

Newsletter - April 2023

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

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Maui County Eligible for Disaster Assistance for 2023 Livestock Forage Losses

Producers in the Maui County are eligible to apply for 2023 Livestock Forage Disaster Program (LFP). This program pertains to commercial livestock that are being grazed on pasture land.

LFP provides compensation if you suffer grazing losses for covered livestock due to drought on privately owned or cash leased land.

County committees can only accept LFP applications after notification is received by the National Office for qualifying drought. You must complete a CCC-853 and the required supporting documentation no later than January 30, 2024, for 2023 losses.

For additional information about LFP, including eligible livestock, contact your <u>local USDA</u> <u>Service Center</u> or visit <u>fsa.usda.gov</u>.

Update Your Records

FSA is cleaning up our producer record database and needs your help. Please report any changes of address, zip code, phone number, email address or an incorrect name or business name on file to our office. You should also report



changes in your farm operation, like the addition of a farm by lease or purchase. You should also report any changes to your operation in which you reorganize to form a Trust, LLC or other legal entity.

FSA and NRCS program participants are required to promptly report changes in their farming operation to the County Committee in writing and to update their *Farm Operating Plan* on form CCC-902.

To update your records, contact your FSA County USDA Service Center, see link for contact information: <u>https://www.fsa.usda.gov/state-offices/Hawaii/service-centers/index</u>.

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 <u>farmers.gov/taxes</u>.

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 Requests Nominations for Ag Air Quality Task Force

USDA is seeking nominees to its Task Force on Agricultural Air Quality Research. Established in 1996, the Task Force examines the intersection of agricultural production and air quality, and advises the Secretary on scientifically sound, cost-effective, federally supported agricultural solutions that can help improve air quality. USDA is seeking nominations from individuals, including agricultural producers, agricultural industry representatives, researchers, scientists and members of health and regulatory committees to apply for membership on the Task Force.

Applying for Membership

Interested candidates may nominate themselves. Nominations should be typed and include the following:

- A brief summary (two pages or less) explaining the nominee's qualifications to serve on the Task Force.
- A resume providing the nominee's background, experience and educational qualifications.
- A completed background disclosure form (Form AD-755) signed by the nominee.
- Any recent publications by the nominee relative to agricultural air quality (if appropriate).
- Letters of endorsement (optional).

USDA is committed to ensuring that the Task Force is composed of members from diverse backgrounds, who have an interest and expertise in agriculture air quality issues. Equal opportunity practices, in line with the USDA policies, will be followed in all appointments.

Nominations must be emailed or postmarked by Friday, May 5, 2023, to be considered. More information about the Task Force is available on the <u>AAQTF webpage</u> and in the <u>Federal Register notice</u>.

NRCS PIA State Advisory Technical Committee May 9th, 2023 1pm HST

The next PIA State Technical Advisory Committee Meeting will be conducted on May 9th, 2023 at 1pm HST. Participants interested in attending can attend via Teams or by calling in.

Microsoft Teams meeting Join on your computer, mobile app or room device <u>Click here to join the meeting</u> Meeting ID: 287 502 801 27 Passcode: vkWZ9U <u>Download Teams | Join on the web</u> Or call in (audio only) +1 202-650-0123,.58852449# United States, Washington DC Phone Conference ID: 588 524 49# <u>Find a local number | Reset PIN</u> <u>Learn More | Meeting options</u>

Forest Land Managers Encouraged to Submit Applications for Joint Chiefs Project in Guam

Applications for the Joint Chiefs Project, "Making Southern Guam Firewise" are currently being accepted. Interested applicants should contact the Local Guam Field Office for additional information. The <u>press release</u> for this can be found <u>here</u>.

NRCS Announces \$75 Million to Assist Producers Transitioning to Organic as Part of USDA's Organic Transition Initiative

NRCS has dedicated \$70 million nationwide to assist producers desiring to transition to organic production. Interested applicants should contact their local NRCS Service center. The <u>press release</u> for this can be found <u>here</u>.

April Interest Rates

Farm Operating- Direct 4.750% Farm Operating - Microloan 4.750% Farm Ownership - Direct 4.875% Farm Ownership - Microloan 4.875% Farm Ownership - Direct, Joint Financing 2.875% Farm Ownership - Down Payment 1.500% Emergency Loan - Amount of Actual Loss 3.750%

Dates to Remember

April 17, 2023 - Deadline to apply for Honolulu County Program Technician vacancy.

May 5, 2023 - Deadline to submit nominations for the Ag Air Quality Task Force

May 26, 2023 - Deadline to apply for Emergency Loans in Maui County for Bovine Tuberculosis (Bovine TB) disaster declaration

June 2, 2023 - Deadline to apply for the <u>Pandemic Assistance Revenue Program (PARP)</u> and the <u>Emergency Relief Program (ERP)</u>



USDA website:https://www.usda.gov/ Farmer.gov website: <u>https://www.farmers.gov/</u>

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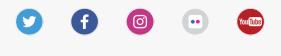
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CONTACT US: <u>Farm Service Agency</u> <u>Natural Resources Conservation Service</u> <u>Risk Management Agency</u> <u>Service Center Locator</u>



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