



United States
Department of
Agriculture

Risk Management Agency



 AgVersity

July • 2024

Farmer Veteran Coalition
Webinar

Agreement #RMA23CPT0013446



AgriLogic Consulting

- Agricultural economic & insurance consulting firm
- Over 250 years combined experience in crop insurance program development, expert review, & administration
- Successful record of developing & maintaining a broad array of sound risk management tools & insurance programs for the American agricultural producer

Farmer Veteran Coalition (FVC)

USDA Risk Management Agency (RMA)

- This presentation is funded in partnership by USDA, Risk Management Agency, under award number RMA23CPT0013446

Objectives

- Introduce FSA and NRCS
- Overview of Local Service Centers
- Raise awareness of various programs available through FSA and NRCS

Farm Service Agency

Farm Service Agency (FSA)

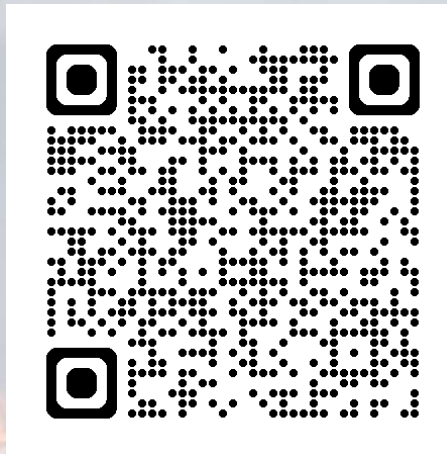
- The Farm Service Agency implements agricultural policy, administers credit and loan programs, and manages conservation, commodity, disaster and farm marketing programs through a national network of offices.

Natural Resources Conservation Service (NRCS)

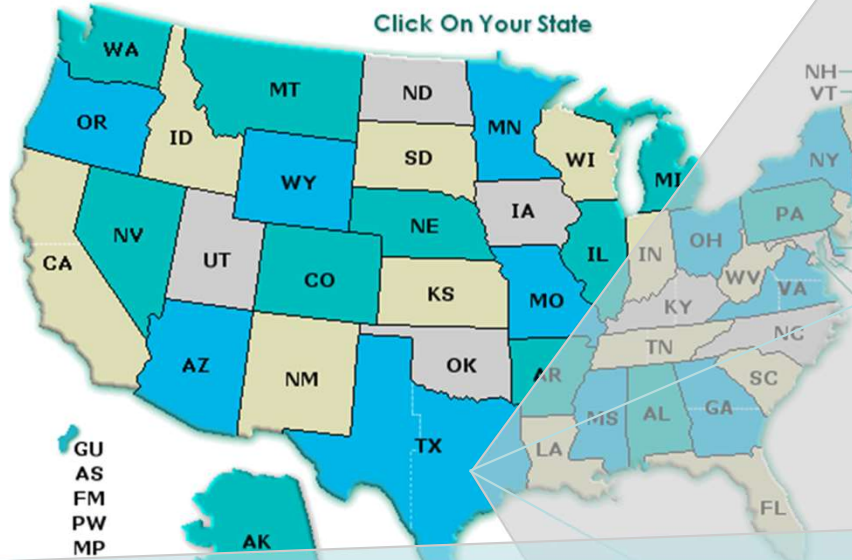
- NRCS provides leadership in a partnership effort to help people conserve, maintain and improve our natural resources and environment.

USDA Local Service Centers

- USDA Service Centers are locations where you can connect with FSA, NRCS, or Rural Development employees for your business needs.
- FSA Service Center Locator
 - <https://offices.sc.egov.usda.gov/locator/app>



FSA Service Center Locator Tool



Click On Your State

GU
AS
FM
PW
MP

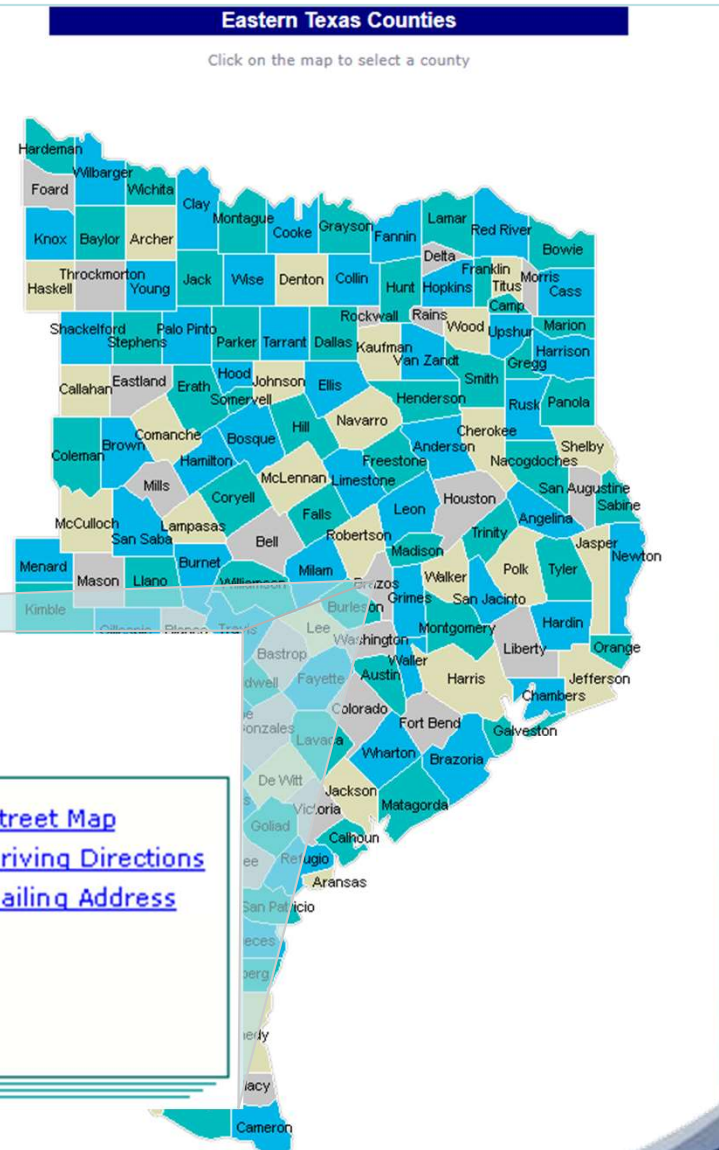
Serving BRAZOS County, Texas

BRYAN SERVICE CENTER

3833 S TX AVE
BRYAN, TX 77802
(979) 846-4814

[Farm Service Agency](#)
[Natural Resources Conservation Service](#)
[Rural Development](#)
[Conservation District](#)

-  [Street Map](#)
-  [Driving Directions](#)
-  [Mailing Address](#)



Eastern Texas Counties

Click on the map to select a county

FSA and Farm Policy

- The FSA Implements Agricultural Policy
- Programs Defined / Funded as part of Farm Bill Legislation
- Current Farm Bill Expired
 - Extension continues authorizations until September 30, 2024
- New Farm Bill Under Consideration
 - Likely revisions/updates to existing programs
 - No indication of elimination of any programs presented

FSA/NRCS Program Categories

FUND: Provide access capital to improve and/or fund your operation

MANAGE: Help mitigate risk on your operation

RECOVER: Help your operation recover from a natural disaster

CONSERVE: Assist in implementing conservation activities on your operation

PRICE: Assist in protecting producers against low prices during harvest periods

Fund Objective

- FSA's Farm Loan Programs are designed for farmers and ranchers unable to get credit elsewhere to start, purchase, sustain, or expand their operation.
- Unlike loans from a commercial lender, FSA loans are temporary, and the goal is to help you graduate to commercial credit.
- Once you can obtain credit from a commercial lender, FSA's involvement ends

Loan Programs

- **Guaranteed Loan Program**
 - Made and serviced by commercial lenders
 - FSA approves and guarantees the loan against loss, up to 95%
- **Direct Loan Program**
 - Made and serviced by FSA using Federal funds.
 - FSA provides credit counseling and supervision by evaluating the adequacy of operational assets, management, and goals
- **Land Contract Guarantee Program**
 - Provide financial guarantees to the seller of a farm or ranch through a land contract sale to a beginning or socially disadvantaged farmer or rancher

Loan Programs

- Microloans
 - **Direct** farm ownership and operating loans with a shortened application process and reduced paperwork designed to meet the needs of smaller, non-traditional, and niche-type operations.
- EZ Guarantee Loans
 - **Guaranteed** farm ownership and operating loans with a shortened application process and reduced paperwork designed to meet the needs of smaller, non-traditional, and niche-type operations.

Loan Types

- Farm Ownership Loans
 - Up to 100 percent financing
 - Help farmers and ranchers
 - purchase or enlarge family farms
 - improve and expand current operations
 - increase agricultural productivity
 - assist with land tenure to save farmland for future generations.
- Operating Loans
 - purchase livestock and equipment
 - pay for minor real estate repairs
 - pay annual operating expenses.

Loan Types

- Emergency Loans

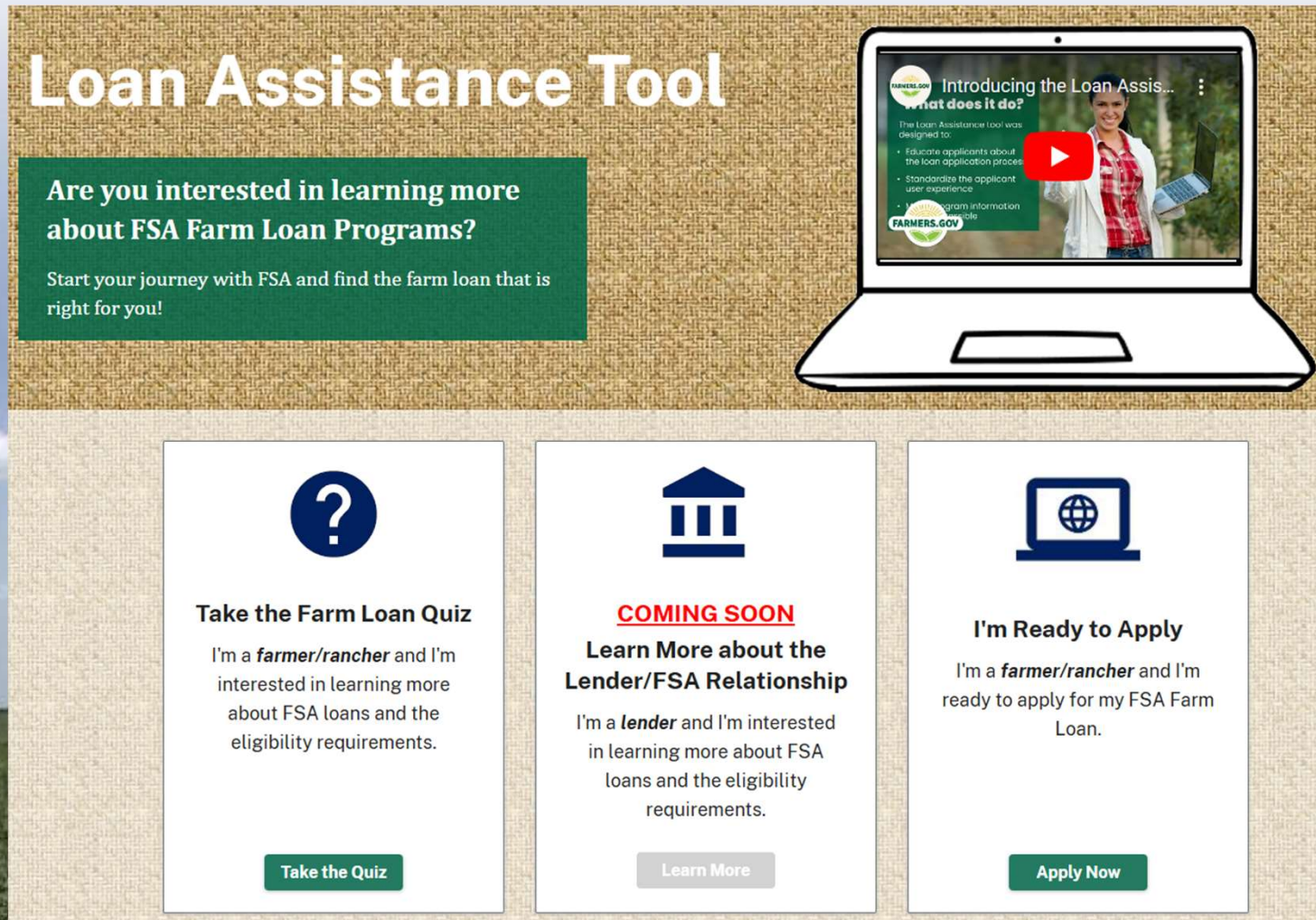
- Help you recover from a qualifying loss caused by natural disasters that damaged your farm or ranch.
 - Restore or replace essential property
 - Pay all or part of production costs associated with the disaster year
 - Pay essential family living expenses
 - Reorganize the farming operation
 - Refinance certain debts

- Conservation Loans

- Help you complete a conservation practice in an approved conservation plan.

Loan Assistance Tool

- <https://lat.fpac.usda.gov/>



The screenshot shows the Loan Assistance Tool website interface. At the top, the title "Loan Assistance Tool" is displayed in large white letters on a dark green background. Below the title, a green box contains the text: "Are you interested in learning more about FSA Farm Loan Programs? Start your journey with FSA and find the farm loan that is right for you!". To the right of this text is a laptop displaying a video player with a play button and a woman holding a laptop. The video player has a title "Introducing the Loan Assis..." and a "what does it do?" section with bullet points: "The Loan Assistance Tool was designed to:", "Facilitate applicants about the loan application process", "Standardize the applicant user experience", and "Provide program information". Below the video player are three white boxes with icons and text. The first box has a question mark icon and the text: "Take the Farm Loan Quiz I'm a **farmer/rancher** and I'm interested in learning more about FSA loans and the eligibility requirements." with a "Take the Quiz" button. The second box has a bank icon and the text: "COMING SOON Learn More about the Lender/FSA Relationship I'm a **lender** and I'm interested in learning more about FSA loans and the eligibility requirements." with a "Learn More" button. The third box has a laptop with a globe icon and the text: "I'm Ready to Apply I'm a **farmer/rancher** and I'm ready to apply for my FSA Farm Loan." with an "Apply Now" button.



MANAGE

Noninsured Crop Disaster Assistance Program (NAP)

- Provides payments on certain eligible crops for which Federal crop insurance is not available when low yields, loss of inventory, or prevented planting occur due to an eligible cause of loss.
- Base coverage is 50% of expected production at 55% of average market price.
- Buy-up is available in 5% increments from 50-65% of production at 100% of average market price.
- \$325 service fee per crop + 5.25% premium on buy-up

Agriculture Risk Coverage (ARC) / Price Loss Coverage (PLC)

- Income support programs
- 22 covered commodities
 - wheat, oats, barley, corn, grain sorghum, long grain rice, medium/short grain rice, temperate japonica rice, seed cotton, dry peas, lentils, large and small chickpeas, soybeans, peanuts, sunflower seed, canola, flaxseed, mustard seed, rapeseed, safflower, crambe, and sesame seed
- ARC provides payments when actual crop revenue declines below a specified guarantee level.
- PLC provides payments when the effective price for a covered commodity falls below its reference price.

Agriculture Risk Coverage (ARC)

- ARC-CO (payment based on county revenue)
 - Revenue based on county level yield data
 - Provides income support tied to historical base acres of covered commodities, rather than current production
 - Payments are issued when the actual county crop revenue of a covered commodity is less than the ARC-CO guarantee for the covered commodity
- ARC-IC (payment based on individual farm revenue)
 - Payments issued when the actual individual crop revenue for all covered commodities planted on the ARC-IC farm is less than the ARC-IC guarantee for those covered commodities
 - Uses producer's certified yields, rather than county level yields

Price Loss Coverage (PLC)

- Payments issued when the effective price for a covered commodity falls below its effective reference price.
- The effective price equals the higher of:
 - the market year average price (MYA); or
 - the national average loan rate for the covered commodity.
- The effective reference price is the lesser of:
 - 115% of the reference price; or
 - an amount equal to the greater of the reference price or 85% of the Olympic average of MYA prices from the 5 preceding years.
- PLC payments, if triggered, will be paid on 85% of the farm's base acres.

Dairy Margin Coverage (DMC) Program

- Pays producer when the difference (the margin) between the national price of milk and the average cost of feed falls below a certain level selected by program participants.
- Payment triggers when DMC margin falls below elected coverage level.
- Elect coverage level from \$4.00 to \$9.50 per cwt in \$.50 increments.
- Select a coverage percentage of the dairy operation's production history ranging from 5% to 95% in 5% increments.



RECOVER

Emergency Relief Program (ERP) 2022

- \$3.7 billion in financial assistance
- Agricultural producers impacted by wildfires, droughts, hurricanes, winter storms and other eligible disasters occurring in calendar year 2022
- Application deadline is August 14, 2024
- <https://www.fsa.usda.gov/programs-and-services/emergency-relief/index>

Emergency Assistance for Livestock, Honeybees, and Farm-raised Fish (ELAP)

- Assistance from losses due to disease, adverse weather or other conditions
- Eligible Losses:
 - Colony Loss / Hive Loss / Purchased Feed
 - Livestock feed and grazing losses / water transportation cost / cost of gathering livestock to treat cattle tick fever
 - Farm-raised fish feed and death losses
- Payment Amounts:
 - Bees: 75% of fair market value of colony/hive; 60% feed cost
 - Livestock: Minimum 60% of eligible feed/transportation costs
 - Fish: 75% of fair market value of fish / 60% feed cost

Tree Assistance Program (TAP)



- Provides financial assistance to replant or rehabilitate eligible trees, bushes, and vines lost by natural disasters.
- Must have suffered a qualifying tree, bush or vine loss in excess of 15% mortality for the stand (adjusted for normal mortality) due to an eligible natural disaster.
- Must replace eligible trees, bushes and vines within 12 months from the date the TAP application is approved.
- Payment is lesser of:
 - 65 percent of actual replant cost or 50 percent of rehabilitation cost; or
 - Maximum eligible amount established by FSA.

Livestock Indemnity Program (LIP)



- Provides benefits to livestock owners and some contract growers for livestock deaths in excess of normal mortality that are the direct result of an eligible adverse weather event.
- Provides assistance to livestock owners that must sell livestock at a reduced price because of an injury from an eligible loss condition.
- Payments determined by multiplying national payment rate (75% of average fair market value of livestock) times number of eligible livestock.

Livestock Forage Disaster Program (LFP)

- Provides compensation to livestock producers who have suffered grazing losses due to drought or fire on land that is native or improved.
- Land must be physically located in county rated by U.S. Drought Monitor as D2, D3, or D4 severity.
- Drought severity and duration of severity determines number of monthly payments – up to five
- Monthly payment rate is 60% of the smaller of:
 - Monthly feed cost payment rate established by FSA; or
 - Monthly feed cost based on normal carrying capacity of the grazing or pastureland.

Emergency Forest Restoration Program (EFRP)

- Available for owners of non-industrial private forests
- Intended to help restore forest health damaged by natural disasters.
- Authorizes payments to owners of private forests to help offset costs of restoring disaster-damaged forests.



Other Recovery Programs

- Emergency Conservation Program
 - Emergency funding to rehabilitate farmland and conservation structures damaged by natural disasters
 - Eligibility determined by FSA county committees based on on-site inspections and type and extent of damage
 - Up to 75% of the cost to implement restoration practices
- Emergency Loans
 - Intended to help producers recover from production and physical losses due to drought, flooding, other natural disasters, or quarantine
 - Have suffered at least a 30% loss of production or livestock, real estate, or chattel property
 - Unable to receive credit from commercial sources



CONSERVE

Conservation Reserve Program (CRP)

- Voluntary program intended to devote sensitive agricultural land to conservation benefits.
- CRP participants establish long-term, resource-conserving plant species to control soil erosion, improve water quality and develop wildlife habitat.
- Contracted participants receive rental payments and cost-share assistance.
- Contract duration is between 10 and 15 years.
- Applications/offers ranked according to Environmental Benefits Index (EBI).
 - Wildlife habitat, water quality, reduced erosion, air quality, cost

CRP – Transition Incentives Program

- Assistance for landowners/operators with expiring CRP contracts.
- Opportunity for beginning veteran and socially disadvantaged farmers and ranchers.
- Provides landowners or operators with two additional annual rental payments on land enrolled in expiring CRP contracts, on the condition they sell or rent this land to a beginning veteran or socially disadvantaged farmer or rancher.
- New landowners/operators must return land to production using sustainable grazing/farming methods.

PRICE

Price Support

- Marketing tools available to producers beginning at harvest or shearing
 - Marketing Assistance Loans (MAL)
 - Loan Deficiency Payments (LDP)
- Eligible commodities include
 - wheat, corn, grain sorghum, barley, oats, upland cotton, extra-long staple cotton (eligible for MAL only), long grain rice, medium grain rice, soybeans, other oilseeds (including sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe and sesame seed), dry peas, lentils, small chickpeas, large chickpeas, graded and nongraded wool, mohair, unshorn pelts (eligible for LDP only), honey and peanuts.

Marketing Assistance Loan

- Up to 9-month interim financing that allows producer to avoid commodity sales when market prices are at harvest-time lows
- Loan valued at loan rates established in Farm Bill
- Non-recourse Loan
 - Commodity pledged as collateral
 - Commodity can be delivered as repayment at loan maturity
- Recourse Loan
 - Commodity pledged does not meet quality requirements
 - Loan must be repaid at principal plus interest
- Repay at lower of published market price or loan rate

Loan Deficiency Payment (LDP)

- Payments made to producers who:
 - are eligible to obtain a MAL loan
 - agree to forgo the loan in return for a payment on the eligible commodity under certain market conditions
- Payments made when published market prices fall below prescribed loan rate
- LDP payment would be difference between loan rate and market price times the quantity of the commodity

TBO

TB0

Need to define loan rate and MAL repayment rate

Tom Blinn, 2024-06-20T22:25:02.049

FSA / NRCS Resources

- USDA Farm Service Agency Home Page
 - <https://www.fsa.usda.gov/index>
- FSA Outreach and Education (usda.gov)
 - <https://www.fsa.usda.gov/programs-and-services/outreach-and-education/index>
- USDA Natural Resources Conservation Service Home Page
 - <https://www.nrcs.usda.gov/>
- Farmers.gov

Upcoming Webinars

**Dates and Times are subject to change*

November 14, 2023	• Record Keeping for Managing Revenue Risk	✓
January 16, 2024	• Livestock Programs	✓
February 20, 2024	• Whole Farm Revenue Protection/Micro Farm Program	✓
March 19, 2024	• Actual Production History (APH) Programs	✓
April 9, 2024	• Grapevine & Tree Programs	✓
May 6, 2024	• General Liability & Record Keeping	✓
June 4, 2024	• Food Safety	✓
July 2, 2024	• Apiculture/Pasture, Rangeland, & Forage	✓
July 30, 2024	• FSA & Other Risk Management Programs	✓
August 27, 2024*	• Risk Management Panel Discussion and Open Q&A	✓



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