing date for the 2025 crop year is May 1, 2024, or Sept. 1, 2024, as provided in the actuarial documents.

Nursery Value Select was first available in the 2021 crop year, and producers insured more than \$460 million in liabilities in crop year 2023.

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 <u>RMA Agent</u> <u>Locator</u>. Producers can learn more about crop insurance and the modern farm safety net at <u>rma.usda.gov</u> or by contacting their <u>RMA Regional Office</u>.

Annual Review of Payment Eligibility for New Crop Year

FSA and NRCS program applicants for benefits are required to submit a completed CCC-902 Farming Operation Plan and CCC-941 Average Gross Income (AGI) Certification and Consent to Disclosure of Tax Information for FSA to determine the applicant's payment eligibility and establish the maximum payment limitation applicable to the program applicant.

Participants are not required to annually submit new CCC-902s for payment eligibility and payment limitation purposes unless a change in the farming operation occurs that may affect the previous determination of record. A valid CCC-902 filed by the participant is considered to be a continuous certification used for all payment eligibility and payment limitation determinations applicable for the program benefits requested.

Participants are responsible for ensuring that all CCC-902 and CCC-941 and related forms on file in the county office are updated, current, and correct. Participants are required to timely notify the county office of any changes in the farming operation that may affect the previous determination of record by filing a new or updated CCC-902 as applicable.

Changes that may require a NEW determination include, but are not limited to, a change of:

- Shares of a contract, which may reflect:
- A land lease from cash rent to share rent
- A land lease from share rent to cash rent (subject to the cash rent tenant rule
- A modification of a variable/fixed bushel-rent arrangement
- The size of the producer's farming operation by the addition or reduction of cropland that may affect the application of a cropland factor
- The structure of the farming operation, including any change to a member's share
- The contribution of farm inputs of capital, land, equipment, active personal labor, and/or active personal management

- Farming interests not previously disclosed on CCC-902 including the farming interests of a spouse or minor child
- Certifications of average AGI are required to be filed annually for participation in an annual USDA program. For multi-year conservation contracts and NRCS easements, a certification of AGI must be filed prior to approval of the contract or easement and is applicable for the duration of the contract period.

Participants are encouraged to file or review these forms within the deadlines established for each applicable program for which program benefits are being requested.

Applying for Farm Storage Facility Loans

The Farm Service Agency's (FSA) Farm Storage Facility Loan (FSFL) program provides lowinterest 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>.

Highly Erodible Land (HEL) and Wetland Conservation Compliance

Landowners and operators are reminded that in order to receive payments from USDA, compliance with Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions are required. Farmers with HEL determined soils are reminded of tillage, crop residue, and rotation requirements as specified per their conservation plan. Producers are to notify the USDA Farm Service Agency prior to breaking sod, clearing land (tree removal), and of any drainage projects (tiling, ditching, etc.) to ensure compliance. Failure to update certification of compliance, with <u>form AD-1026</u>, triggering applicable HEL and/or wetland determinations, for any of these situations, can result in the loss of FSA farm program payments, FSA farm loans,

NRCS program payments, and premium subsidy to Federal Crop Insurance administered by RMA.

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.

Making Farm Reconstitutions

When changes in farm ownership or operation take place, a farm *reconstitution* is necessary. The reconstitution — or recon — is the process of combining or dividing farms or tracts of land based on the farming operation.

To be effective for the current fiscal year, farm combinations and farm divisions must be requested by **August 1 of the fiscal year** for farms subject to the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) program. A reconstitution is considered to be requested when all of the required signatures are on FSA-155 and all other applicable documentation, such as proof of ownership, is submitted.

Total Conservation Reserve Program (CRP) and non-ARC/PLC farms may be reconstituted at any time.

The following are the different methods used when doing a farm recon:

- Estate Method the division of bases, allotments and quotas for a parent farm among heirs in settling an estate
- **Designation of Landowner Method** may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method, the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding
- **DCP Cropland Method** the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract
- **Default Method** the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

For questions on your farm reconstitution, contact your County USDA Service Center.

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.

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 <u>Your FSA Farm Loan Compass</u>.

Local Work Groups Being Assembled Around Virginia

The USDA's Natural Resources Conservation Service (NRCS), in cooperation with Virginia's soil and water conservation districts (SWCDs), is currently engaged in the formation of this year's Local Work Groups (LWGs). A group will be formed for every one of the 41 NRCS field offices and anyone can join just by contacting the field office and requesting an invitation. The dates, times and formats for the LWG meetings will vary across the state, but most will be held online and scheduled after May 15.

LWGs have long been one of the most effective outreach mechanisms employed by NRCS and the SWCDs as group meetings offer perhaps the best forum for agricultural producers and landowners to get their opinions on the structure and delivery of agency services and programs in front of state-level managers and decision-makers. All comments made by all meeting attendees are summarized and sent to these managers for review. In addition, every meeting will cover a list of questions and issues prepared by the organizers. LWGs are also subcommittees of Virginia NRCS' State Technical Committee, which will review their findings and output.

NRCS' goals for the LWGs – which are formed every spring at every field office throughout the nation – are to identify resource concerns, needs for improvement in agency planning processes and services and to promote local involvement in field office operations. It's an agency principle that community stakeholders are the persons best able to identify and help resolve conservation issues, making them the keys to successfully managing and protecting their area's natural resources.

To learn more about this year's LWG in your area, contact any employee at your local NRCS or SWCD service center.

Selected Interest Rates for May 2024

90-Day Treasury Bill	5.5%
Farm Operating Loans — Direct	5.25%
Farm Ownership Loans — Direct	5.5%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.5%
Emergency Loans	3.75%
Farm Storage Facility Loans - (7 years)	4.375%
Commodity Loans 1996-Present	6.125%



1606 Santa Rosa Road, Suite 138 Richmond, VA 23229

Phone: 804-287-1503 Fax: 855 -621-5866

Office Hours 7:30 a.m. - 4:30 p.m.

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

Sherina Logan Administrative Officer

Dorine Ross Chief Farm Loan Programs

Diane Lenoir-Giles Public Relations/Outreach Specialist H.L. Kellam Rodney Young Chief Farm Programs USDA is an equal opportunity provider, employer and lender. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).

