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](http://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](http://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;
  - A formula correction for row-crop producer applications to allow producers with a non-Actual Production History (APH) insurance policy to use 100% of the 2019 Agriculture Risk Coverage-County Option (ARC-CO) benchmark yield in the calculation;
  - Sales commodity applications revised to include insurance indemnities, Noninsured Crop Disaster Assistance Program payments, and Wildfire and Hurricane Indemnity Program Plus payments, as required by statute; and
  - Additional payments for swine producers and contract growers under CFAP Additional Assistance remain on hold and are likely to require modifications to the regulation as part of the broader evaluation and future assistance; however, FSA will continue to accept applications from interested producers.
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 Supports Military Veteran’s Transition to Farming

Are you a military veteran interested in farming? USDA offers resources to help you:

- **Fund Your Operation**: USDA’s Farm Service Agency offers a variety of funding opportunities to help agricultural producers finance their businesses. Certain funds are targeted for veterans and beginning farmers and ranchers.

- **Conserve Natural Resources**: USDA’s Natural Resources Conservation Service offers conservation programs and expert one-on-one technical assistance to strengthen agricultural operations now and into the future. Veterans may be eligible for a cost share of up to 90 percent and advance payments of up to 50 percent to cover certain conservation practices.

- **Manage Risks**: USDA is here to help you prepare for and recover from the unexpected. Veterans who are beginning farmers may be eligible for reduced premiums, application fee waivers, increased insurance coverage, and other incentives for multiple USDA programs that support risk management.

USDA wants to ensure that veterans transitioning to agriculture have the resources needed to succeed. While USDA offices are currently closed to visitors because of the pandemic, Service Center staff continue to work with agricultural producers via phone, email, and other digital tools. To conduct business, please contact your local USDA Service Center. Additionally, more information related to USDA’s response and relief for producers can be found at farmers.gov/coronavirus. If you’re a new farmer, you can also reach out to your state Beginning Farmer and Rancher Coordinator.
American Rescue Plan Socially Disadvantaged Farmer Debt Payments

USDA recognizes that the COVID-19 Pandemic exacerbated the impacts of historically underserved farmers and ranchers. USDA is now reviewing and working to gather feedback to implement the Act, and more guidance will be forthcoming for socially disadvantaged borrowers with direct or guaranteed farm loans as well as Farm Storage Facility Loans. As information becomes available, it will be provided directly to socially disadvantaged borrowers and stakeholder groups representing socially disadvantaged producers, posted here on farmers.gov, and shared through our social media channels, email newsletters, and the media. A socially underserved borrower with direct or guaranteed farm loans and/or farm storage facility loans outstanding on January 1, 2021 may qualify.

On May 10th, 2021 a notice was issued to State and County FSA offices to designate staff to implement section 1005 of the American Rescue Plan Act of 2021. This past week letters have gone out to several borrowers with direct loans through Farm Service Agency (FSA), which informed them of their current demographic information through the FSA.

Producers who have worked with the FSA previously may have their ethnicity and race on file. A borrower can contact their local USDA Service Center to verify or update their race and ethnicity designation using the form, AD-2047.

To learn more about USDA’s work to implement the American Rescue Plan Act of 2021, visit [www.usda.gov/arp](http://www.usda.gov/arp).
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