

Utah FSA Newsletter - August 18, 2025

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# Supplemental Disaster Relief Program: Drought and Hail Eligibility



The USDA Farm Service Agency (FSA) opened enrollment on July 10 for the <u>Supplemental Disaster</u> <u>Relief Program (SDRP)</u>, which provides assistance for eligible crop losses due to natural disasters in 2023 and 2024.

## **Eligible U.S. Drought Monitor Losses**

To qualify for drought related losses, the loss must have occurred in a county rated by the <u>U.S. Drought Monitor</u> as having a D2 (severe drought) for eight consecutive weeks, D3 (extreme drought), or greater intensity level during the applicable calendar year. <u>Utah Counties eligible are: Beaver, Box Elder, Cache, Carbon, Daggett, Davis, Duchesne, Emery, Garfield, Grand, Iron, Juab, Kane, Millard, Morgan, Piute, Rich, Salt Lake, San Juan, Sanpete, Sevier, Summit, Tooele, Uintah, Utah, Wasatch, Washington, Wayne and Weber. View the list of all counties eligible for SDRP due to qualifying drought for 2023 and 2024.</u>

## Other Eligible Disaster Events and Related Conditions

Producers who received an indemnity in 2023 or 2024 but did not qualify based on

the U.S. Drought monitor may still be eligible for assistance. If your county did not trigger based on the U.S. Drought Monitor, do not certify "drought" as the cause of loss on your application as it will not be approved. Instead, producers should review all qualifying disaster events and related conditions such as excessive heat or excessive wind and select all applicable causes of loss.

Below is a list of all qualifying disaster events with the eligible related conditions in parentheses:

- Wildfires
- Hurricanes (including related excessive wind, storm surges, tornadoes, tropical storms, and tropical depression)
- Floods (including related silt and debris)
- Derechos (including related excessive wind)
- Excessive heat
- Tornadoes
- Winter storms (including related blizzard and excessive wind)
- Freeze (including a polar vortex)
- Smoke exposure
- Excessive moisture
- Qualifying drought

Related conditions must have occurred as a direct result of the indicated disaster event.

## Losses due to Hail

Hail is not a qualifying disaster event, but you may be eligible if it was directly related to a qualifying disaster event.

For example, if a producer's crop suffered damage from hail, but the hail damage was directly related to a tornado, then this would qualify for an SDRP payment since tornado is a qualifying disaster event.

#### **Documentation for Spot Checks**

Producers who certify that a qualifying disaster event caused the loss should be prepared to provide documentation to support their self-certification if they are selected for a spot check. **Documentation is not required to be submitted with your application.** Additionally, producers are not required to verify the cause of loss with their crop insurance agent.

Producers should complete the pre-filled application that was mailed on July 9. If you received a crop insurance indemnity in 2023 or 2024 and did not receive an application, please visit your local FSA office and they can print your pre-filled application.

For additional help with your application, please review the <u>FSA-526 Instructions for Stage 1</u>. Learn more about SDRP, eligibility and future insurance requirements by visiting <u>fsa.usda.gov/sdrp</u>.

# Trump Administration Announces Expedited Congressionally Mandated Disaster Assistance for Farmers

To expedite the implementation of SDRP, USDA's Farm Service Agency (FSA) is delivering assistance in two stages. This first stage is open to producers with eligible crop losses that received assistance under crop insurance or the Noninsured Crop Disaster Assistance Program during 2023 and 2024. Stage One sign up started in-person at FSA county offices on July 10 and prefilled applications were mailed to producers starting July 9. SDRP Stage Two signups for eligible shallow or uncovered losses will begin in early fall.



## **SDRP Stage One**

FSA is launching a streamlined, pre-filled application process for eligible crop, tree, and vine losses by leveraging existing Noninsured Crop Disaster Assistance Program (NAP) and Risk Management Agency (RMA) indemnified loss data. The pre-filled applications were mailed on July 9, 2025.

## **Eligibility**

Eligible losses must be the result of natural disasters occurring in calendar years 2023 and/or 2024. These disasters include wildfires, hurricanes, floods, derechos, excessive heat, tornadoes, winter storms, freeze (including a polar vortex), smoke exposure, excessive moisture, qualifying drought, and related conditions.

To qualify for drought related losses, the loss must have occurred in a county rated by the <u>U.S. Drought Monitor</u> as having a D2 (severe drought) for eight consecutive weeks, D3 (extreme drought), or greater intensity level during the applicable calendar year.

#### How to Apply

To apply for SDRP, producers must submit the FSA-526, *Supplemental Disaster Relief Program (SDRP) Stage One Application*, in addition to having other forms on file with FSA.

## **SDRP Stage One Payment Calculation**

Stage One payments are based on the SDRP adjusted NAP or Federal crop insurance coverage level the producer purchased for the crop. The net NAP or net federal crop insurance payments (NAP or crop insurance indemnities minus administrative fees and premiums) will be subtracted from the SDRP calculated payment amount.

For Stage One, the total SDRP payment to indemnified producers will not exceed 90% of the loss and an SDRP payment factor of 35% will be applied to all Stage One payments. If additional SDRP funds remain, FSA may issue a second payment.

## **Future Insurance Coverage Requirements**

All producers who receive SDRP payments are required to purchase federal crop

<u>insurance</u> or <u>NAP coverage</u> for the next two available crop years at the 60% coverage level or higher. Producers who fail to purchase crop insurance for the next two available crop years will be required to refund the SDRP payment, plus interest, to USDA.

## SDRP Stage 2

FSA will announce additional SDRP assistance for uncovered losses, including non-indemnified shallow losses and quality losses and how to apply later this fall.

Learn more by visiting fsa.usda.gov/sdrp.

## Livestock Producers in Designated Utah Counties Are Eligible for Drought Recovery Assistance

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) Acting State Executive Director, Jennifer Hicks, has announced that FSA is now accepting applications for the <u>Livestock Forage Disaster Program (LFP)</u> for grazing losses due to drought. The deadline to apply for 2025 LFP assistance is March 2, 2026.

LFP provides compensation to eligible livestock producers who suffered grazing losses for covered livestock due to drought on privately owned or cash leased land or fire on federally managed land. For LFP, qualifying drought intensity levels are determined using the <a href="U.S. Drought Monitor">U.S. Drought Monitor</a>. Producers in designated Utah counties are eligible to apply for 2025 LFP benefits for grazing losses on small grains, native pasture, improved pasture mixed forage, annual ryegrass, crabgrass, or forage sorghum. Visit the <a href="FSA LFP webpage">FSA LFP webpage</a> for a full list of eligible counties and pasture types.

Livestock eligible for LFP include alpacas, beef cattle, bison, buffalo, beefalo, dairy cattle, deer, elk, emus, equine, goats, llamas, ostriches, reindeer, or sheep that have been or would have been grazing the eligible grazing land or pastureland. Recently, FSA updated LFP policy to expand program eligibility to include additional income producing grazing animals, like horses and ostrich, that contribute to the commercial viability of an agricultural operation.

Livestock used for hunting and consumption by the owner and horses and other animals that are used or intended to be used for racing and wagering remain ineligible.

As a reminder, producers who want to participate in many USDA programs including disaster assistance programs like LFP, must file timely acreage reports by filling out the FSA-578 form to remain eligible for program benefits. Livestock producers interested in applying LFP should contact Name County FSA at phone with any questions about the eligibility of specific livestock and forage crops.

More information in USDA disaster assistance is available at farmers.gov/recover.

# USDA Reminds Utah Livestock Producers of Available Drought Assistance

USDA's Farm Service Agency (FSA) reminds drought-impacted producers in State that they may be eligible for assistance through the <a href="Emergency Assistance for Livestock">Emergency Assistance for Livestock</a>, <a href="Hongram General-Robert Fish Program">Hongram (ELAP)</a>.

For eligible livestock in qualifying counties, ELAP provides financial assistance for:

- the transportation of water to livestock;
- the above normal cost of mileage for transporting feed to livestock; and
- the above normal cost of transporting livestock to forage/grazing acres.\*
  \*Hauling livestock both ways starting in 2023, one haul per animal reimbursement and no payment for "empty miles."

Eligible livestock include cattle, bison, goats and sheep, among others, that are maintained for commercial use and located in a county where qualifying drought conditions occur. A county must have had D2 severe drought intensity on the <u>U.S. Drought Monitor</u> for eight consecutive weeks during the normal grazing period, or D3 or D4 drought intensity at any time during the normal grazing period. Producers must have risk in both eligible livestock and eligible grazing land in an eligible county to qualify for ELAP assistance.

## **Transporting Water**

If you've incurred additional operating costs for transporting water to livestock due to an eligible drought, assistance may be available to you through the Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP).

An eligible drought means that part or all of your county is designated D3 (extreme drought) or higher as indicated by the <u>U.S. Drought Monitor</u>.

Eligible livestock must be adult or non-adult dairy cattle, beef cattle, buffalo and beefalo, as well as alpacas, deer, elk, emus, equine, goats, llamas, reindeer, or sheep. Additionally, the livestock must have been owned 60 calendar days prior to the beginning of the drought and be physically located in the county designated as a disaster area due to drought. Adequate livestock watering systems or facilities must have existed before the drought occurred and producers are only eligible if they do not normally transport water to the livestock.

Livestock that were or would have been in a feedlot are not eligible for transporting water. ELAP covers the additional cost of transporting water and does not cover the cost of the water itself.

You must file a notice of loss on form CCC-851 and submit an application for payment for 2025 ELAP assistance by the March 2, 2026, deadline.

You'll have to provide documentation to FSA that shows the method used to transport the water, the number of gallons of water transported and the number of eligible livestock to which water was transported.

## **Transporting Feed**

ELAP provides financial assistance to livestock producers who incur above normal

expenses for transporting feed to livestock during drought. The payment formula excludes the first 25 miles and any mileage over 1,000 miles. The reimbursement rate is 60% of the cost above what would normally would have been incurred during the same time period in a normal (non-drought) year.

Livestock feed that is transported to livestock located on land enrolled in the Conservation Reserve Program (CRP) is eligible if the producer has an approved conservation plan with acceptable grazing practices developed in coordination with the Natural Resources Conservation Service

The payment rate to transport feed is \$3.50/ loaded mile for expenses above what would have normally been incurred.

## **Transporting Livestock**

ELAP provides financial assistance to livestock producers who are hauling livestock to a new location for feed resources due to insufficient feed or grazing in drought-impacted areas. As with transporting feed, the payment formula for transporting livestock excludes the first 25 miles and any mileage over 1,000 miles. The reimbursement rate is 60% of the costs above what would normally have been incurred during the same time period in a normal (non-drought) year.

The payment rate to transport livestock is \$3.50/loaded mile for expenses above what would have normally been incurred and covers hauling livestock one-way, one haul per animal reimbursement and no payment for "empty miles."

An <u>online tool</u> is now available to help ranchers document and estimate payments to cover feed and livestock transportation costs caused by drought.

## **Reporting Losses**

Producers should contact FSA as soon as the loss of water or feed resources are known.

For ELAP eligibility, documentation of expenses is critical. Producers should maintain records and receipts associated with the costs of transporting water to eligible livestock, the costs of transporting feed to eligible livestock, the costs of additional feed purchases, and the costs of transporting eligible livestock to forage or other grazing acres.

## **More Information**

Producers interested in ELAP assistance can contact their local <u>USDA Service</u> <u>Center</u> to learn more or to apply for programs.

## Designated Utah Counties Eligible for Emergency Loans

Several counties in Utah have been declared a primary/contiguous disaster due to drought and heat using the Secretarial Disaster Designation process. Under this designation, if you have operations in any primary or contiguous county, you are eligible to apply for low interest emergency loans.

Emergency loans help you recover from production and physical losses due to drought, flooding and other natural disasters or quarantine.

You have eight months from the date of the declaration to apply for emergency loan assistance. FSA will consider each loan application on its own merits, taking into account the extent of losses, security available and repayment ability. You can borrow up to 100 percent of actual production or physical losses, to a maximum amount of \$500,000.

For more information about emergency loans, and to confirm if your county has been designated, contact your local County USDA Service Center or visit <a href="fsa.usda.gov">fsa.usda.gov</a>.

## Disaster Set-Aside and Distressed Borrower Set-Aside Programs

The Farm Service Agency (FSA) offers two types of set-aside programs to assist FSA direct loan borrowers. The set-aside programs are intended to help distressed borrowers as well as borrowers impacted by natural disasters.

## **Disaster Set-Aside Program**

The Disaster Set-Aside Program (DSA) assists existing FSA direct loan borrowers who have been impacted by natural disasters. The DSA program provides short-term financial relief by allowing eligible borrowers to delay FSA direct loan payments that are due this year or next year (but not both). You may delay up to one full annual payment per loan and the delayed payment will be moved to the end of the loan term. You will not be required to pay this set-aside installment until the loan's final due date.

The principal portion of the amount set-aside will continue to accrue interest at your loan's existing interest rate.

To be eligible, borrowers must have operated a farm in a county declared a disaster area or a contiguous county at the time of the disaster. In addition, the borrower's inability to make their upcoming payment must be due to the disaster.

To apply for DSA, borrowers must provide their local USDA Service Center with a letter requesting DSA, which must be signed by all parties liable for the debt. The letter must be provided to your local Service Center within eight months of the disaster declaration date. The application process also includes providing your actual production, income, and expense records for the last three years. FSA may also request additional information as needed to make an eligibility decision.

Many Utah counties have been designated a disaster due to drought. Contact your local county office for disaster program information and farm loan program emergency loans.

## <u>Distressed Borrower Set-Aside Program</u>

FSA Direct Farm Loan Program borrowers whose loans were closed before Sept. 25, 2024, may be eligible for assistance under the Distressed Borrower Set-Aside Program (DBSA). Similar to DSA, DBSA also provides short-term financial relief by

allowing eligible borrowers to delay FSA direct loan payments that are due this year or next year (but not both). You may delay up to one full annual payment per loan and the delayed payment will be moved to the end of the loan term. You will not be required to pay this set-aside installment until the loan's final due date.

An increased benefit with DBSA is that the principal portion of the set-aside will accrue interest at a reduced rate of 0.125% rather than your loan's existing interest rate.

To be eligible for DBSA, the borrower must demonstrate financial distress, but their inability to make the upcoming payment does not need to be due to a disaster.

The DBSA application process is similar to DSA as borrowers must provide their local USDA Service Center with a letter requesting DBSA, which must be signed by all parties liable for the debt. The application process also includes providing your actual production, income, and expense records for the last three years. FSA may also request additional information as needed to make an eligibility decision.

## **Important Factors for Both DSA and DBSA:**

FSA direct loan borrowers are not able to obtain more than one set-aside per loan. Borrowers also cannot obtain both a DSA and DBSA simultaneously on the same loan. In addition, FSA direct loans with less than two years remaining are not eligible for a DSA or DBSA. Other eligibility requirements apply; we encourage you to contact your local Service Center for more information.

Both DSA and DBSA are intended to provide short-term relief for situations where borrowers anticipate the ability to resume paying their full annual installment(s) in the following year. If you require a more long-term form of financial relief, FSA has other potential options available through primary loan servicing (PLS).

For more information on DSA, DBSA, or PLS, please contact your local County Service Center or visit <u>fsa.usda.gov</u>.

Additional information, eligibility criteria and program limitations may be found within the <u>Disaster Set-Aside</u> and <u>Distressed Borrower Set-Aside Program</u> fact sheets.

# USDA Announces Changes to Livestock Insurance Programs for 2026 and Subsequent Years

The U.S. Department of Agriculture's (USDA) Risk Management Agency (RMA) approved changes to improve insurance coverage for American livestock producers. These updates will take effect for the Livestock Risk Protection (LRP), Livestock Gross Margin (LGM), and Dairy Revenue Protection (DRP) insurance programs beginning with the 2026 crop year.

#### **Livestock Risk Protection**

LRP provides protection for livestock producers looking to insure against declining

market prices. This program offers coverage levels ranging from 70% to 100% of the "expected ending values" (expected price at the end of the insurance period).

The changes to LRP include:

- Modifying the termination date to Sept. 30 and the premium billing date to the first day of the second month after the end date of endorsement.
- Adding two new types of LRP coverage:
  - Feeder Cattle Unborn Calves will provide coverage for beef or beef/dairy cross calves sold within two weeks after birth.
  - Fed Cattle Cull Cows will provide coverage for dairy cull cows with a coverage limitation of 13 weeks.
     Allowing coverage based on a forward contract or purchase agreement.
- Additional record requirement includes a copy of the purchase agreement and proof of delivery.
- Adding drought exemption for Feeder Cattle that will be based on the Drought Monitor's Drought Severity and Coverage Index (DSCI).
- Adding additional record requirements for Feeder Cattle:
  - Applicable when livestock are purchased and not marketed within 60 days of the end date.
  - The sex of the feeder cattle must be verified in the marketing or purchase records.

## **Livestock Gross Margin**

LGM provides protection to cattle, dairy and swine producers against unexpected decreases in gross margin (market value of livestock or milk minus input costs). The program calculates the expected gross margin for a period using future market prices and pays an indemnity to the extent that the actual gross margin is less than the expected gross margin.

The changes to LGM include:

 Modifying the termination date to Aug. 31 and the premium billing date to the first day of the second month after the Specific Coverage Endorsement ended.

## **Dairy Revenue Protection**

For dairy producers, DRP provides protection against a decline in revenue (yield and/or price) on the milk produced from dairy cows on a quarterly basis. The expected revenue is based on futures prices for milk and dairy commodities, and the amount of covered milk production elected by the dairy producer.

The changes to DRP include:

- Modifying the DRP termination date to Jan. 31 and the premium billing date to the first day of the third month after the end date of endorsement.
- Modifying the program to give additional flexibilities to producers impacted by an animal disease when they have suffered an eligible loss.

• RMA is increasing the minimum declarable butterfat test to 4.00 pounds, increasing maximum declarable butterfat test to 6.00 pounds and increasing minimum declarable protein test to 3.20 pounds.

#### More Information

LRP, LGM and DRP are available to livestock producers in all states and counties. Crop insurance is sold and delivered solely through private crop insurance agents. A list of crop insurance agents is available online at the <a href="RMA Agent Locator">RMA Agent Locator</a>. Producers can learn more about crop insurance and the modern farm safety net at <a href="rma.usda.gov">rma.usda.gov</a> or by contacting their <a href="RMA Regional Office">RMA Regional Office</a>. RMA's <a href="Basics for Beginners">Basics for Beginners</a> provides information for those new to crop insurance.

## USDA Farm Loan Program Changes Now in Effect

The U.S. Department of Agriculture's (USDA) updates to the Farm Service Agency's (FSA) Farm Loan Programs are officially in effect. These changes, part of the Enhancing Program Access and Delivery for Farm Loans rule, are designed to increase financial flexibility for agricultural producers, allowing them to grow their operations, boost profitability, and build long-term savings.

These program updates reflect USDA's ongoing commitment to supporting the financial success and resilience of farmers and ranchers nationwide, offering critical tools to help borrowers manage their finances more effectively.

What the new rules mean for you:

- Low-interest installment set-aside program: Financially distressed borrowers can now defer up to one annual loan payment at a reduced interest rate. This simplified option helps ease financial pressure while keeping farming operations running smoothly.
- Flexible repayment terms: New repayment options give borrowers the ability to increase their cash flow and build working capital reserves, allowing for long-term financial planning that includes saving for retirement, education, and other future needs.
- Reduced collateral requirements: FSA has lowered the amount of additional loan security needed for direct farm loans, making it easier for borrowers to leverage their existing equity without putting their personal residence at risk.

These new rules provide more financial freedom to borrowers. By giving farmers and ranchers better tools to manage their operations, we're helping them build long-term financial stability. It's all about making sure they can keep their land, grow their business, and invest in the future.

If you're an FSA borrower or considering applying for a loan, now is the time to take advantage of these new policies. We encourage you to reach out to your local FSA farm loan staff to ensure you fully understand the wide range of loan making and servicing options available to assist with starting, expanding, or maintaining your agricultural operation.

# Foreign Investors Must Report U.S. Agricultural Land Holdings

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) reminds foreign investors with an interest in agricultural land in the United States that they are required to report their land holdings and transactions to USDA.

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires foreign investors who buy, sell or hold an interest in U.S. agricultural land to report their holdings and transactions to the USDA. Foreign investors must file AFIDA Report Form FSA-153 with the FSA county office in the county where the land is located. Large or complex filings may be handled by AFIDA headquarters staff in Washington, D.C.

According to CFR Title 7 Part 781, any foreign person who holds an interest in U.S. agricultural land is required to report their holdings no later than 90 days after the date of the transaction.

Foreign investors should report holdings of agricultural land totaling 10 acres or more used for farming, ranching or timber production, and leaseholds on agricultural land of 10 or more years. Tracts totaling 10 acres or less in the aggregate, and which produce annual gross receipts in excess of \$1,000 from the sale of farm, ranch, forestry or timber products, must also be reported. AFIDA reports are also required when there are changes in land use, such as from agricultural to nonagricultural use. Foreign investors must also file a report when there is a change in the status of ownership.

The information from AFIDA reports is used to prepare an annual report to Congress. These annual reports to Congress, as well as more information, are available on the FSA AFIDA webpage.

Assistance in completing the FSA-153 report may be obtained from the local FSA office. For more information regarding AFIDA or FSA programs, contact the Name County FSA office at phone or visit farmers.gov.

# Annual Review of Payment Eligibility for New Crop Year

FSA and NRCS program applicants for benefits are required to submit a completed CCC-902 Farming Operation Plan and CCC-941 Average Gross Income (AGI) Certification and Consent to Disclosure of Tax Information for FSA to determine the applicant's payment eligibility and establish the maximum payment limitation applicable to the program applicant.

Participants are not required to annually submit new CCC-902s for payment eligibility and payment limitation purposes unless a change in the farming operation occurs that may affect the previous determination of record. A valid CCC-902 filed by the participant is considered to be a continuous certification used for all payment eligibility and payment limitation determinations applicable for the program benefits requested.

Participants are responsible for ensuring that all CCC-902 and CCC-941 and related forms on file in the county office are updated, current, and correct. Participants are required to timely notify the county office of any changes in the farming operation that may affect the previous determination of record by filing a new or updated CCC-902 as applicable.

Changes that may require a new determination include, but are not limited to, a change of:

- Shares of a contract, which may reflect:
  - A land lease from cash rent to share rent
  - A land lease from share rent to cash rent (subject to the cash rent tenant rule
  - A modification of a variable/fixed bushel-rent arrangement
- The size of the producer's farming operation by the addition or reduction of cropland that may affect the application of a cropland factor
- The structure of the farming operation, including any change to a member's share
- The contribution of farm inputs of capital, land, equipment, active personal labor, and/or active personal management
- Farming interests not previously disclosed on CCC-902 including the farming interests of a spouse or minor child
- Certifications of average AGI are required to be filed annually for participation in an annual USDA program. For multi-year conservation contracts and NRCS easements, a certification of AGI must be filed prior to approval of the contract or easement and is applicable for the duration of the contract period.

Participants are encouraged to file or review these forms within the deadlines established for each applicable program for which program benefits are being requested.

## Signature Policy

Using the correct signature when doing business with FSA can save time and prevent a delay in program benefits.

The following are FSA signature guidelines:

Married individuals must sign their given name.

• Example—Mary Doe and John Doe are married. When signing FSA forms, each must use their given name, and may not sign with the name of their spouse. Mrs. Mary Doe may not sign documents as Mrs. John Doe. For Farm Loan Purposes, spouses may not sign on behalf of the other as an authorized signatory, a signature will be needed for each. For a minor, FSA requires the minor's signature and one from the minor's parent. There are certain exceptions where a minor's signature may be accepted without obtaining the signature of one of the parents. Despite minority status, a youth executing a promissory note for a Youth Loan will incur full personal liability for the debt and will sign individually.

Note: By signing a document with a minor, the parent is liable for actions of the minor and may be liable for refunds, liquidated damages, or other penalties, etc.

When signing on one's behalf the signature must agree with the name typed or printed on the form or be a variation that does not cause the name and signature to be in disagreement. Example - John W. Smith is on the form. The signature may be John W. Smith or J.W. Smith or J. Smith. Or Mary J. Smith may be signed as Mrs. Mary Joe Smith, M.J. Smith, Mary Smith, etc.

FAXED signatures will be accepted for certain forms and other documents provided the acceptable program forms are approved for FAXED signatures. Producers are responsible for the successful transmission and receipt of FAXED information.

Examples of documents not approved for FAXED signatures include:

- Promissory note
- Assignment of payment
- Joint payment authorization
- Acknowledgement of commodity certificate purchase

Spouses may sign documents on behalf of each other for FSA and CCC programs in which either spouse has an interest, unless written notification denying a spouse this authority has been provided to the county office.

Spouses cannot sign on behalf of each other as an authorized signatory for partnerships, joint ventures, corporations or other similar entities. Likewise, a spouse cannot sign a document on behalf of the other in order to affirm the eligibility of oneself.

Any member of a general partnership can sign on behalf of the general partnership and bind all members unless the Articles of Partnership are more restrictive. Spouses may sign on behalf of each other's individual interest in a partnership, unless notification denying a spouse that authority is provided to the county office. Acceptable signatures for general partnerships, joint ventures, corporations, estates, and trusts must consist of an indicator "by" or "for" the individual's name, individual's name and capacity, or individual's name, capacity, and name of entity.

# Actively Engaged Provisions for Non-Family Joint Operations or Entities

Many Farm Service Agency (FSA) programs require all program participants, either individuals or legal entities, to be "actively engaged in farming." This means participants provide a significant contribution to the farming operation, whether it is capital, land, equipment, active personal labor and/or management. For entities, each partner, stockholder or member with an ownership interest, must contribute active personal labor and/or management to the operation on a regular basis that is identifiable and documentable as well as separate and distinct from contributions of any other member. Members of joint operations must have a share of the profits or losses from the farming operation commensurate with the member's contributions to the operation and must make contributions to the farming operation that are at risk for a loss, with the level of risk being commensurate with the member's claimed share on the farming operation.

Joint operations comprised of non-family members or partners, stockholders or persons with an ownership in the farming operation must meet additional payment eligibility provisions. Joint operations comprised of family members are exempt from these additional requirements. For 2016 and subsequent crop years, non-family joint operations can have one member that may use a significant contribution of active personal management exclusively to meet the requirements to be determined "actively engaged in farming." The person or member will be defined as the farm manager for the purposes of administering these management provisions.

Non-family joint operations may request to add up to two additional managers for their farming operation based on the size and/or complexity of the operation. If additional farm managers are requested and approved, all members who contribute management are required to complete form CCC-902MR, *Management Activity Record*. The farm manager should use the form to record management activities including capital, labor and agronomics, which includes crop selection, planting decisions, acquisition of inputs, crop management and marketing decisions. One form should be used for each month and the farm manager should enter the number of hours of time spent for each activity under the date of the month the actions were completed. The farm manager must also document if each management activity was completed on the farm or remotely.

The records and supporting business documentation must be maintained and timely made available for review by the appropriate FSA reviewing authority, if requested.

If the farm manager fails to meet these requirements, their contribution of active personal management to the farming operation for payment eligibility purposes will be disregarded and their payment eligibility status will be re-determined for the applicable program year.

In some instances, additional persons or members of a non-family member joint operation who meet the definition of farm manager may also be allowed to use such a contribution of active personal management to meet the eligibility requirements. However, under no circumstances may the number of farm managers in a non-family joint operation exceed a total of three in any given crop and program year.

## Reporting Organic Crops

If you want to use the Noninsured Crop Disaster Assistance Program (NAP) organic price and you select the "organic" option on your NAP application, you must report your crops as organic.

When certifying organic acres, the buffer zone acreage must be included in the organic acreage.

You must also provide a current organic plan, organic certificate or documentation from a certifying agent indicating an organic plan is in effect. Documentation must include:

- name of certified individuals
- address
- telephone number
- effective date of certification
- certificate number
- list of commodities certified
- name and address of certifying agent
- a map showing the specific location of each field of certified organic, including the buffer zone acreage

Certification exemptions are available for producers whose annual gross agricultural income from organic sales totals \$5,000 or less. Although exempt growers are not required to provide a written certificate, they are still required to provide a map showing the specific location of each field of certified organic, transitional, and buffer zone acreage.

For questions about reporting organic crops, contact your local County USDA Service Center.

## USDA Launches Online Debt Consolidation Tool to Increase Farmer and Rancher Financial Viability

The U.S. Department of Agriculture (USDA) is announcing the launch of the Debt Consolidation Tool, an innovative online tool available through <u>farmers.gov</u> that allows agricultural producers to enter their farm operating debt and evaluate the potential savings that might be provided by obtaining a debt consolidation loan with USDA's Farm Service Agency (FSA) or a local lender.

A debt consolidation loan is a new loan used to pay off other existing operating loans or lines of credit that might have unreasonable rates and terms. By combining multiple eligible debts into a single, larger loan, borrowers may obtain more favorable payment terms such as a lower interest rate or lower payments.

Consolidating debt may also provide farmers and ranchers additional cash flow flexibilities.

The Debt Consolidation Tool is a significant addition to FSA's suite of improvements designed to modernize its Farm Loan Programs. The tool enhances customer service and increases opportunities for farmers and ranchers to achieve financial viability by helping them identify potential savings that could be reinvested in their farming and ranching operation, retirement accounts, or college savings accounts.

Producers can access the Debt Consolidation Tool by visiting <a href="farmers.gov/debt-consolidation-tool">farmers.gov/debt-consolidation-tool</a>. The tool is built to run on modern browsers including Chrome, Edge, Firefox, or the Safari browser. Producers do not need to create a farmers.gov account or access the authenticated customer portal to use the tool.

USDA encourages producers to reach out to their local FSA farm loan staff to ensure they fully understand the wide range of loan and servicing options available to assist with starting, expanding, or maintaining their agricultural operation. To conduct business with FSA, please contact your local <u>USDA Service Center</u>.

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