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## From the FSA State Executive Director

As we hit the last official month of winter, we are also entering our third month of March- like weather. In terms of weather the abnormal is becoming the norm! Outside of the polar plunge on the weekend of February 4<sup>th</sup>, few can argue that we haven't gotten off easy on the temperature side of the equation this year. Besides confusing sugar-makers, this on-going spring weather may yield the longest mud season on record. The daily temperature range of below freezing nights and seasonably warm days is forecast to continue for all of March which will hopefully yield additional maple output to offset all those soupy dirt roads.

The FSA Farm Loan Program is undergoing a multitude of transformational changes. The Loan Assistance Tool is just the first of many farm loan process improvements coming your way on [farmers.gov](https://farmers.gov) in 2022 and 2023. This tool will help applicants identify what loan types may fit their needs as well as indicate what documents and forms will be needed along the way. Other improvements available now or coming soon include a streamlined direct loan application (29 pages trimmed down to 13 pages), an online paperless application process and even online direct loan repayment.

# Rolling Out Revenue Based Disaster and Pandemic Assistance Programs

Beginning January 23, 2023, agricultural producers can begin to apply for two new important programs for revenue losses, from 2020 and 2021 natural disasters or the COVID-19 pandemic. Both programs equitably fill gaps in earlier assistance.

First, you may be eligible for assistance through the [Emergency Relief Program \(ERP\)](#) Phase Two if you experienced revenue losses from eligible natural disasters in 2020 and 2021. ERP Phase Two is for producers who didn't receive assistance from ERP Phase One.

You may also be eligible for the [Pandemic Assistance Revenue Program \(PARP\)](#) if you experienced revenue losses in calendar year 2020. PARP is addressing gaps in previous pandemic assistance, which was targeted at price loss or lack of market access, rather than overall revenue losses.

Applications for both new programs are due June 2, 2023, and you can apply for both programs during your same appointment with USDA's Farm Service Agency (FSA).

Historically, FSA programs have been designed to make direct payments to producers based on a single disaster event or for a single commodity loss. For many of you, this may be the first revenue-based program that you've applied for with FSA.

## ***Why revenue-based programs?***

ERP Phase Two and PARP take a much more holistic approach to disaster assistance, ensuring that producers not just make it through a single growing season but have the financial stability to invest in the long-term well-being of their operations and employees.

In general, ERP Phase Two payments are based on the difference in allowable gross revenue between a benchmark year, representing a typical year of revenue for the producer and the disaster year – designed to target the remaining needs of producers impacted by qualifying natural disasters and avoid duplicative payments. ERP Phase Two revenue loss is based on tax years.

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 decrease in revenue for the 2020 calendar year, as compared to a typical year. PARP revenue loss is based on calendar years.

## ***How to Apply***

In preparation for enrollment, producers should gather supporting documentation including:

- Schedule F (Form 1040); and
- *Profit or Loss from Farming* or similar tax documents for tax years 2018, 2019, 2020, 2021 and 2022 for ERP and for calendar years 2018, 2019 and 2020 for PARP.

Producers should also have, or be prepared to have, the following forms on file for both ERP and PARP program participation:

- Form AD-2047, *Customer Data Worksheet* (as applicable to the program participant);

- Form CCC-902, *Farm Operating Plan* for an individual or legal entity;
- Form CCC-901, *Member Information for Legal Entities* (if applicable); and
- Form AD-1026 *Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification*.
- Form CCC-860, *Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification*, as certain existing permanent and ad-hoc disaster programs provide increased benefits or reduced fees and premiums.

Most producers, especially those who have previously participated in FSA programs, will likely have these required forms on file. However, those who are uncertain or want to confirm should contact FSA at their local [USDA Service Center](#).

***Yes, FSA is stepping outside of the box.***

FSA is a big proponent of agricultural producers having a say in the design, implementation and delivery of the programs that directly impact their livelihoods. We also believe that some of the most creative and useful ideas for program and process improvements come from the FSA employees who administer this assistance through our network of more than 2,100 county offices. We want to thank producers across the country, along with the entire FSA workforce, for not just thinking outside of the box but also providing their input to make sure that we can improve and enhance our programs and our approach to assistance to better and more efficiently serve all producers who need our help.

Please visit your local USDA Service Center for more information on ERP Phase Two, PARP and our full portfolio of conservation, prices support, safety-net, credit and disaster assistance programs.

## USDA Announces Signup for Crop and Revenue Loss Assistance for Agricultural Producers

Signup begins January 23 for additional emergency relief from the U.S. Department of Agriculture (USDA) through the [Emergency Relief Program](#) (ERP) Phase Two.

To be eligible for 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. Eligible crops include both traditional insurable commodities and specialty crops that are produced in the United States as part of a farming operation and are intended to be commercially marketed. This also includes losses of eligible on-farm stored commodities. ERP Phase 2 applicants will use the following tax years when selecting allowable gross revenue:

- Benchmark years: 2018 and/or 2019; estimated for new producers with no 2018 or 2019 revenue or adjusted if the benchmark years are not representative of the disaster year due to a change in operation size.

- Disaster years: 2020 and/or 2021. The allowable gross revenue for the specific disaster year will be based on the tax year applicable to that revenue (2020, 2021 or 2022).

The ERP tool assists producers in calculating allowable gross revenue, as well as adjusted revenue for the benchmark years 2018 and 2019, and allowable gross revenue for representative tax years 2020-2022 which represent disaster years 2020 and 2021. Once producers complete the allowable gross revenue entries, they are able to print forms FSA-521 and FSA-521A through this tool.

The ERP Phase 2 and PARP application period is open from January 23 through June 2 2023.

For more information on payment calculations, payment limitations or how to determine allowable gross revenue, please reference the [ERP Phase 2 fact sheet](#).

## USDA Announces Signup for Pandemic Assistance Revenue Program

The Pandemic Assistance Revenue Program (PARP) will assist eligible producers of agricultural commodities who experienced revenue decreases in calendar year 2020 compared to 2018 or 2019 due to the COVID-19 pandemic. PARP will help address gaps in previous pandemic assistance, which was targeted at price loss or lack of market access, rather than overall revenue losses.

USDA's Farm Service Agency will accept PARP applications from January 23, 2023, through June 2, 2023.

### Eligible and Ineligible Commodities

For PARP, eligible agricultural commodities include crops, aquaculture, livestock, livestock byproducts, or other animals or animal byproducts that are produced as part of a farming operation and are intended to be commercially marketed. This includes only commodities produced in the United States or those produced outside the United States by a producer located in the United States and marketed inside the United States.

The following commodities **are not eligible** for PARP:

- Wild free-roaming animals.
- Horses and other animals used or intended to be used for racing or wagering.
- Aquatic species that do not meet the definition of aquaculture.
- *Cannabis sativa L.* and any part of that plant that does not meet the definition of hemp.
- Timber.

### Program Eligibility

PARP payments will be made on a whole-farm basis, not commodity-by-commodity. 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 must have experienced a 15 percent decrease in allowable gross revenue in 2020, as compared to either:

- The 2018 or 2019 **calendar year**, *as elected by the producer*, if they received allowable gross revenue during the 2018 or 2019 **calendar years**, or
- The producer's expected 2020 calendar year allowable gross revenue, if the producer had no allowable gross revenue in 2018 or 2019.

PARP payments will be issued after the application period ends on June 2, 2023.

For more information on determining allowable gross revenue visit [farmers.gov/coronavirus/pandemic-assistance/parp](https://farmers.gov/coronavirus/pandemic-assistance/parp) or review the [PARP fact sheet](#).

### **More Information**

To apply for PARP, contact your [local USDA Service Center](#).

## Is the Noninsured Crop Disaster Assistance Program Right for You?

Farmers and ranchers rely on crop insurance to protect themselves from disasters and unforeseen events, but not all crops are insurable through the USDA's Risk Management Agency. The Farm Service Agency's (FSA) Noninsured Crop Disaster Assistance Program (NAP) provides producers another option to obtain coverage against disaster for these crops. NAP provides financial assistance to producers of non-insured crops impacted by natural disasters that result in lower yields, crop losses, or prevents crop planting.

Commercially produced crops and agricultural commodities for which crop insurance is not available are generally eligible for NAP. Eligible crops include those grown specifically for food, fiber, livestock consumption, biofuel or biobased products, or be commodities such as value loss crops like Christmas trees and ornamental nursery, honey, maple sap, and many others. Contact your FSA office to see which crops are eligible in your state and county.

Eligible causes of loss include drought, freeze, hail, excessive moisture, excessive wind or hurricanes, earthquake, flood. These events must occur during the NAP policy coverage period, before or during harvest, and the disaster must directly affect the eligible crop. For guidance on causes of loss not listed, contact your local FSA county office.

Interested producers must apply for coverage using FSA form [CCC-471](#), "Application for Coverage," and pay the applicable service fee at the FSA office where their farm records are maintained. These must be filed by the application closing date. Closing dates vary by crop, so it is important to contact your local FSA office as soon as possible to ensure you don't miss an application closing date.

At the time of application, each producer will be provided a copy of the [NAP Basic Provisions](#), which describes how NAP works and all the requirements you must follow to

maintain NAP coverage. NAP participants must provide accurate annual reports of their production in non-loss years to ensure their NAP coverage is beneficial to their individual operation.

Producers are required to pay service fees which vary depending on the number of crops and number of counties your operation is located in. The NAP service fee is the lesser of \$325 per crop or \$825 per producer per administrative county, not to exceed a total of \$1,950 for a producer with farming interests in multiple counties. Premiums also apply when producers elect higher levels of coverage with a maximum premium of \$15,750 per person or legal entity depending on the maximum payment limitation that may apply to the NAP covered producer. The service fee can be waived for beginning, qualifying veteran, and limited resource farmers and rancher., These farmers and ranchers can also receive a 50 percent reduction in the premium.

For more detailed information on NAP, download the [NAP Fact Sheet](#). To get started with NAP, we recommend you contact your [local USDA service center](#).

## USDA Offers Options for Signing and Sharing Documents Online

Farmers and ranchers working with USDA's Farm Service Agency or Natural Resources Conservation Service can now sign and share documents online in just a few clicks. By using Box or OneSpan, producers can digitally complete business transactions without leaving their homes or agricultural operations. Both services are free, secure, and available for multiple FSA and NRCS programs.

Box is a secure, cloud-based site where FSA or NRCS documents can be managed and shared. Producers who choose to use Box can create a username and password to access their secure Box account, where documents can be downloaded, printed, manually signed, scanned, uploaded, and shared digitally with Service Center staff. This service is available to any FSA or NRCS customer with access to a mobile device or computer with printer connectivity.

OneSpan is a secure eSignature solution for FSA and NRCS customers. Like Box, no software downloads or eAuthentication is required for OneSpan. Instead, producers interested in eSignature through OneSpan can confirm their identity through two-factor authentication using a verification code sent to their mobile device or a personalized question and answer. Once identity is confirmed, documents can be reviewed and e-signed through OneSpan via the producer's personal email address. Signed documents immediately become available to the appropriate Service Center staff.

Box and OneSpan are both optional services for customers interested in improved efficiency in signing and sharing documents with USDA, and they do not replace existing systems using eAuthentication for digital signature. Instead, these tools provide additional digital options for producers to use when conducting business with FSA or NRCS.

USDA Service Center staff are available to help producers get started with Box and OneSpan through a few simple steps. Please visit [farmers.gov/service-locator](https://farmers.gov/service-locator) to find your local office and let Service Center staff know you're interested in signing and sharing documents through these new features. In most cases, one quick phone call will be all that is needed to initiate the process.

Visit [farmers.gov/mydocs](https://farmers.gov/mydocs) to learn more about Box and OneSpan, steps for getting started, and additional resources for conducting business with USDA online.

## Submit Loan Requests for Financing Early

The Farm Loan team is already working on operating loans for spring 2023 and asks potential borrowers to submit their requests early so they can be timely processed. The farm loan team can help determine which loan programs are best for applicants.

FSA offers a wide range of low-interest loans that can meet the financial needs of any farm operation for just about any purpose. The traditional **farm operating and farm ownership loans** can help large and small farm operations take advantage of early purchasing discounts for spring inputs as well expenses throughout the year.

**Microloans** are a simplified loan program that will provide up to \$50,000 for both Farm Ownership and Operating Microloans to eligible applicants. These loans, targeted for smaller and non-traditional operations, can be used for operating expenses, starting a new operation, purchasing equipment, and other needs associated with a farming operation. Loans to beginning farmers and members of underserved groups are a priority.

Other types of loans available include:

**Marketing Assistance Loans** allow producers to use eligible commodities as loan collateral and obtain a 9-month loan while the crop is in storage. These loans provide cash flow to the producer and allow them to market the crop when prices may be more advantageous.

**Farm Storage Facility Loans** can be used to build permanent structures used to store eligible commodities, for storage and handling trucks, or portable or permanent handling equipment. A variety of structures are eligible under this loan, including bunker silos, grain bins, hay storage structures, and refrigerated structures for vegetables and fruit. A producer may borrow up to \$500,000 per loan.

## Progression Lending from FSA

Farm Service Agency (FSA) farm loans are considered progression lending. Unlike loans from a commercial lender, FSA loans are intended to be temporary in nature. Our goal is to help you graduate to commercial credit, and our farm loan staff is available to help borrowers through training and credit counseling.

The FSA team will help borrowers identify their goals to ensure financial success. FSA staff will advise borrowers on developing strategies and a plan to meet your goals and graduate to commercial credit. FSA borrowers are responsible for the success of their farming operation, but FSA staff will help in an advisory role, providing the tools necessary to help you achieve your operational goals and manage your finances.

For more information on FSA farm loan programs, contact your Farm Loan Team at 603-223-6003 or visit [fsa.usda.gov](http://fsa.usda.gov).

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