

#### U.S. DEPARTMENT OF AGRICULTURE

**USDA Montana Newsletter - June 2022** 

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

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Some USDA Service Centers in Montana are open to limited visitors by appointment only. Contact your Service Center to schedule an appointment. You can find contact information at farmers.gov/service-locator.

Farm Service Agency (FSA) and Natural Resources Conservation Service (NRCS) staff also continue to work with agricultural producers via phone, email, and other digital tools. Producers can learn more about how to leverage these digital offerings by visiting <a href="https://www.farmers.gov/mydocs">https://www.farmers.gov/mydocs</a>.

### Montana FSA Program Dates/Deadlines



USDA in Montana reminds agricultural producers of important Farm Service Agency (FSA) program dates. Contact your local service center to apply and with any questions. Visit online at farmers.gov and fsa.usda.gov/mt.

**June 10, 2022:** Deadline to apply for the second round of Partnerships for Climate-Smart Commodities funding

**June 30, 2022:** Deadline to request ELAP assistance for hauling livestock to forage in 2021.

**July 15, 2022:** Deadline for FSA Maps – 2022 Acreage Reporting/Crop Certification for Annually Seeded Spring Crops, Spring Seeded Alfalfa Seed, Forage Seeding, Conservation Reserve Program (CRP), Perennial Forage not covered under the NAP, and all other crops not required to be reported by a previous reporting date. *This is the final date that FSA can accept late-filed 2021 reports for these crops.* 

July 15, 2022: Last day of Primary Nesting Season (can affect CRP Grazing)

July 16, 2022: CRP Haying can begin and first day of CRP Summer Grazing (requires prior approval).

Sept. 30, 2022: Deadline to enroll in Continuous CRP programs, including SAFE

**Oct. 31, 2022:** Deadline to enroll in Organic and Transitional Education Certification Program (OTECP) and Organic Certification Cost Share Program (OCCSP)

Jan. 30, 2023: Deadline to request all ELAP assistance for 2022 calendar year losses.

Jan. 30, 2023: Deadline to request LFP assistance for 2022 calendar year losses.

ELAP notice of loss must be filed within **30 days** of when loss is apparent for **livestock and farm-raised fish** losses.

ELAP notice of loss must be filed within **15 days** of when loss is apparent for **honeybee** losses.

LIP notice of loss must be filed within 30 days of when the loss is apparent.

## USDA Designates Seven Montana Counties as Primary Natural Disaster Areas

This Secretarial natural disaster designation allows the United States Department of Agriculture (USDA) Farm Service Agency (FSA) to extend much-needed emergency credit to producers recovering from natural disasters through <a href="mailto:emergency loans">emergency loans</a>. Emergency loans can be used to meet various recovery needs including the replacement of essential items such as equipment or livestock, reorganization of a farming operation or the refinance of certain debts. FSA will review the loans based on the extent of losses, security available and repayment ability.

According to the <u>U.S. Drought Monitor</u>, these counties suffered from a drought intensity value during the growing season of 1) D2 Drought-Severe for 8 or more consecutive weeks or 2) D3 Drought-Extreme or D4 Drought-Exceptional.

Impacted Area: Montana

Triggering Disaster: Drought

Application Deadline: Jan. 13, 2023

Primary Counties Eligible: Glacier, Hill, Judith Basin, Meagher, Park, Sweet Grass and Wheatland

#### **Contiguous Counties Also Eligible:**

#### Montana:

Blaine Broadwater Carbon
Cascade Chouteau Fergus
Flathead Gallatin Golden Valley
Lewis and Clark Liberty Pondera
Stillwater Toole

Wyoming: Park

#### **More Resources**

On farmers.gov, the <u>Disaster Assistance Discovery Tool</u>, <u>Disaster Assistance-at-a-Glance fact sheet</u>, and <u>Farm Loan Discovery Tool</u> can help you determine program or loan options. See all <u>Secretarial Disaster Designations</u>. To file a Notice of Loss or to ask questions about available programs, contact your local <u>USDA Service Center</u>.

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## Disaster Assistance for 2022 Livestock Forage Losses in 37 Montana counties

37 MT Counties Triggered; U.S. Drought Monitor Updated Weekly

Livestock producers in **37 Montana counties** are eligible to apply for 2022 Livestock Forage Disaster Program (LFP) benefits on small grain, native pasture, improved pasture, annual ryegrass, and forage sorghum.

LFP provides compensation if you suffer grazing losses for covered livestock due to drought on privately owned or leased land or fire on federally managed land.

County committees can only accept LFP applications after notification is received by the National Office of qualifying drought or if a federal agency prohibits producers from grazing normal permitted livestock on federally managed lands due to qualifying fire.

The following 37 Montana counties have triggered the 2022 LFP drought criteria: **Beaverhead, Big Horn, Blaine, Broadwater, Carbon, Cascade, Chouteau, Daniels, Fergus, Gallatin, Garfield, Glacier, Golden Valley, Hill, Jefferson, Judith Basin, Lewis and Clark, Liberty, McCone, Madison, Meagher, Musselshell, Park, Petroleum, Phillips, Pondera, Powder River, Richland, Roosevelt, Rosebud, Sheridan, Stillwater, Sweet Grass, Teton, Toole, Valley and Wheatland.** Producers must complete a CCC-853 and provide required supporting documentation no later than January 30, 2023, for 2022 losses.

Producers in these counties are also eligible to apply for benefits under the 2022 Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP) for losses relating to feed transportation, livestock transportation and water transportation costs. The deadline to file a Notice of Loss for livestock losses under ELAP is 30 days after the date that the loss is apparent. Applications for payment must be completed no later than January 30, 2023, for 2022 losses.

For additional information about LFP, including eligible livestock and fire criteria, contact the local USDA Service Center and visit <a href="https://www.farmers.gov">www.farmers.gov</a> or <a href="mailto:fsa.usda.gov/mt">fsa.usda.gov/mt</a>.

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### **Showcase Your Season with #Plant2022**

This planting season let's highlight the innovation and leadership demonstrated by conservation-minded farmers in our #Plant2022 campaign. We'll share your photos and stories on social media, blogs, and a nationwide storymap.

Learn more at https://go.usa.gov/xuTqj.

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# USDA Seeks Applications for Two National Funding Competitions to Support Community Agriculture and Strengthen Food Security

The U.S. Department of Agriculture (USDA) is making \$43.1 million available this year for two national-level funding competitions that support community agriculture. Projects funded will strengthen the food supply chain and transform the food system to be fairer, more competitive, and more resilient. Specifically, USDA is investing \$10.2 million in new cooperative agreements to expand compost and food waste reduction efforts; and \$14.2 million in new grants to support the development of community agriculture and innovative production projects.

Applications for Composting and Food Waste Reduction Cooperative Agreements are due Sept. 1, 2022.

Applications for Office of Urban Agriculture and Innovative Production Grants are due Aug. 2, 2022.

Learn more about both opportunities.

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## USDA to Allow Producers to Request Voluntary Termination of Conservation Reserve Program Contract

The U.S. Department of Agriculture (USDA) will allow Conservation Reserve Program (CRP) participants who are in the final year of their CRP contract to request voluntary termination of their CRP contract following the end of the primary nesting season, which in Montana ends July 15. Participants approved for this one-time, voluntary termination will not have to repay rental payments, a flexibility implemented this year to help mitigate the global food supply challenges caused by the Russian invasion of Ukraine and other factors. Today, USDA also announced additional flexibilities for the Environmental Quality Incentives Program (EQIP) and Conservation Stewardship Program (CSP).

FSA is <u>mailing letters to producers</u> with expiring acres that detail this flexibility and share other options, such as re-enrolling sensitive acres in the CRP Continuous signup and considering growing organic crops. Producers will be asked to make the request for voluntary termination in writing through their local USDA Service Center.

If approved for voluntary termination, preparations can occur after the conclusion of the <u>primary nesting season</u>. In Montana, preparations can occur starting July 16. Producers will then be able to hay, graze, begin land preparation activities and plant a fall-seeded crop before October 1, 2022. For land in colder climates, this flexibility may allow for better establishment of a winter wheat crop or better prepare the land for spring planting.

#### **Organic Considerations**

Since CRP land typically does not have a recent history of pesticide or herbicide application, USDA is encouraging producers to consider organic production. USDA's Natural Resources Conservation Service (NRCS) provides technical and financial assistance to help producers plan and implement conservation practices, including those that work well for organic operations, such as pest management and mulching. Meanwhile, FSA offers cost-share for certification costs and other fees.

#### **Other CRP Options**

Participants can also choose to enroll all or part of their expiring acres into the Continuous CRP signup for 2022. Important conservation benefits may still be achieved by re-enrolling sensitive acres such as buffers or wetlands. Expiring water quality practices such as filter strips, grass waterways, and riparian buffers may be eligible to be reenrolled under the Clean Lakes, Estuaries, and Rivers (CLEAR) and CLEAR 30 options under CRP. Additionally, expiring continuous CRP practices such as shelterbelts, field windbreaks, and other buffer practices may also be re-enrolled to provide benefits for organic farming operations.

If producers are not planning to farm the land from their expiring CRP contract, the Transition Incentives Program (TIP) may also provide them two additional annual rental payments after their contract expires on the condition that they sell or rent their land to a beginning or veteran farmer or rancher or a member of a socially disadvantaged group.

Producers interested in the Continuous CRP signup, CLEAR 30, or TIP should contact FSA by Aug. 5, 2022.

#### **NRCS Conservation Programs**

USDA also encourages producers to consider NRCS conservation programs, which help producers integrate conservation on croplands, grazing lands and other agricultural landscapes. EQIP and CSP can help producers plant cover crops, manage nutrients and improve irrigation and grazing systems. Additionally, the Agricultural Conservation Easement Program (ACEP), or state or private easement programs, may be such an option. In many cases, a combination of approaches can be taken on the same parcel. For example, riparian areas or other sensitive parts of a parcel may be enrolled in continuous CRP and the remaining land that is returned to farming can participate in CSP or EQIP and may be eligible to receive additional ranking points.

#### Other Flexibilities to Support Conservation

Additionally, NRCS is also offering a new flexibility for EQIP and CSP participants who have cover cropping including in their existing contracts. NRCS will allow participants to either modify their plans to plant a cover crop (and instead shift to a conservation crop rotation) or delay their cover crop plans a year, without needing to terminate the existing contract. This will allow for flexibility to respond to market signals while still ensuring the conservation benefits through NRCS financial and technical assistance for participating producers.

#### **More Information**

Producers and landowners can learn more about these options by contacting FSA and NRCS at their local USDA Service Center.

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## 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.

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. For those interested in this provision for 2021, the deadline to apply for assistance is June 30, 2022. 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. Contact your county FSA office for more information on ELAP resources for wildfire losses. 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 visit <a href="mailto:fsa.usda.gov/disaster">fsa.usda.gov/disaster</a>.

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## USDA Accepting Applications to Help Cover Costs of Organic, Transitioning Producers

Agricultural producers and handlers who are certified organic, along with producers and handlers who are transitioning to organic production, can now apply for the U.S. Department of Agriculture's (USDA) Organic and Transitional Education Certification Program (OTECP) and Organic Certification Cost Share Program (OCCSP), which help producers and handlers cover the cost of organic certification, along with other related expenses. Applications for OTECP and OCCSP are both due October 31, 2022.

#### OTECP covers:

- Certification costs for organic producers and handlers (25% up to \$250 per category).
- Eligible expenses for transitional producers, including fees for pre-certification inspections and development of an organic system plan (75% up to \$750).
- Registration fees for educational events (75% up to \$200).
- Soil testing (75% up to \$100).

Meanwhile, OCCSP covers 50% or up to \$500 per category of certification costs in 2022.

This cost share for certification is available for each of these categories: crops, wild crops, livestock, processing/handling and State organic program fees.

Producers can receive cost share through both OTECP and OCCSP. Both OTECP and OCCSP cover costs incurred from October 1, 2021, to September 30, 2022. Producers have until October 31, 2022 to file applications, and FSA will make payments as applications are received.

To apply, producers and handlers should contact the Farm Service Agency (FSA) at their local USDA Service Center. As part of completing the OCCSP applications, producers and handlers will need to provide documentation of their organic certification and eligible expenses. Organic producers and handlers may also apply for OCCSP through participating State agencies.

Additional details can be found on the OTECP and OCCSP webpages.

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## **Availability of Low-Interest Physical Loss Loans for Producers Affected by Natural Disasters**

Physical loss loans can help producers repair or replace damaged or destroyed physical property essential to the success of the agricultural operation, including livestock losses. Examples of property commonly affected include essential farm buildings, fixtures to real estate, equipment, livestock, perennial crops, fruit and nut bearing trees and harvested or stored crops and hay.

State: Montana

<u>Triggering Disaster Event 1:</u> Blizzard, Excessive Snow, and High Winds that occurred during April 11 through April 25, 2022.

Application Deadline: Jan. 25, 2023

Primary Counties Eligible: Carter, Fallon and Wibaux

#### Contiguous Areas also Eligible:

Montana: Custer, Dawson, Powder River, Prairie and Richland North Dakota: Bowman, Golden Valley, McKenzie and Slope

South Dakota: Butte and Harding

Wyoming: Crook

<u>Triggering Disaster Event 2:</u> Blizzard, Freeze, Ice, and High Winds that occurred during April 12 through April 14, 2022.

Application Deadline: Jan. 25, 2023

Primary Counties Eligible: Big Horn

#### Contiguous Areas also Eligible:

Montana: Carbon, Powder River, Rosebud, Treasure and Yellowstone

Wyoming: Big Horn and Sheridan

Triggering Disaster Event 3: Blizzard, Excessive Snow and High Winds that occurred during April 12

through April 17, 2022

Application Deadline: Jan. 25, 2023

Primary Counties Eligible: McCone and Richland

#### Contiguous Areas also Eligible:

Montana: Dawson, Garfield, Prairie, Roosevelt, Valley and Wibaux

North Dakota: McKenzie and Williams

Triggering Disaster Event 4: Blizzard, Excessive Snow, Freeze, and High winds that occurred during April

11 through April 14, 2022

Application Deadline: Jan. 25, 2023

Primary Counties Eligible: Golden Valley and Musselshell

Contiguous Areas also Eligible: Fergus, Petroleum, Rosebud, Stillwater, Sweet Grass, Wheatland and

Yellowstone

#### **More Resources**

On farmers.gov, the <u>Disaster Assistance Discovery Tool</u>, <u>Disaster Assistance-at-a-Glance fact sheet</u>, and <u>Farm Loan Discovery Tool</u> can help you determine program or loan options. To file a Notice of Loss or to ask questions about available programs, contact your local <u>USDA Service Center</u>.

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## **USDA Updates Livestock Insurance Options to Offer Better Protection, Flexibility**

USDA has updated three key crop insurance options for livestock producers: the Dairy Revenue Protection (DRP), Livestock Gross Margin (LGM), and Livestock Risk Protection (LRP). USDA's Risk Management Agency (RMA) revised the insurance options to reach more producers, offer greater flexibility for protecting their operations, and ultimately, better meet the needs of the country's swine, dairy, and cattle producers. The updates were published last week for the 2023 crop year, which begins July 1, 2022.

DRP is designed to insure against unexpected declines in the quarterly revenue from milk sales relative to a guaranteed coverage level; LGM protects against the loss of gross margin (or livestock's market value minus feed costs); and LRP provides protection against price declines.

Producers will now have more flexibility for DRP, LGM, and LRP, when indemnities are used to pay premiums, which can help producers manage their operation's cash flow. With these updates, producers can now have both LGM and LRP policies, although they cannot insure the same class of livestock for the same time period or have the same livestock insured under multiple policies.

Additional updates by insurance option include:

#### **Dairy Revenue Protection**

• Dairy producers are now able to continue coverage even if they experience a disaster, such as a barn fire, at their operation.

#### **Livestock Gross Margin**

• Cattle, Dairy, and Swine coverage has been expanded, making it available in all counties in all 50 states.

#### Livestock Risk Protection

- Insurance companies are now required to pay indemnities within 30 days, rather than the previous 60 days, following the receipt of the claim form.
- Head limits have been increased:

Fed Cattle: 12,000 head per endorsement and 25,000 head per crop year Feeder Cattle: 12,000 head per endorsement and 25,000 head per crop year Swine: 70,000 head per endorsement and 750,000 head per crop year

- The termination date under LRP has been extended from June 30 to August 31
- Location reporting requirements have been relaxed to list only state and county, instead of the precise legal location.

Learn more on <u>RMA's Livestock Insurance Plans webpage</u>. 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.

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## Top 6 Emergency Relief Program Checklist Items for Eligible Farmers

FSA recently began mailing 303,000 pre-filled applications for the Emergency Relief Program (ERP), a new program designed to help agricultural producers impacted by wildfires, droughts, hurricanes, winter storms, and other qualifying natural disasters experienced during calendar years 2020 and 2021.

The past few years have been tough to say the least. As producers have dealt with the continued impacts of the COVID-19 pandemic, they have also struggled to recover from more frequent, more intense natural disasters. I am grateful that Congress passed, and President Biden signed into law the *Extending Government Funding and Delivering Emergency Assistance Act* (P.L. 117-43), which includes \$10 billion in critical emergency relief.

After extensive stakeholder outreach, including with producers and groups that have not always been included in USDA programs, our team began work developing a responsive, easier-to-access program that could be rolled out in phases. We're now rolling out the first phase of ERP, which uses existing <a href="Federal Crop">Federal Crop</a> <a href="Insurance">Insurance</a> or <a href="Noninsured Crop Disaster Assistance Program">Noninsured Crop Disaster Assistance Program</a> (NAP) data as the basis for calculating initial payments.

By leveraging existing data, we will be able to deliver approximately \$6 billion in assistance on a faster timeline; at the same time, my team and I are committed to ensuring that producers who do not have existing data on file with USDA are captured in the second phase of ERP, which will be explicitly focused on filling gaps in previously implemented emergency assistance.

To apply for ERP Phase 1, here's what you need to do:

#### 1. Check Your Mailbox

The form being mailed to you includes eligibility requirements, outlines the application process, and provides estimated ERP payment calculations. Producers will receive a separate application form for each program year in which an eligible loss occurred. Receipt of a pre-filled application is not confirmation that a producer is eligible to receive an ERP phase one payment. This application takes about 0.176 hours (that's less than 15 minutes) for producers to complete, compared to the former Wildfire and Hurricane Indemnity Program – Plus application which took several hours for producers to complete and even longer for FSA staff.

The deadline to return completed ERP applications to FSA is **Friday**, **July 22**, **2022**. *If you have NAP coverage, you will receive pre-filled ERP applications later this summer. Details on ERP Phase 2 will be forthcoming as well.* 

#### 2. Check Your Eligibility

ERP covers losses to crops, trees, bushes, and vines due to a qualifying natural disaster event in calendar years 2020 and 2021. Eligible crops include all crops for which crop insurance or NAP coverage was available, except for crops intended for grazing. Qualifying natural disaster events include wildfires, hurricanes, floods, derechos, excessive heat, winter storms, freeze (including a polar vortex), smoke exposure, excessive moisture, qualifying drought\*, and related conditions.

\*Lists of 2020 and 2021 drought counties eligible for ERP are available online.

#### 3. Check Required Forms on File with FSA

Producers must have the following forms on file with FSA:

- 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).
- 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.

If you have previously participated in FSA programs, you will likely have these required forms on file. However, if you're uncertain or want to confirm the status of your forms, contact your local FSA county office.

#### 4. Check Historically Underserved Status with FSA, If Applicable

The ERP payment percentage for historically underserved producers, including beginning, limited resource, socially disadvantaged, and veteran farmers, and ranchers will be increased by 15% of the calculated ERP payment.

To qualify for the higher payment percentage, eligible producers must have the following form on file with FSA:

• Form CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification.

#### 5. Check Your Future Insurance Coverage

All producers who receive ERP phase one payments are statutorily required to purchase crop insurance, or NAP coverage where crop insurance is not available, for the next two available crop years, as determined by the Secretary.

Coverage requirements will be determined from the date a producer receives an ERP payment and may vary depending on the timing and availability of crop insurance or NAP for a producer's particular crops. The final crop year to purchase crop insurance or NAP coverage to meet the second year of coverage for this requirement is the 2026 crop year.

#### 6. Check Your bank

Once the completed ERP application for payment is submitted to and signed by FSA, producers who have direct deposit should look for payment within three business days.

#### **More Information**

We have additional resources, including:

- ERP May 16, 2022 New Release
- ERP Fact Sheet
- Answers to Frequently Asked Questions (FAQs)
- Emergency Relief Webpage
- ERP Notice of Funding Availability

In addition to ERP, FSA is also implementing the first phase of the new Emergency Livestock Relief Program. At this time, FSA has made more than \$588 million in payments to impacted livestock producers.

Bottom line, we take your feedback seriously, and we wanted to deliver this relief as soon as possible. We learned from previous relief programs, and we're excited to be getting this to you as swiftly as we can.

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# USDA to Provide \$6 billion to Commodity and Specialty Crop Producers Impacted by 2020 and 2021 Natural Disasters

The U.S. Department of Agriculture (USDA) today announced that commodity and specialty crop producers impacted by natural disaster events in 2020 and 2021 will soon begin receiving emergency relief payments totaling approximately \$6 billion through the Farm Service Agency's (FSA) new <a href="Emergency Relief Program"><u>Emergency Relief Program</u></a> (ERP) to offset crop yield and value losses.

#### **Background**

On September 30, 2021, President Biden signed into law the *Extending Government Funding and Delivering Emergency Assistance Act* (P.L. 117-43), which includes \$10 billion in assistance to agricultural producers impacted by wildfires, droughts, hurricanes, winter storms, and other eligible disasters experienced during calendar years 2020 and 2021. FSA recently made payments to ranchers impacted by drought and wildfire through the first phase of the Emergency Livestock Relief Program (ELRP). ERP is another relief component of the Act.

For impacted producers, existing <u>Federal Crop Insurance</u> or <u>Noninsured Crop Disaster Assistance</u> <u>Program</u> (NAP) data is the basis for calculating initial payments. USDA estimates that phase one ERP benefits will reach more than 220,000 producers who received indemnities for losses covered by federal crop insurance and more than 4,000 producers who obtained NAP coverage for 2020 and 2021 crop losses.

#### ERP Eligibility - Phase One

ERP covers losses to crops, trees, bushes, and vines due to a qualifying natural disaster event in calendar years 2020 and 2021. Eligible crops include all crops for which crop insurance or NAP coverage was available, except for crops intended for grazing. Qualifying natural disaster events include wildfires, hurricanes, floods, derechos, excessive heat, winter storms, freeze (including a polar vortex), smoke exposure, excessive moisture, qualifying drought, and related conditions.

For drought, ERP assistance is available if any area within the county in which the loss occurred was rated by the U.S. Drought Monitor as having a:

- D2 (severe drought) for eight consecutive weeks; or
- D3 (extreme drought) or higher level of drought intensity.

Lists of 2020 and 2021 drought counties eligible for ERP is available on the emergency relief website.

To streamline and simplify the delivery of ERP phase one benefits, FSA will send pre-filled application forms to producers where crop insurance and NAP data are already on file. This form includes eligibility requirements, outlines the application process and provides ERP payment calculations. Producers will receive a separate application form for each program year in which an eligible loss occurred. Receipt of a pre-filled application is not confirmation that a producer is eligible to receive an ERP phase one payment.

Additionally, producers must have the following forms on file with FSA within 60 days of the ERP phase one deadline, which will later be announced by FSA's Deputy Administrator for Farm Programs:

- 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 2021 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.

#### **ERP Payment Calculations - Phase One**

For crops covered by crop insurance, the ERP phase one payment calculation for a crop and unit will depend on the type and level of coverage obtained by the producer. Each calculation will use an ERP factor based on the producer's level of crop insurance or NAP coverage.

- **Crop Insurance** the ERP factor is 75% to 95% depending on the level of coverage ranging from catastrophic to at least 80% coverage.
- **NAP** the ERP factor is 75% to 95% depending on the level of coverage ranging from catastrophic to 65% coverage.

Full ERP payment calculation factor tables are available on the emergency relief website and in the program <u>fact sheet</u>.

Applying ERP factors ensures that payments to producers do not exceed available funding and that cumulative payments do not exceed 90% of losses for all producers as required by the Act.

Also, there will be certain payment calculation considerations for area plans under crop insurance policies.

The ERP payment percentage for historically underserved producers, including beginning, limited resource, socially disadvantaged, and veteran farmers and ranchers will be increased by 15% of the calculated payment for crops having insurance coverage or NAP.

To qualify for the higher payment percentage, eligible producers must have a CCC-860, *Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification*, form on file with FSA for the 2021 program year.

Because the amount of loss due to a qualifying disaster event in calendar years 202 and 2021 cannot be separated from the amount of loss caused by other eligible causes of loss as defined by the applicable crop

insurance or NAP policy, the ERP phase one payment will be calculated based on the producer's loss due to all eligible causes of loss.

#### **Future Insurance Coverage Requirements**

All producers who receive ERP phase one payments, including those receiving a payment based on crop, tree, bush, or vine insurance policies, are statutorily required to purchase crop insurance, or NAP coverage where crop insurance is not available, for the next two available crop years, as determined by the Secretary. Participants must obtain crop insurance or NAP, as may be applicable:

- At a coverage level equal to or greater than 60% for insurable crops; or
- At the catastrophic level or higher for NAP crops.

Coverage requirements will be determined from the date a producer receives an ERP payment and may vary depending on the timing and availability of crop insurance or NAP for a producer's particular crops. The final crop year to purchase crop insurance or NAP coverage to meet the second year of coverage for this requirement is the 2026 crop year.

#### **Emergency Relief – Phase Two (Crop and Livestock Producers)**

Today's announcement is only phase one of relief for commodity and specialty crop producers. Making the initial payments using existing safety net and risk management data will both speed implementation and further encourage participation in these permanent programs, such as Federal crop insurance, as Congress intended.

The second phase of both ERP and ELRP programs will fill gaps and cover producers who did not participate in or receive payments through the existing programs that are being leveraged for phase one implementation. When phase one payment processing is complete, the remaining funds will be used to cover gaps identified under phase two.

Through proactive communication and outreach, USDA will keep producers and stakeholders informed as program details are made available. More information on ERP can be found in the <a href="Notice of Funding Availability">Notice of Funding Availability</a>.

#### **Additional Commodity Loss Assistance**

The Milk Loss Program and On-Farm Stored Commodity Loss Program are also funded through the *Extending Government Funding and Delivering Emergency Assistance Act* and will be announced in a future rule in the Federal Register.

#### More Information

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Additional USDA disaster assistance information can be found on farmers.gov, including the <u>Disaster Assistance Discovery Tool</u>, <u>Disaster-at-a-Glance fact sheet</u>, and <u>Farm Loan Discovery Tool</u>. For FSA and Natural Resources Conservation Service programs, producers should contact their local <u>USDA Service Center</u>. For assistance with a crop insurance claim, producers and landowners should contact their <u>crop insurance agent</u>.

### **Foreign Buyers Notification**

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25 percent of the fair market value of

the property. County government offices, realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements. The data gained from these disclosures is used in the preparation of periodic reports to the President and Congress concerning the effect of such holdings upon family farms and rural communities. Click here for more information on AFIDA.

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## Report Shows Economic Value of Farm Bill Conservation Easements

This new publication is a partnership among the Natural Resources Conservation Service (NRCS), Montana Association of Land Trusts, and the Heart of the Rockies Initiative. The report analyzes the economic impact of conservation easements in Montana. In particular, the Agricultural Land Easement (ALE) program which was created in the 2014 Farm Bill and is designed for farmers and ranchers to work with the NRCS and land trusts across the country to conserve farm and ranch lands, strengthen America's food production, and protect wildlife habitat through voluntary conservation easements. A conservation easement is a private property right utilized by a landowner that typically restricts development of the land but maintains almost all agricultural management options and opportunities. The report shows:

- Between 2014 and 2021 the NRCS, farm and ranch families, and land trusts (or state agency) teamed up to invest \$109 million from the Farm Bill ALE program to conserve 289,000 acres of ag lands in 22 Montana counties.
- Every ALE Farm Bill dollar allocated to farm and ranch conservation yielded \$1.89 of economic activity, nearly doubling the positive impact of the Farm Bill funding.
- 95% of the allocated funds were used to directly assist with farm and ranch agricultural operations and expansion, farm and ranch family succession planning, business strength and stability, and direct purchase of farm and ranch equipment.
- These dollars produced a total economic impact of \$182 million for Montana's economy, supported 1,057 local jobs and \$41.5 million in labor income, and contributed \$99 million to Montana's Gross Domestic Product.

Find the full report on the Montana Association of Land Trusts, Heart of the Rockies Initiative, or NRCS websites.

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### **Montana Soil Outreach**

From September 2021 through July 2022, the Montana Association of Conservation Districts, Montana Watershed Coordination Council and partners are reaching out across the state to ask: What more might be done to better support farmers and ranchers in managing soils in Montana?

The purpose is to increase the pace and scale at which land stewards implement voluntary practices and systems to maintain and improve soil health, and thereby the long term economic and ecological vitality of agriculture in Montana. In August of 2022 a report will be shared on what was learned along with any recommendations that seem to emerge. All responses will be kept confidential and anonymous.

Learn how to participate.

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## Inform FSA Promptly of All Changes in Farming Operation and Contact Information

It is important to promptly report any changes in your farming operation to FSA. These changes can include, but are not limited to, changes in your address, phone, or email, name changes, changes to entity membership or shares, formation or dissolution of any entity (such as a trust, partnership, LLC, LLP or corporation) that owns or operates land or owns other farming assets used in your operation, sale or purchase of land, adding or dropping leases, and any changes to financing or equipment. Participants in FSA and NRCS programs are required to timely report changes in their farming operation to their local FSA office in writing and update their CCC-902 Farm Operating Plan with necessary changes, as applicable. Failure to timely notify your local FSA office may result in ineligibility for program benefits, or delays in issuance of program payments. If you have any updates or corrections to your records, please call your local FSA office to update your records.

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### **FSA's Ongoing Notice of Loss Requirements**

It's important for agricultural producers to report losses immediately as all disaster programs are dependent on the timely reporting of the loss. A notice of loss can be filed with USDA Farm Service Agency via phone, email, fax or scheduled office visit.

- ELAP Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish
  Program: Producers will have 15 days from when the loss is first apparent, to file
  a honeybee notice of loss. This change provides consistency between ELAP and the
  Noninsured Crop Disaster Assistance Program, which also has a 15-day notice of loss period
  for honey. For other covered livestock losses, including livestock feed, grazing and farmraised fish losses, the notice of loss deadline for ELAP will remain 30 days from when the loss
  is first apparent to the producer.
- **LIP Livestock Indemnity Program:** Submit Notice of Loss within **30** calendar days of when the loss is first apparent. Producers should document the adverse weather conditions and date(s) of weather events.
- **TAP Tree Assistance Program:** Final Date to Submit an Application and Supporting Documentation within 90 calendar days of: the disaster event or the date when the loss is apparent to the producer.
- NAP Noninsured Crop Disaster Assistance Program: Submit Notice of Loss
  within 15 calendar days of the earlier of a natural disaster occurrence, the final planting date if
  planting is prevented by a natural disaster, the date that damage to the crop or loss of
  production becomes apparent; or the normal harvest date. *Note:* A producer's signature is
  required on form CCC-576 when a Notice of Loss is submitted.

## Change to Policy on Filing a Notice of Loss for Grazed Forage Producers with NAP Coverage:

NAP forage producers with the intended use of grazing who elect to use independent assessments or other approved alternative loss percentage methods to establish their loss are no longer required to file a CCC-576 Notice of Loss with FSA. However, a CCC-576 Application for Payment form must be submitted to FSA no later than 60 calendar days after the coverage period ends.

Producers that elect to have the grazing loss determined using similar mechanically harvested units still must timely file a CCC-576 Notice of Loss within 15 days of the disaster event or damage to the crop first becomes apparent or within 15 days of harvest.

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## FSA Offers Joint Financing Option on Direct Farm Ownership Loans

The USDA Farm Service Agency's <u>Direct Farm Ownership loans</u> are a resource to help farmers and ranchers become owner-operators of family farms, improve and expand current operations, increase agricultural productivity, and assist with land tenure to save farmland for future generations.

Depending on the applicant's needs, there are three types of Direct Farm Ownership Loans: regular, down payment and joint financing. FSA also offers a <u>Direct Farm Ownership Microloan</u> option for smaller financial needs up to \$50,000.

Joint financing allows FSA to provide more farmers and ranchers with access to capital. FSA lends up to 50 percent of the total amount financed. A commercial lender, a State program or the seller of the property being purchased, provides the balance of loan funds, with or without an FSA guarantee. The maximum loan amount for a Joint Financing loan is \$600,000 and the repayment period for the loan is up to 40 years.

To be eligible, the operation must be an eligible farm enterprise. Farm Ownership loan funds cannot be used to finance nonfarm enterprises and all applicants must be able to meet general eligibility requirements. Loan applicants are also required to have participated in the business operations of a farm or ranch for at least three years out of the 10 years prior to the date the application is submitted. The applicant must show documentation that their participation in the business operation of the farm or ranch was not solely as a laborer.

For more information about FSA Loan programs, contact your local FSA office or visit <a href="www.fsa.usda.gov">www.fsa.usda.gov</a>. To find your local FSA office, visit <a href="http://offices.usda.gov">http://offices.usda.gov</a>.

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### **Loans for Targeted Underserved Producers**

The Farm Service Agency (FSA) has several loan programs to help you start or continue an agriculture production. Farm ownership and operating loans are available.

While all qualified producers are eligible to apply for these loan programs, FSA has provided priority funding for members of targeted underserved applicants.

A targeted underserved applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities.

For purposes of this program, targeted underserved groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders.

FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

### **Emergency Loans Available in Montana**

FSA's Emergency Loan Program is available for agricultural producers in counties designated as primary or contiguous natural disaster areas. See map below of current Disaster Designations in Montana. Contact your local FSA office for specific designations in your area and time frames to apply. Eligible producers have **eight months** from the date of the disaster designation to apply for low-interest emergency loans to 1.) restore or replace essential property; 2.) pay all or part of production costs associated with the disaster year; 3.) pay essential family living expenses; or 4.) refinance certain debts, excluding real estate. Producers interested in applying for an emergency loan, or other FLP loans, should contact their local FSA office to set up an appointment with the Farm Loan Program staff serving your area.

- Montana Disaster Designation Information
- Emergency Farm Loans
- Farm Loan Programs

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## Montana Farm and Ranch Stress Resource Clearinghouse

Montana State University Extension and an associated statewide advisory council have developed an <u>online clearinghouse of resources</u> for a wide range of topics related to stress and mental health. The clearinghouse was created specifically for ag producers and their families, but it contains a wealth of information for anyone interested in learning more about causes of stress, stress prevention and management, and overall mental health.

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#### Montana

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State Executive Director (Acting): LES J RISPENS

## State Committee: RYAN LANKFORD

FSA Policy Reminders: 2021 Annual Notification to FSA Customers

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Fax: 855-510-7028

Web: https://www.nrcs.usda.gov/wps/portal/nrcs/mt/home

State Conservationist: TOM WATSON

USDA Risk Management Agency Billings Regional Office 3490 Gabel Road, Suite 100 Billings, MT 59102-7302 Phone: 406-657-6447

Fax: 406-657-6573 Email: rsomt@rma.usda.gov Web: https://www.rma.usda.gov/

Regional Director: ERIC BASHORE

Contact information for your local office, visit: www.farmers.gov.