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Just Around the Corner

Dairy

Sept. 1 is the premium due date for the [Dairy Margin Coverage Program](#).

Grains, Hay & Forages

Sept. 30 is the [Noninsured Crop Disaster Assistance Program](#) (NAP) application deadline for 2023 crop year fall planted small grains, spring planted barley, spring wheat, wild rice, biannual and perennial grasses for hay and grazing, alfalfa, clover, spring seeded oats/pea mix for forage, wheat for forage, and mixed forages.

Specialty Crops

Sept. 1 is the [NAP](#) application deadline for 2023 crop year value loss crops.

Sept. 30 is the acreage reporting deadline for 2023 value loss crops.

More Information

This information is for general awareness. Program deadlines may change or vary by county. Be sure to verify program deadlines for your land or operation by contacting your [local USDA Service Center](#).



Secretary of Agriculture Tom Vilsack Visits Michigan

Secretary of Agriculture Tom Vilsack spoke with Michigan agricultural producers about their operations and how USDA can support them during visits to Michigan State University (MSU) AgBioResearch in East Lansing and a farm in Frankenmuth on Monday, Aug 15.

During his visit to Michigan, Vilsack recognized MSU AgBioResearch for their contributions to the advancement of agricultural technology and practices. He also highlighted USDA investments in rural communities and climate smart agriculture through the Inflation Reduction Act, which provides funding for critical infrastructure, protecting communities from wildfire and extreme heat, and driving climate-smart agriculture and renewable energy initiatives nationwide.



Emergency Relief Program Updates

USDA to Mail Additional Pre-Filled Applications to Producers Impacted by 2020, 2021 Disasters

USDA announced another installment (phase) in assistance to commodity and specialty crop producers impacted by natural disaster events in 2020 and 2021. More than 18,000 producers will soon receive new or updated pre-filled disaster applications to offset eligible crop losses. Approximately \$6.4 billion has already been distributed to 165,000 producers through FSA's [Emergency Relief Program](#) (ERP).



FSA will begin mailing pre-filled applications in late August to producers who have potentially eligible losses and:

- Received crop insurance indemnities for qualifying 2020 and 2021 disaster events after May 2, 2022.
- Received crop insurance indemnities associated with Nursery, Supplemental Coverage Option (SCO), Stacked Income Protection Plan (STAX), Enhanced Coverage Option (ECO) and Margin Protection (MP) policies.
- New primary policyholders not included in the initial insured producer Phase 1 mailing from May 25, 2022, because their claim records had not been filled.
- Certain 2020 prevent plant losses related to qualifying 2020 disaster events that had only been recorded in crop insurance records as related to 2019 adverse weather events and, as such, were not previously provided in applications sent earlier this year.
- New Substantial Beneficial Interest (SBI) records, including SBIs where tax identification numbers were corrected.

Producers are expected to receive assistance direct deposited into their bank account within three business days after they sign and return the pre-filled application to the FSA county office and the county office enters the application into the system.

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Before applying any program payment factors or eligibility criteria, it is estimated that this next installment (phase) may generate about \$756 million in assistance.

Emergency Relief Payments to Date

This emergency relief under ERP complements ERP assistance recently provided to more than 165,000 producers who had received crop insurance indemnities and Noninsured Crop Disaster Assistance Program (NAP) payments for qualifying losses. USDA has processed more than 255,000 applications for ERP, and to date, has made approximately \$6.4 billion in payments to commodity and specialty crop producers to help offset eligible losses from qualifying 2020 and 2021 natural disasters. Also, earlier this year, staff processed more than 100,000 payments through the Emergency Livestock Relief Program (ELRP) and paid eligible producers more than \$601.3 million for 2021 grazing losses within days of the program announcement.

A new [public-facing dashboard](#) on the ERP webpage has information on ERP payments that can be sorted by crop type – specialty or non-specialty, specific commodities and state. FSA will update the dashboard on Monday each week.

Phase One

The design of ERP Phase One allowed for an expedited process that saved time for staff and producers. FSA was able to begin disbursing payments to producers within days of rolling out the program when under the predecessor program lengthy applications and processing were required before making payments. FSA county offices can process almost nine ERP applications in the time it took to process one application for the Wildfire and Hurricane Indemnity Program — Plus (WHIP+), the predecessor program for ad hoc disaster assistance. This equates to 88% less time to process applications and a reduction of more than one million staff hours for implementation of ERP compared with WHIP+. While not specifically tracked, we expect the savings for producers to be at least as significant as they previously would have had a significant burden to collect records and often sit across from the local staff as the data is entered.

These process improvements also enhanced the customer experience for farmers by reducing the number of producer trips to FSA county offices and allowing producers to spend less time completing forms so they could focus more on their agricultural operations. In addition, the ERP program design greatly diminished the risk potential for errors and leveraged the existing RMA and Federal Crop Insurance loss adjustment and verification processes. With more applications approved, more dollars distributed, and more dollars paid per application in a shorter timeframe, the streamlined application process developed to deliver ERP has significantly outperformed the previous implementation of WHIP+. FSA also has paid more than \$1 billion to historically underserved producers.

Phase Two

The second phase of both ERP and ELRP will be aimed at filling gaps and provide assistance to producers who did not participate in or receive payments through the existing risk management programs that are being leveraged for phase one implementation. USDA will keep producers and stakeholders informed as program details are made available.

More Information

In addition, on Aug. 18, 2022, USDA published a technical correction to the [Notice of Funds Availability](#) for ERP and ELRP to clarify how income from the sale of farm equipment and the provision of production inputs and services to farmers, ranchers, foresters, and farm operations are to be considered in the calculation of average adjusted gross farm income. Producers whose average adjusted gross farm income is at least 75% of the producer's the average Adjusted Gross Income can gain access to a higher payment limitation.

ERP and the previously announced ELRP are authorized by the *Extending Government Funding and Delivering Emergency Assistance Act*, which President Biden signed into law in 2021. The law provided \$10

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billion to help agricultural producers impacted by wildfires, droughts, hurricanes, winter storms and other eligible disasters experienced during calendar years 2020 and 2021.

For more information on ERP and ELRP eligibility, program provisions for historically underserved producers as well as Frequently Asked Questions, producers can visit [FSA's Emergency Relief webpage](#). A [new public-facing dashboard](#) on the ERP webpage has information on ERP payments that can be sorted by crop type – specialty or non-specialty– specific commodities and state. FSA will update the dashboard every Monday.

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

2022 DMC Premiums due Sept. 1, 2022

Dairy producers have until Sept. 1, 2022, to pay premiums for the Dairy Margin Coverage (DMC) Program. With monthly DMC program triggers well above the \$9.50 per hundredweight (cwt) coverage level, there have been no indemnity payments distributed through the USDA's Farm Service Agency (FSA) through June 2022. In prior years, premiums were deducted from indemnities to satisfy the premium by the 9/1 due date.



Approximately 75% of calendar year 2022 DMC and Supplemental DMC premiums have not been paid as the payment deadline of Sept. 1 approaches.

Failure to pay the DMC premium by the deadline may affect a dairy operation's ability to participate in the DMC program in future years. Contact your local FSA office for more information.

For more information visit the [FSA dairy programs webpage](#) or the [online dairy decision tool](#).

Dairy Grazing Apprenticeship Program Field Day in Jonesville

Current and aspiring Michigan dairy producers are invited to attend the Dairy Grazing Apprenticeship Program information session and pasture walk on Sept. 9, 2022 in Jonesville, Michigan.

The Dairy Grazing Apprenticeship Mentor and Education Coordinator, local FSA and NRCS experts, and other partners will discuss management practices and program for dairy livestock, grazing and pasture management.



Registration is free and available at the [Dairy Grazing Apprenticeship Website](#).

If you would need to request an accommodation, please contact Ashley Pierce at 518-265-2658, Jessica Duran at 517-662-0509, or either at dga@MIFFS.org to request accommodations (e.g., an interpreter, translator, seating arrangements, etc.) or materials in an alternative format (e.g., Braille, large print, audiotape – captioning, etc.).

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Before You Break Out New Ground, Ensure Your Farm Meets Conservation Compliance

The term “sodbusting” is used to identify the conversion of land from native vegetation to commodity crop production after December 23, 1985. As part of the conservation provisions of the Food Security Act of 1985, if you’re proposing to produce agricultural commodities (crops that require annual tillage including one pass planting operations and sugar cane) on land that has been determined highly erodible and that has no crop history prior to December 23, 1985, that land must be farmed in accordance with a conservation plan or system that ensures no substantial increase in soil erosion.



Eligibility for many USDA programs requires compliance with a conservation plan or system on highly erodible land (HEL) used for the production of agricultural commodities. This includes Farm Service Agency (FSA) loan, disaster assistance, safety net, price support, and conservation programs; Natural Resources Conservation Service (NRCS) conservation programs; and Risk Management Agency (RMA) Federal crop insurance.

Before you clear or prepare areas not presently under production for crops that require annual tillage, you are required to file Form AD-1026 “Highly Erodible Land Conservation and Wetland Conservation Certification,” with FSA indicating the area to be brought into production. The notification will be referred to NRCS to determine if the field is considered highly erodible land. If the field is considered HEL, you are required to implement a conservation plan or system that limits the erosion to the tolerable soil loss (T) for the predominant HEL soil on those fields.

In addition, prior to removing trees or conducting any other land manipulations that may affect wetlands, remember to update form AD-1026, to ensure you remain in compliance with the wetland conservation provisions.

Prior to purchasing or renting new cropland acres, it is recommended that you check with your local USDA Service Center to ensure your activities will be in compliance with the highly erodible land and wetland conservation provisions.

For additional information on highly erodible land conservation and wetland conservation compliance, contact [your local USDA Service Center](#).

USDA Invests \$14.5 Million in Taxpayer Education, Program Outreach Efforts for Farmers and Ranchers

USDA is investing in two outreach and education efforts for farmers and ranchers, including those who are new to farming or who have been historically underserved by USDA programs. FSA is investing \$10 million for agriculture-oriented taxpayer education as well as \$4.5 million in outreach for the Conservation Reserve Program's [Transition Incentives Program](#) (CRP TIP), which helps with access to land for beginning and socially disadvantaged farmers and ranchers. Both efforts help advance equity and access to USDA programs and agriculture.



Taxpayer Education

FSA's \$10 million investment funds the new Taxpayer Education and Asset Protection Initiative. As part of the first phase of this work, FSA has established a partnership with the University of Arkansas and the National Farm Income Tax Extension Committee. This partnership is establishing hubs for taxpayer education while developing and delivering tax education resources to farmers, ranchers, agricultural educators and tax professionals through partnerships with stakeholders and minority- serving institutions across the country.

Many producers are not aware that receiving USDA program funds for activities, such as conservation contracts, disaster assistance payments, and pandemic relief are taxable income, and need support to assist with short- and long-term business planning associated with their program payments. To address these issues, FSA is investing in partnerships with the University of Arkansas, the National Farm Income Tax Extension Committee and other partners to develop and deliver taxpayer education to producers to help them better understand the important relationships between federal income taxes and USDA farm programs. The next phases of this work will include a suite of online resources for producers, continuing education opportunities for tax attorneys and CPAs, as well as cooperative agreement funding and training opportunities for stakeholder organizations.

These tax education partnerships focus on addressing the immediate needs of producers by delivering agricultural tax and asset protection training and information to farmers as well as developing infrastructure to support rural taxpayer education and tax preparation for limited resource, beginning, and historically underserved farmers and ranchers for the long term.

Tax Estimator Tool

Additionally, USDA is updating and expanding online tax resources for producers, including the new [Tax Estimator Tool](#), an interactive spreadsheet that producers can download to estimate tax liability. It is for informational and educational purposes only and should not be considered tax or legal advice. Producers may need to work with a tax professional to determine the correct information to be entered in the Tax Estimator Tool. The tool is available at ruraltax.org.

Registration is also open for a webinar on [Using the Tax Calculator](#) to estimate your tax burden. The webinar will be held on Aug. 15 at 2 p.m. Eastern Standard Time. Previous webinars, fact sheets and other resources are available on farmers.gov/taxes.

Available Funding for CRP TIP Outreach

TIP provides financial incentives to CRP participants with expiring contracts, if they sell or rent the land to a beginning producer, veteran farmer or rancher, or a producer from a socially disadvantaged group.

FSA is making available up to \$4.5 million in funding and expects to award 15 to 20 partner and stakeholder organizations to conduct outreach and provide technical assistance to promote awareness and understanding

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of CRP TIP among agricultural communities, in particular those who are military veterans, new to farming, or historically underserved.

Eligible stakeholders include Federally-recognized Indian tribal organizations, State governments, local governments, nonprofit organizations, and higher education institutions. Interested stakeholders may submit one-to-two-year proposals, and must submit their applications via [Grants.gov](https://www.grants.gov) by October 14, 2022.

CRP TIP Training for Staff

FSA will also train field employees on CRP TIP to improve and increase staff and producer awareness and support participation. Training will help staff understand the larger issues that can affect landowners' considerations around CRP TIP and allow them to further help producers.

More Information

Producers interested in CRP TIP and other USDA programs should contact their local [USDA Service Center](#) to learn more or to apply for programs.

FSA is Adjusting to Fit the Situation Facing Livestock Producers

A message from FSA Administrator Zach Ducheneaux

As a former rancher myself, I know the tremendous investments—in time, sweat, and thought—that producers make even before their calves hit the ground. My experiences lead me to firmly believe that, here at the Farm Service Agency (FSA), we must find flexibilities where possible to help our farmers and ranchers best meet the challenges of the day.

In recent meetings with Senator John Hoeven, FSA North Dakota State Executive Director Marcy Svenningsen, and livestock producers in North Dakota impacted by catastrophic 2021 winter storms, it became apparent that our Livestock Indemnity Program (LIP) payment rates were not reflective of the true market value for non-adult beef, beefalo, bison, and dairy animals. It was time for us to pivot.



LIP provides benefits to livestock owners and some contract growers for livestock deaths exceeding normal mortality from eligible adverse weather events, certain predation losses and reduced sales prices due to injury from an eligible loss.

Indemnity payments are made at a rate of 75 percent of the market value* of the livestock on the day before the date of death. I don't mind saying that, under our previous payment rates, cutting a LIP check to a rancher for \$150 for a calf in today's market came nowhere near covering the year-long investment in carrying the cow through pregnancy and carrying the calf from birth to sale.

To better capture ranchers' investments in their animals, we recently announced increased LIP payment rates for beef, beefalo, bison, and dairy animals less than 250 pounds. These now-updated payment rates are reflective of the substantial increased cost of these non-adult livestock in 2022:

The updated LIP payment rates are effective immediately and will be applied retroactively starting January 1, 2022, for all eligible causes of loss including excessive heat, tornado, winter storms, and other qualifying natural disasters. Producers who have already received LIP payments for 2022 will receive an additional payment, if applicable, commensurate with these updated rates. For details on eligibility and payment rates, you can review our [LIP fact sheet](#).

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Other Program Improvements

These LIP policy changes complement enhancements we recently made to our [Emergency Assistance for Livestock, Honey Bees and Farm-Raised Fish Program \(ELAP\)](#) – changes that also were derived from the direct input and feedback of producers and the livestock groups.

In addition to paying above normal costs for hauling water to drought-stricken livestock, we also added compensation for hauling feed to livestock and livestock to forage or other grazing acres. And, in 2021, we added fish raised for food as an ELAP-eligible commodity because producers and industry leaders expressed the need.

By continually evaluating how we can deliver our programs in a manner that is meaningful to the farmers and ranchers we serve, we demonstrate our ongoing commitment to stakeholder engagement and our dedication to improving programs for livestock producers first signaled by Agriculture Secretary Tom Vilsack during a Senate Agriculture Committee hearing earlier this year.

It has been said actions speak louder than words, but when it comes to FSA programs that directly affect producers' livelihoods and way of life and ultimately impact food security for all Americans, I believe the two are not mutually exclusive. Rest assured that when producers and producer groups speak, FSA and I, to the extent possible, will do whatever is within our power to turn those words into actions.

** Indemnity payments are made at 75 percent of the average fair market value of the livestock, determined annually by USDA.*

August 2022 Lending Rates

USDA's Farm Service Agency (FSA) loans provide important access to capital to help agricultural producers start or expand their farming operation, purchase equipment and storage structures or meet cash flow needs.

Operating, Ownership and Emergency Loans

FSA offers farm ownership and operating loans with favorable interest rates and terms to help eligible agricultural producers, whether multi-generational, long-time, or new to the industry, obtain financing needed to start, expand or maintain a family agricultural operation. FSA also offers emergency loans to help producers recover from production and physical losses due to drought, flooding, other natural disasters or quarantine. For many loan options, FSA sets aside funding for historically underserved producers, including veterans, beginning, women, American Indian or Alaskan Native, Asian, Black or African American, Native Hawaiian or Pacific Islander, and Hispanic farmers and ranchers



Interest rates for Operating and Ownership loans for August 2022 are as follows:

- [Farm Operating Loans](#) (Direct): 4.000%
- [Farm Ownership Loans](#) (Direct): 4.250%
- [Farm Ownership Loans](#) (Direct, Joint Financing): 2.500%
- [Farm Ownership Loans](#) (Down Payment): 1.500%
- [Emergency Loan](#) (Amount of Actual Loss): 3.750 %

FSA also offers guaranteed loans through commercial lenders at rates set by those lenders.

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You can find out which of these loans may be right for you by using our [Farm Loan Discovery Tool](#) (also [available in Spanish](#)).

Commodity and Storage Facility Loans

Additionally, FSA provides low-interest financing to producers to build or upgrade on-farm storage facilities and purchase handling equipment and loans that provide interim financing to help producers meet cash flow needs without having to sell their commodities when market prices are low. Funds for these loans are provided through the Commodity Credit Corporation (CCC) and are administered by FSA.

- [Commodity Loans](#) (less than one year disbursed): 4.000%
- [Farm Storage Facility Loans](#):
 - o Three-year loan terms: 3.125%
 - o Five-year loan terms: 3.125%
 - o Seven-year loan terms: 3.125%
 - o Ten-year loan terms: 3.000%
 - o Twelve-year loan terms: 3.125%
- [Sugar Storage Facility Loans](#) (15 years): 3.250%

More Information

Producers can explore available options on all FSA loan options at fsa.usda.gov or by contacting your [local USDA Service Center](#).

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