U.S. DEPARTMENT OF AGRICULTURE

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

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USDA Extends Application Deadline for Revenue Loss Programs to July 14

USDA is extending the deadline for the Emergency Relief Program (ERP) Phase Two and Pandemic Assistance Revenue Program (PARP) to July 14, 2023, to give producers more time to apply for assistance. The original deadline was June 2.

Additionally, USDA's Farm Service Agency (FSA) is partnering with nine organizations to provide educational and technical assistance to agricultural producers and provide assistance in completing an ERP Phase Two application. The extended deadline will give producers more time to work with these partner organizations and apply for assistance.



Cooperative Agreements for ERP Phase Two Application Assistance

Through cooperative agreements with FSA, the following organizations are providing free assistance to producers across the United States and territories.

- Alabama State Association of Cooperatives
- Farmers Legal Action Group, INC.
- Flower Hill Institute
- Intertribal Agriculture Council, Inc.
- North South Institute
- Renewing the Countryside II
- Rural Advancement Foundation International USA
- Rural Coalition
- Texas Small Farmers and Ranchers CBO

Depending on a producer's location, these nine partners can provide assistance either by phone or through online meeting software like Zoom or Microsoft Teams.

There is never a charge for technical assistance provided by FSA employees or cooperative agreement recipients. These organizations will assist producers with completing the application and any follow-up future insurance coverage requirements. Producers who receive ERP payments are statutorily required to purchase crop insurance or Noninsured Crop Disaster Assistance Program (NAP) coverage for the next two available crop years. These organizations will not collect producer records, complete or sign the application form, or act on the producer's behalf in any way throughout this process.

Find more information on FSA cooperative agreements and contact information for the nine organizations please visit <u>fsa.usda.gov/programs-and-services/cooperative-agreements/index</u>.

PARP Application Assistance

USDA will host a webinar that focus on completing the PARP application form on June 8, 2023 from 2:00 to 4:00 p.m. eastern with members of the National Farm Income Tax Extension Committee. Register here.

Eligibility

To be eligible for ERP Phase Two, producers must have suffered a decrease in allowable gross revenue in 2020 or 2021 due to necessary expenses related to losses of eligible crops from a qualifying natural disaster event. Assistance will be primarily to producers of crops that were not covered by Federal Crop Insurance or NAP, since crops covered by Federal Crop Insurance and NAP were included in the assistance under ERP Phase One.

To be eligible for PARP, an agricultural producer must have been in the business of farming during at least part of the 2020 calendar year and had a 15% or greater decrease in allowable gross revenue for the 2020 calendar year, as compared to a baseline year.

FSA offers an online ERP tool and PARP tool that can help producers determine what is considered allowable gross revenue for each respective program. Producers should contact their local FSA office to make an appointment to apply for ERP Phase Two and PARP assistance. Producers should also keep in mind that July 15 is a major deadline to complete acreage reports for most crops. FSA encourages producers to complete the ERP Phase Two application, PARP application and acreage reporting during the same office visit.

More Information

For more information, view the <u>ERP Phase Two Fact Sheet</u>, <u>PARP Fact Sheet</u>, the <u>ERP Phase Two-PARP Comparison Fact Sheet</u>, <u>ERP Phase Two application video tutorial</u>, <u>PARP application video tutorial</u>, <u>myth-buster blog</u> or contact your local <u>USDA Service Center</u>.

USDA is Providing \$130 Million in Assistance to Help Farmers Facing Financial Risk

USDA announced that nearly \$130 million in additional, automatic financial assistance has been obligated for qualifying farm loan program borrowers who are facing financial risk. The announcement is part of the \$3.1 billion to help distressed farm loan borrowers that was provided through Section 22006 of the Inflation Reduction Act (IRA).



Since the IRA was signed by President Biden in August 2022, including the payments announced today, USDA is providing approximately \$1.1 billion in immediate assistance to more than 20,000 distressed borrowers.

Borrowers who received these automatic payments include Farm Service Agency (FSA) direct loan borrowers whose interest exceeded principle owed on outstanding debts; borrowers who had a balance up to 60 days past due as of Sept. 30, 2022 and remained delinquent; and borrowers with a recent restructure between Feb. 28, 2020, through March 27, 2023, or who had accepted an offer to restructure on or before March 27, 2023, but had not yet closed that restructure.

Individual Applications for Farmers Seeking Assistance

In May, FSA will begin accepting and reviewing individual distressed borrower assistance requests from direct loan borrowers who missed a recent installment or are unable to make their next scheduled installment. All FSA borrowers should have received a <u>letter</u> detailing the process for seeking this type of assistance even before they become delinquent. As the letter details, borrowers who are within two months of their next installment may seek a cashflow analysis from FSA using a recent balance sheet and operating plan to determine their eligibility. Also in May, FSA borrowers will receive a letter detailing a new opportunity to receive assistance if they took certain extraordinary measures to avoid delinquency on their loans, such as

taking on or refinancing more debt, selling property, or cashing out retirement or college savings accounts. FSA also plans to begin working through these types of cases in May.

As USDA learns more about the types of situations financially distressed farmers are facing, the Department will continue to update borrowers and the public about new eligibility criteria. USDA will also provide regular updates about its progress in deploying this funding to farmers who need it.

USDA Offers Assistance to Help Organic Dairy Producers Cover Increased Costs

USDA announced assistance for dairy producers with the new Organic Dairy Marketing Assistance Program (ODMAP). ODMAP is established to help mitigate market volatility, higher input and transportation costs, and unstable feed supply and prices that have created unique hardships in the organic dairy industry. Specifically, under the ODMAP, USDA's Farm Service Agency (FSA) is making \$104 million available to organic dairy operations to assist with projected marketing costs in 2023, calculated using their marketing costs in 2022. FSA began accepting applications for ODMAP on May 24, 2023. Eligible producers include certified organic dairy operations that produce milk from cows, goats and sheep.



How ODMAP Works

FSA is providing financial assistance for a producer's projected marketing costs in 2023 based on their 2022 costs. ODMAP provides a one-time cost-share payment based on marketing costs on pounds of organic milk marketed in the 2022 calendar year. ODMAP provides financial assistance that will immediately support certified organic dairy operations during 2023 keeping organic dairy operations sustainable until markets return to more normal conditions.

How to Apply

FSA is accepting applications from May 24 to July 26, 2023. To apply, producers should contact FSA at their local <u>USDA Service Center</u>. To complete the ODMAP application, producers must certify to pounds of 2022 milk production, show documentation of their organic certification, and submit a completed application form.

Organic dairy operations are required to provide their USDA certification of organic status confirming operation as an organic dairy in 2023 and 2022 along with the certification of 2022 milk production in hundredweight.

ODMAP complements other assistance available to dairy producers, including Dairy Margin Coverage (DMC) and Supplemental DMC, with more than \$300 million in benefits paid for the 2023 program year to date. Learn more on the FSA Dairy Programs webpage.

USDA Previews Emergency Relief Assistance for Agricultural Producers Who Incurred Losses Due to 2022

FSA plans to roll out \$3.7 billion in <u>Emergency Relief Program (ERP)</u> and Emergency Livestock Relief Program (ELRP) assistance to crop and livestock producers who sustained losses due to a qualifying natural disaster event in calendar year 2022. USDA is sharing early information to allow producers time to gather documents in advance of program delivery. Through distribution of remaining funds. USDA is also concluding the 2021 FLRP program by sending



remaining funds, USDA is also concluding the 2021 ELRP program by sending payments in the amount of 20% of the initial ELRP payment to all existing recipients.

On December 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 wildfires, droughts, hurricanes, winter storms and other eligible disasters occurring in calendar year 2022.

Additionally, the Act specifically targets up to about \$500 million to livestock producers for losses incurred due to drought or wildfire in calendar year 2022.

ERP 2022 for Crop Producers

FSA intends to deploy the lessons learned from the development and implementation of ERP and ELRP for previous years' losses to ensure expedited assistance for 2022 losses.

Based on positive feedback from producers, stakeholder groups and FSA county office staff, USDA intends to provide an ERP track for producers who had coverage through Risk Management Agency's <u>federal crop insurance</u> or FSA's <u>Noninsured Crop Disaster Assistance Program</u> (NAP). Through a streamlined application process, USDA intends to be in a position to send pre-filled applications directly to eligible producers in early summer.

For producers who have not been able to avail themselves of risk management coverage or whose losses were not covered, USDA intends to offer a program track to access ERP assistance with assistance provided to producers who suffered a decrease in allowable gross revenue in 2022 due to necessary expenses related to losses of eligible crops from a qualifying natural disaster event.

Instead of implementing these program tracks as two separate phases on different timelines, FSA intends to make both tracks available to producers at the same time, noting that the first track will follow a streamlined process with less paperwork burden, based on existing, available risk management data. The second ERP track would require that producers provide FSA with certain information related to revenue.

ELRP 2022 for Livestock Producers and Close Out of ELRP for 2021

For impacted ranchers, USDA intends to leverage FSA's Livestock Forage Disaster Program (LFP) data to deliver ELRP assistance for increases in supplemental feed costs in 2022.

To be eligible for an ELRP payment for 2022 losses, livestock producers will need to have suffered grazing losses from wildfire or 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 2022 calendar year and have applied and been approved for 2022 LFP. Additionally, otherwise eligible producers whose permitted grazing on federally managed lands was disallowed due to wildfire will also be eligible for ELRP payments if they applied and were approved for 2022 LFP.

In a continued effort to streamline and simplify the delivery of ELRP benefits, eligible producers will not be required to apply for payment.

Meanwhile, FSA also intends to provide additional assistance to ranchers for qualifying livestock losses from drought and wildfire in 2021. More information will be announced in the coming months.

How Producers Can Prepare

To participate in ERP and ELRP for 2022 losses, both crop and livestock producers should have or be prepared to have the following forms on file with FSA:

- Form AD-2047, Customer Data Worksheet (as applicable to the program participant);
- Form CCC-902, Farm Operating Plan for an individual or legal entity;
- Form CCC-901, Member Information for Legal Entities (if applicable); and
- Form AD-1026 Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification.

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 should contact FSA at their local USDA Service Center.

In addition to the forms listed above, underserved producers are encouraged to register their status with FSA, using Form CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher

Certification, as certain existing permanent and ad-hoc disaster programs provide increased benefits or reduced fees and premiums.

Producers with eligible crop losses who did not have federal crop insurance or NAP risk management coverage for 2022 and intend to apply for ERP assistance will need to pull together revenue information that is readily available from most tax records. FSA encourages producers to have their tax documents from the past few years and supporting materials ready including Schedule F (Form 1040) and Profit or Loss from Farming or similar tax documents. FSA will not require these forms to be submitted with the ERP application, but will require a certification, similar to Adjusted Gross Income certification that has been used for many years for Farm Bill programs. Applicants simply report and certify to the information required for the program.

Crop producers who have federal crop insurance coverage should ensure that information on file with their insurance agent is accurate and that any pending activities needed to file loss claims for 2022 losses are addressed as soon as possible. Producers who received ERP assistance last year or who will receive assistance for 2022 losses are required to purchase crop insurance or NAP for the next two crop years.

In the coming months, USDA intends to provide additional information on how to apply for assistance through ERP and ELRP for 2022 losses. Through proactive communications and outreach, USDA will keep producers and stakeholders informed as program eligibility, application and implementation details unfold.



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