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## USDA Announces Pandemic Assistance for Timber Harvesters and Haulers

The U.S. Department of Agriculture (USDA) is providing up to \$200 million to provide relief to timber harvesting and timber hauling businesses that have experienced losses due to COVID-19 as part of USDA's Pandemic Assistance for Producers initiative. Loggers and truckers can apply for assistance through USDA's Farm Service Agency (FSA) July 22 through Oct. 15, 2021. The Pandemic Assistance for Timber Harvesters and Haulers program (PATHH) is administered by FSA in partnership with the U.S. Forest Service.



The Consolidated Appropriations Act, 2021, authorized this critical assistance for the timber industry. Timber harvesting and hauling businesses that have experienced a gross revenue loss of at least 10% during the period of Jan. 1 and Dec. 1, 2020, compared to the period of Jan. 1 and Dec. 1, 2019, are encouraged to apply.

### Program Details

To be eligible for payments, individuals or legal entities must be a timber harvesting or timber hauling business where 50% or more of its gross revenue is derived from one or more of the following:

- Cutting timber.
- Transporting timber.
- Processing of wood on-site on the forest land (chipping, grinding, converting to biochar, cutting to smaller lengths, etc.).

Payments will be based on the applicant's gross revenue received from Jan. 1, 2019, through Dec. 1, 2019, minus gross revenue received from Jan. 1, 2020, through Dec. 1, 2020, multiplied by 80%. FSA will issue an initial payment equal to the lesser of the calculated payment amount or \$2,000 as applications are approved. A second payment will be made after the sign-up period has ended based upon remaining PATHH funds.

The maximum amount that a person or legal entity may receive directly is \$125,000.

### **Applying for Assistance**

Loggers and truckers can apply for PATHH beginning on July 22 by completing form FSA-1118, Pandemic Assistance for Timber Harvesters and Haulers Program application, and certifying to their gross revenue for 2019 and 2020 on the application. Additional documentation may be required. Visit [farmers.gov/pathh](https://farmers.gov/pathh) for more information on how to apply.

Applications can be submitted to the FSA office at any USDA Service Center nationwide by mail, fax, hand delivery, or via electronic means. To find a local FSA office, loggers and truckers can visit [farmers.gov/service-locator](https://farmers.gov/service-locator). They can also call 877-508-8364 to speak directly with a USDA employee ready to offer assistance.

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## **USDA Expands and Renews Conservation Reserve Program in Effort to Boost Enrollment and Address Climate Change**

USDA will open enrollment in the Conservation Reserve Program (CRP) with higher payment rates, new incentives, and a more targeted focus on the program's role in climate change mitigation. Additionally, USDA is announcing investments in partnerships to increase climate-smart agriculture, including \$330 million in 85 Regional Conservation Partnership Program (RCPP) projects and \$25 million for On-Farm Conservation Innovation Trials.

### **Conservation Reserve Program**

USDA's goal is to enroll up to 4 million new acres in CRP by raising rental payment rates and expanding the number of incentivized environmental practices allowed under the program. CRP is one of the world's largest voluntary conservation programs with a long track record of preserving topsoil, sequestering carbon, and reducing nitrogen runoff, as well providing healthy habitat for wildlife.

CRP is a powerful tool when it comes to climate mitigation, and acres currently enrolled in the program mitigate more than 12 million metric tons of carbon dioxide equivalent (CO<sub>2</sub>e). If USDA reaches its goal of enrolling an additional 4 million acres into the program, it will mitigate an additional 3 million metric tons of CO<sub>2</sub> equivalent and prevent 90 million pounds of nitrogen and 33 million tons of sediment from running into our waterways each year.

### **New Climate-Smart Practice Incentive**

To target the program on climate change mitigation, FSA is introducing a new **Climate-Smart Practice Incentive** for CRP general and continuous signups that aims to increase carbon

sequestration and reduce greenhouse gas emissions. Climate-Smart CRP practices include establishment of trees and permanent grasses, development of wildlife habitat, and wetland restoration. The Climate-Smart Practice Incentive is annual, and the amount is based on the benefits of each practice type.

## Higher Rental Rates and New Incentives

In 2021, CRP is capped at 25 million acres, and currently 20.8 million acres are enrolled. Furthermore, the cap will gradually increase to 27 million acres by 2023. To help increase producer interest and enrollment, FSA is:

- **Adjusting soil rental rates.** This enables additional flexibility for rate adjustments, including a possible increase in rates where appropriate.
- **Increasing payments for Practice Incentives from 20% to 50%.** This incentive for continuous CRP practices is based on the cost of establishment and is in addition to cost share payments.
- **Increasing payments for water quality practices.** Rates are increasing from 10% to 20% for certain water quality benefiting practices available through the CRP continuous signup, such as grassed waterways, riparian buffers, and filter strips.
- **Establishing a CRP Grassland minimum rental rate.** This benefits more than 1,300 counties with rates currently below the minimum.

To learn more about updates to CRP, download our “What’s New with CRP” [fact sheet](#).

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## Using FSA Direct Farm Ownership Loans for Construction



The USDA Farm Service Agency’s (FSA) [Direct Farm Ownership loans](#) are a resource to 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.

Direct Farm Ownership Loans can be used to construct, purchase or improve farm dwellings, service buildings or other facilities, and to make improvements essential to an operation.

Applicants must provide FSA with an estimate of the total cost of all planned development that completely describe the work, prior to loan approval and must show proof of sufficient funds to pay for the total cost of all planned development at or before loan closing. In some instances, applicants may be asked to provide certified plans, specifications or contract documents. The applicant cannot incur any debts for materials or labor or make any expenditures for development purposes prior to loan closing with the expectation of being reimbursed from FSA funds.

Construction and development work may be performed either by the contract method or the borrower method. Under the contract method, construction and development contractors perform work according to a written contract with the applicant or borrower. If applying for a direct loan to finance a construction project, the applicant must obtain a surety bond that guarantees both payment and performance in the amount of the construction contract from a construction contractor.

A surety bond is required when a contract exceeds \$100,000. An authorized agency official determines that a surety bond appears advisable to protect the borrower against default of the contractor or a contract provides for partial payments in excess of the amount of 60 percent of the value of the work in place.

Under the borrower method, the applicant or borrower will perform the construction and development work. The borrower method may only be used when the authorized agency official determines, based on information from the applicant, that the applicant possesses or arranges to obtain the necessary skill and managerial ability to complete the work satisfactorily and that such work will not interfere with the applicant's farming operation or work schedule.

Potential applicants should visit with FSA early in the initial project planning process to ensure environmental compliance.

For more eligibility requirements and information about FSA Loan programs, contact your local county office or visit [fsa.usda.gov](https://fsa.usda.gov).

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## 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](https://farmers.gov/coronavirus). If you're a new farmer, you can also reach out to your [state Beginning Farmer and Rancher Coordinator](#).

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## **Borrower Training for Farm Loan Customers**

Borrower training is available for all Farm Service Agency (FSA) customers. This training is required for all direct loan applicants, unless the applicant has a waiver issued by the agency.

Borrower training includes instruction in production and financial management. The purpose is to help the applicants develop and improve skills that are necessary to successfully operate a farm and build equity in the operation. It aims to help the producer become financially successful. Borrower training is provided, for a fee, by agency approved vendors. Contact your local FSA Farm Loan Manager for a list of approved vendors.

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