After Identifying Gaps in Previous Aid, USDA Announces ‘Pandemic Assistance for Producers’ to Distribute Resources More Equitably

Agriculture Secretary Tom Vilsack announced that USDA is establishing new programs and efforts to bring financial assistance to farmers, ranchers and producers who felt the impact of COVID-19 market disruptions. The new initiative—USDA Pandemic Assistance for Producers—will reach a broader set of producers than in previous COVID-19 aid programs.

USDA is dedicating at least $6 billion toward the new programs. The Department will also develop rules for new programs that will put a greater emphasis on outreach to small and socially disadvantaged producers, specialty crop and organic producers, timber harvesters, as well as provide support for the food supply chain and producers of renewable fuel, among others. Existing programs like the Coronavirus Food Assistance Program (CFAP) will fall within the new initiative and, where statutory authority allows, will be refined to better address the needs of producers.

USDA Pandemic Assistance for Producers was needed, said Vilsack, after a review of previous COVID-19 assistance programs targeting farmers identified a number of gaps
and disparities in how assistance was distributed as well as inadequate outreach to underserved producers and smaller and medium operations.

USDA will reopen sign-up for CFAP 2 for at least 60 days beginning on April 5, 2021. The USDA Farm Service Agency (FSA) has committed at least $2.5 million to improve outreach for CFAP 2 and will establish partnerships with organizations with strong connections to socially disadvantaged communities to ensure they are informed and aware of the application process.

**USDA Pandemic Assistance for Producers – 4 Parts**

**Part 1: Investing $6 Billion to Expand Help & Assistance to More Producers**

USDA will dedicate at least $6 billion to develop a number of new programs or modify existing proposals using discretionary funding from the Consolidated Appropriations Act and other coronavirus funding that went unspent by the previous administration.

**Part 2: Adding $500 Million of New Funding to Existing Programs**

USDA expects to begin investing approximately $500 million in expedited assistance through several existing programs this spring, with most by April 30.

**Part 3: Carrying Out Formula Payments under CFAP 1, CFAP 2, CFAP AA**

The Consolidated Appropriations Act, 2021, enacted December 2020 requires FSA to make certain payments to producers according to a mandated formula. USDA is now expediting these provisions because there is no discretion involved in interpreting such directives, they are self-enacting.

- An increase in CFAP 1 payment rates for cattle. Cattle producers with approved CFAP 1 applications will automatically receive these payments beginning in April. Information on the additional payment rates for cattle can be found on farmers.gov/cfap. Eligible producers do not need to submit new applications, since payments are based on previously approved CFAP 1 application. USDA estimates additional payments of more than $1.1 billion to more than 410,000 producers, according to the mandated formula.

- Additional CFAP assistance of $20 per acre for producers of eligible crops identified as CFAP 2 flat-rate or price-trigger crops beginning in April. This includes alfalfa, corn, cotton, hemp, peanuts, rice, sorghum, soybeans, sugar beets and wheat, among other crops. FSA will automatically issue payments to eligible price trigger and flat-rate crop producers based on the eligible acres included on their CFAP 2 applications. Eligible producers do not need to submit a new CFAP 2 application. For a list of all eligible row-crops, visit farmers.gov/cfap. USDA estimates additional payments of more than $4.5 billion to more than 560,000 producers, according to the mandated formula.

- USDA will finalize routine decisions and minor formula adjustments on applications and begin processing payments for certain applications filed as part of the CFAP Additional Assistance program in the following categories:
  - Applications filed for pullets and turfgrass sod;
Part 4: Reopening CFAP 2 Sign-Up to Improve Access & Outreach to Underserved Producers

As noted above, USDA will re-open sign-up for of CFAP 2 for at least 60 days beginning on April 5, 2021.

- FSA has committed at least $2.5 million to establish partnerships and direct outreach efforts intended to improve outreach for CFAP 2 and will cooperate with grassroots organizations with strong connections to socially disadvantaged communities to ensure they are informed and aware of the application process.

Please visit www.farmers.gov for additional information and announcements under the USDA Pandemic Assistance to Producers initiative, which will help to expand and more equitably distribute financial assistance to producers and farming operations during the COVID-19 national emergency.

USDA Offers Disaster Assistance for Producers Facing Inclement Weather

Severe weather events create significant challenges and often result in catastrophic loss for agricultural producers.

Despite every attempt to mitigate risk, your operation may suffer losses. USDA offers several programs to help with recovery.

Risk Management

For producers who have risk protection through Federal Crop Insurance or the Noninsured Crop Disaster Assistance Program (NAP), we want to remind you to report crop damage to your crop insurance agent or the local Farm Service Agency (FSA) office.

If you have crop insurance, contact your agency within 72 hours of discovering damage and be sure to follow up in writing within 15 days. If you have NAP coverage, file a Notice of Loss (also called Form CCC-576) within 15 days of loss becoming apparent, except for hand-harvested crops, which should be reported within 72 hours.
Disaster Assistance

USDA also offers disaster assistance programs, which is especially important to livestock, fruit and vegetable, specialty and perennial crop producers who have fewer risk management options.

First, the Livestock Indemnity Program (LIP) and Emergency Assistance for Livestock, Honeybee and Farm-raised Fish Program (ELAP) reimburses producers for a portion of the value of livestock, poultry and other animals that died as a result of a qualifying natural disaster event or for loss of grazing acres, feed and forage. And, the Livestock Forage Disaster Program (LFP) provides assistance to producers of grazed forage crop acres that have suffered crop loss due to a qualifying drought. Livestock producers suffering the impacts of drought can also request Emergency Haying and Grazing on Conservation Reserve Program (CRP) acres.

Next, the Tree Assistance Program (TAP) provides cost share assistance to rehabilitate and replant tree, vines or shrubs loss experienced by orchards and nurseries. This complements NAP or crop insurance coverage, which cover the crop but not the plants or trees in all cases.

For LIP and ELAP, you will need to file a Notice of Loss for livestock and grazing or feed losses within 30 days and honeybee losses within 15 days. For TAP, you will need to file a program application within 90 days.

Documentation

It’s critical to keep accurate records to document all losses following this devastating cold weather event. Livestock producers are advised to document beginning livestock numbers by taking time and date-stamped video or pictures prior to after the loss.

Other common documentation options include:

- Purchase records
- Production records
- Vaccination records
- Bank or other loan documents
- Third-party certification

Other Programs

The Emergency Conservation Program and Emergency Forest Restoration Program can assist landowners and forest stewards with financial and technical assistance to restore damaged farmland or forests.

Additionally, FSA offers a variety of loans available including emergency loans that are triggered by disaster declarations and operating loans that can assist producers with credit needs. You can use these loans to replace essential property, purchase inputs like livestock, equipment, feed and seed, or refinance farm-related debts, and other needs.
Meanwhile, USDA's Natural Resources Conservation Service (NRCS) provides financial resources through its Environmental Quality Incentives Program to help with immediate needs and long-term support to help recover from natural disasters and conserve water resources. Assistance may also be available for emergency animal mortality disposal from natural disasters and other causes.

**Additional Resources**

Additional details – including payment calculations – can be found on our NAP, ELAP, LIP, and TAP fact sheets. On farmers.gov, the Disaster Assistance Discovery Tool, Disaster-at-a-Glance fact sheet, and Farm Loan Discovery Tool can help you determine program or loan options.

While we never want to have to implement disaster programs, we are here to help. To file a Notice of Loss or to ask questions about available programs, contact your local USDA Service Center. All USDA Service Centers are open for business, including those that restrict in-person visits or require appointments because of the pandemic.

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**USDA Offers Annual Installment Deferral Option for Farm Storage Facility Loan Borrowers**

To assist Farm Storage Facility Loan (FSFL) borrowers experiencing financial hardship from the pandemic and other challenges in production agriculture, USDA's Farm Service Agency (FSA) is offering a one-time annual installment payment deferral option. No fees or prepayment penalties apply for borrowers who choose this FSFL loan flexibility option.

Eligible borrowers can request a one-time only annual installment payment deferral for loans having terms of three, five, seven or ten years. The installment deferral option is not available for 12-year term loans.

The FSFL installment payments will remain the same, except for the last year. The original loan interest rate and annual payment due date will remain the same. However, because the installment payment deferral is a one-year loan term extension, the final payment will be higher due to additional accrued interest.

Borrowers interested in exercising the one-time annual installment deferral option should contact FSA to make the request and to obtain, complete and sign required forms.

FSFLs provide low-interest financing for producers to store, handle and transport eligible commodities.

**More Information**

In addition to offering flexibilities for FSFLs, FSA has also made other flexibilities to help producers impacted by the pandemic, including relaxing the loan-making process for farm operating and ownership loans and implementing the Disaster Set-Aside provision that enables an upcoming installment on a direct loan to be set aside for the year. More information on these flexibilities can be found at farmers.gov/coronavirus. For more
Emergency Assistance for Livestock, Honeybee, and Farm-Raised Fish Program (ELAP)

ELAP provides emergency assistance to eligible livestock, honeybee, and farm-raised fish producers who have losses due to disease, adverse weather or other conditions, such as blizzards and wildfires, not covered by other agricultural disaster assistance programs.

Eligible losses include:

- **Livestock** - grazing losses not covered under the Livestock Forage Disaster Program (LFP), loss of purchased feed and/or mechanically harvested feed due to an eligible adverse weather event, additional cost of transporting water because of an eligible drought and additional cost associated with gathering livestock to treat for cattle tick fever.

- **Honeybee** - loss of purchased feed due to an eligible adverse weather event, cost of additional feed purchased above normal quantities due to an eligible adverse weather condition, colony losses in excess of normal mortality due to an eligible weather event or loss condition, including CCD, and hive losses due to eligible adverse weather.

- **Farm-Raised Fish** - death losses in excess of normal mortality and/or loss of purchased feed due to an eligible adverse weather event.

If you’ve suffered eligible livestock, honeybee, or farm-raised fish losses during calendar year 2021, you must file:

- A notice of loss within 30 calendar days after the loss is apparent (15 days for honeybee losses)
- An application for payment by Jan. 30, 2022

Sign-up for the Tree Assistance Program (TAP)

If you’re an orchardist or nursery tree grower who experienced losses from natural disasters during calendar year 2021, you must submit a TAP application either 90 calendar days after the disaster event or the date when the loss is apparent.

TAP provides financial assistance to help you replant or rehabilitate eligible trees, bushes and vines damaged by natural disasters.

Eligible tree types include trees, bushes or vines that produce an annual crop for commercial purposes. Nursery trees include ornamental, fruit, nut and Christmas trees that are produced for commercial sale. Trees used for pulp or timber are ineligible.

To qualify for TAP, orchardists must suffer a qualifying tree, bush or vine loss in excess of 15 percent mortality from an eligible natural disaster, plus an adjustment for normal
mortality. The eligible trees, bushes or vines must have been owned when the natural 
disaster occurred; however, eligible growers are not required to own the land on which the 
eligible trees, bushes and vines were planted.

If the TAP application is approved, the eligible trees, bushes and vines must be replaced 
within 12 months from the date the application is approved. The cumulative total quantity 
of acres planted to trees, bushes or vines, for which you can receive TAP payments, 
cannot exceed 1,000 acres annually.

FSA Offers Joint Financing Option on Direct 
Farm Ownership Loans

The USDA Farm Service Agency’s (FSA) Direct Farm Ownership loans 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 Farm Loan Team at 603-223-6003 or 
visit fsa.usda.gov.

Reminders for FSA Direct and Guaranteed 
Borrowers with Real Estate Security

Farm loan borrowers who have pledged real estate as security for their Farm Service 
Agency (FSA) direct or guaranteed loans are responsible for maintaining loan collateral. 
Borrowers must obtain prior consent or approval from FSA or the guaranteed lender for 
any transaction that affects real estate security. These transactions include, but are not 
limited to:

- Leases of any kind
• Easements of any kind
• Subordinations
• Partial releases
• Sales

Failure to meet or follow the requirements in the loan agreement, promissory note, and other security instruments could lead to nonmonetary default which could jeopardize your current and future loans.

It is critical that borrowers keep an open line of communication with their FSA loan staff or guaranteed lender when it comes to changes in their operation. For more information on borrower responsibilities, read Your FSA Farm Loan Compass.

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