

Torrington USDA February Updates - February 1, 2023

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

- Rolling Out Revenue Based Disaster and Pandemic Assistance Programs
- <u>Transitioning Expiring CRP Land to Beginning</u>, <u>Veteran or Underserved Farmers and</u> Ranchers
- FSA Offers Joint Financing Option on Direct Farm Ownership Loans
- Save Money on Fuel with No-Till Farming

CED Comments, Upcoming Dates/Deadlines, and a Few Jokes

Happy February and Happy National Barley Month! With the cold and winter weather we are having lately, please keep track of any livestock losses and document them thoroughly for any LIP applications. Also, if you do have any losses, please contact the office within 30 days to file a notice of loss.



<u>ARC/PLC-</u> The signup window for ARC/PLC is currently open. Producers have until **March 15**, **2023** to make an election and sign their contracts for the 2023 crop.

Conservation Reserve Program (CRP)- Typically we start rolling on CRP after the beginning of the new year. We have not heard anything about the upcoming signup as of yet. If you are interested in CRP or CRP Grasslands, please contact Jennifer and she will get you any information about a signup as soon as it is announced. We typically have a lot of interest in this program so don't delay in getting your name on the list!

<u>New Programs</u>- There are 2 new programs coming to Goshen County. The Goshen County staff is currently being trained on the new Pandemic Assistance Revenue Program (PARP) & Emergency Relief Program (ERP) Phase II. Please see the article below for more information on these programs. If you are interested in these programs, please contact the office and we will get you on a list of producers to contact once we have completed our training.

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Upcoming Deadlines/Dates:

Feb. 9- National Pizza Day

Feb. 20- President's Day- Office Closed

Feb. 23- National Chili Day

Mar. 1- Signup Deadline for LIP for 2022 Losses

Mar. 15- ARC/PLC Signup Deadline

A Few Jokes to Brighten a Day

What did the fisherman say to the magician? Pick a cod, any cod.

Did you know that milk is the fastest liquid on earth? It's pasteurized before you even see it! How many tickles does it take to make an octopus laugh? 10 tickles.

What's the best way to watch a fly fishing tournament? Live stream.

Rolling Out Revenue Based Disaster and Pandemic Assistance Programs

Beginning January 23, 2023, agricultural producers can begin to apply for two new important programs for revenue losses, from 2020 and 2021 natural disasters or the COVID-19 pandemic. Both programs equitably fill gaps in earlier assistance.

First, you may be eligible for assistance through the <u>Emergency Relief Program</u>
(ERP) Phase Two if you experienced revenue losses from eligible natural disasters in 2020 and 2021. ERP Phase Two is for producers who didn't receive assistance from ERP Phase One.

You may also be eligible for the <u>Pandemic Assistance Revenue Program (PARP)</u> if you experienced revenue losses in calendar year 2020. PARP is addressing gaps in previous pandemic assistance, which was targeted at price loss or lack of market access, rather than overall revenue losses.

Applications for both new programs are due June 2, 2023, and you can apply for both programs during your same appointment with USDA's Farm Service Agency (FSA).

Historically, FSA programs have been designed to make direct payments to producers based on a single disaster event or for a single commodity loss. For many of you, this may be the first revenue-based program that you've applied for with FSA.

Why revenue-based programs?

ERP Phase Two and PARP take a much more holistic approach to disaster assistance, ensuring that producers not just make it through a single growing season but have the financial stability to invest in the long-term well-being of their operations and employees.

In general, ERP Phase Two payments are based on the difference in allowable gross revenue between a benchmark year, representing a typical year of revenue for the producer and the disaster year – designed to target the remaining needs of producers impacted by qualifying natural disasters and avoid duplicative payments. ERP Phase Two revenue loss is based on tax years.

For PARP, an agricultural producer must have been in the business of farming during at least part of the 2020 calendar year and had a decrease in revenue for the 2020 calendar year, as compared to a typical year. PARP revenue loss is based on calendar years.

How to Apply

In preparation for enrollment, producers should gather supporting documentation including:

- Schedule F (Form 1040); and
- *Profit or Loss from Farming* or similar tax documents for tax years 2018, 2019, 2020, 2021 and 2022 for ERP and for calendar years 2018, 2019 and 2020 for PARP.

Producers should also have, or be prepared to have, the following forms on file for both ERP and PARP program participation:

- Form AD-2047, Customer Data Worksheet (as applicable to the program participant);
- Form CCC-902, Farm Operating Plan for an individual or legal entity;
- Form CCC-901, Member Information for Legal Entities (if applicable); and
- Form AD-1026 Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC)
 Certification.
- Form CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification, as certain existing permanent and ad-hoc disaster programs provide increased benefits or reduced fees and premiums.

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 should contact FSA at their local <u>USDA Service Center</u>.

Yes, FSA is stepping outside of the box.

FSA is a big proponent of agricultural producers having a say in the design, implementation and delivery of the programs that directly impact their livelihoods. We also believe that some of the most creative and useful ideas for program and process improvements come from the FSA employees who administer this assistance through our network of more than 2,100 county offices. We want to thank producers across the country, along with the entire FSA workforce, for not just thinking outside of the box but also providing their input to make sure that we can improve and enhance our programs and our approach to assistance to better and more efficiently serve all producers who need our help.

Please visit your local USDA Service Center for more information on ERP Phase Two, PARP and our full portfolio of conservation, prices support, safety-net, credit and disaster assistance programs.

Transitioning Expiring CRP Land to Beginning, Veteran or Underserved Farmers and Ranchers

CRP contract holders are encouraged to transition their Conservation Reserve Program (CRP) acres to beginning, veteran or socially disadvantaged farmers or ranchers through the Transition Incentives Program (TIP). TIP provides annual rental payments to the landowner or operator for up to two additional years after the CRP contract expires.



CRP contract holders no longer need to be a retired or retiring owner or operator to transition their land. TIP participants must agree to sell, have a contract to sell, or agree to lease long term (at least five years) land enrolled in an expiring CRP contract to a beginning, veteran, or socially disadvantaged farmer or rancher who is not a family member.

Beginning, veteran or social disadvantaged farmers and ranchers and CRP participants may enroll in TIP beginning two years before the expiration date of the CRP contract. The TIP application must be submitted prior to completing the lease or sale of the affected lands. New landowners or renters that return the land to production must use sustainable grazing or farming methods.

For more information, contact your Goshen County USDA Service Center at 307-532-4880 x2 or visit <u>fsa.usda.gov</u>.

FSA Offers Joint Financing Option on Direct Farm Ownership Loans

The USDA Farm Service Agency's (FSA) <u>Direct Farm Ownership loans</u> can 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.



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.

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 farm loans, contact the Platte County USDA Service Center at 307-322-4050 x2 or visit fsa.usda.gov.

Save Money on Fuel with No-Till Farming

How much fuel can farmers save each year by transitioning from conventional tillage to continuous no-till? According to a <u>new report from USDA's Conservation Effects</u>

<u>Assessment Project (CEAP)</u>, 3.6 gallons per acre is a reasonable estimate. With current off-road diesel fuel prices, this could translate into approximately \$17 per acre saved annually.

Nearly 87 percent of all cropland acres nationwide are farmed using some form of conservation tillage, where tillage is reduced for at least one crop within a given field. Continuous no-till accounts for 33 percent of this total.

Improving soil health is one known benefit of limiting disturbance. Farmers who minimize tillage across their operation may reduce soil erosion, maximize water infiltration, improve nutrient cycling, build organic matter, and strengthen resilience to disaster events or challenging growing conditions. Based on the latest data, they may also use significantly less fuel than with conventional tillage and reduce their associated carbon dioxide emissions.

According to CEAP, farmers who implement conservation tillage practices instead of continuous conventional tillage:

- Reduce potential nationwide fuel use by 763 million gallons of diesel equivalents each year, roughly the amount of energy used by 2.8 million households.
- Reduce potential associated emissions by 8.5 million tons of carbon dioxide (CO₂) equivalents
 each year, equivalent to removing nearly 1.7 million gasoline-powered passenger vehicles from
 the road.

How is this possible? Annually, farmers who practice continuous no-till use approximately 3.6 fewer gallons of fuel per acre than if they practiced continuous conventional tillage. Farmers who practice seasonal no-till – farming without tilling for at least one crop – use approximately 3 fewer gallons of fuel per acre than they would with conventional tillage year-round.

Acre by acre, fuel saved is money saved. Let's assume an average off-road diesel fuel price of \$4.75 per gallon*. By transitioning from continuous conventional tillage to continuous no-till, a farmer can save just over \$17 per acre each year in fuel costs. A farmer who transitions from continuous conventional tillage to seasonal no-till can save more than \$14 per acre on fuel annually. These potential savings are significantly larger than with CEAP's first fuel savings report, primarily due to the current price of diesel fuel.

The bottom line for farmers: Reducing tillage leads to fuel savings that deliver significant financial benefits while building healthier soils for a more resilient operation.

USDA Can Help

If you're a farmer interested in reducing tillage or pursuing other conservation efforts across your operation, USDA's Natural Resources Conservation Service (NRCS) can help.

- This blog offers five simple tips for farmers interested in trying no-till for the first time.
- <u>This 90-second video</u> provides a description of no-till and associated benefits according to a Delaware farmer.

- <u>This 23-minute video</u> follows five South Carolina farmers seeking to quantify the benefits of conservation practices that support soil health.
- <u>This webpage</u> details principles to improve soil health, including reduced tillage and complimentary conservation practices such as cover crops, crop rotations, and rotational grazing.

NRCS has local USDA Service Centers in nearly every county across the United States. You may <u>find</u> <u>contact information for your nearest Service Center here</u>. NRCS staff are available to provide free, one-on-one assistance with a suite of practices to strengthen your operation, conserve natural resources, and boost your bottom line. <u>SMART nutrient management</u>, for example, is important to consider with no-till and may help you save money on fertilizer while improving water quality – another win-win.

Visit the <u>new NRCS website</u> to learn more about conservation basics, getting assistance from NRCS, programs and initiatives, and resources to inform management decisions. Visit the <u>new CEAP</u> <u>webpage</u> for additional information about USDA's efforts to quantify the effects of conservation practices across croplands and other working lands.



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