U.S. DEPARTMENT OF AGRICULTURE

USDA Monthly Newsletter - April 2023

 Farm Service Agency
 Natural Resources Conservation Service
 Risk Management Agency

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## A Message from the State Executive Director

Hello fellow farmers and ranchers!

As we approach spring planting season, I hope you all continue to embrace the great memories that come with the family affair. USDA loves celebrating this season with you, the producers. We want to showcase your planting season through the use of social media and blogs. To participate the celebration of planting season, <u>send us your photo</u>!

For 2022 and 2023 drought programs, I encourage your first call to be your local office. Our staff uses their expertise to make this process of program administration as easy as possible.

Keep praying for rain,

-Steve Kouplen

## USDA's Modernized Lab Data Mart Website Provides User-Friendly, State-of-the-Art Data

The newly updated Lab Data Mart website brings valuable soil data to the public's fingertips through a userfriendly, state-of-the-art interactive map. Architects, educators, engineers, farmers, landowners, researchers, scientists, and anyone looking to learn more about their soil can access the latest data to make more informed decisions and reduce potential soil risks and hazards. Understanding your specific soil and its dynamic properties, which can change over time due to human impacts, land management, and climate change, can be invaluable. Learn more.

## USDA Announces Additional Assistance for Distressed Farmers Facing Financial Risk

The U.S. Department of Agriculture (USDA) today 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 <u>farmers.gov/taxes</u>.

#### **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 <u>www.usda.gov</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. Learn more and register.

# 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 <u>farmers.gov/farm-loan-assistance-tool</u> 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 <u>fsa.usda.gov</u> or by contacting their <u>local USDA Service Center</u>.

## USDA Announces Grassland Conservation Reserve Program Signup for 2023

The U.S. Department of Agriculture (USDA) announced that agricultural producers and private landowners can begin applying for the Grassland Conservation Reserve Program (CRP) signup starting **April 17 through May 26, 2023.** Among CRP enrollment opportunities, Grassland CRP is unique as a *working lands program*, allowing producers and landowners to continue grazing and haying practices while protecting grasslands and promoting plant and animal biodiversity and conservation.

Protecting grasslands with CRP not only benefits participants with annual rental payments and cost share assistance; it also contributes positively to the economy of many regions, builds biodiversity, and provides important carbon sequestration benefits to deliver lasting climate outcomes.

More than 2.4 million acres were enrolled through the 2022 Grassland CRP Signup from agricultural producers and private landowners. That signup – the highest ever for the program– reflects the continued success and value of investments in voluntary, producer-led, working lands conservation programs. The current total participation in Grassland CRP is 6.3 million acres, which is part of the 23 million acres enrolled in CRP opportunities overall.

Since 2021, the USDA's Farm Service Agency (FSA), which administers all CRP programs, has made several improvements to Grassland CRP to broaden the program's reach, including:

- Creating two <u>National Priority Zones</u> to put focus on environmentally sensitive land such as that prone to wind erosion.
- Enhanced offers with 10 additional ranking points to producers and landowners who are historically underserved, including beginning farmers and military veterans.
- Leverage the <u>Conservation Reserve Enhancement Program</u> (CREP) to engage historically underserved communities Tribal Nations in the Great Plains

#### Other CRP Signups

#### General CRP

<u>General CRP signup closed on April 7</u>. The program 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 <u>Continuous CRP</u>, 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 State Acres for Wildlife Enhancement (SAFE) Initiative, the Farmable Wetlands Program (FWP), and the Conservation Reserve Enhancement Program (CREP). Also available is the Clean Lakes Estuaries and Rivers Initiative CLEAR30 Initiative, which was originally piloted in twelve states but has been expanded nationwide, allowing producers and landowners to enroll in 30-year CRP contracts for water quality practices.

#### How to Sign Up

Landowners and producers interested in Grassland CRP, or any other CRP enrollment option, 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.

USDA touches the lives of all Americans each day in so many positive ways. Under 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 <u>usda.gov</u>.

# Oklahoma NRCS Announces 2nd EQIP Sign up for Inflation Reduction Act (IRA) for Climate-Smart Agriculture

Kristina "Tina" Jerome, Acting State Conservationist for the U.S. Department of Agriculture (USDA) Natural Resource Conservation Service (NRCS), announced a second sign up for the Inflation Reduction Act (IRA) Environmental Quality Incentives Program (EQIP).

The funding for NRCS-OK includes an additional 3.3 million for IRA-EQIP. IRA funding levels are proposed to dramatically increase in Fiscal Year 2024.

Acting State Conservationist Jerome was informed that some producers did not receive the information regarding Agriculture Secretary Tom Vilsack's IRA Funding announcement in February. "It is a top priority in Oklahoma for all landowners and producers to have equal opportunity to participate in programs," Jerome said.

Oklahomans whose land use includes cropland, rangeland, pasture and private non-industrial forestland are eligible to apply. Second round applications will be accepted through **Monday, May 1, 2023.** 

EQIP activities are carried out according to a site-specific conservation plan developed in conjunction with the producer. Any funded conservation practices will be installed according to NRCS standards and specifications.

Oklahoma producers who apply are responsible for completing application and eligibility paperwork as required by the **May 1 deadline.** For more information on how to apply, please <u>read the news release</u>.

The 2018 Farm Bill provides for voluntary participation, offers incentives, and focuses on equity in accessing U.S. Department of Agriculture programs and services. Oklahoma is committed to reaching out to historically underserved individuals and groups who may also receive higher payment rates. The Agriculture Improvement Act of 2018 (2018 Farm Bill) includes provisions that address the unique circumstances and concerns of socially disadvantaged, beginning, limited resource, and veteran farmers and ranchers.

Enhancements include increased payment rates and advance payments of up to 50 percent to purchase materials and services needed to implement conservation practices included in their EQIP contract.

While applications are accepted throughout the year, interested producers should submit applications to their <u>local NRCS office</u> by the deadline to ensure their operations are considered for FY 2023 funding.

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## Join us for the People's Garden webinar series!

The People's Garden webinar series will begin on April 26 at 3 p.m. ET and will feature experts from USDA and beyond who will share planting tips and resources that benefit community gardens. We'll also share onthe-ground stories of gardens making a difference by growing fresh, nutritious food for their communities. Webinars will be recorded and available for viewing on our website.

Register for the April 26 webinar and preview topics for upcoming monthly webinars at <u>People's Garden</u> <u>Webinars | USDA</u>



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Hours: Monday-Friday 8:00 a.m. - 4:30 p.m.

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