

USDA Service Center Newsletter - June 15, 2021

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

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## In Historic Move, USDA to Begin Loan Payments to Socially Disadvantaged Borrowers under American Rescue Plan Act Section 1005

The U.S. Department of Agriculture Farm Service Agency (FSA) <u>published the</u> <u>first notice of funding availability (NOFA)</u> (PDF, 242 KB) announcing loan payments for eligible borrowers with qualifying direct farm loans under the American Rescue Plan Act Section 1005. The official NOFA will be published in the Federal Register early this week and USDA expects payments to begin in early June and continue on a rolling basis. A subsequent notice addressing guaranteed loan balances and direct loans that no longer have collateral and



have been previously referred to the Department of Treasury for debt collection for offset, will be published within 120 days.

Section 1005 of the American Rescue Plan Act of 2021 (ARPA) provides funding and authorization for USDA FSA to pay up to 120 percent of direct and guaranteed loan outstanding balances as of January 1, 2021, for socially disadvantaged farmers and ranchers as defined in Section 2501(a) of the Food, Agriculture Conservation, and Trade Act of 1990 (7 U.S.C. 2279(a)). Section 2501(a) defines a socially disadvantaged farmer or rancher who is a member of a socially disadvantaged group, which is further defined as a group whose members have been subjected to racial or ethnic prejudice because of their identity as members of a group without regard to their individual qualities. Qualifying loans as part of today's announcement are certain direct loans under the Farm Loan Programs (FLP) and Farm Storage Facility Loan Program (FSFL).

For much of the history of the USDA, socially disadvantaged farmers and ranchers have faced discrimination—sometimes overt and sometimes through deeply embedded rules and policies—that have prevented them from achieving as much as their counterparts who do not face these documented acts of discrimination. Over the past 30 years, several major civil rights lawsuits have compensated farmers for specific acts of discrimination—including Pigford I and Pigford II, Keepseagle, and the Garcia cases. However, those settlements and other related actions did not address the systemic and cumulative impacts of discrimination over a number of decades that the American Rescue Plan now begins to address.

Sections 1005 and 1006 of ARPA provide USDA with new tools to address longstanding inequities for socially disadvantaged borrowers. Section 1006 of ARPA provides additional funding to begin long-term racial equity work within USDA, including to address heirs property claims and to stand up an Equity Commission to identify barriers to access USDA programming.

To learn more about the loan payments to socially disadvantaged farmers and ranchers, visit <u>www.farmers.gov/americanrescueplan</u>.

# USDA Announces Dates for Conservation Reserve Program General and Grasslands Signups

USDA has set a July 23 deadline for agricultural producers and landowners to apply for the CRP General signup 56 and will accept applications for CRP Grasslands from July 12 to August 20.

The U.S. Department of Agriculture (USDA) has set a July 23, 2021, deadline for agricultural producers and landowners to apply for the Conservation Reserve Program (CRP) General signup 56. Additionally, USDA's Farm Service Agency (FSA) will accept applications for CRP Grasslands from July 12 to August 20. This year, USDA updated both signup options to provide greater incentives for producers and increase its conservation benefits, including reducing the impacts of climate change.

Both signups are competitive and will provide for annual rental payments for land devoted to conservation purposes.

"Bottom line, CRP may now make more financial sense for some producers while also providing a bigger return on investment in terms of natural resource benefits. The General and Grasslands signups are part of a broader suite of tools available through CRP to integrate key conservation practices on our nation's working lands." said Acting Hawaii State and Pacific Basin Director Shirley Nakamura.

## **General Signup**

Through CRP, producers and landowners establish long-term, resource-conserving plant species, such as approved grasses or trees, to control soil erosion, improve water quality, and enhance wildlife habitat on cropland. Lands enrolled in CRP also play a key role in mitigating impacts from climate change, and FSA has added a new Climate-Smart Practice Incentive for practices that sequester carbon and reduce greenhouse gas emissions.

FSA is also adding a one-time "inflationary" adjustment for payment rates, as well as having more flexibility on adjusting soil rental rates.

FSA opened the <u>General Signup</u> in January 2021 and extended the original deadline to July 23, 2021, to enable producers to consider FSA's new improvements to the program.

#### **Grasslands Signup**

<u>CRP Grasslands</u> helps landowners and operators protect grassland, including rangeland, and pastureland and certain other lands, while maintaining the areas as grazing lands. Protecting grasslands contributes positively to the economy of many regions, provides biodiversity of plant and animal populations, and improves environmental quality.

FSA has updated the Grasslands Signup to establish a minimum rental rate of \$15 per acre, as well as new National Grassland Priority Zones.

## How to Sign Up

To enroll in the CRP General signup, producers and landowners should contact their local <u>USDA Service</u> <u>Center</u> by the July 23 deadline. To enroll in the CRP Grasslands signup, they should contact USDA by the August 20 deadline. While USDA offices may have limited visitors because of the pandemic, Service Center staff continue to work with agricultural producers via phone, email, and other digital tools. To work with FSA, producers and landowners should contact their local <u>USDA Service Center</u>. Contact information can be found at <u>farmers.gov/service-locator</u>.

#### More Information on CRP

Signed into law in 1985, CRP is one of the largest voluntary private-lands conservation programs in the United States. It was originally intended to primarily control soil erosion and potentially stabilize commodity prices by taking marginal lands out of production. The program has evolved over the years, providing many conservation and economic benefits. The program marked its 35-year anniversary this past December.

Under the Biden-Harris Administration, USDA is engaged in a whole-of-government effort to combat the climate crisis and conserve and protect our nation's lands, biodiversity, and natural resources, including our soil, air and water. Through conservation practices, USDA aims to enhance economic growth and create new streams of income for farmers, ranchers, producers and private foresters. Successfully meeting these challenges will require USDA and our agencies to pursue a coordinated approach alongside USDA stakeholders, including state, local, and tribal governments. USDA touches the lives of all Americans each day in so many positive ways. In the Biden-Harris Administration, USDA is transforming America's food system with a greater focus on more resilient local and regional food production, fairer markets for all producers, ensuring access to safe, healthy and nutritious food in all communities, building new markets and streams of income for farmers and producers using climate smart food and forestry practices, making historic investments in infrastructure and clean energy capabilities in rural America, and committing to equity across the Department by removing systemic barriers and building a workforce more representative of America. To learn more, visit <u>www.usda.gov</u>.

# USDA Offers Disaster Assistance for Producers Facing Inclement Weather

Severe weather events create significant challenges and often result in catastrophic loss for agricultural producers. Despite every attempt to mitigate risk, your operation may suffer losses. USDA offers several programs to help with recovery.

#### **Risk Management**

For producers who have risk protection through <u>Federal Crop Insurance</u> or the <u>Noninsured Crop Disaster</u> <u>Assistance Program</u> (NAP), we want to remind you to report crop damage to your crop insurance agent or the local Farm Service Agency (FSA) office.

If you have crop insurance, contact your agency within 72 hours of discovering damage and be sure to follow up in writing within 15 days. If you have NAP coverage, file a Notice of Loss (also called Form CCC-576) within 15 days of loss becoming apparent, except for hand-harvested crops, which should be reported within 72 hours.

#### **Disaster Assistance**

USDA also offers disaster assistance programs, which is especially important to livestock, fruit and vegetable, specialty and perennial crop producers who have fewer <u>risk management options</u>.

First, the <u>Livestock Indemnity Program</u> (LIP) and <u>Emergency Assistance for Livestock</u>, <u>Honeybee and Farm-raised Fish Program</u> (ELAP) reimburses producers for a portion of the value of livestock, poultry and other animals that died as a result of a qualifying natural disaster event or for loss of grazing acres, feed and forage. And, the <u>Livestock Forage Disaster Program</u> (LFP) provides assistance to producers of grazed forage crop acres that have suffered crop loss due to a qualifying drought. Livestock producers suffering the impacts of drought can also request <u>Emergency Haying and Grazing</u> on Conservation Reserve Program (CRP) acres.

Next, the <u>Tree Assistance Program</u> (TAP) provides cost share assistance to rehabilitate and replant tree, vines or shrubs loss experienced by orchards and nurseries. This complements NAP or crop insurance coverage, which cover the crop but not the plants or trees in all cases.

For LIP and ELAP, you will need to file a Notice of Loss for livestock and grazing or feed losses within 30 days and honeybee losses within 15 days. For TAP, you will need to file a program application within 90 days.

### Documentation

It's critical to keep accurate records to document all losses following a devastating weather event. Livestock producers are advised to document beginning livestock numbers by taking time and date-stamped pictures prior to and after the loss.

Other common documentation options include:

- Purchase records
- Production records
- Vaccination records
- Bank or other loan documents
- Third-party certification

#### **Other Programs**

The <u>Emergency Conservation Program</u> and <u>Emergency Forest Restoration Program</u> can assist landowners and forest stewards with financial and technical assistance to restore damaged farmland or forests.

Additionally, FSA offers a variety of loans available including emergency loans that are triggered by disaster declarations and operating loans that can assist producers with credit needs. You can use these loans to replace essential property, purchase inputs like livestock, equipment, feed and seed, or refinance farm-related debts, and other needs.

Meanwhile, USDA's Natural Resources Conservation Service (NRCS) provides financial resources through its <u>Environmental Quality Incentives Program</u> to help with immediate needs and long-term support to help recover from natural disasters and conserve water resources. Assistance may also be available for emergency animal mortality disposal from natural disasters and other causes.

#### Additional Resources

Additional details – including payment calculations – can be found on our <u>NAP</u>, <u>ELAP</u>, <u>LIP</u>, and <u>TAP</u> fact sheets. On farmers.gov, the <u>Disaster Assistance Discovery Tool</u>, <u>Disaster-at-a-Glance fact sheet</u>, and <u>Farm</u> <u>Loan Discovery Tool</u> can help you determine program or loan options.

While we never want to have to implement disaster programs, we are here to help. To file a Notice of Loss or to ask questions about available programs, contact your local USDA Service Center. All <u>USDA Service</u>

<u>Centers</u> are open for business, including those that restrict in-person visits or require appointments because of the pandemic.

# **USDA Supports Military Veteran's Transition to Farming**

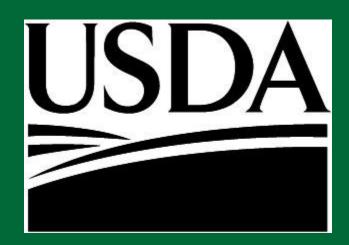
Are you a military veteran interested in farming? USDA offers resources to help you:

• **Fund Your Operation:** USDA's Farm Service Agency offers a variety of <u>funding opportunities</u> to help agricultural producers finance their businesses. Certain funds are targeted for veterans and beginning farmers and ranchers.



- **Conserve Natural Resources:** USDA's Natural Resources Conservation Service offers <u>conservation</u> <u>programs and expert one-on-one technical assistance</u> to strengthen agricultural operations now and into the future. Veterans may be eligible for a cost share of up to 90 percent and advance payments of up to 50 percent to cover certain conservation practices.
- **Manage Risks:** USDA is here to help you prepare for and recover from the unexpected. Veterans who are beginning farmers may be eligible for reduced premiums, application fee waivers, increased insurance coverage, and other incentives for multiple <u>USDA programs that support risk management</u>.

USDA wants to ensure that veterans transitioning to agriculture have the resources needed to succeed. USDA offices are currently open to visitors, we encourage you to contact the Service Center staff prior to visiting the office. Service Center staff continue to work with agricultural producers via phone, email, and other digital tools. Additionally, more information related to USDA's response and relief for producers can be found at farmers.gov/coronavirus. If you're a new farmer, you can also reach out to your <u>state</u> <u>Beginning Farmer and Rancher Coordinator</u>.



USDA website: <u>https://www.usda.gov/</u> Farmer.gov website: <u>https://www.farmers.gov/</u>

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