



U.S. DEPARTMENT OF AGRICULTURE

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

In This Issue:

- [Reminders for FSA Direct and Guaranteed Borrowers with Real Estate Security](#)
- [Progression Lending from FSA](#)
- [Applying for FSA Direct Loans](#)
- [Update Your Records](#)
- [Making Farm Reconstitutions](#)
- [FSA Offers Drought Assistance for Livestock Producers Through Emergency Assistance for Livestock, Honey Bees and Farm-raised Fish Program \(ELAP\)](#)
- [Urban Producers, Public Invited to Attend August Meeting of Federal Advisory Committee for Urban Agriculture and Innovative Production](#)
- [Humboldt and Lander Counties Local Work Group Meeting](#)
- [Lyon, Mineral, and Esmeralda Counties Local Work Group Meeting](#)

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](#).

Progression Lending from FSA

Farm Service Agency (FSA) farm loans are considered progression lending. Unlike loans from a commercial lender, FSA loans are intended to be temporary in nature. Our goal is to help you graduate to commercial credit, and our farm loan staff is available to help borrowers through training and credit counseling.

The FSA team will help borrowers identify their goals to ensure financial success. FSA staff will advise borrowers on developing strategies and a plan to meet your goals and graduate to commercial credit. FSA borrowers are responsible for the success of their farming operation, but FSA staff will help in an advisory role, providing the tools necessary to help you achieve your operational goals and manage your finances.

Applying for FSA Direct Loans

FSA offers direct farm ownership and direct farm operating loans to producers who want to establish, maintain, or strengthen their farm or ranch. Direct loans are processed, approved and serviced by FSA loan officers.

Direct farm operating loans can be used to purchase livestock and feed, farm equipment, fuel, farm chemicals, insurance, and other costs including family living expenses. Operating loans can also be used to finance minor improvements or repairs to buildings and to refinance some farm-related debts, excluding real estate.

Direct farm ownership loans can be used to purchase farmland, enlarge an existing farm, construct and repair buildings, and to make farm improvements.

The maximum loan amount for direct farm ownership loans is \$600,000 and the maximum loan amount for direct operating loans is \$400,000 and a down payment is not required. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

Please contact your local FSA office for more information or to apply for a direct farm ownership or operating loan.

Update Your Records

FSA is cleaning up our producer record database and needs your help. Please report any changes of address, zip code, phone number, email address or an incorrect name or business name on file to our office. You should also report changes in your farm operation, like the addition of a farm by lease or purchase. You should also report any changes to your operation in which you reorganize to form a Trust, LLC or other legal entity.

FSA and NRCS program participants are required to promptly report changes in their farming operation to the County Committee in writing and to update their *Farm Operating Plan* on form CCC-902.

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 (FY), farm combinations and farm divisions must be requested by **August 1 of the FY** 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.

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. **ABOVE NORMAL COSTS OF TRANSPORTING LIVESTOCK TO FORAGE/GRAZING ACRES**

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. **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. 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, contact your local County USDA Service Center or visit fsa.usda.gov/disaster.

Urban Producers, Public Invited to Attend August Meeting of Federal Advisory Committee for Urban Agriculture and Innovative Production

The U.S. Department of Agriculture (USDA) encourages urban producers, innovative producers and other stakeholders to submit comments for and virtually attend a public meeting of the Federal Advisory Committee for Urban Agriculture and Innovative Production (Committee) on Aug. 1, 2023.

“The Urban Agriculture and Innovative Production Federal Advisory Committee continues to support urban agriculture and innovative production efforts at USDA with on the ground insight and advice,” said Terry Cosby, Chief of USDA’s Natural Resources Conservation Service (NRCS), which houses USDA’s Office of Urban Agriculture and Innovative Production (OUAIP). “I encourage members of the public to attend and submit comments for the Committee.”

The Committee is part of USDA's efforts to support urban and innovative agriculture, creating a network for feedback. Members include agricultural producers and representatives from the areas of higher education or extension programs, non-profits, business and economic development, supply chains and financing. The committee last met in April 2023.

About the Meeting

Topics for the upcoming meeting will include addressing public comments and discussing the following recommended topics:

- Food waste prevention and food recovery
- Surplus food recovery
- Compostable food packing standards

The Committee will deliberate and vote on proposed recommendations and address public comments during the meeting. USDA will share the agenda between 24 to 48 hours prior to the meeting on <https://www.usda.gov/partnerships/federal-advisory-committee-urban-ag>.

The virtual meeting runs from 3:00 p.m. to 6:00 p.m. Eastern on Aug. 1, 2023. To attend virtually, register by August 1, 2023 on the [Committee's webpage](#). To submit comments, send by 11:59 p.m. ET on Aug. 15, 2023 through the Federal eRulemaking Portal. Docket NRCS-2023-0014.

For special accommodations, contact Markus Holliday at UrbanAgricultureFederalAdvisoryCommittee@usda.gov.


Additional details are available in the [Federal Register notice](#).

More Information

The Office of Urban Agriculture and Innovative Production was established through the 2018 Farm Bill. It is led by NRCS and works in partnership with numerous USDA agencies that support urban agriculture and innovative production. The Committee is part of a broad USDA investment in urban agriculture. Other efforts include:

- Investing up to \$7.5 million for [Urban Agriculture and Innovative Production](#) competitive grants in fiscal year 2023.
- Investing up to \$9.5 million for [Composting and Food Waste Reduction](#) (CFWR) pilot projects for fiscal year 2023.
- Renewing the People's Garden movement -- join the People's Garden community with gardens across the country; grow using sustainable practices that benefit people and wildlife; and teach about gardening and resilient, local food systems.
- Providing technical and financial assistance through NRCS conservation programs.
- Organizing 17 Farm Service Agency urban county committees.
- Investing nearly \$133 million in grants through the Agricultural Marketing Service's [Local Agriculture Market Program](#) (LAMP) that develop, coordinate, and expand producer-to-consumer marketing, local and regional food markets, and local food enterprises.
- Helping child nutrition program operators incorporate local foods through the Food and Nutrition Services [Farm to School Program](#).

Humboldt and Lander Counties Local Work Group Meeting



*Humboldt &
Lander Counties*

Local Work Group Meeting

Thursday, August 10 from 2-4 p.m.

Use this link to join virtually via Teams: <https://tinyurl.com/mrjwabxk>
To join the meeting via phone: (775) 321-6111, PIN: 149 029 943#

For more information contact:
Melany Aten: maten@dcnr.nv.gov or 775-625-0901

- Hear updates from partners
- Discuss future project needs to address resource concerns
- Opportunity for private/public land managers to propose/plan cooperative work or make a neighbor aware of a resource concern

-The Local Work Group will take comments that USDA's Natural Resources Conservation Service can use to best spend program dollars

USDA is an equal opportunity provider, employer, and lender

Lyon, Mineral, and Esmeralda Counties Local Work Group Meeting



Lyon, Mineral, and Esmeralda County

Local Work Group Meeting

Tuesday, August 1 at 9 a.m.

USDA-NRCS Building

513 West Bridge Street, Yerington, NV 89447

- *Discuss future project needs to address resource concerns.*
- *Opportunity for public/private land managers to propose/plan cooperative work or make neighbors aware of resource concerns.*
- *Provide comments on how USDA's Natural Resources Conservation Service can best spend program dollars.*

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