

## South Dakota USDA August Newsletter

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### South Dakota USDA Newsletter - August 13, 2024

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#### Message from the FSA State Executive Director

Greetings from the South Dakota State FSA Office!

As summer is winding down and schools are back into full swing, I want to share with everyone about a group of young folks who spent the summer with the South Dakota Farm Service Agency. We were fortunate to have eight individuals join us in offices from Hot Springs to Yankton and places between.

The eight students were part of a Pathways Internship Program that gives them an opportunity to spend a few summers in a local FSA office assisting with everything from acreage reporting to tracking various FSA Farm Loan programs; the idea is that when they

complete their education, they are in a position to join the FSA team on a permanent basis.

The 2024 FSA Summer Interns were Sam Groft; Brynn Thompson; Hannah Cunningham; Kara Johnson; Gillian Jarding; Alexis Alexander; Swayze Ness; and Jess Munkvold.

Just about everyone has heard from your local offices or heard through the coffee shop talk that FSA has struggled to hire employees. This internship program will certainly help to keep our local offices fully staffed.

Also, FSA made its first significant change in 40 years to acknowledge the work that the front office staff does for farmers and ranchers. In July, the position titles for nearly 200 South Dakota FSA team members changed from Program Technician (PT) to Program Analyst (PA). With the change comes an opportunity for the PAs to move up in pay - a move that will make working for FSA more competitive as we attract new employees.

Lastly, I want to give a special thanks to Jodi Simonsen, a Program Analyst in the Minnehaha County FSA Office. This month Jodi celebrates her 40<sup>th</sup> year of service to farm and ranch families in Minnehaha County!

If your travels take you to the State Fair, please stop by the FSA booth in the Value-Added Ag Day Tent on Thursday, August 29<sup>th</sup>.

Sincerely,

Steve Dick  
State Executive Director  
USDA - Farm Service Agency

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### **Message from the NRCS State Conservationist**

Greetings,

Our state continues to have great opportunities for learning and networking regarding natural resource management and agriculture. Please consider upcoming learning opportunities with [South Dakota Specialty Producers Association](#), [South Dakota Soil Health Coalition](#), [South Dakota Grassland Coalition](#), and other entities to build your support team. Building a support team is particularly valuable for young and beginning farmers and ranchers. This year alone, NRCS in South Dakota has obligated \$14.5 million dollars to beginning farmers and ranchers for conservation efforts in order to create resilient operations that build local economies. Read about one such South Dakota farmer [here](#).

Additionally, visit us at our [DakotaFest USDA-NRCS tent](#) August 20-22 to see living roots of cover crops and grasses while sharing your cover crop experiences. Then, join us August

29<sup>th</sup> for [Value Added Ag Day](#) at the South Dakota State Fair to learn about the brand-new [Dakota Conservation Network](#) website.

Visit [your local NRCS office](#) to ask about upcoming learning opportunities, discuss your goals, and learn how an NRCS specialist or program can support your efforts.

Thank you to all South Dakota farmers, ranchers, land managers, landowners, and conservation partners who are moving the needle of conservation in our state.

Sincerely,

Tony Sunseri  
State Conservationist  
USDA-Natural Resources Conservation Service

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### **Important Dates & Deadlines**

**August 14, 2024** - Emergency Relief Program (ERP) 2022 Application Deadline

**August 29, 2024** - Value Added Ag Day @ SD State Fair - USDA Resources & Funding for Beginning Farmers & Ranchers Session 12:00 pm - 12:30 pm

**August 31, 2024** - CRP Non-Emergency Haying Ends (sign up required)

**September 2, 2024** - USDA Service Centers closed in observance of Labor Day

**September 10, 2024** - Deadline to report CRP acres hayed

**September 18, 2024** - FSA State Committee Meeting

**October 15, 2024** - Deadline to submit Additional Forms for ERP (see article below)

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### **USDA Announces August 14 Application Deadline for Emergency Relief Program Assistance for Commodity and Specialty Crop Producers Impacted by 2022 Natural Disasters**

The U.S. Department of Agriculture (USDA) today announced the deadline for commodity and specialty crop producers to apply for the Emergency Relief Program (ERP) for 2022 natural disaster losses is **Aug. 14, 2024**. USDA's Farm Service Agency (FSA) began accepting ERP 2022 applications in October 2023.

#### **Background**

Through the Disaster Relief Supplemental Appropriations Act, 2023 (P.L. 117-328) Congress allocated \$3.2 billion in funding to cover an estimated \$10 billion in uncovered crop losses.

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

### **ERP 2022 Application Process – Track 1**

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

In fall 2023, FSA began issuing pre-filled ERP 2022 Track 1 application forms to producers who had crop insurance and NAP data already on file with USDA. Receipt of a pre-filled application is not confirmation that a producer is eligible to receive an ERP 2022 Track 1 payment.

### **ERP 2022 Application Process – Track 2**

Track 2 is a revenue-based certification program designed to assist producers who suffered an eligible decrease in revenue resulting from 2022 calendar year disaster events when compared with revenue in a benchmark year using revenue information that is readily available from most tax records.

In cases where revenue does not reasonably reflect a normal year's revenue, Track 2 provides an alternative method for establishing revenue. Likewise, Track 2 affords producers of crops that are used within an operation and do not generate revenue from the sale of the crop a method for establishing revenue for the purpose of applying for ERP 2022 benefits. Producers are not required to submit tax records to FSA unless requested by the County Committee if required for an FSA compliance spot check.

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

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

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

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

### **Additional Required Forms**

For both ERP 2022 tracks, all producers must have certain required forms on file with FSA within 60 days of the Aug. 14 application deadline. If not already on file, producers can update, complete and submit required forms to FSA by Tuesday, Oct. 15, 2024.

Required forms:

- Form AD-2047, Customer Data Worksheet.
- Form CCC-902, Farm Operating Plan for an individual or legal entity.
- Form CCC-901, Member Information for Legal Entities (if applicable).
- Form FSA-510, Request for an Exception to the \$125,000 Payment Limitation for Certain Programs (if applicable).
- Form CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification, if applicable, for the 2022 program year.
- Note: Currently, there is a Federal court injunction that prohibits USDA from “making or increasing payments, or providing any additional relief, based on its ‘socially disadvantaged farmer or rancher’ designation” under ERP 2022. This may impact certain payments.
- A highly erodible land conservation (sometimes referred to as HELC) and wetland conservation certification (Form AD-1026 Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification) for the ERP producer and applicable affiliates.

Most producers, especially those who have previously participated in FSA programs, will likely have these required forms on file. However, those who are uncertain or want to confirm the status of their forms can contact their local FSA county office.

### **Future Insurance Coverage Requirements**

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

### **More Information**

ERP 2022 eligibility details and payment calculation factor tables are available on FSA’s [Emergency Relief webpage](#), in the [ERP Track 1](#) and [ERP Track 2](#) fact sheets and through the FSA at your local [USDA Service Center](#).

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

Conservation Reserve Program (CRP) contract holders are encouraged to transition their 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 local USDA Service Center or visit [fsa.usda.gov](https://fsa.usda.gov).

### **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 [CCC-633EZ, Page 1](#) 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 local USDA Service Center or visit [fsa.usda.gov](https://fsa.usda.gov).

### **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 [Your FSA Farm Loan Compass](#).

### **USDA Announces Changes to Enhanced Coverage Option Insurance Program**

The U.S. Department of Agriculture (USDA) announced changes to the Enhanced Coverage Option (ECO) beginning with the 2025 crop year. USDA's Risk Management Agency (RMA) is expanding coverage options to additional crops as well as increasing premium support to make the policy more affordable for producers.

ECO is currently approved for 36 crops and RMA is expanding coverage options to almonds, apples, blueberries, grapes, and walnuts for the 2025 crop year and to citrus crops where the Supplemental Coverage Option is currently available in California and Arizona for the 2026 crop year.

Additionally, RMA is increasing premium support for all crops covered by ECO to 65% to make the policy more affordable.

ECO provides additional area-based coverage for a portion of a producer's underlying crop insurance policy deductible. ECO can be purchased as an endorsement to Yield Protection, Revenue Protection, Revenue Protection with the Harvest Price Exclusion or Actual Production History. ECO offers producers a choice of 90 or 95% trigger levels. Trigger is the percentage of expected yield or revenue at which a loss becomes payable.

ECO coverage is unaffected by participation in USDA's Farm Service Agency's (FSA) Agriculture Risk Coverage program for the same crop, on the same acres. Producers may select ECO regardless of FSA farm program election.

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](#). Producers can learn more about crop insurance and the modern farm safety net at [rma.usda.gov](http://rma.usda.gov) or by contacting their [RMA Regional Office](#).

### **USDA Expands Insurance Options for Specialty and Organic Growers**

The U.S. Department of Agriculture (USDA) is expanding crop insurance options for specialty and organic growers beginning with the 2025 crop year. USDA's Risk Management Agency (RMA) is expanding coverage options by allowing enterprise units by organic farming practice, adding enterprise unit eligibility for several crops, and making additional policy updates. This is the first of several announcements this summer, which will include the expansion of the shellfish policy in the Northeast and new coverage for grape growers in the West and beyond. These expansions and other improvements build on other recent RMA efforts to better serve specialty crop producers and reach a broader group of producers.

The following changes will be made beginning with the 2025 crop year:

- **Enterprise and Optional Units:**
  - Expand Enterprise Units (EU) to almonds, apples, avocado (California), citrus (Arizona, California, and Texas), figs, macadamia nuts, pears, prunes, and walnuts.
  - Allow non-contiguous parcels of land that qualify for Optional Units (OU) to also qualify for EU.
  - Allow EUs by organic farming practice for alfalfa seed, almonds, apples, avocado (California), cabbage, canola, citrus (Arizona, California and Texas), coarse grains, cotton, ELS cotton, dry beans, dry peas, figs, fresh market tomatoes, forage production, grass seed, macadamia nuts, millet, mint, mustard, pears, potatoes (northern, central, and southern), processing tomatoes, prunes, safflower, small grains, sunflower seed, and walnuts.



- Expand OUs by organic practice to all remaining crops where OUs are available, and the organic practice is insurable.
- **Walnut Quality Adjustment:** Allow sunburned damaged walnuts to be eligible for indemnity payments through quality adjustment.
- **Almond Leaf Year:** Expand insurance coverage to younger trees by including trees in their fifth leaf year after being set out.
- **Processing Bean End of Insurance Period:** Extend insurance coverage in Delaware, Maryland, and New Jersey by an additional 16 days.
- **Canola:** Expand insurance for canola into South Dakota and Michigan.

These revisions come through the [Expanding Options for Specialty and Organic Growers Final Rule](#) published today by the Federal Crop Insurance Corporation (FCIC). This Final Rule will update the Common Crop Insurance Policy Basic Provisions, Area Risk Protection Insurance Basic Provisions, and includes changes to individual Crop Provisions. The enterprise unit availability will continue to be rolled out throughout the year with each crop's contract change date and RMA will continue to evaluate expanding EUs to additional crops.

Additional changes in the June 30 Final Rule include:

- **New Breaking Acreage:**
  - Reduce administrative burdens on growers and the delivery system by removing written agreement requirements on new breaking acreage.
  - Reduce coverage penalties on perennial specialty crop producers and producers of intensively managed crops, such as alfalfa, when they move to row crop production. This allows for a seamless transition without losing crop insurance coverage.
- **Assignment of Indemnity:** Provide flexibility for an indemnity payment to be issued via automated clearing house (ACH) or other electronic means when these methods do not allow for multiple payees.
- **Good Farming Practices (GFP):** Streamline and shorten the FCIC GFP reconsideration process by closing the administrative file following FCIC's initial GFP determination.
- **Double Cropping and Annual Forage:** Clarify a producer must prove insurance history for the annual forage crop and meet the current double cropping requirements to receive a full prevented planting payment.

RMA continues to explore ways to improve risk management tools for specialty crop producers and will be announcing additional program enhancements later this summer. Some of those improvements include:

- Expanding the **Shellfish Program** to an additional 18 counties in seven states. Additional modifications include allowing insurance on seeds initially purchased smaller than 4 mm, allowing producers to use existing records for coverage in adjacent program counties, and allowing alternative yield procedures.
- Piloting the **Fire Insurance Protection – Smoke Index (FIP-SI)** crop insurance program for grapes in California for the 2025 crop year. The pilot program is an index-based endorsement to the Actual Production History (APH) Grape policy that provides additional protection against smoke damage and covers the liability between the APH policy’s coverage level and 95%.
- Expanding the **Enhanced Coverage Option (ECO)** to walnuts and citrus crops and increasing premium support to be consistent with the Supplemental Coverage Option.
- Expanding the **Grapevine** insurance program to an additional 29 counties in California. Grapevine insurance offers protection against vine losses in the event of several named perils.
- Releasing new **Organic Practice Guidelines** to producers for the 2025 crop year. These guidelines are to help producers report planted or perennial acreage insured under a certified organic or transitional practice.

### More Information

This announcement further advances USDA’s recently announced [Specialty Crops Competitiveness Initiative](#), a Department-wide effort to increase the competitiveness of specialty crops products in foreign markets, enhance domestic marketing, and improve production and processing practices.

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](#). Learn more about crop insurance and the modern farm safety net at [rma.usda.gov](http://rma.usda.gov) or by contacting your [RMA Regional Office](#).

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### **Farm Service Agency**

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Logan Kopfmann - Disaster Relief  
Donita Garry - Program Delivery  
Ryan Vanden Berge - Farm Loan Program

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Fanny Brewer  
Peggy Greenway  
Larry Olsen  
Hank Wonnenberg

### **Natural Resources Conservation Service**

**State Conservationist:** Tony Sunseri

Assistant State Conservationists:

Jessica Michalski - Ecological Sciences  
James Reedy - Engineering  
Nathan Jones - Soils  
Val Dupraz - Programs  
Colette Kessler - Partnerships  
Deke Hobbick - Compliance  
Denise Gauer - Management & Strategy  
Shala Larson - Public Affairs Manager

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