Georgia State USDA Newsletter - April 2023

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

In This Issue:

- USDA Supports Military Veteran's Transition to Farming
- <u>USDA Announces Additional Assistance for Distressed Farmers Facing</u>
 Financial Risk
- <u>USDA Announces Signup for Crop and Revenue Loss Assistance</u> for Agricultural Producers
- USDA Announces Signup for Pandemic Assistance Revenue Program
- Is the Noninsured Crop Disaster Assistance Program Right for You?
- USDA Reminds Producers to File Crop Acreage Reports
- <u>USDA-NRCS In Georgia Announces Sign-up Extension for Inflation</u> <u>Reduction Act Funded Conservation Programs</u>
- NRCS Offers Climate-Smart Solutions for Producers
- NRCS Announces \$75 Million to Assist Producers Transitioning to Organic Production
- USDA Invests \$12 million in Cooperative Agreements for Conservation on Grazing Lands and Support for Farmers and Ranchers, including Georgia.
- Crop Insurance Deadline Nears in Alabama, Florida, Georgia, and South Carolina for Nursery Growers
- Crop Insurance Deadline Nears in Georgia for Pecan Tree Growers

USDA Supports Military Veteran's Transition to Farming

Are you a military veteran interested in farming? USDA offers resources to help you:

- Fund Your Operation: USDA's Farm Service Agency offers a variety of <u>funding opportunities</u> to help agricultural producers finance their businesses. Certain funds are targeted for veterans and beginning farmers and ranchers.
- Conserve Natural Resources: USDA's Natural
 Resources Conservation Service offers conservation
 programs and expert one-on-one technical
 assistance to strengthen agricultural operations now
 and into the future. Veterans may be eligible for a cost share of up to 90 percent and advance payments of up to 50 percent to cover certain conservation practices.

 Get Started!

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- Manage Risks: USDA is here to help you prepare for and recover from the unexpected. Veterans who are beginning farmers may be eligible for reduced premiums, application fee waivers, increased insurance coverage, and other incentives for multiple <u>USDA programs that support risk management</u>.

USDA wants to ensure that veterans transitioning to agriculture have the resources needed to succeed. To conduct business, please contact your local USDA Service Center. If you're a new farmer, you can also reach out to your state Beginning Farmer and Rancher Coordinator.

FSA ARTICLES

USDA Announces Additional Assistance for Distressed Farmers Facing Financial Risk



The U.S. Department of Agriculture (USDA) today announced that beginning in April it will provide approximately \$123 million in additional, automatic financial assistance for qualifying farm loan program borrowers who are facing financial risk, as part of the \$3.1 billion to help distressed farm loan borrowers that was provided through Section 22006 of the Inflation Reduction Act (IRA). The announcement builds on financial assistance offered to borrowers through the same program in October 2022.

The IRA directed USDA to expedite assistance to distressed borrowers of direct or guaranteed loans administered by USDA's Farm Service Agency (FSA) whose operations face financial risk. For example, in the October payments, farmers that were 60 days delinquent due to challenges like natural disasters, the pandemic or other unexpected

situations were brought current and had their next installment paid to give them breathing room.

In October 2022, <u>USDA provided approximately \$800 million</u> in initial IRA assistance to more than 11,000 **delinquent direct and guaranteed borrowers** and approximately 2,100 borrowers who had their farms liquidated and still had remaining debt. USDA shared that it would conduct case-by-case reviews of about 1,600 complex cases for potential initial relief payments, including cases of **borrowers in foreclosure or bankruptcy**. These case-by-case reviews are underway.

At the same time in October 2022, USDA announced that it anticipated payments using separate pandemic relief funding totaling roughly \$66 million on over 7,000 direct loans to borrowers who used the USDA Farm Service Agency's **disaster-set-aside** option during the COVID-19 pandemic. The majority of these payments have been processed and USDA anticipates it will complete all such payments in April 2023.

New Assistance for Distressed Borrowers

FSA intends to provide the new round of relief starting in April to additional distressed borrowers. This will include approximately \$123 million in automatic financial assistance for qualifying Farm Loan Program (FLP) direct loan borrowers who meet certain criteria. Similar to the automatic payments announced in October 2022, qualifying borrowers will receive an individual letter detailing the assistance as payments are made. Distressed borrowers' eligibility for these new categories of automatic payments will be determined based on their circumstances as of today. More information about the new categories that make up the \$123 million in assistance announced today and the specific amount of assistance a distressed borrower receives can be found described in this fact sheet, IRA Section 22006: Additional Automatic Payments, Improved Procedures, and Policy Recommendations.

To continue to make sure producers are aware of relief potentially available to them, all producers with open FLP loans will receive a letter detailing a new opportunity to receive assistance if they took certain extraordinary measures to avoid delinquency on their FLP loans, such as taking on more debt, selling property or cashing out retirement accounts. The letter will provide details on eligibility, the specific types of actions that may qualify for assistance, and the process for applying for and providing the documentation to seek that assistance.

These steps are part of a process USDA announced along with the October payments that is focused on assisting borrowers unable to make their next scheduled installment. Earlier this year, all borrowers should have received a letter detailing the process for seeking this type of assistance even before they become delinquent. Borrowers who are within two months of their next installment may seek a cashflow analysis from FSA using a recent balance sheet and operating plan to determine their eligibility.

Tax Resources

USDA will continue to work with the Department of Treasury to help borrowers understand the potential tax implications from the receipt of an IRA payment, including that options may be available to potentially avoid or alleviate any tax burden incurred as a result of receiving this financial assistance.

In early April, USDA will send a specific set of revised tax documents, educational materials and resources to borrowers that received assistance in 2022, including a link to a webinar hosted by a group of farm tax experts to provide education on the options available. USDA cannot provide tax advice and encourages borrowers to consult their own tax professional, but

FSA is providing educational materials for borrowers to be aware of the options. USDA has tax-related resources available at farmers.gov/taxes.

Improved Procedures and Policy Recommendations

FSA is finalizing changes to its policy handbooks to remove unnecessary hurdles, improve loan making and loan servicing and provide more flexibility on how loans are structured to maximize the opportunities for borrowers. Additional details on those changes can be found in the linked fact sheet and are the start of a broader set of process enhancements. The fact sheet also provides information on the eight, no-cost legislative proposals included in the Fiscal Year 2024 President's Budget that are designed to improve the borrower experience.

USDA Announces Signup for Crop and Revenue Loss Assistance for Agricultural Producers



Signup began January 23 for additional emergency relief from the U.S. Department of Agriculture (USDA) through the Emergency Relief Program (ERP) Phase Two.

To be eligible for Phase Two, producers must have suffered a decrease in allowable gross revenue in 2020 or 2021 due to necessary expenses related to losses of eligible crops from a qualifying natural disaster event. Eligible crops include both

traditional insurable commodities and specialty crops that are produced in the United States as part of a farming operation and are intended to be commercially marketed. This also includes losses of eligible on-farm stored commodities. ERP Phase 2 applicants will use the following tax years when selecting allowable gross revenue:

- Benchmark years: 2018 and/or 2019; estimated for new producers with no 2018 or 2019 revenue or adjusted if the benchmark years are not representative of the disaster year due to a change in operation size.
- Disaster years: 2020 and/or 2021. The allowable gross revenue for the specific disaster year will be based on the tax yearapplicable to that revenue (2020, 2021 or 2022).

The ERP tool assists producers in calculating allowable gross revenue, as well as adjusted revenue for the benchmark years 2018 and 2019, and allowable gross revenue for representative tax years 2020-2022 which represent disaster years 2020 and 2021. Once producers complete the allowable gross revenue entries, they are able to print forms FSA-521 and FSA-521A through this tool.

The ERP Phase 2 and PARP application period is open from January 23 through June 2 2023.

For more information on payment calculations, payment limitations or how to determine allowable gross revenue, please reference the ERP Phase 2 fact sheet.

USDA Announces Signup for Pandemic Assistance Revenue Program



The Pandemic Assistance Revenue Program (PARP) will assist eligible producers of agricultural commodities who experienced revenue decreases in calendar year 2020 compared to 2018 or 2019 due to the COVID-19 pandemic. PARP will help address gaps in previous pandemic assistance, which was targeted at price loss or lack of market access, rather than overall revenue losses.

USDA's Farm Service Agency will accept PARP applications from January 23, 2023, through June 2, 2023.

Eligible and Ineligible Commodities

For PARP, eligible agricultural commodities include crops, aquaculture, livestock, livestock byproducts, or other animals or animal byproducts that are produced as part of a farming operation and are intended to be commercially marketed. This includes only commodities produced in the United States or those produced outside the United States by a producer located in the United States and marketed inside the United States.

The following commodities are not eligible for PARP:

- Wild free-roaming animals.
- Horses and other animals used or intended to be used for racing or wagering.
- Aguatic species that do not meet the definition of aguaculture.
- Cannabis sativa L. and any part of that plant that does not meet the definition of hemp.
- Timber.

Program Eligibility

PARP payments will be made on a whole-farm basis, not commodity-by-commodity. To be eligible for PARP, an agricultural producer must have been in the business of farming during at least part of the 2020 calendar year and must have experienced a 15 percent decrease in allowable gross revenue in 2020, as compared to either:

- The 2018 or 2019 calendar year, as elected by the producer, if they received allowable gross revenue during the 2018 or 2019 calendar years, or
- The producer's expected 2020 calendar year allowable gross revenue, if the producer had no allowable gross revenue in 2018 or 2019.

PARP payments will be issued after the application period ends on June 2, 2023.

For more information on determining allowable gross revenue visit farmers.gov/coronavirus/pandemic-assistance/parp or review the PARP fact sheet.

More Information

To apply for PARP, contact your local USDA Service Center.

Is the Noninsured Crop Disaster Assistance Program Right for You?

Farmers and ranchers rely on crop insurance to protect themselves from disasters and unforeseen events, but not all crops are insurable through the USDA's Risk Management Agency. The Farm Service Agency's (FSA) Noninsured Crop Disaster Assistance Program (NAP) provides producers another option to obtain coverage against disaster for these crops. NAP provides financial assistance to producers of non-insurable crops impacted by natural disasters that result in lower yields, crop losses, or prevents crop planting.

Commercially produced crops and agricultural commodities for which crop insurance is not available are generally eligible for NAP. Eligible crops include those grown specifically for food, fiber, livestock consumption, biofuel or biobased products, or value loss crops such as aquaculture, Christmas trees, ornamental nursery, and others. Contact your local FSA office to see which crops are eligible in your state and county.

Eligible causes of loss include drought, freeze, hail, excessive moisture, excessive wind or hurricanes, earthquake and flood. These events must occur during the NAP policy coverage period, before or during harvest, and the disaster must directly affect the eligible crop. For guidance on causes of loss not listed, contact your local FSA county office.

Interested producers apply for NAP coverage using FSA form CCC-471, "Application for Coverage," and pay the applicable service fee at the FSA office where their farm records are maintained. These must be filed by the application closing date, which varies by crop. Contact your local FSA office to verify application closing dates and ensure coverage for eligible NAP crops.

At the time of application, each producer acknowledges they have received the <u>NAP Basic Provisions</u>, which describes NAP requirements for coverage. NAP participants must report crop acreage shortly after planting and provide verifiable or reliable crop production records when required by FSA.

Producers are required to pay service fees which vary depending on the number of crops and number of counties your operation is located in. The NAP service fee is the lesser of \$325 per crop or \$825 per producer per administrative county, not to exceed a total of \$1,950 for a producer with farming interests in multiple counties. Premiums also apply when producers elect higher levels of coverage with a maximum premium of \$15,750 per person or legal entity.

A producer's certification on Form CCC-860 *Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification* may serve as an application for basic NAP coverage for all eligible crops beginning with crop year 2022. These producers will have all NAP-related service fees for basic coverage waived, in addition to a 50 percent premium reduction if higher levels of coverage are elected.

For more detailed information on NAP, download the <u>NAP Fact Sheet</u>. To get started with NAP, we recommend you contact your local USDA service center.

USDA Reminds Producers to File Crop Acreage Reports

Agricultural producers who have not yet completed their <u>crop acreage reports</u> after spring planting should make an appointment with their local County Farm Service Agency (FSA) before the applicable deadline.

An acreage report documents a crop grown on a farm or ranch and its intended uses. Filing an accurate and timely acreage report for all crops and land uses, including failed acreage and prevented planted acreage, can prevent the loss of benefits.

How to File a Report

The following acreage reporting dates are applicable for Georgia counties:

May 15, 2023 Sweet corn (planted 8/26-5/15)

Tobacco, Tomatoes (planted 8/16-4/5)

July 15, 2023 All other crops, Perennial Forage

July 31, 2023 Hemp

August 15, 2023 Tomatoes (planted 7/1-8/15),

September 15, 2023 Sweet Corn (planted 7/15-8/25)

October 15, 2023 Cabbage (planted 7/16-9/30)

November 15, 2023 Onions (planted 9/20-10/20)

Service Center staff continue to work with agricultural producers via phone, email, and other digital tools. Because of the pandemic, some <u>USDA Service Centers</u> are open to limited visitors. Contact your local county FSA office to set up an in-person or phone appointment.

To file a crop acreage report, you will need to provide:

- Crop and crop type or variety.
- Intended use of the crop.
- Number of acres of the crop.
- Map with approximate boundaries for the crop.
- Planting date(s).
- Planting pattern, when applicable.
- Producer shares.
- Irrigation practice(s).
- Acreage prevented from planting, when applicable.
- Other information as required.

Acreage Reporting Details

The following exceptions apply to acreage reporting dates:

- If the crop has not been planted by the acreage reporting date, then the acreage must be reported no later than 15 calendar days after planting is completed.
- If a producer acquires additional acreage after the acreage reporting date, then the acreage must be reported no later than 30 calendar days after purchase or acquiring the lease. Appropriate documentation must be provided to the county office.

Noninsured Crop Disaster Assistance Program (NAP) policy holders should note that the acreage reporting date for NAP-covered crops is the earlier of the dates listed in Exhibit 3 (Zone Map) and Exhibit 4 (NAP Dates) in handbook 1-NAP (Rev. 2) or 15 calendar days before the onset of grazing or harvesting of the crop.

Producers should also report crop acreage they intended to plant, but due to natural disaster, were unable to plant. Prevented planting acreage must be reported on form CCC-576, Notice of Loss, no later than 15 calendar days after the final planting date as established by FSA and USDA's Risk Management Agency.

NRCS ARTICLES

USDA-NRCS In Georgia Announces Sign-up Extension for Inflation Reduction Act Funded Conservation Programs

Previously announced sign-ups for conservation programs that utilize IRA funding to provide direct climate mitigation benefits and expand access to financial and technical assistance for producers to advance conservation on their farm, ranch or forest land have been extended until May 5, 2023, to allow customers more time to discuss their land's needs and management objectives with their local NRCS conservationists. Learn more about this extension here.

NRCS Offers Climate-Smart Solutions for Producers

Climate change threatens agricultural production, forest resources and the economy. NRCS offers a variety of programs, services, resources, and tools to help farmers, ranchers, private forest landowners and partners pursue voluntary conservation efforts across the nation's working lands to deliver climate solutions that support both climate change adaptation and mitigation. Learn more about NRCS voluntary conservation practices and enhancements, which can help you contribute to climate solutions that can limit future climate change and make your operation more resilient to its effects. NRCS Climate-Smart Mitigation Activities

can support climate change mitigation by reducing greenhouse gas emissions or increasing carbon sequestration. See how NRCS can help.

NRCS Announces \$75 Million to Assist Producers Transitioning to Organic Production

USDA announced details about its \$75 million investment in conservation assistance for producers transitioning to organic production. As part of the multi-agency Organic Transition Initiative (OTI). USDA's Natural Resources Conservation Service will dedicate financial and technical assistance to a new organic management standard and partner with new organic technical experts to increase staff capacity and expertise.

Read more for details about assistance for producers transitioning to organic and the notice of funding to hire organic technical experts. NOTE: Georgia NRCS will have more information about how the OTI will be administered locally in the very near future.

USDA Invests \$12 million in Cooperative Agreements for Conservation on Grazing Lands and Support for Farmers and Ranchers, including Georgia.

The U.S. Department of Agriculture (USDA) has awarded \$12 million in cooperative agreements for 49 projects that expand access to conservation technical assistance for livestock producers and increase the use of conservation practices on grazing lands, including Georgia. The funding is provided through the USDA Natural Resources Conservation Service's (NRCS) Grazing Lands Conservation Initiative (GLCI).

Read more about all the projects here.

RMA ARTICLE

Crop Insurance Deadline Nears in Alabama, Florida, Georgia, and South Carolina for Nursery Growers

The USDA's Risk Management Agency (RMA) reminds Alabama, Florida, Georgia, and South Carolina nursery growers that the final date to apply for crop insurance coverage for the 2023 crop year is May 1. Current policyholders who wish to make changes to their existing coverage also have until the May 1 sales closing date to do so. Growers applying for the first time may purchase coverage at any time.

Federal crop insurance is critical to the farm safety net. It helps producers and owners manage revenue risks and strengthens the rural economy.

Coverage begins 30 days after receipt of a signed application and approval of required documents. For Nursery Value Select coverage, a Nursery Value Report, Monthly Unit Value Plan, and two copies of the grower's most recent catalog is required. More information on nursery crop insurance is available at RMA's Nursery Policy Web Page.

Growers are encouraged to visit their crop insurance agent soon to learn specific details for the 2024 crop year.

Crop insurance is sold and delivered solely through private crop insurance agents. A list of crop insurance agents is available online using the RMA <u>Agent Locator</u>. Producers can use the RMA <u>Cost Estimator</u> to get a premium amount estimate of their insurance needs online. Learn more about crop insurance and the modern farm safety net at <u>www.rma.usda.gov</u>.

USDA touches the lives of all Americans each day in so many positive ways. Under the Biden-Harris Administration, USDA is transforming America's food system with a greater focus on more resilient local and regional food production, fairer markets for all producers, ensuring access to safe, healthy and nutritious food in all communities, building new markets and streams of income for farmers and producers using climate smart food and forestry practices, making historic investments in infrastructure and clean energy capabilities in rural America, and committing to equity across the Department by removing systemic barriers and building a workforce more representative of America. To learn more, visit usda.gov.

Crop Insurance Deadline Nears in Georgia for Pecan Tree Growers

— The USDA's Risk Management Agency (RMA) reminds Georgia pecan tree growers that the final date to apply for crop insurance coverage for the 2023 crop year is May 15. Current policyholders who wish to make changes to their existing coverage also have until the May 15 sales closing date to do so.

Federal crop insurance is critical to the farm safety net. It helps producers and owners manage revenue risks and strengthens the rural economy. Coverage is available for pecan trees in select Georgia counties. Please contact your insurance agent to see if your county is covered.

Growers are encouraged to visit their crop insurance agent soon to learn specific details for the 2023 crop year.

Crop insurance is sold and delivered solely through private crop insurance agents. A list of crop insurance agents is available online using the RMA <u>Agent Locator</u>. Producers can use the RMA <u>Cost Estimator</u> to get a premium amount estimate of their insurance needs online. Learn more about crop insurance and the modern farm safety net at <u>rma.usda.gov</u>.

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