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Sarah Marquart, USDA Advisor

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USDA Risk Management Agency

Jeff Yasui, Regional Director

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USDA Farm Services Agency

Navdeep Dhillon, Farm Programs Chief

4. Farm Loans 28:30

USDA Farm Services Agency

Navdeep Dhillon, Farm Programs Chief

5. Regional Food Business Centers 39:35

University of California Ag and Natural Resources

Glenda Humiston, Vice President



Welcome to our Webinar Series for Economic Developers

Assistance for Agriculture Producers

We will be starting soon



Getting America Back to Work!



Webinar Series for Economic Developers - *Assistance for Agriculture Producers*

Thursday, July 27, 2023
10:00 – 11:30 AM

Agenda

USDA Risk Management Agency

Federal Crop Insurance Corporation, Jeff Yasui, Regional Director

USDA Farm Service Agency

USDA Farm Programs, Navdeep Dhillon, Farm Program Chief

USDA Farm Loans, John Oosterman, Farm Loan Chief

University of California Ag and Natural Resources

Regional Food Business Centers, Glenda Humiston, Vice President

Question & Answer



US EDA / Cal OES

RESOURCES FOR AG PRODUCERS
FLOOD RELIEF – CROP INSURANCE

USDA RISK MANAGEMENT
AGENCY

JULY 27, 2023 WEBINAR

Jeff Yasui, Director
USDA/RMA
AZ, CA, HI, NV, UT
Jeff.Yasui @usda.gov

USDA Risk Management Agency (RMA)

► What do we do?

USDA Agency that
Oversees CROP
INSURANCE

Award
COOPERATIVE
AGREEMENTS

OUTREACH
AND
EDUCATION

RESEARCH AND
DEVELOPMENT

USDA Risk Management Agency (RMA)

► Isn't this just insurance?

Same

- Must be purchased prior to coverage period
- Costs Money
- Won't cover if damage has already occurred
- Insurance Companies are at risk for Underwriting Gains and Losses
- Agents compensated through commissions from the Companies.

USDA Risk Management Agency (RMA)

► Isn't this just insurance?

Differences

- Policy features and costs can't change for different agents and companies
- No Rebates or Special Discounts
- Subsidized Premiums
- Agents are independent and may write for multiple companies.

USDA Risk Management Agency (RMA)

►Why USDA?

RMA Establishes
Premium Rates,
Regulations, Rules, Yield
and Price Data

Compliance Division for
the prevention of waste,
fraud and abuse

- Policy features and costs
can't change for different
agents and companies
- No Rebates or Special
Discounts
- Subsidized Premiums
- Agents are independent and
may write for multiple
companies.

USDA RMA

How is crop insurance sold?



RMA has Standard Reinsurance Agreements with Companies



10 Companies have business in CA



Agents sold policies to over 15,000 Ag producers



61 crops, livestock, milk, and Whole Farm Revenue Coverage

Policy Features

- ▶ Policies differ by crop
 - ▶ Yield Coverage
 - ▶ Revenue Coverage
 - ▶ Area Coverage
 - ▶ Some provide for Prevented Planting and replanting
 - ▶ Options and Endorsements
- ▶ In general, covers adverse weather and natural disasters
 - ▶ Some cover price loss
- ▶ Affordable!

Other Benefits

- ▶ This “safety net” program is in place and funded
- ▶ Not dependent on emergency or disaster declarations
- ▶ Can expedite payments and may increase benefits for other USDA programs!

Flooding and Excessive Moisture

- ▶ “Too Wet” Indemnities (millions)
 - ▶ 2019: \$227 (cherries \$76, rice \$32, pistachios \$24)
 - ▶ 2017: \$163 (rice \$58, almonds \$28, WFRP \$12)
 - ▶ 2016: \$152 (cherries \$48, prunes \$42, almonds \$28)
 - ▶ 1998: \$94 (almonds \$30, cotton \$20, prunes \$14)

- ▶ 2023 to date: \$31 million
 - ▶ ELS Cotton (Prevented Planting) \$23 million
 - ▶ Others: Wheat, Rice, Onions
 - ▶ Preliminary!

2023 Potential Losses

- ▶ Tulare Lake
 - ▶ Prevented Planting
 - ▶ Cotton (mostly Extra Long Staple)
 - ▶ Grain crops
 - ▶ Planted Losses
 - ▶ Tree crops (almonds, pistachios,...)
 - ▶ Alfalfa (mostly uninsured)
- ▶ Other areas:
 - ▶ Rice Prevented Planting
 - ▶ Strawberries (very few policies)
 - ▶ Many crops were not insured in the areas flooded due to levee breaks.

Contact Us

USDA/Risk Management Agency
Davis Regional Office
Serving AZ, CA, HI, NV and UT

- ▶ RMA Website
 - ▶ www.RMA.USDA.GOV
 - ▶ Tools
 - ▶ Reports
- ▶ Davis Regional Office
 - ▶ RSOCA@usda.gov
 - ▶ 530-792-5870
 - ▶ Director Jeff Yasui
 - ▶ Jeff.Yasui@usda.gov



United States
Department of
Agriculture



Disaster Assistance Programs

Farm
Service
Agency

fsa.usda.gov

FSA- Emergency Conservation Program (ECP) - FLOODS

Sign-up: Feb 13 - Oct 13, 2023

- ▶ Rehabilitate farmland and conservation structures damaged by natural disasters
 - ▶ Debris Removal
 - ▶ Land leveling
 - ▶ Fence repair/replacement
 - ▶ Conservation Structures
 - ▶ Irrigation Systems
- ▶ Cost share program
 - ▶ 75% of Agency established rates/SDA 90% cost share
 - ▶ 25% advance payment.

Emergency Conservation Program - continued

- ▶ Land eligibility based on on-site inspections of damaged land and the type and extent of damage.
- ▶ Eligible land includes land used for:
 - Commercial farming, ranching and orchard operations
 - Growing nursery stock
 - Grazing for commercial livestock production
 - Conservation structures such as, waterways, terraces, diversions and windbreaks.
 - Conservation problems existing before the applicable disaster event are ineligible for ECP assistance.
- ▶ Environmental review required prior to practice start
- ▶ Project cannot be started until application is approved

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

- ▶ Provides benefits for livestock feed and grazing losses as a result of flooding
- ▶ Covers loss of grazing land and stored feed losses
- ▶ Max of 150 days of daily feed cost or 150 days of lost grazing
- ▶ Must File a Notice of loss within 30 days of when loss become apparent
- ▶ Must be a commercial livestock operation
- ▶ Average Adjusted Gross Income cannot exceed \$900,000

Emergency Assistance for Livestock, Honeybees, Farm Raised Fish Program (ELAP) - Honeybees

- ▶ Honeybees used for honey production, pollination or honeybee breeding
- ▶ Covers colony, hive or feed loss
- ▶ Covers loss in excess of normal mortality (22%)
- ▶ Must File a Notice of loss within 15 days of when loss is apparent
- ▶ Must be commercial operation
- ▶ Average Adjusted Gross Income cannot exceed \$900,000

Farm Service Agency- Livestock Indemnity Program (LIP)

- ▶ Provide benefits for eligible livestock death or injury
 - ▶ **Death loss in excess of normal mortality**
 - ▶ **Injured-sold at reduced price due to injury cause by disaster event**
- ▶ Payment rate difference by type and weight range
- ▶ Must File a Notice of loss within 30 days of event or when loss become apparent
- ▶ Proof of death or injury required
- ▶ Must be commercial livestock operation
- ▶ Average Adjusted Gross Income cannot exceed \$900,000

Tree Assistance Program (TAP)

- ▶ Replant or rehabilitate vines destroyed or damaged by flood or other natural disasters
- ▶ Loss in excess of normal mortality (18%)
- ▶ Cost share program
 - *Rate per vine/tree
 - *Land Preparation by acre
- ▶ Deadline to sign up: Within 90 days of event or when loss become apparent
- ▶ May not start project until application is approved
- ▶ Environmental review required prior to start of practice
- ▶ Field visit by an FSA Loss Adjuster required
- ▶ Average Adjusted Gross Income cannot exceed \$900,000

Non-Insured Crop Disaster Assistance Program (NAP)

- ▶ Provides financial assistance to producers of non-insurable crops to protect against natural disasters that result in lower yields or crop losses or prevents crop planting.
- ▶ Must have purchased coverage for the year of disaster (Note: Special provisions for Socially Disadvantaged, Beginning, Limited Resource and Veteran farmers/ranchers)
- ▶ Coverage level: up to 65/100. Grazing loss is only available at 50/55
- ▶ 50% reduction in premium for SDA/ limited resource/veterans/beginning farmer or rancher
- ▶ Average Adjusted Gross Income cannot exceed \$900,000



More Information

visit online to learn more:

<https://www.fsa.usda.gov/programs-and-services/disaster-assistance-program>

or go to: Farmers.gov



United States
Department of
Agriculture



Flood Disaster Assistance Programs

Farm
Service
Agency

fsa.usda.gov

Emergency Loan Funds may be used to:

- **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 to improve profitability.**
 - Changing enterprises, production practices, or other parts of business to promote recovery from the disaster.
- **Refinance farm-related debts**
 - Except real estate debt

***The eligible loss for production or physical
must be specifically linked to a designated disaster.**

Presidential, Secretarial, Administrator or Quarantine.





Loan Limitations (Continued)

The maximum loan amount for an Emergency loan is \$500,000.

Loans are limited to the amount necessary to restore the operation to its pre-disaster condition.

Applicants may borrow up to 100 percent of their total actual production and/or physical loss, if necessary.

Credit Elsewhere

Loan applicants must get written declinations of credit from organized commercial lending institutions:

If the loan amount requested is \$100,000 or less, this requirement is determined on a case by case basis at the Agency's discretion

If the loan is greater than \$100,000 and less than \$300,000, only 1 letter is required

If the loan is greater than \$300,000, 2 letters of declination are required



EM Knowledge

An applicant has 8 months from the date of a disaster designation to apply for EM loan assistance, no exceptions.

Farmers do not have to harvest a crop to be eligible for an EM for production loss.

The applicant, and if it is an entity, all members, stockholders, partners, shareholders and joint operators are required to pledge all “non-essential assets” as security for an EM loan.

*** Non-essential assets – Assets in which the client has ownership, that do not contribute to income to pay family living expenses or the farming operation.**

An applicant does not have to have crop insurance at the time of the disaster to be eligible for EM assistance.





EM Knowledge (Continued)

Applicants who breed, raise and sell horses are eligible for an EM loan.

More than one designation can run for the same disaster and have different application deadlines

An entity that receives less than 50% of their gross income from farming is not eligible for EM assistance.

If it is the applicants first year farming we can still make them an EM loan.

Types of Losses (Physical)

Physical Loss (Real Estate and Chattels): includes Equipment, Livestock, Livestock products, Stored Grain.)

*Physical losses do not have a percentage threshold.

Real Estate Physical Loss

Loans for damage to or destruction of essential real estate, real estate fixtures, buildings, and other structures may be used only to repair or replace the damaged or destroyed property.

All Physical losses use replacement cost, current market cost for loss calculations.





Types of Losses (Physical)

Chattel Physical Loss

Chattel losses are divided into two categories:

Basic security, funds may be used only to repair and replace items that were destroyed or damaged by the disaster. (Cows)

Normal income security, funds may be used for any authorized purpose. (Calves)

What is a Qualifying Loss

A Physical Loss is not tied to the 30% loss.

Besides the obvious buildings and equipment there are other losses to consider Physical losses.

Fruit and Nut Trees and products are physical loss (see Exhibit 21).

Stored crops, are a physical loss.

Milk and eggs are considered a physical loss





Types of Losses (Production)

Production Loss

Production losses are losses resulting from the damage or destruction of annual growing crops.

Once it is harvested it is no longer a production loss, even if it is stored in the field (cotton modules).

What is a Qualifying Loss

A 30% loss to a single commodity in a single county makes the applicant eligible for EM assistance.

Example, the applicant has 10% of his corn crop in County A and suffered a 37% loss in that county.

The remaining 90% of his corn is in County B and had a 105% of normal yield

The client meets this qualifying loss requirement for an EM loan based on the loss in County A.





Contact Info:

www.farmers.gov



Thank you! Any Questions



Southwest Region

(This Center will serve California, Arizona, Nevada and Utah.)

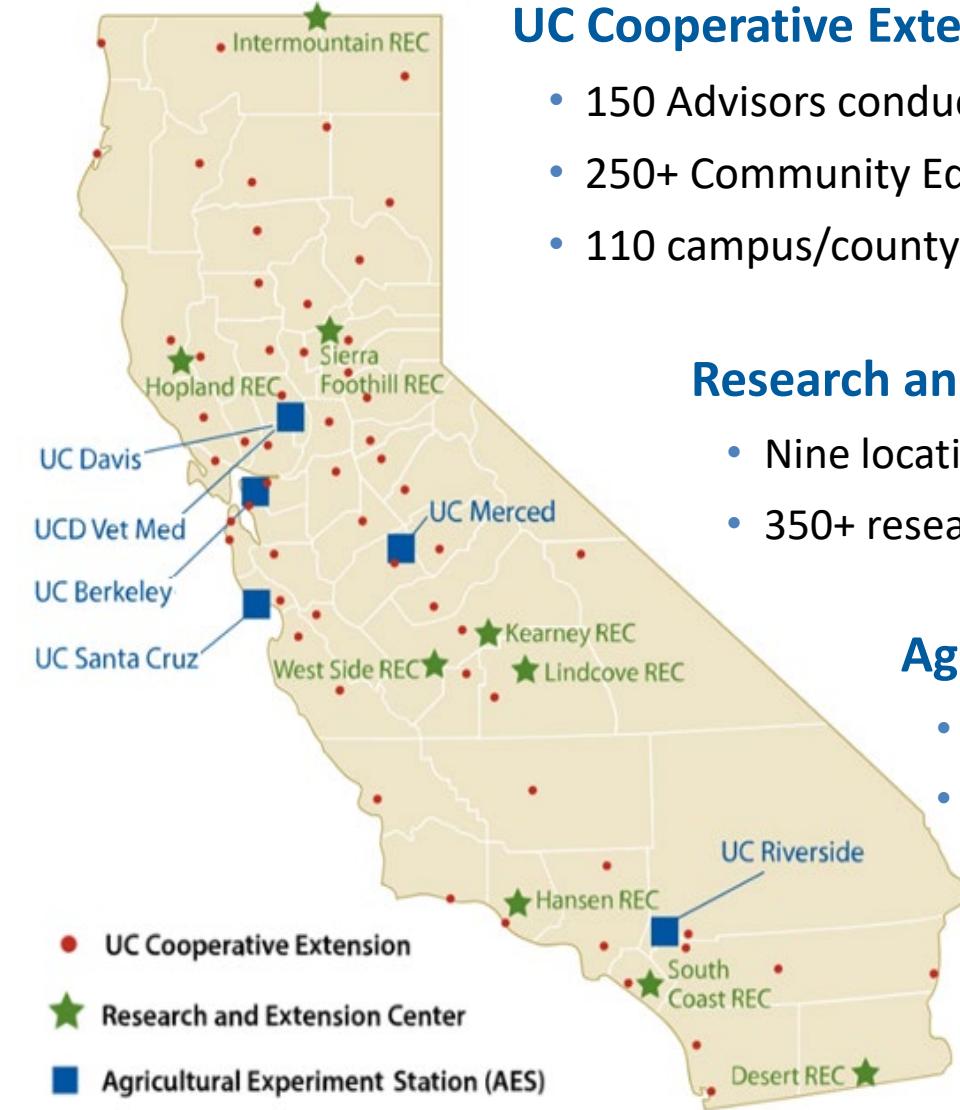


UNIVERSITY OF CALIFORNIA
Agriculture and Natural Resources

UC ANR delivers the power of UC throughout California by serving all 58 counties with research & education programs that support:

- Sustainable, safe, and nutritious food production and delivery
- Economic success in a global economy
- A sustainable, healthy, and productive environment
- Science literacy and youth development





UC Cooperative Extension

- 150 Advisors conduct research in local communities
- 250+ Community Educators delivering programs
- 110 campus/county-based Specialists



Research and Extension Center System

- Nine locations statewide; 13,000 acres
- 350+ research projects annually



Agricultural Experiment Station

- 540+ researchers on 5 campuses
- 1,300+ research projects annually

13 Statewide Programs and Institutes



**Over 20,000 volunteers contribute 1000+ FTE
— valued at more than \$65 million in
donated public service each year**

\$35 Million Grant Received from USDA AMS

- ✓ Expand markets; increase access to distributors, retail outlets, and institutions.
 - ✓ Enhance local farm / food business and financial acumen
 - ✓ Address technical assistance needs of the region



This Center covers California, Nevada, Arizona, Utah, and 148 Tribal Nations with a particular focus on the rural Colonias communities located within the U.S.-Mexico border region.



Southwest Region

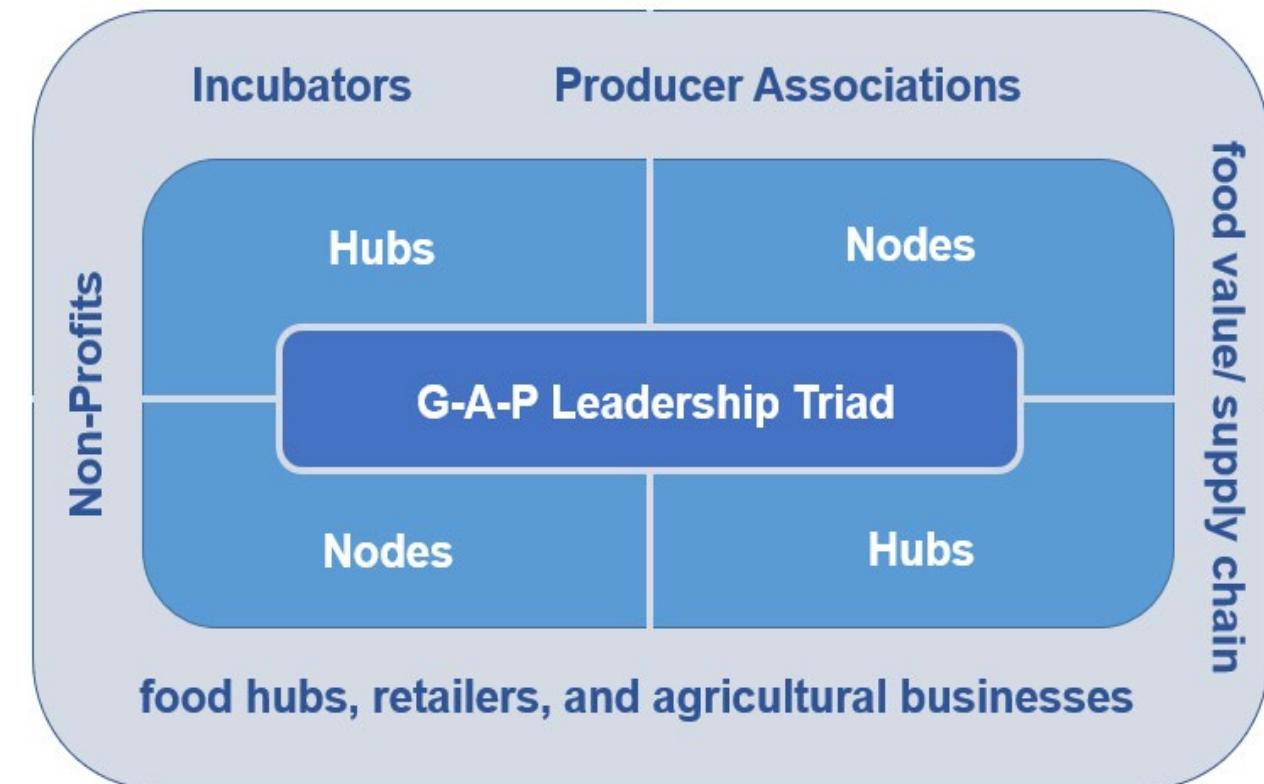
(This Center will serve California, Arizona, Nevada and Utah.)



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Technical assistance
will be provided both
onsite and through
distance learning.

A Hub & Spoke System to Deliver Services & Programs





Southwest Region

(This Center will serve California, Arizona, Nevada and Utah.)



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Agriculture and Natural Resources

Ensuring a full suite of services and programs be available to regional farm & food businesses.

- ✓ Business Planning
- ✓ Financial Management
- ✓ Legal And Regulatory
- ✓ Succession Planning
- ✓ Safety Certification
- ✓ Record Keeping
- ✓ Direct Marketing
- ✓ Value-added Products
- ✓ Institutional Procurement



Southwest Region

(This Center will serve California, Arizona, Nevada and Utah.)



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Business Builder will
provide subawards
through two categories

Seed Grants (non-competitive)
to advance business plans
based on technical assistance
provided through a key partner.

Development Grants
(competitive) to assist
businesses already in a
position to expand.



Southwest Region

(This Center will serve California, Arizona, Nevada and Utah.)



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Grow the support network
and ensure services &
programs will continue
after this grant ends.

Leverage human, financial, and institutional resources of partner organizations to ensure project sustainability beyond this project.

This will include formalized western region partnerships, expanded networks, train the trainer programs, virtual online training and resources, a learning portal and Center website.



AZDA

ARIZONA
DEPARTMENT
OF AGRICULTURE



CALIFORNIA DEPARTMENT
OF
FOOD & AGRICULTURE



NDA
Nevada Department
of Agriculture



UTAH DEPARTMENT OF
AGRICULTURE & FOOD



Government

Policy, Funding
and Compliance



University

Research, Teaching
and Extension



Industry

Land, Labor and
Capital

**Key
Partners**

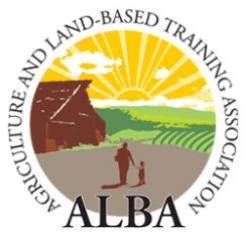


RIVERSIDE
FOOD SYSTEMS ALLIANCE

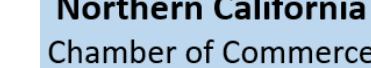


valley vision
Community Inspired Solutions





Collaborators





EXAMPLE: Federally Designated Rural Development Council

AERC serves all 15 Arizona counties (13 rural, 2 urban) by increasing municipal, organizational, and small business capacity in socially disadvantaged areas.

In 2019, the We Rise program was launched as a business accelerator focused on African American, African Immigrant and Afro-Caribbean entrepreneurs that have graduated over 50 food and health-related businesses.





EXAMPLE: Providing Technical Assistance & Education



Cooperative Extension and nonprofits such as Kitchen Table Advisors, CAFF, and UNR Desert Farming Initiative will strengthen local farmer, rancher & food producer capabilities and support efforts to Improve supply chain sustainability.



EXAMPLE: Expanding a Successful Program

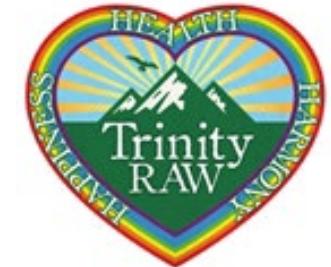
The Center for Good Food Purchasing uses the power of procurement to create a transparent and equitable food system that prioritizes the health and well-being of people, animals, and the environment. We do this through the nationally-networked adoption and implementation of the Good Food Purchasing Program by major institutions.

<https://goodfoodpurchasing.org/>



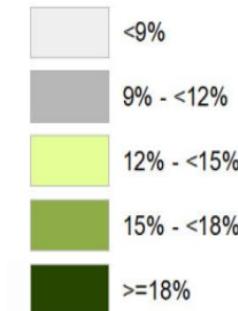
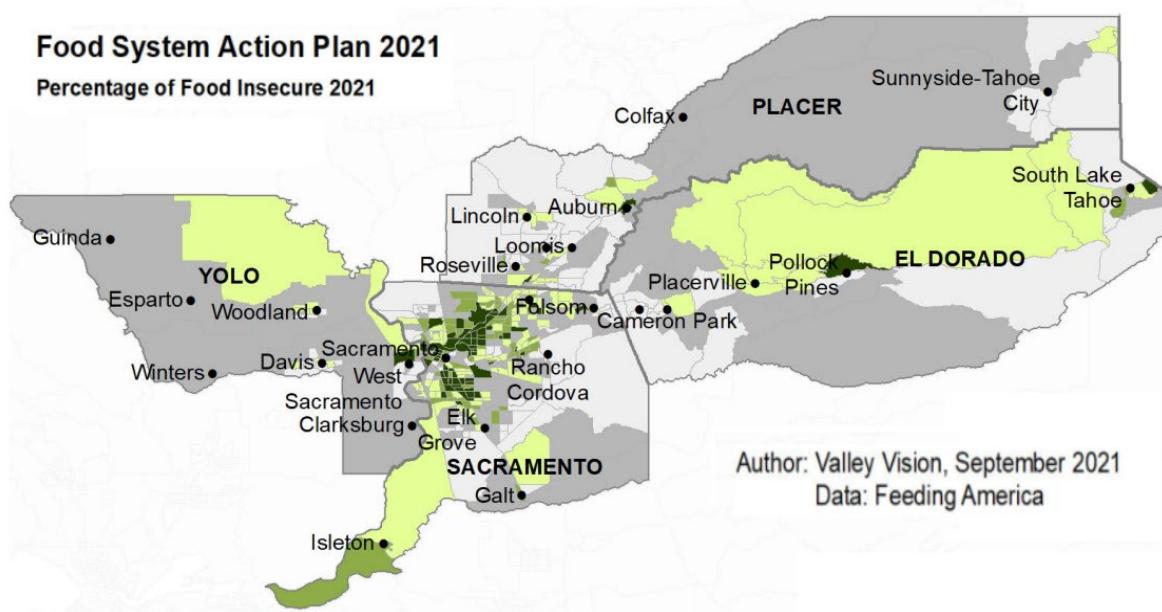


EXAMPLE: Using Fairgrounds as Business Incubators



Humboldt County's Redwood Acres Fairgrounds has nurtured over 15 businesses, with plans for more...

EXAMPLE: Regional Food Economy Strategy



GOAL: Increase vitality of the region's food system; identify financing strategies and mechanisms to support a more health-promoting, resilient, equitable, prosperous, and accessible food system for all residents of the region.





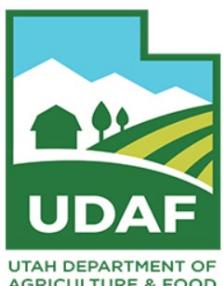
EXAMPLE: Improve Procurement Policy & Infrastructure



Support new markets through Farm to School and other institutional procurement strategies.



Increase investment in food hub infrastructure to assist food producers to compete in and be ready for new markets.





Agricultural
Marketing
Service



Resilient Food Systems Infrastructure Program

- Expand capacity for processing, aggregation and distribution of ag products;
- Modernize manufacturing, tracking, storage, and IT systems;
- Enhance worker safety through new technologies or facility improvements;
- Improve compliance with federal, state, and local food safety requirements;
- Construct new facility, or modernize, or expand an existing facility;
- Construction of wastewater management structures, etc.;
- Modernize processing and manufacturing equipment; and
- Develop, customize, or install equipment that reduces GHG emissions, increases efficiency in water use, improves air and/or water quality, and/or meets one or more of USDA's climate action goals.

Infrastructure Grant applicants can apply for a minimum of \$100,000 and a maximum of \$3 million.

Building on Earlier Work to Improve Elements of the Farm & Food Economic Ecosystem

WORKFORCE & TRAINING

TRADE / NEW MARKETS

INFRASTRUCTURE

SUPPLY CHAINS

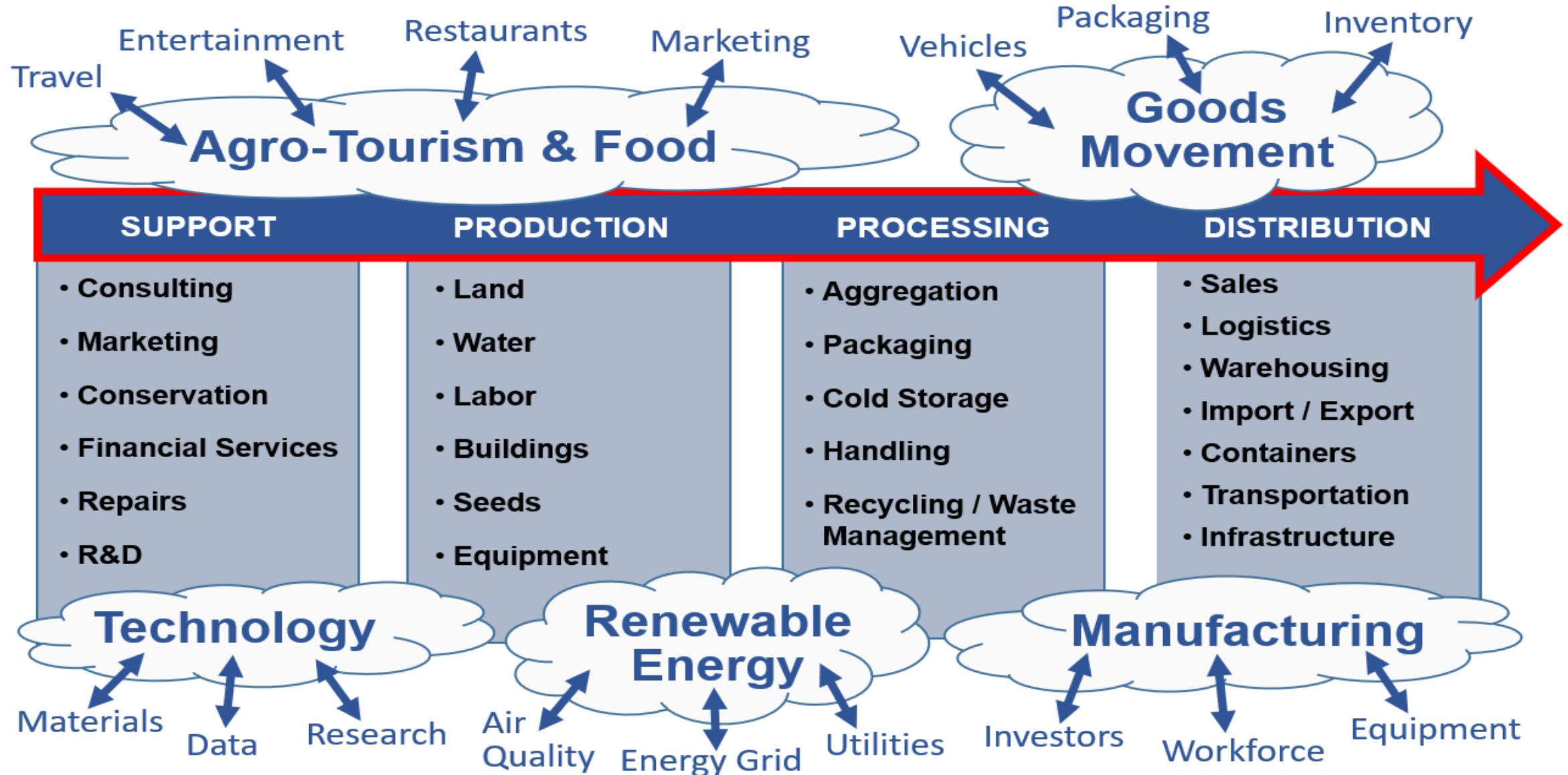
ACCESS TO CAPITAL

RESEARCH AND INNOVATION



Over 1,600 food & beverage manufacturing companies in the 28-County Central Valley

Leverage Industry Clusters along Farm/Food Value Chain



EXAMPLE: Catalyzing Ag + Food + Health + Climate Innovation



Berkeley
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Regions
Rise
Together
CALIFORNIA ASSOCIATION OF COUNCILS OF GOVERNMENTS



THE VINE
THE VERDE INNOVATION NETWORK
FOR ENTREPRENEURSHIP



ChicostArt

MARS
incorporated

UC
CE

270+ Cooperative
Extension Researchers
Located throughout
California

RECS

9 Research and
Extension Centers
spanning all relevant
climate zones

UCSF qb3

TERRA
by Facebook - RocketSpace

THRIVE
ACCELERATOR

WESTERN GROWERS
Center for Innovation
and Technology

WEST HILLS
COLLEGE

HARTNELL
COLLEGE

Reedley
College

SAN LUIS OBISPO
HOTHOUSE
Innovate for Our Community and Our City

WOODLAND
COMMUNITY
COLLEGE

CO
C
E @ UCI

AgStart

UCDAVIS
Innovation Institute
for Food and Health

CITRIS
IBANATAO INSTITUTE
UNIVERSITY OF CALIFORNIA
MERCED

FRESNO STATE
Discovery. Diversity. Distinction.

THE
MARCH
FUND

MARS
incorporated

The
ROCKEFELLER
FOUNDATION

E.D.A.
U.S. ECONOMIC DEVELOPMENT ADMINISTRATION

FME

the Pi shop
PRODUCT INCUBATOR

WATER, ENERGY &
TECHNOLOGY
CENTER

UCRIVERSIDE

UC San Diego

BLUETECH
VALLEY

The Mixing Bowl
CONNECTING INNOVATORS IN FOOD, AG & IT

UNIVERSITY OF CALIFORNIA
Agriculture and Natural Resources

Enhancing Community and Economic Development by Placing New UC Cooperative Extension Advisors With Regional Partners

UNIVERSITY OF CALIFORNIA Agriculture and Natural Resources

Statewide network of UC researchers, educators and volunteers who develop and extend knowledge to solve local and global challenges.



Alliance of regional leaders committed to creating inclusive, sustainable growth through innovative regional solutions that can be scaled up.



| | |
|----------------------------------|-------------------------------|
| 1 Agritourism/Small Business | 9 Biomass/Wood Products |
| 2 Agricultural Technology* | 10 Agricultural Technology |
| 3 Biomass/Wood Products | 11 AgTech & Food Systems |
| 4 Broadband Development | 12 Broadband Development |
| 5 Disaster Recovery: Housing | 13 Urban Resiliency: Water |
| 6 Water Justice Policy/Planning* | 14 Urban Resiliency: Capacity |
| 7 Food Systems Development | 15 Biomass: Hydrogen/Biofuels |
| 8 Food Systems Development* | 16 Controlled Environment Ag |

* Recruitment began summer 2021

UC Cooperative Extension (UCCE)
Advisors conduct applied research & make available to the general public the latest knowledge and practices.

By creating thriving regions, we can ensure a thriving state.

UNIVERSITY OF CALIFORNIA
Agriculture and Natural Resources

- ✓ Market Competitiveness, Growth & Profitability
- ✓ Industry Recovery, Resiliency & Compliance
- ✓ Worker & Community Well-being

More Information at:
<https://www.valleyvision.org/tag/food/>



More Information at:
<https://ucanr.edu/>

Questions

Thank you for joining our
webinar series
for Economic Developers

Assistance for Agriculture Producers

