Farm Service Agency, Kansas State Office - December 12, 2023

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

Improving Risk Protection on Tribal Lands

More than <u>46 million acres of tribal land in the United States</u> are used for production agriculture, an inherently high-risk business. The U.S. Department of Agriculture (USDA) is here to help the producers who operate these tribal lands to prepare, recover, and build long-term resilience to natural disasters and climate change, through a suite of <u>disaster assistance programs</u>, <u>crop insurance and other risk management options</u>, and conservation programs and practices.



A new <u>Tribal Partnerships</u> page on USDA's <u>farmers.gov</u> website is designed to connect Tribal Nation leaders, land managers, agricultural producers and citizens with USDA programs and services. Developed as part of USDA's commitment to its federal trust responsibility to Tribal Nations, the web page showcases opportunities for land access, indigenous representation, conservation partnerships, and support for tribal food sovereignty.

USDA's Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS), and Risk Management Agency (RMA) offer programs, technical assistance, and insurance products for managing risk, adopting climate-smart practices, and ensuring a safety net from weather.

Crop Insurance

Through the Federal Crop Insurance Corporation, USDA provides crop insurance to farmers and ranchers to help them manage risks on their farms and ranches. There are many types of insurance products available for a wide variety of production practices, including organic and sustainable agriculture. Crop insurance can be obtained through an Approved Insurance Provider (crop insurance agent), while other programs, including FSA's NAP) coverage can be accessed by contacting your local USDA Service Center.

Disaster Assistance Discovery Tool

Producers who recently suffered loss or damage due to a natural disaster including crop and livestock losses, farmland damage as well as damages to farm or ranch infrastructure such as hay storage facilities, fence, and equipment can use the USDA Disaster Discovery Tool to receive personalized results outlining which programs best meet their needs. Find <u>disaster assistance</u> program details and learn more about USDA assistance at the <u>USDA Disaster Resource Center</u>.

Risk Protection for Beginning, Veteran, Limited Resource and Minority Producers

In 2023, FSA made <u>improvements to NAP</u> to enhance risk protection coverage for beginning, veteran, limited resource, and minority producers. Learn more about <u>NAP coverage</u> and other disaster recovery programs at <u>farmers.gov/protection-recovery</u>.

Crop Acreage Reporting

To be eligible for many USDA programs, including risk management programs, agricultural producers must file timely <u>acreage reports</u> that document the crops grown on their farm or ranch and their intended uses. Deadlines for filing crop acreage reports vary by crop and by state and county.

FSA staff at <u>local USDA Service Centers</u> will provide producers with maps and acreage reporting deadlines, by crop, for their county. <u>A crop insurance agent</u> can assist with reporting information necessary for crop insurance benefits. <u>Learn more about crop acreage reporting here.</u>

Climate-Smart Conservation Practices

USDA is making more than \$3 billion in funding available for agricultural producers and forest landowners nationwide to participate in voluntary conservation programs and adopt climatesmart practices in fiscal year 2024 as part of President Biden's Investing in America agenda. These funds are provided by President Biden's Inflation Reduction Act – the largest climate and conservation investment in history. This law invests an additional \$19.5 billion for USDA's popular conservation programs.

Farmers.gov Portal

Producers can also manage their USDA business on <u>farmers.gov</u>. Signing up for an account provides one place to do business online with FSA and NRCS, including the ability to e-sign documents, request assistance and apply for programs. Features on this site will help expedite acreage reporting, including the ability to view, print and label maps. A farmers.gov account also offers self-service for FSA and NRCS customers to manage FSA farm loans and NRCS conservation contracts.

Customers who are new to USDA should visit <u>Get Started at Your USDA Service Center</u>, then go to <u>farmers.gov/account</u> to create a farmers.gov account.

For more information about USDA support and partnerships with Tribal Nations, visit farmers.gov/tribal. To learn more about FSA and NRCS programs, producers can contact their local USDA Service Center. Visit RMA online to find risk management education and training opportunities. Watch this USDA Office of Tribal Relations video to hear how USDA Helps Acoma Pueblo Ranchers.

Farmers.gov - Your Online Hub for Conducting Business with USDA

Farmers.gov gives you one place to do business with USDA's Farm Service Agency (FSA) and the Natural Resources Conservation Service (NRCS), including accessing your farm records, maps, and common land units. You can create a farmers.gov account for the

farmers.gov authenticated site, where you can access self-service features through a secure login.

In addition to the self-service features farmers.gov website also has information on USDA programs, farm loans, disaster assistance, conservation programs and crop insurance.

What can you do with your farmers.gov account?

- View FSA Farm loans including loan information, interest payments, loan advance and payment history, paid-in-full restructured loans, and account alerts.
- View NRCS Disbursements and Farm Loans financial activity from the past 180 days.
- View, print and export detailed farm records and farm/tract maps.
- Export common land unit (field) boundaries as ESRI and GeoJSON file types.
- Import precision agriculture planting boundaries, create labels containing crop information, and print both on farm tract maps.
- Use the draw tools to determine acres in an area of interest that can be printed on a map and provided to a third party or exported as a feature file for use in other geospatial applications.
- View, upload, download and e-sign NRCS documents.
- Request conservation and financial assistance, including submitting a program application.
- Access information on current and past conservation practices, report practice completion and request practice certification
- View detailed information on previous and ongoing contracts, including the amount of cost- share assistance received and request contract modifications.

How to create a farmers.gov account?

To create a farmers.gov account you will need:

A USDA individual customer record - A customer record contains information you
have given to USDA to do business with them, like your name, address, phone
number, and any legal representative authority relationships.

A login.gov account – Login.gov is a sign-in service that gives people secure online access to participating government programs.

Actively Engaged Provisions for Non-Family Joint Operations or Entities

Many Farm Service Agency (FSA) programs require all program participants, either individuals or legal entities, to be "actively engaged in farming." This means participants provide a significant contribution to the farming operation, whether it is capital, land,

equipment, active personal labor and/or management. For entities, each partner, stockholder or member with an ownership interest, must contribute active personal labor and/or management to the operation on a regular basis that is identifiable and documentable as well as separate and distinct from contributions of any other member. Members of joint operations must have a share of the profits or losses from the farming operation commensurate with the member's contributions to the operation and must make contributions to the farming operation that are at risk for a loss, with the level of risk being commensurate with the member's claimed share on the farming operation.

Joint operations comprised of non-family members or partners, stockholders or persons with an ownership in the farming operation must meet additional payment eligibility provisions. Joint operations comprised of family members are exempt from these additional requirements. For 2016 and subsequent crop years, non-family joint operations can have one member that may use a significant contribution of active personal management exclusively to meet the requirements to be determined "actively engaged in farming." The person or member will be defined as the farm manager for the purposes of administering these management provisions.

Non-family joint operations may request to add up to two additional managers for their farming operation based on the size and/or complexity of the operation. If additional farm managers are requested and approved, all members who contribute management are required to complete form CCC-902MR, *Management Activity Record*. The farm manager should use the form to record management activities including capital, labor and agronomics, which includes crop selection, planting decisions, acquisition of inputs, crop management and marketing decisions. One form should be used for each month and the farm manager should enter the number of hours of time spent for each activity under the date of the month the actions were completed. The farm manager must also document if each management activity was completed on the farm or remotely.

The records and supporting business documentation must be maintained and timely made available for review by the appropriate FSA reviewing authority, if requested.

If the farm manager fails to meet these requirements, their contribution of active personal management to the farming operation for payment eligibility purposes will be disregarded and their payment eligibility status will be re-determined for the applicable program year.

In some instances, additional persons or members of a non-family member joint operation who meet the definition of farm manager may also be allowed to use such a contribution of active personal management to meet the eligibility requirements. However, under no circumstances may the number of farm managers in a non-family joint operation exceed a total of three in any given crop and program year.

Transitioning Expiring CRP Land to Beginning, Veteran or Underserved Farmers and Ranchers

Conservation Reserve Program (CRP) contract holders are encouraged to transition their CRP acres to beginning, veteran or socially disadvantaged farmers or ranchers through the Transition Incentives Program (TIP). TIP provides annual rental payments to the landowner or operator for up to two additional years after the CRP contract expires.

CRP contract holders no longer need to be a retired or retiring owner or operator to transition their land. TIP participants must agree to sell, have a contract to sell, or agree to lease long term (at least five years) land enrolled in an expiring CRP contract to a beginning, veteran, or socially disadvantaged farmer or rancher who is not a family member.

Beginning, veteran or social disadvantaged farmers and ranchers and CRP participants may enroll in TIP beginning two years before the expiration date of the CRP contract. The TIP application must be submitted prior to completing the lease or sale of the affected lands. New landowners or renters that return the land to production must use sustainable grazing or farming methods.

For more information, contact you local County USDA Service Center or visit <u>fsa.usda.gov</u>.

USDA To Provide Additional Financial Assistance to Qualifying Guaranteed Farm Loan Borrowers Facing Financial Risk

The USDA announced it will begin providing additional, automatic financial assistance for qualifying guaranteed Farm Loan Programs (FLP) borrowers who are facing financial risk. The announcement is part of the \$3.1 billion to help certain distressed farm loan borrowers that was provided through Section 22006 of the Inflation Reduction Act.

Since the Inflation Reduction Act was signed into law by President Biden in August 2022, USDA has provided approximately \$1.15 billion in assistance to more than 20,000 distressed borrowers as a part of an ongoing effort to keep borrowers farming, remove obstacles that currently prevent many borrowers from returning to their land, and improve the way that USDA approaches borrowing and loan servicing in the long-term. The financial assistance announced today will provide qualifying distressed guaranteed loan borrowers with financial assistance similar to what was already provided to distressed direct loan borrowers. Based on current analysis, the financial assistance announced today will assist an estimated approximately 3,500 eligible borrowers, subject to change as payments are finalized. An FLP guaranteed loan borrower is distressed if they qualify under one of the options below. FLP guaranteed borrowers who qualify under multiple options will receive a payment based on the option that provides the greatest payment amount:

Payment of any outstanding delinquency on all qualifying FLP guaranteed loans as of Oct. 18, 2022. This includes any guaranteed loan borrowers who did not receive an automatic payment in 2022 on that loan because they were not yet 60 days delinquent as of Sept. 30, 2022, as well as guaranteed borrowers that became delinquent on a qualifying FLP guaranteed loan between September 30, 2022, and Oct.18, 2022.

Payment on a qualifying FLP guaranteed loan for which a guaranteed loan borrower received a loan restructure, which modified the guaranteed loan maturity date, between March 1, 2020, and Aug. 11, 2023. The payment amount will be the lesser of the post-restructure annual installment or the amount required to pay the loan in full. The guaranteed loan must not have been paid in full prior to Aug. 11, 2023.

Payments on certain deferred amounts on qualifying FLP guaranteed loans, not to exceed \$100,000, for guaranteed borrowers who received a deferral or another type of payment extension, for at least 45 days, between March 1, 2020, and Sept. 30, 2022, from their guaranteed lender on that qualifying guaranteed loan in response to COVID-19, disasters, or other revenue shortfalls. The Inflation Reduction Act payment amount will be the lesser of the most recent deferral or extension amount on the qualifying FLP guaranteed loan, or the amount required to pay that loan in full. The guaranteed loan must not have been paid in full prior to Aug. 11, 2023.

This assistance is only available for FLP guaranteed loan borrowers who did not or will not receive an initial payment on the same FLP guaranteed loan under Inflation Reduction Act assistance announced in October 2022. Distressed guaranteed borrowers qualifying for this assistance will receive a United States Department of the Treasury check that is jointly payable to the borrower and the lender. These borrowers will also receive a letter from FSA informing them of Inflation Reduction Act assistance they will receive as well as instructions to make an appointment with their lender to process the payment and apply it to their qualifying guaranteed loan accounts. Guaranteed lenders will receive an email in the coming days informing them of this assistance and any next steps. Lenders will also receive letters informing them which borrowers will receive assistance and the amount of assistance they will receive. Any distressed guaranteed borrowers who qualify for these forms of assistance and are currently in bankruptcy will be addressed using the same case-by-case review process announced in October 2022 for complex cases. FSA will also provide relief to qualifying FLP guaranteed loan borrowers determined to be distressed borrowers based on liability for remaining federal debt subject to debt collection and garnishment after the liquidation of their guaranteed loan account as of July 31, 2023. This will allow some borrowers to potentially return to farming. Guaranteed borrowers who qualify for this assistance will have their federal debt paid automatically by FSA and will receive a letter informing them of the payment made instructions for opting out of assistance if a borrower chooses to do so.

Important Tax Information Similar to other USDA Inflation Reduction Act assistance, payments provided to borrowers and payments to be applied to FSA farm loan accounts will be reported to the Internal Revenue Service (IRS). Borrowers receiving this assistance will receive a 1099 form from FSA. Please note that payments over \$600 are subject to Federal and State Income Taxes and will be reflected on your annual 1099 form. Borrowers are encouraged to consult a tax professional with all tax-related questions regarding any Inflation Reduction Act assistance received. USDA also has tax-related resources at farmers.gov/taxes. **Individual Requests for Farmers Seeking Assistance**

In addition to the automatic payments announced today for distressed guaranteed loan borrowers, FSA continues to accept and review individual distressed borrower assistance requests from direct loan borrowers who missed a recent installment or are unable to make their next scheduled installment on a qualifying direct FLP loan. All FSA direct borrowers should have received a <u>letter</u> detailing the eligibility criteria and process for seeking this type of assistance, which is available even before they become delinquent. As the letter details,

borrowers who are within two months of their next installment may seek a cash flow analysis from FSA using a recent balance sheet and operating plan to determine their eligibility.

FSA direct borrowers also received a <u>letter</u> detailing an opportunity to receive assistance if they took certain extraordinary measures to avoid delinquency on their qualifying direct FLP loans, such as taking on or refinancing more debt, selling property, or cashing out retirement or college savings accounts.

Borrowers can submit requests for extraordinary measures or cash flow-based assistance in person at their local FSA office or by sending in a direct request using the farmers.gov 22006 assistance request portals at farmers.gov/loans/inflation-reduction-investments/assistance. All requests for assistance must be received by Dec. 31, 2023.



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