

Utah Farm Service Agency Newsletter - November 24, 2023

In This Issue:

- Application Period Is Now Open for a New Financial Assistance Program
- USDA to Provide More Than \$3 Billion to Commodity and Specialty Crop Producers Impacted by 2022 Natural Disasters
- Tax Resources for USDA Program Participants
- <u>USDA Launches Program to Support Agricultural Employers and Farmworkers, Aiming to Increase Economic and Supply Chain Resilience as Part of President Biden's Investing in America Agenda
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- Producers are Encouraged to Report Prevented Planting and Failed Acres
- Farmers.gov Your Online Hub for Conducting Business with USDA
- USDA Supports Urban and Innovative Producers
- FSA Offers Joint Financing Option on Direct Farm Ownership Loans
- Applying for Youth Loans

Application Period Is Now Open for a New Financial Assistance Program

The application period is now open for a new financial assistance program under Section 22007 of the Inflation Reduction Act (IRA), for farmers, ranchers, and forest landowners who experienced discrimination in USDA farm



lending programs prior to January 2021. The application process will close on January 13, 2024. Borrowers will have the option to apply for assistance online via 22007apply.gov or through a paper-based form.

Details about the program, including an application and e-filing portal, are available at 22007apply.gov. The website includes an English and Spanish language application that applicants can download or submit via an e-filing portal, information on how to obtain technical assistance in-person or virtually, and additional resources and details about the program. Applicants can also call the free call center at 1-800-721-0970 or visit one of several dozen brick-and-mortar offices the program has set up around the country. Locations are provided on the program website and vendors will update the local events schedule with more information as it becomes available. It is important to note that filing an application is FREE and does not require a lawyer.

If you want to get weekly updates on the program's events and progress, you can go to https://22007apply.gov, and subscribe to a weekly newsletter.

USDA to Provide More Than \$3 Billion to Commodity and Specialty Crop Producers Impacted by 2022 Natural Disasters

The U. S Department of Agriculture (USDA) will provide more than \$3 billion to commodity and specialty crop producers impacted by natural disaster events in 2022. Eligible impacted producers can apply for financial assistance through the Emergency Relief Program (ERP) 2022. The program will help offset the financial impacts of crop yield and value losses from qualifying disasters occurring in 2022.

Background

On Dec. 29, 2022, President Biden signed into law the *Disaster Relief Supplemental Appropriations Act, 2023 (P.L. 117-328)* that provides about \$3.7 billion in financial assistance for agricultural producers impacted by eligible natural disasters that occurred in calendar year 2022.

ERP 2022 covers losses to crops, trees, bushes and vines due to qualifying, calendar year 2022 natural disaster events including wildfires, hurricanes, floods, derechos, excessive heat, tornadoes, winter storms, freeze (including a polar vortex), smoke exposure, excessive moisture, qualifying drought and related conditions.

ERP 2022 program benefits will be delivered to eligible producers through a two-track process. FSA intends to make both tracks available to producers at the same time. This two-track approach enables USDA to:

- Streamline the application process.
- Reduce the paperwork burden on producers.
- Proactively include provisions for underserved producers who have not been well served by past emergency relief efforts.
- Encourage producer participation in existing risk management programs to mitigate the impacts of future severe weather events.

It's important to note that disaster-impacted producers may be eligible for ERP 2022 assistance under one or both tracks. To avoid duplicative benefits, if a producer applies for both tracks, the Track 2 payment calculation will take into account any payments received through Track 1.

ERP 2022 Application Process – Track 1

ERP 2022 Track 1 leverages existing federal crop insurance or Noninsured Crop Disaster Assistance Program (NAP) data as the basis for calculating payments for eligible crop producers who received indemnities through these risk management programs.

Although FSA is sending pre-filled ERP 2022 Track 1 application forms to producers who have crop insurance and NAP data already on file with USDA, producers indemnified for losses resulting from 2022 natural disasters do not have to wait to receive the application before requesting ERP 2022 assistance. Effective Oct. 31, 2023, producers can apply for ERP 2022 benefits whether they have received the pre-filled application or not. Receipt of a pre-filled application is not confirmation that a producer is eligible to receive an ERP 2022 Track 1 payment.

USDA estimates that ERP Track 1 benefits will reach more than 206,000 producers who received indemnities for losses covered by federal crop insurance and more than 4,500 producers who obtained NAP coverage for the 2022 crop year.

ERP 2022 Application Process – Track 2

Track 2 is a revenue-based certification program designed to assist eligible producers who suffered an eligible decrease in revenue resulting from 2022 calendar year disaster events when compared with revenue in a benchmark year using revenue information that is readily available from most tax records. In cases where revenue does not reasonably reflect a normal year's revenue, Track 2 provides an alternative method for establishing revenue. Likewise, Track 2 affords producers of crops that are used within an operation and do not generate revenue from the sale of the crop a method for establishing revenue for the purpose of applying for ERP 2022 benefits. Producers are not required to submit tax records to FSA unless requested by the County Committee if required for an FSA compliance spot check.

Although not required when applying for ERP 2022 Track 2, applicants might find the following documents useful to the process:

- Schedule F (Form 1040)
- *Profit or Loss from Farming* or similar tax documents for tax years 2018, 2019, 2022 and 2023.

Track 2 targets gaps in emergency relief assistance for eligible producers whose eligible losses were not covered by crop insurance or NAP including revenue losses too small (shallow loss) to be covered by crop insurance.

Producers interested in applying for ERP 2022 Track 2, should contact their local FSA county office. Additional reference resources can be found on FSA's emergency relief website.

Additional Required Forms

For both ERP 2022 tracks, all producers must have certain required forms on file with FSA within 60 days of the ERP 2022 deadline. Producers can apply for ERP 2022 starting Oct. 31, 2023. The application deadline has not yet been determined and will be announced at a later date. If not already on file, producers can update, complete and submit required forms to FSA at any time.

Required forms:

- 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 2022 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.

Future Insurance Coverage Requirements

All producers who receive ERP 2022 payments must purchase crop insurance, or NAP coverage where crop insurance is not available, in the next two available crop years as determined by the Secretary. Purchased coverage must be at the 60/100 coverage level or higher for insured crops or at the catastrophic coverage level or higher for NAP crops.

More Information

ERP 2022 eligibility details and payment calculation factor tables are available on the emergency relief website, in the ERP Track 1 and ERP Track 2 fact sheets and through your local FSA county office.

Tax Resources for USDA Program Participants



Navigating filing taxes can be challenging, especially if you are new to running a farm business, participating in disaster programs for first time, or trying to forecast the farm's tax bill. Receiving funds from USDA through activities such as a conservation program payment or a disaster program is

considered farm income that includes a tax liability for farm businesses. USDA technical assistance is free and creates no tax implications.

At the end of the tax year, USDA issues tax forms 1098 and 1099 forms for farm loans, conservation programs administered by the Farm Service Agency and Natural Resource Conservation Service including the Conservation Reserve Program and Environmental Quality Incentives Program, crop disaster payments, and the Market Facilitation Program. USDA also issues tax forms for recipients of assistance for distressed borrowers, including through Section 22006 of the Inflation Reduction Act.

If you have received tax forms related to your operation, USDA cannot and does not provide tax advice but wants you to be aware of options that may help manage your tax liability. USDA has partnered with experts to provide resources to help you make the right tax decisions for your operation. Monthly webinars are available for registration and to view on demand at https://www.farmers.gov/working-with-us/taxes.

The <u>Tax Estimator Tool</u> is an interactive spreadsheet that producers can download to estimate tax liability. It is for informational and educational purposes and should not considered tax or legal advice. Producers may need to work with a tax professional to determine the correct information to be entered in the Tax Estimator Tool.

We encourage you to visit https://www.farmers.gov/working-with-us/taxes for more information on how to find and work with a tax preparer as well as instructions on how to request copies of USDA documents and links to other helpful tax resources.

USDA Launches Program to Support Agricultural Employers and Farmworkers, Aiming to Increase Economic and Supply Chain Resilience as Part

of President Biden's Investing in America Agenda



The Biden-Harris Administration announced that agricultural employers can begin to apply for a pilot program designed to improve the resiliency of the food and agricultural supply chain by addressing workforce challenges farmers and ranchers face. USDA, in coordination with other federal agencies, is announcing up to \$65 million in grants available for the Farm Labor Stabilization and Protection Pilot Program (FLSP Program).

The program will help address workforce needs in agriculture, promote a safe and healthy work environment for farmworkers, and aims to support expansion of lawful migration pathways for workers, including for workers from Northern Central America, through the Department of Labor's seasonal H-2A visa program.

The FLSP Program seeks to advance the following Administration priorities:

- Address current workforce needs in agriculture: Based on stakeholder input, USDA identified that agricultural employers have experienced increased challenges finding an adequate supply of workers, which threatens our domestic capacity to produce a safe and robust food supply. This pilot program will help address these challenges by expanding the potential pool of workers, and enhancing employers' competitiveness by improving the quality of the jobs they offer.
- Reduce irregular migration, including from Northern Central America
 through the expansion of regular pathways: While U.S. agricultural operations
 seek additional workers, the Biden-Harris Administration has committed to
 promote the expansion of regular migration pathways, as part of the Los Angeles
 Declaration on Migration and Protection. The FLSP offers an opportunity to
 support this commitment, with economic benefits for foreign workers and their
 families, and professional and economic development opportunities for
 communities that send their workers to participate in the H-2A program.
- Improve working conditions for farmworkers: A stable and resilient food and
 agricultural sector relies on attracting and retaining skilled agricultural workers,
 and strong working conditions are critical to achieve that goal. Through this pilot
 program, USDA will support efforts to improve working conditions for agricultural
 workers, both U.S. and H-2A workers. The pilot will help ensure that workers know
 their rights and the resources available for them, and will promote fair and
 transparent recruitment practices.

Eligibility for this competitive grant program is limited to domestic agricultural employers who 1) anticipate meeting all Department of Labor (DOL) and Department of Homeland Security (DHS) regulatory requirements for the H-2A program, including demonstrated effort to effectively recruit U.S.-based workers and hire all willing, able, and qualified U.S. workers; and 2) commit to, and indicate capacity to fulfill all Baseline Requirements, as well as any selected (supplemental) commitments that entail additive worker benefits and protections. Eligible employers include fixed-site employers, joint-employers, agricultural associations, and H-2A labor contractors.

The maximum award amount is \$2,000,000 and the minimum amount is \$25,000 per grant agreement (including any sub-awardees). Award amounts will be determined based on the projected number of full-time equivalent (FTE) agricultural employees, desired award level, as well as the competitive nature of the application. Consistent with the H-2A requirements, applicants must demonstrate insufficient availability of a U.S.-based

workforce. The grant window for each recipient is 24 months, allowing producers to use the grant over the course of two agricultural production seasons.

Applications for the FLSP program must be received on or before 11:59 pm Eastern Time on **November 28, 2023**. More information about the application process can be found here: www.ams.usda.gov/flsp.

Producers are Encouraged to Report Prevented Planting and Failed Acres



USDA Farm Service Agency (FSA) reminds you to report prevented planting and failed acres in order to establish or retain FSA program eligibility for some programs.

You should report crop acreage you intended to plant, but due to natural disaster, were prevented from

planting. Prevented planting acreage must be reported on form *CCC-576*, *Notice of Loss*, no later than 15 calendar days after the final planting date as established by FSA and Risk Management Agency (RMA).

If you're unable to report the prevented planting acreage within the 15 calendar days following the final planting date, a late-filed report can be submitted. Late-filed reports will only be accepted if FSA conducts a farm visit to assess the eligible disaster condition that prevented the crop from being planted. A measurement service fee will be charged.

Additionally, if you have failed acres, you should also use form *CCC-576*, *Notice of Loss*, to report failed acres.

For hand-harvested crops and certain perishables, you must notify FSA of damage or loss through the administrative County Office within 72 hours of the date of damage or loss first becomes apparent. This notification can be provided by filing a CCC-576, email, fax or phone. If you notify the County Office by any method other than by filing the CCC-576, you are still required to file a CCC-576, *Notice of Loss*, within the required 15 calendar days.

For losses on crops covered by the Non-Insured Crop Disaster Assistance Program (NAP), you must file a *Notice of Loss* within 15 days of the occurrence of the disaster or when losses become apparent. You must timely file a *Notice of Loss* for failed acres on all crops including grasses.

For more information, contact your local County USDA Service Center or visit <u>fsa.usda.gov</u>.

Farmers.gov - Your Online Hub for Conducting Business with USDA

Farmers.gov gives you one place to do business with USDA's Farm Service Agency (FSA) and the Natural Resources Conservation Service (NRCS), including accessing your farm records, maps, and common land units. You can create a farmers.gov account for the farmers.gov authenticated site, where you can access self-service features through a secure login.

In addition to the self-service features farmers.gov website also has information on USDA programs, farm loans, disaster assistance, conservation programs and crop insurance.

What can you do with your farmers.gov account?

- View FSA Farm loans including loan information, interest payments, loan advance and payment history, paid-in-full restructured loans, and account alerts.
- View NRCS Disbursements and Farm Loans financial activity from the past 180 days.
- View, print and export detailed farm records and farm/tract maps.
- Export common land unit (field) boundaries as ESRI and GeoJSON file types.
- Import precision agriculture planting boundaries, create labels containing crop information, and print both on farm tract maps.
- Use the draw tools to determine acres in an area of interest that can be printed on a map and provided to a third party or exported as a feature file for use in other geospatial applications.
- View, upload, download and e-sign NRCS documents.
- Request conservation and financial assistance, including submitting a program application.
- Access information on current and past conservation practices, report practice completion and request practice certification
- View detailed information on previous and ongoing contracts, including the amount of cost- share assistance received and request contract modifications.

How to create a farmers.gov account?

To create a farmers.gov account you will need:

- A USDA individual customer record A customer record contains information you
 have given to USDA to do business with them, like your name, address, phone
 number, and any legal representative authority relationships.
- A login.gov account Login.gov is a sign-in service that gives people secure online access to participating government programs.

USDA Supports Urban and Innovative Producers

Are you gardening or farming in an urban environment or involved in controlled environment agriculture, rooftop farms, hydroponic aeroponic, aquaponic facilities or other types of innovative production? Agencies across USDA including the Office of Urban Agriculture and Innovative Production (OUAIP) have programs and resources available for you, and many are listed in this Urban Agriculture Programs at a Glance brochure.

USDA offers resources to help you:

- Starting, Financing, and Protecting Your Farm or Garden: Our resources can help you access land and capital for equipment and operating costs and start a business plan. USDA's Farm Service Agency (FSA) offers a variety of funding opportunities and Rural Development (RD) can help urban and innovative producers locate guaranteed financing through the Business and Industry Guaranteed Loan Program. Our Risk Management Agency (RMA) can help you insure your crops against losses, including the micro farm policy. Learn more about USDA programs that support risk management.
- On-Farm Guidance and Innovation: <u>Natural Resources Conservation Service</u>
 (<u>NRCS</u>) offers technical and financial assistance with <u>conservation planning</u> based on your goals, including high tunnels, soil health management systems, composting facilities and irrigation. Local organizations like <u>Cooperative</u>

<u>Extension</u> also offer free training and expertise. <u>OUAIP</u> offers <u>competitive</u> <u>grants</u> for NRCS <u>Conservation Innovation Grants</u> fund innovative on-farm projects, some of which are targeted towards urban and innovative producers.

• Marketing and Selling: FSA, Agricultural Marketing Service (AMS), and Food and Nutrition Service (FNS) can help you reach customers in new ways and open additional revenue streams when selling products. The Women, Infants, Children (WIC) Farmers' Market Nutrition Program and Seniors Farmers Market Nutrition Program issues coupons for eligible foods from state-approved farmers, farmers' markets, or roadside stands. Farm Storage Facility Loans (FSA) provide low-interest loans to build, upgrade, or purchase permanent or portable facilities to store commodities, including fruit and vegetable cold storage, washing, packing, and handling buildings and equipment.

<u>Farmers Market Promotion Program (FMPP)</u> funds projects that develop, coordinate and expand direct producer-to-consumer markets like farmers markets. Agricultural businesses and cooperative are among the eligible entities.

A first step is to contact your local <u>USDA Service Center</u>, including our new <u>Urban Service Centers</u>, to meet face to face with our staff from FSA and NRCS. If you're a new farmer, you can also reach out to your state <u>Beginning Farmer and Rancher Coordinator</u>.

We also invite you to get involved with your <u>FSA Urban County Committee</u>, which provides local input on USDA urban agriculture policy, and the <u>Advisory Committee for Urban Agriculture and Innovative Production</u>, which advises the Secretary of Agriculture and holds public meetings.

<u>Sign up for e-mail updates on Urban Agriculture</u> and learn more at <u>farmers.gov/urban</u> or <u>usda.gov/urban</u>.

FSA Offers Joint Financing Option on Direct Farm Ownership Loans

The USDA Farm Service Agency's (FSA) <u>Direct Farm Ownership loans</u> can 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 <u>Direct Farm Ownership Microloan</u> option for smaller financial needs up to \$50,000.

Joint financing allows FSA to provide more farmers and ranchers with access to capital. FSA lends up to 50 percent of the total amount financed. A commercial lender, a State program or the seller of the property being purchased, provides the balance of loan funds, with or without an FSA guarantee. The maximum loan amount for a joint financing loan is \$600,000, and the repayment period for the loan is up to 40 years.

The operation must be an eligible farm enterprise. Farm Ownership loan funds cannot be used to finance nonfarm enterprises and all applicants must be able to meet general eligibility requirements. Loan applicants are also required to have participated in the business operations of a farm or ranch for at least three years out of the 10 years prior to the date the application is submitted. The applicant must show documentation that their participation in the business operation of the farm or ranch was not solely as a laborer.

Applying for Youth Loans

The Farm Service Agency (FSA) makes loans to youth to establish and operate agricultural income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5,000.

Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Comply with FSA's general eligibility requirements
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the youth loan applicant, along with providing adequate supervision.

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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).