News & Updates from the Iowa Farm Service Agency

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From the Desk of Matt Russell, State Executive Director

The world needs farmers and ranchers. I'm constantly speaking about the opportunities this creates for lowans. As part of the Biden-Harris Administration, I get to be in front of farm groups, on the radio, sitting down in our county offices, and with young people interested in agricultural leadership. I love talking about our amazing lowa agriculture story. These are times of historic change and opportunities. And lowa Farm Service Agency is making historic investments in lowa farmers to leverage those opportunities.

Our farm loan programs are helping to keep farmers on the land in the face of weather, economic, pandemic, and market challenges. We are welcoming new people into the family of American farmers and ranchers. With our partners at Natural Resources Conservation Services, we will deliver billions of dollars in the next decade to lowa farmers to invest in strategies to connect their production and environmental stewardship for new sources of revenue. USDA continues to develop new and better tools to help farmers participate in our programs. We're developing strategies to help people grow food and raise livestock in new ways and in new places. And we continue to hire the next generation of agricultural leaders in our county offices.

You can find all of that and more in this month's News & Updates. Americans continue to want to support our farmers and ranchers. At lowa FSA, we continue to deliver that support. We look forward to seeing you in our county offices and answering your questions in person, on the phone, through emails, and at farmers.gov. I look forward to meeting many of you in the months ahead as we plant crops, tend to new calves, feed hogs, invest in conservation, and give thanks for both sunshine and rain.

Matt

Deadline for Underserved Producers to File CCC-860 to to Receive Additional Pandemic Assistance is March 31

The U.S. Department of Agriculture (USDA) has issued nearly \$290.5 million in top-up payments through the Coronavirus Food Assistance Program 2 (CFAP) to nearly 172,000 underserved producers. USDA's Farm Service Agency (FSA) will continue to issue payments to underserved producers who participated in CFAP 2 and are certified as underserved producers.

Producers without form CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification, on file can submit by **March 31, 2023**, to receive the top-up payment. This is an extension from the Feb. 10, 2023, deadline. Contact your local <u>USDA Service Center</u> for more information.

The top-up payment is part of a broader effort by the Biden-Harris administration to better reach agricultural producers and industries impacted by COVID-19 market disruptions by providing a holistic, inclusive approach to pandemic assistance.

USDA Announces Additional Assistance for Distressed Farmers Facing Financial Risk

The U.S. Department of Agriculture (USDA) has 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 touches the lives of all Americans each day in so many positive ways. In 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 www.usda.gov.

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.
- 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</u>
 management.

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 <u>state Beginning Farmer and Rancher Coordinator</u>.



Urban Producers, Public Invited to Attend April Meeting of Federal Advisory Committee for Urban Agriculture and Innovative Production

We're inviting urban producers, innovative producers, and other stakeholders to virtually attend a public meeting of the Federal Advisory Committee for Urban Agriculture and Innovative Production on April 18 from 3-5pm. <u>Learn more and register</u>

USDA Announces Sign-up for Cost-Share Assistance for On-Farm Grain Storage in Areas with Limited Commercial Capacity Due to Severe Storms

New Program Helps Fill the Need Caused by Damaged Grain Storage Facilities - Seven Iowa Counties Eligible to Apply

Agriculture Secretary Tom Vilsack recently announced that producers in counties affected by eligible disaster events in Kentucky, Minnesota, South Dakota, Illinois, Indiana, Iowa, Missouri, North Dakota, and Tennessee can apply for cost-share assistance through the Emergency Grain Storage Facility Assistance Program (EGSFP). This includes **Lyon**, **Sioux**, **Osceola**, **O'Brien**, **Dickinson**, **Clay**, **and Emmet Counties in Iowa**. The new program provides cost-share assistance for the construction of new grain storage capacity and drying and handling needs, in order to support the orderly marketing of commodities. An initial allocation of \$20 million in cost-share assistance is available to agricultural producers in affected counties impacted by the damage to or destruction of large

commercial grain elevators as a result of natural disasters from Dec. 1, 2021, to Aug. 1, 2022. The application period closes Dec. 29, 2023.

This assistance from USDA's Farm Service Agency (FSA) is designed to help producers affected by the December 2021 tornadoes that passed through 11 counties in Kentucky, as well as producers in Illinois, Indiana, Iowa, Minnesota, Missouri, North Dakota, South Dakota, and Tennessee affected by eligible disaster events in 2022. The program was previewed last fall and will be made available with the publication of the Notice in the Federal Register.

Eligibility

Maps showing the location of damaged grain facilities in Kentucky, Minnesota, South Dakota and surrounding eligible areas are available online. These <u>maps</u> depict damaged storage facility locations and the affected counties within a 30-mile radius of these facilities where producers may be eligible to apply for EGSFP benefits if they can demonstrate a need for additional on-farm grain storage capacity.

Additionally, FSA may determine a need for EGSFP assistance in counties in other states and regions during the application period where an eligible disaster event has damaged storage facility locations. Eligible disaster events include hurricanes, tornadoes, floods, derechos, straight-line winds and winter storms that occurred between Dec. 1, 2021, and Aug. 1, 2022.

EGSFP helps producers build permanent or temporary on-farm grain storage capacity, restore existing storage capacity, and purchase drying and handling equipment in affected counties.

The following types of new/used facilities and upgrades are eligible for cost-share assistance and must have a useful life of at least three years:

- conventional-type cribs or bins designed and engineered for grain storage
- open buildings with two end walls
- converted storage structures
- asphalt, concrete or gravel floors with grain piles and tarp covering,
- ag baggers (including bags)

On-farm grain storage structures may account for aeration, drainage, and may require loading or unloading augers, drying and handling equipment.

How to Apply

Producers must submit the EGSFP Application, form *FSA-413*, and any additional required forms to their FSA county office either in person, by mail, email, or facsimile starting later this month and by the Dec. 29, 2023, deadline. Form *FSA-413-1*, Continuation Sheet for EGSFP, must be submitted with the *FSA-413* when a group of producers are applying for assistance.

Payment Calculation

FSA will use the producer's self-certified cost of the additional on-farm grain storage capacity or drying and handling equipment needed multiplied by the producer's share of grain.

This amount will then be multiplied by the cost share factor of 75% or 90%. An eligible producer who certifies they are socially disadvantaged, limited resource, beginning and veteran farmer or rancher by filing form *CCC-860* with FSA will receive the higher 90% cost share rate.

More Information

For more information visit the <u>program webpage</u> or the <u>EGSFP fact sheet</u>. USDA also has an existing <u>Farm Storage Facility Loan Program</u> that can immediately provide low-interest financing for eligible producers who may not be eligible for EGSFP but are in need of on-farm storage capacity.

Join Us! NRCS Soil Health Field Day Planned in Des Moines



The Iowa Natural Resources Conservation Service (NRCS) invites you to attend their upcoming soil health field day being held on April 12, from 1:00 - 3:00 pm at Dogpatch Urban Gardens (5085 Meredith Drive) in Des Moines. Learn about soil health through live demonstrations, expert presentations, and an urban farm tour that will help you understand how soil health affects your specialty crop operation. Registration encouraged by April 5, learn more here!

USDA Expands Farmers.gov to Include Farm Records

Producers with farmers.gov accounts can now access farm records and maps online, the latest self-service feature added to the U.S. Department of Agriculture (USDA) website.

You can quickly and easily access your land information in real time by desktop computer, tablet or phone. Capabilities include:

- View, print and export detailed farm records such as cropland, base acres, yields, CRP acres, land ownership details, and much more;
- View, print and export farm/tract maps that can be provided to lenders, chemical or fertilizer providers, and FSA for reporting acreage and crop insurance agents; and
- Export common land unit (field) boundaries as ESRI shapefiles.

The ability to access these records on demand without a visit to the service center saves you time and money.

<u>Farmers.gov</u> now includes the most popular functionalities from FSAFarm+, the FSA portal for producers, while providing enhanced functionality and an improved user experience. A new enhancement expands the scope of accessibility to include farmers and ranchers who are members of an entity, as well as people with a power of attorney form (FSA-211) on file with FSA.

NRCS Announces Funding Available for Conservation Innovation Grants in Iowa

USDA's Natural Resources Conservation Service (NRCS) has announced the availability of funding to support Conservation Innovation Grants (CIG) in Iowa to support the development of innovative approaches and technologies. Grant proposals are due May 7, 2023.

CIG generally funds pilot projects, field demonstrations, and on-farm conservation research. Project proposals must be more than \$25,000 but not exceed \$200,000 and run 1 to 3 years. The CIG requires applicants to supply at least a 50-50 match.

This year's state priorities are:

- Soil Health/Climate Smart Ag
- Water Quality and Quantity
- Wildlife Habitat
- Urban Agriculture
- Equity/Reaching Underserved Customers

Applications must be submitted electronically through grants.gov. For those new to the grants.gov system, there are several preliminary steps required before an application can be submitted. To register in the grants.gov system, go to www.grants.gov, click on "Applicants", then click on "Get Registered." All non-Federal entities and Individuals are invited to apply.

Funded through NRCS, CIG helps stimulate the development and adoption of innovative conservation approaches and technologies in conjunction with agricultural production. CIG projects are expected to lead to the transfer of conservation technologies, management systems, and innovative approaches (such as market-based systems) to agricultural producers, into government technical manuals and guides, or to the private sector.

<u>Visit the Iowa NRCS CIG webpage for more information</u>.

FSA Offers Joint Financing Option on Direct Farm Ownership Loans

The USDA Farm Service Agency's (FSA) <u>Direct Farm Ownership loans</u> can help farmers and ranchers become owner-operators of family farms, improve and expand current operations, increase agricultural productivity, and assist with land tenure to save farmland for future generations.

There are three types of Direct Farm Ownership Loans: regular, down payment and joint financing. FSA also offers a Direct Farm Ownership Microloan option for smaller financial needs up to \$50,000.

Joint financing allows FSA to provide more farmers and ranchers with access to capital. FSA lends up to 50 percent of the total amount financed. A commercial lender, a State program or the seller of the property being purchased, provides the balance of loan funds, with or without an FSA guarantee. The maximum loan amount for a joint financing loan is \$600,000, and the repayment period for the loan is up to 40 years.

The operation must be an eligible farm enterprise. Farm Ownership loan funds cannot be used to finance nonfarm enterprises and all applicants must be able to meet general eligibility requirements. Loan applicants are also required to have participated in the business operations of a farm or ranch for at least three years out of the 10 years prior to the date the application is submitted. The applicant must show documentation that their participation in the business operation of the farm or ranch was not solely as a laborer.

For more information about farm loans, contact your local County USDA Service Center or visit fsa.usda.gov.

Deadline Approaching for Conservation Reserve Program Signup

Producers are reminded that FSA will be accepting applications for the Conservation Reserve Program (CRP) through April 7, 2023. CRP is a cornerstone voluntary conservation program offered by the U.S. Department of

Agriculture (USDA) and a key tool in the Biden-Harris administration's effort to address climate change and help agricultural communities invest in the long-term well-being of their land and natural resources.

Producers and landowners enrolled more than 5 million acres into CRP through signups in 2022, building on the acceptance of more than 3.1 million acres in the <u>largest Grassland CRP signup in history</u>. There are currently 23 million acres enrolled in CRP, with 1.9 million set to expire this year. USDA's Farm Service Agency (FSA) is aiming to reach the 27-million-acre cap statutorily set for fiscal year 2023.

General CRP

General CRP helps producers and landowners establish long-term, resource-conserving plant species, such as approved grasses or trees, to control soil erosion, improve water quality and enhance wildlife habitat on cropland. Additionally, General CRP includes a Climate-Smart Practice Incentive to help increase carbon sequestration and reduce greenhouse gas emissions by helping producers and landowners establish trees and permanent grasses, enhance wildlife habitat, and restore wetlands.

Continuous CRP

Under Continuous CRP, producers and landowners can enroll in CRP throughout the year. Offers are automatically accepted provided the producer and land meet the eligibility requirements and the enrollment levels do not exceed the statutory cap. The Climate-Smart Practice Incentive is also available in the Continuous signup.

FSA offers several additional enrollment opportunities within Continuous CRP, including the Clean Lakes Estuaries and Rivers Initiative (CLEAR30), the State Acres for Wildlife Enhancement (SAFE) Initiative, the Farmable Wetlands Program (FWP), and the Conservation Reserve Enhancement Program (CREP). The CLEAR30 Initiative, which was originally piloted in twelve states in the Great Lakes and Chesapeake Bay watershed, has been expanded nationwide, allowing producers and landowners to enroll in 30-year CRP contracts for water quality practices. Under this administration, FSA also moved SAFE practices back to the Continuous CRP signup, giving producers and landowners more opportunities to participate in the initiative. Through the FWP, producers and landowners can enroll land in CRP as part of their efforts to restore previously farmed wetlands and wetland buffers, to improve both vegetation and water flow.

This administration has also made significant improvements to CREP, which leverages federal and non-federal funds to target specific State, regional or nationally significant conservation concerns. Specifically, USDA made significant improvements to CREP to reduce barriers and make the program more accessible to a broad range of producers and new types of partners.

These updates included flexibility for partners to provide matching funds in the form of cash, in-kind contributions, or technical assistance, along with an investment in additional staff to work directly with partners. Through CREP, for the first time ever, three Tribal Nations are now partnering with USDA to help conserve, maintain, and improve grassland productivity, reduce soil erosion, and enhance wildlife habitat.

How to Sign Up

Landowners and producers interested in CRP should contact their local <u>USDA Service Center</u> to learn more or to apply for the program before their deadlines.

Producers with expiring CRP acres can use the Transition Incentives Program (TIP), which incentivizes producers who sell or enter a long-term lease with a beginning, veteran, or socially disadvantaged farmer or rancher who plans to sustainably farm or ranch the land.

More Information

Signed into law in 1985, CRP is one of the largest voluntary private-lands conservation programs in the United States. It was originally intended to primarily control soil erosion and potentially stabilize commodity prices by taking marginal lands out of production. The program has evolved over the years, providing many conservation and economic benefits.



It's tax season! Let farmers.gov help.

Filing taxes can be challenging, especially if you are new to USDA programs or running a farm business, or if you are trying to forecast your farm's tax bill.

To support farmers and ranchers, USDA is partnering with tax experts from across the country to connect producers to information and resources related to taxes and USDA program payments, including those from the Inflation Reduction Act for distressed borrowers. RSVP for webinars or use the new tax estimator tool.

LEARN MORE



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