

Utah Farm Service Agency Newsletter - May 16, 2022

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USDA to Provide \$6 billion to Commodity and Specialty Crop Producers Impacted by 2020 and 2021 Natural Disasters

The U. S Department of Agriculture (USDA) today announced that commodity and specialty crop producers impacted by natural disaster events in 2020 and 2021 will soon begin receiving emergency relief payments totaling approximately \$6 billion through the Farm Service Agency's (FSA) new Emergency Relief Program (ERP) to offset crop yield and value losses.



Background

On September 30, 2021, President Biden signed into law the *Extending Government Funding* and *Delivering Emergency Assistance Act* (P.L. 117-43), which includes \$10 billion in assistance to agricultural producers impacted by wildfires, droughts, hurricanes, winter

storms, and other eligible disasters experienced during calendar years 2020 and 2021. FSA recently made payments to ranchers impacted by drought and wildfire through the first phase of the Emergency Livestock Relief Program (ELRP). ERP is another relief component of the Act.

For impacted producers, existing <u>Federal Crop Insurance</u> or <u>Noninsured Crop Disaster Assistance Program</u> (NAP) data is the basis for calculating initial payments. USDA estimates that phase one ERP benefits will reach more than 220,000 producers who received indemnities for losses covered by federal crop insurance and more than 4,000 producers who obtained NAP coverage for 2020 and 2021 crop losses.

ERP Eligibility - Phase One

ERP covers losses to crops, trees, bushes, and vines due to a qualifying natural disaster event in calendar years 2020 and 2021. Eligible crops include all crops for which crop insurance or NAP coverage was available, except for crops intended for grazing. Qualifying natural disaster events include wildfires, hurricanes, floods, derechos, excessive heat, winter storms, freeze (including a polar vortex), smoke exposure, excessive moisture, qualifying drought, and related conditions.

For drought, ERP assistance is available if any area within the county in which the loss occurred was rated by the U.S. Drought Monitor as having a:

- D2 (severe drought) for eight consecutive weeks; or
- D3 (extreme drought) or higher level of drought intensity.

Lists of <u>2020</u> and <u>2021</u> drought counties eligible for ERP is available on the emergency relief website.

To streamline and simplify the delivery of ERP phase one benefits, FSA will send pre-filled application forms to producers where crop insurance and NAP data are already on file. This form includes eligibility requirements, outlines the application process and provides ERP payment calculations. Producers will receive a separate application form for each program year in which an eligible loss occurred. Receipt of a pre-filled application is not confirmation that a producer is eligible to receive an ERP phase one payment.

Additionally, producers must have the following forms on file with FSA within 60 days of the ERP phase one deadline, which will later be announced by FSA's Deputy Administrator for Farm Programs:

- Form AD-2047, Customer Data Worksheet.
- Form CCC-902, Farm Operating Plan for an individual or legal entity.
- Form CCC-901, Member Information for Legal Entities (if applicable).
- Form FSA-510, Request for an Exception to the \$125,000 Payment Limitation for Certain Programs (if applicable).
- Form CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification, if applicable, for the 2021 program year.
- A highly erodible land conservation (sometimes referred to as HELC) and wetland conservation certification (Form AD-1026 Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification) for the ERP producer and applicable affiliates.

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 the status of their forms can contact their local FSA county office.

ERP Payment Calculations - Phase One

For crops covered by crop insurance, the ERP phase one payment calculation for a crop and unit will depend on the type and level of coverage obtained by the producer. Each calculation will use an ERP factor based on the producer's level of crop insurance or NAP coverage.

- **Crop Insurance** the ERP factor is 75% to 95% depending on the level of coverage ranging from catastrophic to at least 80% coverage.
- **NAP** the ERP factor is 75% to 95% depending on the level of coverage ranging from catastrophic to 65% coverage.

Full ERP payment calculation factor tables are available on the emergency relief website and in the program <u>fact sheet</u>.

Applying ERP factors ensures that payments to producers do not exceed available funding and that cumulative payments do not exceed 90% of losses for all producers as required by the Act.

Also, there will be certain payment calculation considerations for area plans under crop insurance policies.

The ERP payment percentage for historically underserved producers, including beginning, limited resource, socially disadvantaged, and veteran farmers and ranchers will be increased by 15% of the calculated payment for crops having insurance coverage or NAP.

To qualify for the higher payment percentage, eligible producers must have a CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification, form on file with FSA for the 2021 program year.

Because the amount of loss due to a qualifying disaster event in calendar years 202 and 2021 cannot be separated from the amount of loss caused by other eligible causes of loss as defined by the applicable crop insurance or NAP policy, the ERP phase one payment will be calculated based on the producer's loss due to *all eligible causes of loss*.

Future Insurance Coverage Requirements

All producers who receive ERP phase one payments, including those receiving a payment based on crop, tree, bush, or vine insurance policies, are statutorily required to purchase crop insurance, or NAP coverage where crop insurance is not available, for the next two available crop years, as determined by the Secretary. Participants must obtain crop insurance or NAP, as may be applicable:

- At a coverage level equal to or greater than 60% for insurable crops; or
- At the catastrophic level or higher for NAP crops.

Coverage requirements will be determined from the date a producer receives an ERP payment and may vary depending on the timing and availability of crop insurance or NAP for a producer's particular crops. The final crop year to purchase crop insurance or NAP coverage to meet the second year of coverage for this requirement is the 2026 crop year.

Emergency Relief – Phase Two (Crop and Livestock Producers)

Today's announcement is only phase one of relief for commodity and specialty crop producers. Making the initial payments using existing safety net and risk management data will both speed implementation and further encourage participation in these permanent programs, such as Federal crop insurance, as Congress intended.

The second phase of both ERP and ELRP programs will fill gaps and cover producers who did not participate in or receive payments through the existing programs that are being leveraged for phase one implementation. When phase one payment processing is complete, the remaining funds will be used to cover gaps identified under phase two.

Through proactive communication and outreach, USDA will keep producers and stakeholders informed as program details are made available. More information on ERP can be found in the Notice of Funding Availability.

Additional Commodity Loss Assistance

The Milk Loss Program and On-Farm Stored Commodity Loss Program are also funded through the *Extending Government Funding and Delivering Emergency Assistance Act* and will be announced in a future rule in the Federal Register.

More Information

Additional USDA disaster assistance information can be found on farmers.gov, including the <u>Disaster Assistance Discovery Tool</u>, <u>Disaster-at-a-Glance fact sheet</u>, and <u>Farm Loan Discovery Tool</u>. For FSA and Natural Resources Conservation Service programs, producers should contact their local <u>USDA Service Center</u>. For assistance with a crop insurance claim, producers and landowners should contact their crop insurance agent.

2022 Avian Influenza in the United States - What you need to know!



To date, USDA's National Veterinary Services Laboratories has confirmed the presence of Highly Pathogenic Avian Influenza (HPAI) in commercial and backyard flocks in several states including Utah. Avian influenza viruses are classified as either "low pathogenic (LPAI)" or "highly pathogenic (HPAI)" based on their genetic features and the severity of the disease they cause in poultry. Caused by an influenza type A virus, HPAI can infect poultry (such as chickens, turkeys, pheasants, quail, domestic

ducks, geese, and guinea fowl) and wild birds (especially waterfowl).

The clinical signs of birds affected with all forms of Avian Influenza may show one or more of the following:

- Sudden death without clinical signs
- Decreased water consumption up to 72 hours before other clinical signs
- Lack of energy and appetite
- Decreased egg production

- Soft–shelled or misshapen eggs
- Swelling of the head, eyelids, comb, wattles, and hocks
- Purple discoloration of the wattles, combs, and legs
- Nasal discharge
- Coughing, sneezing
- Lack of coordination
- Diarrhea

In addition to the disease infecting domestic birds, it is important to know that wild birds can also be infected and show no signs of illness. They can carry the disease to new areas when migrating, potentially exposing domestic poultry to the virus. The <u>APHIS' wild bird surveillance program</u> provides an early warning system for the introduction and distribution of avian influenza viruses of concern in the United States, allowing APHIS and the poultry industry to take timely and rapid action.

With the recent detections of avian influenza in wild birds and domestic poultry in the United States, bird owners should review their biosecurity practices and stay vigilant to protect poultry and pet birds from transmission of this disease. The following bio-safety guidelines are effective methods for safeguarding commercial operations and smaller flocks:

- Backyard flock owners should practice strict biosecurity, including preventing birds from exposure and/or co-mingling with wild birds and other types of poultry.
- Shower, change clothes, and clean and disinfect footwear before entering your poultry housing areas.
- Respiratory protection such as a medical facemask would also be important and remember to always wear clean clothes when encountering healthy domestic birds.
- Carefully follow safe entry and exit procedures into your flock's clean area.
- Reduce the attractiveness for wild birds to stop at your place by cleaning up litter and spilled feed around poultry housing areas.
- If you have free range guinea fowl and waterfowl, consider bringing them into coops or flight pens under nets to prevent interaction of domesticated poultry with wild birds and their droppings.
- It is best to restrict visitors from interacting with your birds currently.
- Do not touch sick or dead wildlife and keep them away from domestic poultry
- Try not to handle sick or deceased domestic birds (if you must, use proper personal protective equipment to minimize direct contact and cautiously disinfect anything that comes into contact with the deceased and or sick bird).

As part of the existing USDA Avian Influenza response plans, Federal and State partners as well as industry are responding quickly and decisively to these outbreaks by following these five basic steps:

 Quarantine – restricting movement of poultry and poultry-moving equipment into and out of the control area:

- Eradicate depopulate the affected flock(s);
- Monitor region testing wild and domestic birds in a broad area around the quarantine area;
- Disinfect kills the virus in the affected flock locations; and
- **Test** confirming that the poultry farm is AI virus-free.

Sick or deceased domestic birds should be reported to your local veterinarian. Positive domestic cases are handled by APHIS and its partners. States that have confirmed cases of Avian Influenza should work closely with USDA-APHIS on surveillance, reporting and control efforts. Disposal methods will be evaluated on a case-by-case basis depending on a variety of factors, including the size of the flock, space requirements, associated costs, local conditions, and applicable laws/regulations.

The United States has the strongest Avian Influenza surveillance program in the world, where we actively look for the disease and provide fair market value compensation to affected producers to encourage reporting.

If you do not raise domestic birds or have a poultry operation but you encounter sick or dead wild birds, please use bio-safety measures, and report your findings through USDA's toll-free number at 1-866-536-7593.

According to the Centers for Disease Control, this strain of Avian Influenza is a low risk to the public. While the transmission rate from animals to humans is low, it is a zoonotic disease, meaning it can be shared between species. To learn more about Avian Influenza and to remain up to date on the latest related news and information, you can visit the <u>USDAAPHIS</u> webpage.

USDA To Compensate Drought-Stricken Ranchers for Above Normal Costs to Haul Livestock to Forage



Due to the persistent drought conditions in the Great Plains and West, the U.S. Department of Agriculture (USDA) is offering additional relief through the Emergency Assistance for Livestock, Honeybees and Farm-raised Fish Program (ELAP) to help ranchers cover above normal costs of hauling livestock to forage or other grazing acres. This policy enhancement complements previously announced ELAP compensation for

hauling feed to livestock. ELAP livestock and feed hauling assistance is retroactive for 2021 and will be available for losses in 2022 and subsequent years.

ELAP Assistance Overview

ELAP provides financial assistance to eligible producers of livestock, honeybees and farmraised fish for losses due to disease, certain adverse weather events or loss conditions as determined by the Secretary of Agriculture. In addition to ELAP covering feed transportation costs where grazing and hay resources have been depleted, ELAP now also covers transportation costs associated with hauling livestock to feed sources This includes places where:

- Drought intensity is D2 for eight consecutive weeks as indicated by the <u>S</u>.
 Drought Monitor; or
- Drought intensity is D3 or greater.

Additionally, FSA has updated ELAP policy to also cover water hauling in areas experiencing D2 for eight consecutive weeks, lowering the drought intensity threshold (previously D3) triggering the availability of this financial assistance.

Eligibility

To be eligible for ELAP assistance, livestock must be intended for grazing and producers must have incurred feed or livestock transportation costs on or after Jan. 1, 2021. Although producers will self-certify losses and expenses to FSA, producers are encouraged to maintain good records and retain receipts and related documentation in the event these documents are requested for review by the local FSA County Committee.

Payment Calculations

USDA will reimburse eligible ranchers 60% of livestock transportation costs above what would have been incurred in a normal year. Producers qualifying as underserved (socially disadvantaged, limited resource, beginning or military veteran) will be reimbursed for 90% of the feed transportation cost above what would have been incurred in a normal year.

USDA uses a national cost formula to determine reimbursement costs that will not include the first 25 miles and distances exceeding 1,000 transportation miles. The calculation will also exclude the normal cost to transport hay or feed if the producer normally purchases some feed. For 2021, the initial cost formula of \$6.60 per mile will be used (before the percentage is applied).

Online Decision Tool

Producers can use the updated ELAP Feed Livestock Transportation Producer Tool to help producers document and estimate payments to cover both feed and livestock transportation costs caused by drought. The tool (a Microsoft Excel workbook) and other resources are available at fsa.usda.gov/elap. Final payments may vary depending on eligibility.

Eligible ranchers should contact their FSA county office to apply for ELAP assistance. To simplify the application process, ranchers can print or email payment estimates generated by the online tool for submission to FSA. The deadline to request ELAP assistance for hauling livestock to forage in 2021 is June 30, 2022. The deadline to request all ELAP assistance for 2022 calendar year losses will be Jan. 31, 2023.

More Information

Additional USDA disaster assistance information can be found on farmers.gov, including USDA resources specifically for producer impacted by <u>drought</u> and <u>wildfire</u> and the <u>Disaster Assistance Discovery Tool</u>, <u>Disaster-at-a-Glance fact sheet</u> and <u>Farm Loan Discovery Tool</u>. For FSA and Natural Resources Conservation Service programs, producers should contact their local <u>USDA Service Center</u>. For assistance with a crop insurance claim, producers and landowners should contact their crop insurance agent.

What's New and Improved for Specialty Crop Producers?



Does your operation include specialty crops? Whether you grow fruits, vegetables, tree nuts, dried fruits, horticulture, or nursery crops - USDA is here for you.

Over the past year, USDA has stepped up our support of specialty crop producers and local and regional food systems. USDA believes specialty crop producers are integral to the food

system of the future, and we are working to improve available options for specialty crop producers as well as ensure equity in program delivery.

What's New?

The Risk Management Agency (RMA) rolled out a new insurance option for small-scale producers who sell locally, which is named **Micro Farm**. This new insurance coverage option simplifies record keeping and covers post-production costs, such as washing and value-added products. It is available now, and you can learn more from an Approved Insurance Provider or your <u>RMA specialty crop liaison</u>.

In addition to Micro Farm, RMA rolled out other new insurance options in the past year, including: California Citrus Trees, Florida Citrus, Production and Revenue History option for Florida strawberries, and Hurricane Insurance Protection-Wind Index (HIP-WI). These new options either fill gaps in coverage or offer advantages over other policies. Since 2020, producers weathered several major hurricanes. The new HIP-WI played a crucial role in recovery with more than \$250 million in indemnities paid so far with most payments issued in a matter of weeks following a hurricane.

Interest in growing and insuring specialty crops has grown significantly with \$1 billion in liabilities for 1990 to \$22 billion in liabilities for 2021. (For more details, check out reports on our Specialty Crops webpage.)

The Farm Service Agency (FSA) also offered pandemic assistance for organic producers. The new <u>Organic and Transitional Education and Certification Program</u> (OTECP) provided assistance to help cover loss of markets, increased costs, labor shortages and expenses related to obtaining or renewing their organic certification.

What's Improved?

In the past year, RMA made improvements to existing policies -- including Whole-Farm Revenue Protection, a key insurance option for specialty crop producers. Beginning in the 2021 crop year, direct market producers could report two or more commodities using a new combined direct marketing code.

This reduced a tremendous burden for diversified producers and allowed them to receive a premium rate discount for diversification. For 2022, RMA increased coverage for organic and aquaculture producers and enabled organic producers to report certified organic acreage as

long as the request for certification had been made by the reporting date, which provides additional flexibility to producers.

Want to Learn More?

These new and improved options for specialty crop producers are but a few of USDA's strides over the past year to build a fairer, more transparent food system rooted in local and regional production. To learn more, please read <u>USDA's January 19, 2022, news release</u>.

For crop insurance, visit <u>RMA's Specialty Crops webpage</u> or <u>contact your specialty crop</u> liaison.

Also, if there is not a standard offer for the crop you would like insured, you may still be able to get a written agreement for coverage. RMA Regional Offices review these requests to help provide coverage. These requests also provide Regional Offices the opportunity to review the possible expansion of the policy to your county.

Lastly, you can read our <u>Specialty Crops webpage on farmers.gov</u> and <u>question-and-answer</u> <u>with two specialty crop liaisons</u>, Adrienne Steinacher and Matt Wilkin.

USDA to Provide Payments to Livestock Producers Impacted by Drought or Wildfire

The U.S Department of Agriculture (USDA) announced that ranchers who have approved applications through the 2021 Livestock Forage Disaster Program (LFP) for forage losses due to severe drought or wildfire in 2021 will soon begin receiving emergency relief payments for increases in supplemental feed costs in 2021 through the Farm Service Agency's (FSA) new Emergency Livestock Relief Program (ELRP).

Background

On September 30, 2021, President Biden signed into law the *Extending Government Funding and Delivering Emergency Assistance Act* (P.L. 117-43). This Act includes \$10 billion in assistance to agricultural producers impacted by wildfires, droughts, hurricanes, winter storms and other eligible disasters experienced during calendar years 2020 and 2021. Additionally, the Act specifically targets \$750 million to provide assistance to livestock producers for losses incurred due to drought or wildfires in calendar year 2021. ELRP is part of FSA's implementation of the Act.

For impacted producers, USDA will leverage LFP data to deliver immediate relief for increases in supplemental feed costs in 2021. LFP is an important tool that provides up to 60% of the estimated replacement feed cost when an eligible drought adversely impacts grazing lands or 50% of the monthly feed cost for the number of days the producer is prohibited from grazing the managed rangeland because of a qualifying wildfire.

FSA received more than 100,000 applications totaling nearly \$670 million in payments to livestock producers under LFP for the 2021 program year.

Congress recognized requests for assistance beyond this existing program and provided specific funding for disaster-impacted livestock producers in 2021.

ELRP Eligibility - Phase One

To be eligible for an ELRP payment under phase one of program delivery, livestock producers must have suffered grazing losses in a county rated by the U.S. Drought Monitor as having a D2 (severe drought) for eight consecutive weeks or a D3 (extreme drought) or higher level of drought intensity during the 2021 calendar year, and have applied and been approved for 2021 LFP. Additionally, producers whose permitted grazing on federally managed lands was disallowed due to wildfire are also eligible for ELRP payments, if they applied and were approved for 2021 LFP.

As part of FSA's efforts to streamline and simplify the delivery of ELRP phase one benefits, producers are not required to submit an application for payment; however, they must have the following forms on file with FSA within a subsequently announced deadline as determined by the Deputy Administrator for Farm Programs:

- CCC-853, Livestock Forage Disaster Program Application
- Form AD-2047, Customer Data Worksheet.
- Form CCC-902, Farm Operating Plan for an individual or legal entity.
- Form CCC-901, Member Information for Legal Entities (if applicable).
- Form FSA-510, Request for an Exception to the \$125,000 Payment Limitation for Certain Programs (if applicable).
- Form CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification, if applicable, for the 2021 program year.
- A highly erodible land conservation (sometimes referred to as HELC) and wetland conservation certification (Form AD-1026 Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification) for the ELRP producer and applicable affiliates.

ELRP Payment Calculation - Phase One

To further expedite payments to eligible livestock producers, determine eligibility, and calculate an ELRP phase one payment, FSA will utilize livestock inventories and drought-affected forage acreage or restricted animal units and grazing days due to wildfire already reported by the producer when they submitted a 2021 CCC-853, *Livestock Forage Disaster Program Application* form.

Phase one ELRP payments will be equal to the eligible livestock producer's gross 2021 LFP calculated payment multiplied by a payment percentage, to reach a reasonable approximation of increased supplemental feed costs for eligible livestock producers in 2021.

The ELRP payment percentage will be 90% for historically underserved producers, including beginning, limited resource, and veteran farmers and ranchers, and 75% for all other producers. These payments will be subject to a payment limitation.

To qualify for the higher payment percentage, eligible producers must have a CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification, form on file with FSA for the 2021 program year.

Payments to eligible producers through phase one of ELRP are estimated to total more than \$577 million.

ELRP - Phase Two

Today's announcement is only Phase One of relief for livestock producers. FSA continues to evaluate and identify impacts of 2021 drought and wildfire on livestock producers to ensure equitable and inclusive distribution of much-needed emergency relief program benefits.

Emergency Relief Program (ERP) Assistance for Crop Producers

FSA is developing a two-phased process to provide assistance to diversified, row crop and specialty crop operations that were impacted by an eligible natural disaster event in calendar years 2020 or 2021.

This program will provide assistance to crop producers and will follow a two-phased process similar to that of the livestock assistance with implementation of the first phase in the coming weeks. Phase one of the crop assistance program delivery will leverage existing Federal Crop Insurance or Noninsured Crop Disaster Assistance Program data as the basis for calculating initial payments.

Making the initial payments using existing safety net and risk management data will both speed implementation and further encourage participation in these permanent programs, including the Pasture, Rangeland, Forage Rainfall Index Crop Insurance Program, as Congress intended.

The second phase of the crop program will be intended to fill additional assistance gaps and cover eligible producers who did not participate in existing risk management programs.

Through proactive communication and outreach, USDA will keep producers and stakeholders informed as ERP implementation details are made available.

Additional Livestock Drought Assistance

Due to the persistent drought conditions in the Great Plains and West, FSA will be offering additional relief through the Emergency Assistance for Livestock, Honeybees and Farm-raised Fish Program (ELAP) to help ranchers cover above normal costs of hauling livestock to forage. This policy enhancement complements previously announced ELAP compensation for hauling feed to livestock. Soon after FSA announced the assistance for hauling feed to livestock, stakeholders were quick to point out that producers also were hauling the livestock to the feed source as well and encouraged this additional flexibility.

It is important to note that, unlike ELRP emergency relief benefits which are only applicable for eligible losses incurred in the 2021 calendar year, this ELAP livestock and feed hauling compensation will not only be retroactive for 2021 but will also be available for losses in 2022 and subsequent years.

To calculate ELAP program benefits, an <u>online tool</u> is currently available to help producers document and estimate payments to cover feed transportation cost increases caused by drought and will soon be updated to assist producers with calculations associated with drought related costs incurred for hauling livestock to forage

More Information

Additional USDA disaster assistance information can be found on farmers.gov, including USDA resources specifically for producer impacted by <u>drought</u> and <u>wildfire</u> and the <u>Disaster Assistance Discovery Tool</u>, <u>Disaster-at-a-Glance fact sheet</u>, and <u>Farm Loan Discovery Tool</u>. For FSA and Natural Resources Conservation Service programs, producers should contact their local <u>USDA Service Center</u>. For assistance with a crop insurance claim, producers and landowners should contact their crop insurance agent.

USDA Updates Farm Loan Programs to Increase Equity

The U.S. Department of Agriculture (USDA) is updating its farm loan programs to better support current borrowers, including historically underserved producers. These improvements are part of USDA's commitment to increase equity in all programs, including farm loans that provide important access to capital for covering operating expenses and purchasing land and equipment.

The 2018 Farm Bill authorized FSA to provide equitable relief to certain direct loan borrowers, who are non-compliant with program requirements due to good faith reliance on a material action of, advice of, or non-action from an FSA official. Previously, borrowers may have been required to immediately repay the loan or convert it to a non-program loan with higher interest rates, less favorable terms, and limited loan servicing.

Now, FSA has additional flexibilities to assist borrowers in such situations. If the agency provided incorrect guidance to an existing direct loan borrower, the agency may provide equitable relief to that borrower. FSA may assist the borrower by allowing the borrower to keep their loans at current rates or other terms received in association with the loan which was determined to be noncompliant or the borrower may receive other equitable relief for the loan as the Agency determines to be appropriate.

USDA encourages producers to reach out to their local loan officials to ensure they fully understand the wide range of loan and servicing options available that can assist them in starting, expanding or maintaining their operation.

Additional Updates

Equitable relief is one of several changes authorized by the 2018 Farm Bill that USDA has made to the direct and guaranteed loan programs. Other changes that were previously implemented include:

• Modifying the existing three-year farming experience requirement for Direct Farm Ownership loans to include additional items as acceptable experience.

- Allowing socially disadvantaged and beginning farmer applicants to receive a guarantee equal to 95%, rather than the otherwise applicable 90% guarantee.
- Expanding the definition of and providing additional benefits to veteran farmers.
- Allowing borrowers who received restructuring with a write down to maintain eligibility for an Emergency loan.
- Expanding the scope of eligible issues and persons covered under the agricultural Certified Mediation Program.

Additional information on these changes is available in the March 8, 2022 <u>rule on the Federal Register</u>.

More Background

FSA has taken other recent steps to increase equity in its programs. Last summer, USDA announced it was providing \$67 million in competitive loans through its new Heirs' Property Relending Program to help agricultural producers and landowners resolve heirs' land ownership and succession issues. FSA also invested \$4.7 million to establish partnerships with organizations to provide outreach and technical assistance to historically underserved farmers and ranchers, which contributed to a fourfold increase in participation by historically underserved producers in the Coronavirus Food Assistance Program 2 (CFAP 2), a key pandemic assistance program, since April 2021.

Additionally, in January 2021, Secretary Vilsack announced a <u>temporary suspension of past-due debt collection and foreclosures</u> for distressed direct loan borrowers due to the economic hardship imposed by the COVID-19 pandemic.

Producers can explore available loan options using the <u>Farm Loan Discover Tool on farmers.gov</u> (<u>also available in Spanish</u>) or by contacting their local <u>USDA Service Center</u>. Service Center staff continue to work with agricultural producers via phone, email, and other digital tools. Due to the pandemic, some USDA Service Centers are open to limited visitors. Producers can <u>contact their local Service Center</u> to set up an in-person or phone appointment to discuss loan options.

USDA Encourages Producers to Enroll in Grassland CRP

The U.S. Department of Agriculture (USDA) encourages producers and landowners to enroll in the Grassland Conservation Reserve Program (CRP) starting next week through May 13, 2022. Grassland CRP provides a unique opportunity for farmers, ranchers, and agricultural landowners to keep land in agricultural production and supplement their income while improving their soils and permanent grass cover. The program had its highest enrollment in history in 2021 and is part of the Biden-Harris Administration's broader effort to equip producers with the tools they need to help address climate change and invest in the long-term health of our natural resources.

Grassland CRP is a federally funded voluntary working lands program. Through the program, USDA's Farm Service Agency (FSA) provides annual rental payments to landowners to maintain and conserve grasslands while allowing producers to graze, hay, and produce seed on that land. Maintaining the existing permanent cover provides several benefits, including reducing erosion, providing wildlife habitat and migration corridors, and capturing and maintaining carbon in the soil and cover.

FSA provides participants with annual rental payments and cost-share assistance. The annual rental rate varies by county with a national minimum rental rate of \$13 per acre for this signup. Contract duration is 10 or 15 years.

Grassland CRP National Priority Zones

Because Grassland CRP supports not only grazing operations but also biodiversity and conserving environmentally sensitive land such as that prone to wind erosion, FSA created two National Priority Zones in 2021: the Greater Yellowstone Migration Corridor and Dust Bowl Zone. As part of the Biden-Harris Administration's focus on conservation in important wildlife corridors and key seasonal ranges, for this year's signup, FSA is expanding the Greater Yellowstone Wildlife Migration Corridor Priority Zone to include seven additional counties across Montana, Wyoming, and Utah, to help protect the big-game animal migration corridor associated with Wyoming elk, mule deer, and antelope.

Offers within one of these National Priority Zones will receive an additional 15 ranking points and \$5 per acre if at least 50% of the offer is located in the zone.

Alongside Grassland CRP, producers and landowners can also enroll acres in Continuous CRP under the ongoing sign up, which includes projects available through the Conservation Reserve Enhancement Program (CREP) and State Acres for Wildlife Enhancement (SAFE).

Broadening Reach of Program

As part of the Agency's Justice40 efforts, producers and landowners who are historically underserved, including beginning farmers and military veterans, will receive 10 additional ranking points to enhance their offers.

Additionally, USDA is working to broaden the scope and reach of Grassland CRP by leveraging the <u>Conservation Reserve Enhancement Program</u> (CREP) to engage historically underserved communities. CREP is a partnership program that enables states, Tribal governments, non-profit, and private entities to partner with FSA to implement CRP practices and address high priority conservation and environmental objectives. Interested entities are encouraged to contact FSA.

More Information on CRP

Landowners and producers interested in Grassland CRP should contact their local <u>USDA</u> <u>Service Center</u> to learn more or to apply for the program before the May 13 deadline. Additionally, fact sheets and other resources are available at <u>fsa.usda.gov/crp</u>.

Signed into law in 1985, CRP is one of the largest voluntary private-lands conservation programs in the United States. The working lands signup announced today demonstrates how much it has evolved from the original program that was primarily intended to control soil erosion and only had the option to take enrolled land out of production. The program has

expanded over the years and now supports a greater variety of conservation and wildlife benefits, along with the associated economic benefits.

Applying for FSA Direct Loans

strengthen their farm or ranch. Direct loans are processed, approved and serviced by FSA loan officers.

Direct farm operating loans can be used to purchase livestock and feed, farm equipment, fuel, farm chemicals, insurance, and other costs including family living expenses. Operating loans can also be used to finance minor improvements or repairs to buildings and to refinance some farm-related debts, excluding real estate.

Direct farm ownership loans can be used to purchase farmland, enlarge an existing farm, construct and repair buildings, and to make farm improvements.

The maximum loan amount for direct farm ownership loans is \$600,000 and the maximum loan amount for direct operating loans is \$400,000 and a down payment is not required. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

Please contact your local FSA office for more information or to apply for a direct farm ownership or operating loan.

USDA Accepting New or Modified Proposals for the State Acres for Wildlife Enhancement

The U.S. Department of Agriculture (USDA) is welcoming new and modified proposals from conservation partners for the State Acres for Wildlife Enhancement (SAFE) initiative, a part of the Conservation Reserve Program (CRP) focused on effectively managing wildlife habitat. USDA's Farm Service Agency (FSA) has expanded available practices under this initiative in response to feedback from partners.

Through SAFE, producers and landowners restore vital habitat in alignment with high-priority state wildlife conservation goals. Specifically, landowners establish wetlands, grasses, and trees. These practices are designed to enhance important wildlife populations by creating critical habitat and food sources. They also protect soil and water health by working as a barrier to sediment and nutrient run-off before they reach waterways.

Expanded Practices

To help improve the planning and implementation of the SAFE initiative, FSA is adding two new practices with the assistance of USDA's Natural Resources Conservation Service (NRCS), FSA's sister agency. In partnership with FSA, NRCS employees across the country

provide CRP participants with critical conservation planning assistance, which will now include managing for early successional habitat cover establishment or management, as well as wildlife habitat planting. These additional eligible practices will enable SAFE partners to better target a wide variety of wildlife species, such as the Northern bobwhite, lesser prairie-chicken, and the New England cottontail.

As part of this year's SAFE signup, FSA will also authorize cost-share assistance for producers who would like to re-enroll acres in CRP but need assistance updating their vegetative cover to align with NRCS practice standards for early successional habitat or wildlife planting.

Submitting Proposals

Eligible entities for SAFE include government entities, non-profits, or private organizations.

Additionally, partners with SAFE projects with both General and Continuous CRP practices must submit modified proposals to continue in the program.

New and modified proposals for SAFE projects must be submitted to the FSA State Office in Salt Lake City in June. Contact your State Office for the state-specific deadline. More information on developing proposals is available at fsa.usda.gov/crp.

More Information

SAFE is part of the Continuous CRP signup, and producers can begin enrolling in new or updated SAFE programs beginning October 1, 2022. Meanwhile, the Continuous and Grassland signups are currently open, and producers can learn more by contacting their local <u>USDA Service Center</u>. To learn more about SAFE and its benefits, see the initiative's fact sheet.

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.

CRP complements other USDA conservation programs, including several programs offered by NRCS for working lands and conservation easements. Earlier this month, NRCS released its Northern Bobwhite, Grasslands and Savannas Framework for Conservation Action to help guide voluntary conservation work over the next five years across 25 states, including over 7 million acres of new conservation practices on productive, working lands, and will contribute to the Biden-Harris administration's efforts to make our nation a leader on climate change mitigation, adaptation and resilience. The plan will accelerate voluntary conservation efforts for the Northern bobwhite quail and the grassland and savanna landscapes that the species calls home.

Waiver of DCIA Compliance for Commodity and Farm Storage Facility Loan Programs

On January 27, 2021, the Biden-Harris Administration suspended all debt collections, foreclosures, and other adverse actions for borrowers of direct farm loans and Farm Storage Facility Loans (FSFL) through USDA's Farm Service Agency (FSA) because of the national public health emergency caused by the Coronavirus pandemic.

It has been determined that the January 2021 suspension included a waiver of the Debt Collection Improvement Act (DCIA) noncompliance for issuing new Marketing Assistance Loans (MAL), Loan Deficiency Payments (LDP) or FSFL to borrowers who are in delinquent status with FSFL or farm loans.

Under normal circumstances, DCIA specifies that a person cannot obtain Federal financial assistance in the form of loans (other than disaster loans), loan insurance, or guarantees if that person has delinquent Federal non-tax debt. MAL, LDP, and FSFL programs administered by FSA are currently subject to these statutory constraints.

FSA county offices will review MALs, LDPs, and FSFLs that were previously denied on or after January 27, 2021, because of DCIA noncompliance. Offices will notify applicants of the waiver provisions and the opportunity to obtain a loan. All applicable eligibility requirements remain in place with the exception of DCIA waiver.

Reach out to your local FSA office for more information. To find your local office, visit farmers.gov/service-locator.

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USDA is an equal opportunity provider, employer and lender. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).