



Farm Service Agency

Reimbursement Transportation Cost Payment Program (RTCP) for Geographically Disadvantaged Farmers and Ranchers

FACT SHEET
July 2020

Overview

The Further Consolidated Appropriation Act 2020 re-authorized the Reimbursement Transportation Cost Payment Program (RTCP) for geographically disadvantaged farmers and ranchers to reimburse producers for a portion of the cost to transport agricultural commodities or inputs used to produce an agricultural commodity.

Funding

RTCP is subject to appropriated funding and rescissions may apply. The Further Consolidated Appropriations Act of 2020 authorized \$1.996 million for fiscal year 2020.

Who is Eligible?

Producers eligible for RTCP include geographically disadvantaged farmers and ranchers in an insular area. This includes farmers and ranchers from the following states, territories and areas:

- Hawaii;
- Alaska;
- Commonwealth of Puerto Rico;
- Guam;
- American Samoa;
- Commonwealth of the Northern Mariana Islands;
- Federated States of Micronesia;
- Republic of the Marshall Islands;
- Republic of Palau; and
- Virgin Islands of the United States.

What is Eligible?

The following agricultural commodities are eligible for the RTCP:

- Aquaculture;
- Feed;
- Fiber;
- Floriculture;

- Food;
- Horticulture, including trees;
- Insects or products thereof; and
- Livestock, including elk, reindeer, bison, horses and deer.

How it Works Eligibility Requirements

To be eligible for RTCP benefits, producers must:

- Be a geographically disadvantaged farmer or rancher producing, marketing and transporting an agricultural commodity in an approved area;
- Submit an application during the specified period applicable for each fiscal year;
- Provide proof of the amount of costs incurred for the transportation of the agricultural commodity or input;
- Comply with conservation and wetland protection requirements on all their land;
- Be a person or legal entity with an average adjusted gross income that does not exceed \$900,000; and
- Be a citizen or a legal resident alien of the United States in accordance with 7 CFR Part 1400 for foreign persons.





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Note: Commercial fishermen are not eligible for RTCP benefits.

Payment Calculation

RTCP payments will be:

- Calculated based on the amount of costs incurred by the producer for transportation of the agricultural commodity or inputs during a fiscal year and multiplied by the applicable percentage of allowance (cost-of-living allowance or COLA) for the applicable fiscal year in the applicable area;

Example: A producer incurred transportation costs in Hawaii for fiscal year 2019 totaling \$15,000. The fiscal year 2019 percentage of allowance in Maui County, Hawaii, is 25 percent. $\$15,000 \times 25 \text{ percent} = \$3,750$.

- Subject to an \$8,000 per producer cap per fiscal year; and
- Subject to a payment factor if the funding availability is exceeded in a fiscal year.

Transportation Rates

Types of transportation rates used to determine reimbursable amounts are as follows:

- **Actual** – rate is based on the actual transportation costs incurred by the applicant and must be determined, in all cases, from verifiable records. No other type of transportation rate is permitted under this option for the same request.
- **Fixed** – rate is established by the FSA state committee (STC) with Deputy Administrator for Farm Programs (DAFP) concurrence and reflects transportation rates applicable to certain agricultural commodities or inputs used to produce the agricultural commodity.
- **Set** – rate is established by the STC with DAFP concurrence and reflects a percent of the total cost used to represent the transportation cost incurred. This rate will only be used if the inputs do not have an established fixed rate or if a breakdown of the transportation costs is not available.

Applicants who have certified their costs, and either a fixed or set transportation rate is used to determine the reimbursable amounts, are subject to a compliance spot

check to provide verifiable proof that the transportation of the agricultural commodities or inputs occurred for the applicable fiscal year.

Fiscal Year 2020 Enrollment Period (2020 RTCP)

Enrollments for fiscal year 2020 will begin July 13, 2020 and end Sept. 4, 2020. Since RTCP benefits are based on transportation costs incurred during a fiscal year, producers will have until Nov. 1, 2020 to provide supporting documentation of their actual transportation costs to replace any certified amounts for fiscal year 2020.

How to Apply

Applicants must file an application for benefits at the FSA service center that maintains the farm records for their business. To locate an FSA county office or service center, visit <http://offices.usda.gov>.

Applicants located in the insular areas of the Pacific Basin must file an application for benefits directly with the Hawaii State and Pacific Basin Office. Applicants in the insular areas of the Pacific Basin may submit completed RTCP documents to the following address during the announced enrollment period.

Hawaii State and Pacific Basin
Farm Service Agency Office
P.O. Box 50065
300 Ala Moana Blvd, Rm 5-108
Honolulu, HI 96850

Applications and other documents required for RTCP participation may be obtained by calling toll-free 1-866-794-1079.

More Information

For more information about FSA programs, contact the closest USDA service center or visit the FSA website at www.fsa.usda.gov. To locate an FSA county office or USDA service center, visit farmers.gov/service-locator.