

Farm Service Agency, Kansas State Office - June 6, 2023

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

# **USDA Extends Application Deadline for Revenue Loss Programs to July 14**

**USDA** is extending the deadline for the Emergency Relief Program (ERP) Phase Two and Pandemic Assistance Revenue Program (PARP) to July 14, 2023, to give producers more time to apply for assistance. The original deadline was June 2. Additionally, USDA's Farm Service Agency (FSA) is partnering with nine organizations to provide educational and technical assistance to agricultural producers and provide assistance in completing an ERP Phase Two application. The



extended deadline will give producers more time to work with these partner organizations and apply for assistance. **Cooperative Agreements for ERP Phase Two Application Assistance** Through cooperative agreements with FSA, the following organizations are providing free assistance to producers across the United States and territories.

- Alabama State Association of Cooperatives
- Farmers Legal Action Group, INC.
- Flower Hill Institute
- Intertribal Agriculture Council, Inc.
- North South Institute
- Renewing the Countryside II
- Rural Advancement Foundation International USA
- Rural Coalition
- Texas Small Farmers and Ranchers CBO

Depending on a producer's location, these nine partners can provide assistance either by phone or through online meeting software like Zoom or Microsoft Teams.

There is never a charge for technical assistance provided by FSA employees or cooperative agreement recipients. These organizations will assist producers with completing the application and any follow-up future insurance coverage requirements. Producers who receive ERP payments are statutorily required to purchase crop insurance or Noninsured Crop Disaster Assistance Program (NAP) coverage for the next two available crop years. These organizations will not collect producer records, complete or sign the application form, or act on the producer's behalf in any way throughout this process.

Find more information on FSA cooperative agreements and contact information for the nine organizations please visit <u>fsa.usda.gov/programs-and-services/cooperative-agreements/index.</u>

**PARP Application Assistance** USDA will host a webinar that focus on completing the PARP application form on June 8, 2023 from 2:00 to 4:00 p.m. eastern with members of the National Farm Income Tax Extension Committee. Register <a href="here">here</a>.

**Eligibility** To be eligible for ERP 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. Assistance will be primarily to producers of crops that were not covered by Federal Crop Insurance or NAP, since crops covered by Federal Crop Insurance and NAP were included in the assistance under ERP Phase One.

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 had a 15% or greater decrease in allowable gross revenue for the 2020 calendar year, as compared to a baseline year.

FSA offers an online <u>ERP tool</u> and <u>PARP tool</u> that can help producers determine what is considered allowable gross revenue for each respective program.

Producers should contact their local FSA office to make an appointment to apply for ERP Phase Two and PARP assistance. Producers should also keep in mind that July 15 is a major deadline to complete acreage reports for most crops. FSA encourages producers to complete the ERP Phase Two application, PARP application and acreage reporting during the same office visit.

**More Information** For more information, view the <u>ERP Phase Two Fact Sheet</u>, <u>PARP Fact Sheet</u>, the <u>ERP Phase Two-PARP Comparison Fact Sheet</u>, <u>ERP Phase Two application video tutorial</u>, <u>PARP application video tutorial</u>, <u>myth-buster blog</u> or contact your local <u>USDA Service Center</u>.

## USDA is Providing \$130 Million in Assistance to Help Farmers Facing Financial Risk

**USDA announced** that nearly \$130 million in additional, automatic financial assistance has been obligated for qualifying farm loan program borrowers who are facing financial risk. The announcement is part of the \$3.1 billion to help distressed farm loan borrowers that was provided through Section 22006 of the Inflation Reduction Act (IRA).

Since the IRA was signed by President Biden in August 2022, including the payments announced today, USDA is providing approximately \$1.1 billion in immediate assistance to more than 20,000 distressed borrowers.

Borrowers who received these automatic payments include Farm Service Agency (FSA) direct loan borrowers whose interest exceeded principle owed on outstanding debts; borrowers who had a balance up to 60 days past due as of Sept. 30, 2022 and remained delinquent; and borrowers with a recent restructure between Feb. 28, 2020, through March 27, 2023, or who

had accepted an offer to restructure on or before March 27, 2023, but had not yet closed that restructure.

#### **Individual Applications for Farmers Seeking Assistance**

In May, FSA will begin accepting and reviewing individual distressed borrower assistance requests from direct loan borrowers who missed a recent installment or are unable to make their next scheduled installment. All FSA borrowers should have received a <u>letter</u> detailing the process for seeking this type of assistance even before they become delinquent. As the letter details, 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. Also in May, FSA borrowers will receive a letter detailing a new opportunity to receive assistance if they took certain extraordinary measures to avoid delinquency on their loans, such as taking on or refinancing more debt, selling property, or cashing out retirement or college savings accounts. FSA also plans to begin working through these types of cases in May.

As USDA learns more about the types of situations financially distressed farmers are facing, the Department will continue to update borrowers and the public about new eligibility criteria. USDA will also provide regular updates about its progress in deploying this funding to farmers who need it.

## Filing CCC-941 Adjusted Gross Income Certifications

If you have experienced delays in receiving Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) payments, Loan Deficiency Payments (LDPs) and Market Gains on Marketing Assistance Loans (MALs), it may be because you have not filed form CCC-941, *Adjusted Gross Income Certification*.

If you don't have a valid CCC-941 on file for the applicable crop year you will not receive payments. All farm operator/tenants/owners who have not filed a CCC-941 and have pending payments should IMMEDIATELY file the form with their recording county FSA office. Farm operators and tenants are encouraged to ensure that their landowners have filed the form.

FSA can accept the CCC-941 for 2018, 2019, 2020, 2021, 2022 and 2023. Unlike the past, you must have the CCC-941 certifying your AGI compliance before any payments can be issued.

### Implementing Fire Management on CRP Acres

FSA encourages you to be proactive in preventing the spread of wildfire. If you participate in the Conservation Reserve Program (CRP), you are responsible for fire management on your CRP acreage. The goal is to suppress the amount of fuel in the event of a wildfire while still promoting the diversity of the conservation cover.

One fire management practice includes installing firebreaks, which should be included in the contract support document and installed according to NRCS firebreak standards. Barren firebreaks will only be allowed in high risk areas, such as transportation corridors, rural communities, and adjacent farmsteads. A conservationist must certify that there will not be an erosion hazard from the barren firebreak. If erosion becomes a problem, remedial action will be taken.

You must complete the necessary management activities outside of the Primary Nesting Season.

## **USDA Develops Simplified Direct Loan Application** to Improve Customer Service

The U.S. Department of Agriculture (USDA) has developed a simplified direct loan application to provide improved customer experience for producers applying for loans from the Farm Service Agency (FSA). The simplified direct loan application enables producers to complete a more streamlined application, reduced from 29 to 13 pages. Producers will also have the option to complete an electronic fillable form or prepare a traditional, paper application for submission to their local FSA farm loan office. The paper and electronic versions of the form will be available starting March 1, 2023.

Approximately 26,000 producers submit a direct loan application to the FSA annually, but there is a high rate of incomplete or withdrawn applications, due in part to a challenging and lengthy paper-based application process. Coupled with the Loan Assistance Tool released in October 2022, the simplified application will provide all loan applicants access to information regarding the application process and assist them with gathering the correct documents before they begin the process. This new application will help farmers and ranchers submit complete loan applications and reduce the number of incomplete, rejected, or withdrawn applications.

In October 2022, USDA launched the Loan Assistance Tool, an online step-by-step guide that provides materials to help an applicant prepare their farm loan application in one tool. Farmers can access the Loan Assistance Tool by visiting <a href="farmers.gov/farm-loan-assistance-tool">farmers.gov/farm-loan-assistance-tool</a> and clicking the 'Get Started' button. The tool is built to run on any modern browser like Chrome, Edge, Firefox, or the Safari browser. A version compatible with mobile devices is expected to be available by the summer. It does not work in Internet Explorer.

The simplified direct loan application and Loan Assistance Tool are the first of multiple farm loan process improvements that will be available to USDA customers on farmers.gov in the future. Other improvements that are anticipated to launch in 2023 include:

- An interactive online direct loan application that gives customers a paperless and electronic signature option, along with the ability to attach supporting documents such as tax returns.
- An online direct loan repayment feature that relieves borrowers from the necessity of calling, mailing, or visiting a local Service Center to pay a loan installment.

USDA provides access to credit to approximately 115,000 producers who cannot obtain sufficient commercial credit through direct and guaranteed farm loans. With the funds and direction Congress provided in Section 22006 of the Inflation Reduction Act, USDA took action in October 2022 to provide relief to qualifying distressed borrowers while working on making transformational changes to loan servicing so that borrowers are provided the flexibility and opportunities needed to address the inherent risks and unpredictability associated with agricultural operations.

Soon, all direct loan borrowers will receive a letter from USDA describing the circumstances under which additional payments will be made to distressed borrowers and how they can work with their FSA local office to discuss these options. Producers can explore all available options on all FSA loan options at <a href="mailto:fsa.usda.gov">fsa.usda.gov</a> or by contacting their <a href="mailto:local USDA Service">local USDA Service</a> Center.



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