

### U.S. DEPARTMENT OF AGRICULTURE

### Farm Service Agency | Natural Resources Conservation Service | Risk Management Agency

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### 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 <a href="Emergency Relief Program (ERP) 2022">Emergency Relief Program (ERP) 2022</a>. 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 <u>emergency relief</u> website, in the <u>ERP Track 1</u> and <u>ERP Track 2</u> fact sheets and through your local <u>FSA county office</u>.

# USDA Makes Producer-Friendly Change to 2023 Notice of Loss Requirements for Two Livestock Disaster Assistance Programs

The U.S. Department of Agriculture (USDA) has waived certain notice of loss requirements for 2023 for the <a href="Emergency Assistance for Livestock, Honeybees, and Farm-raised Fish">Emergency Assistance for Livestock, Honeybees, and Farm-raised Fish</a> (ELAP) and <a href="Livestock Indemnity Program">Livestock Indemnity Program</a> (LIP). In an effort to streamline assistance to support access to critical 2023 natural disaster recovery assistance, USDA's Farm Service Agency (FSA) is waiving the requirement to submit ELAP or LIP notices of loss within a pre-determined number of days for 2023. Instead, producers have the flexibility to submit 2023 notices of loss as soon



as possible, once losses are realized, following a natural disaster event or no later than the established annual program application for payment deadlines for each program. FSA county committees are also being asked to re-evaluate 2023 ELAP and LIP late-filed notices of loss to determine if the waiver applies.

### Emergency Assistance for Livestock, Honeybees, and Farm-raised Fish

ELAP provides recovery assistance to eligible producers of livestock, honeybee, and farm-raised fish losses due to an eligible adverse weather or loss condition, including blizzards, disease, water shortages and wildfires. ELAP covers grazing and feed losses, transportation of water and feed to livestock and hauling livestock to grazing acres. ELAP also covers certain mortality losses for livestock including honeybees and farm-raised fish as well as honeybee hive losses. ELAP is designed to address losses not covered by other FSA disaster assistance programs.

For 2023, FSA is waiving the regulatory requirement for producers who are eligible for ELAP to file a notice of loss with FSA within 30 calendar days from when the loss first became apparent for livestock and farm-raised fish and 15 calendar days for honeybees. Under this waiver, notices of loss are to be completed by the eligible producer and submitted to FSA no later than the annual program application deadline of January 30 following the program year in which the loss occurred. Therefore, producers who incurred ELAP-eligible losses in 2023, will need to submit a notice of loss by Jan. 30, 2024.

### **Livestock Indemnity Program**

LIP provides disaster recovery assistance to livestock owners and contract growers who experience livestock deaths, in excess of normal mortality caused by eligible loss conditions including adverse weather, disease and attacks by animals reintroduced into the wild by the federal government or protected by federal law, including wolves and avian predators. LIP also helps livestock owners who must sell livestock at a reduced price because of an injury from certain loss conditions.

For 2023, FSA is waiving the regulatory requirement for producers who are eligible for LIP to file a notice of loss within 30 calendar days from when the loss first became apparent. Under this waiver, producers are still required to complete and submit the notice of loss to FSA no later than the annual program payment

application date, which is 60 calendar days following the program year in which the loss occurred. The LIP payment application and notice of loss deadline is Feb. 29, 2024, for the 2023 program year.

### 2023 Disapproved Applications

FSA county committees will review all notices of loss for both ELAP and LIP that were previously disapproved for the 2023 program year due to late filing and re-evaluate them to determine if the waiver applies. To receive ELAP and LIP benefits, producers will still need to file an application for payment by the established program deadline for the 2023 program year. Producers who are unsure about the status of their notice of loss or application for payment, should contact their local FSA county office as soon as possible.

### **Supporting Documentation**

Accurate records and loss documentation are critical following disaster events and are required when filing notices of loss with FSA. Acceptable loss documentation includes:

- Documentation of the number, kind, type, and weight range of livestock that have died, supplemented, if possible, by photographs or video records of ownership and losses.
- Rendering truck receipts by kind, type, and weight important to document prior to disposal.
- Beginning inventory supported by birth recordings or purchase receipts.
- Documentation from Animal Plant Health Inspection Service, Department of Natural Resources, or other sources to substantiate eligible death losses due to an eligible loss condition.
- Documentation that livestock were removed from grazing pastures due to an eligible adverse weather
  or loss condition.
- Costs of transporting livestock feed to eligible livestock, such as receipts for equipment rental fees for hay lifts and snow removal.
- Feed purchase receipts if feed supplies or grazing pastures are destroyed.
- Number of gallons of water transported to livestock due to water shortages.

### More Information

The improvements to ELAP and LIP build on others made since 2021. This includes ELAP benefits for above normal costs for hauling feed and water to livestock and transporting livestock to other grazing acres during a qualifying drought. FSA also <u>expanded eligible livestock</u> under ELAP, LIP, and the Livestock Forage Disaster Assistance Program, and increased the LIP payment rate for beef, beefalo, bison, and dairy animals less than 250 pounds and most recently beef calves over 800 pounds. Learn about USDA disaster assistance programs on <u>farmers.gov</u>.

On <u>farmers.gov</u>, the <u>Disaster Assistance Discovery Tool</u>, <u>Disaster-at-a-Glance fact sheet</u> and <u>Loan Assistance Tool</u> can help producers and landowners determine <u>disaster protection and recovery</u> program or loan options. For more information about FSA programs, contact your local <u>USDA Service Center</u>.

## **Submit Loan Requests for Financing Early**

The Farm Loan team in Washakie County is already working on operating loans for spring 2024 and asks potential borrowers to submit their requests early so they can be timely processed. The farm loan team can help determine which loan programs are best for applicants.



FSA offers a wide range of low-interest loans that can meet the financial needs of any farm operation for just about any purpose. The traditional **farm operating and farm ownership loans** can help large and small farm operations take advantage of early purchasing discounts for spring inputs as well expenses throughout the year.

**Microloans** are a simplified loan program that will provide up to \$50,000 for both Farm Ownership and Operating Microloans to eligible applicants. These loans, targeted for smaller and non-traditional operations,

can be used for operating expenses, starting a new operation, purchasing equipment, and other needs associated with a farming operation. Loans to beginning farmers and members of underserved groups are a priority.

Other types of loans available include:

**Marketing Assistance Loans** allow producers to use eligible commodities as loan collateral and obtain a 9-month loan while the crop is in storage. These loans provide cash flow to the producer and allow them to market the crop when prices may be more advantageous.

**Farm Storage Facility Loans** can be used to build permanent structures used to store eligible commodities, for storage and handling trucks, or portable or permanent handling equipment. A variety of structures are eligible under this loan, including bunker silos, grain bins, hay storage structures, and refrigerated structures for vegetables and fruit. A producer may borrow up to \$500,000 per loan.

# Producers Encouraged to Apply Now for USDA Conservation Programs

The U.S. Department of Agriculture (USDA) is encouraging agricultural producers and forest landowners to participate in voluntary conservation programs and adopt climate-smart practices in fiscal year 2024 as part of President Biden's Investing in America agenda. USDA's Natural Resources Conservation Service (NRCS) is accepting applications for the Environmental Quality Incentives Program (EQIP), Conservation Stewardship Program (CSP) and Agricultural Conservation Easement Program (ACEP), which help a wide variety of producers, including urban and organic producers.



For fiscal year 2024, NRCS has \$3 billion in Inflation Reduction Act funds to invest in <u>climate-smart mitigation</u> <u>activities</u>. This year, NRCS expanded the list of those activities as well as expanded priority areas for ACEP for grasslands, wetlands and farmlands at risk of conversion. Learn more about those expansions in our <u>Sept.</u> 28, 2023 news release.

Additionally, for fiscal year 2024, NRCS has over \$2 billion in Farm Bill funding available to producers for priorities like organic and urban agriculture, soil health, water quality and quantity and wildlife habitat development. This extensive amount of funding will be used to meet producer demand for our oversubscribed programs, maximize climate benefits and help producers address their natural resource challenges.

NRCS accepts producer applications for its conservation programs year-round. To apply for fiscal year 2024 funding, apply by your <u>state's ranking date</u> by contacting your <u>local NRCS office</u>.



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