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## USDA Previews Emergency Relief Assistance for Agricultural Producers Who Incurred Losses Due to 2022 Natural Disaster Events

Agriculture Secretary Tom Vilsack announced plans to roll out \$3.7 billion in [Emergency Relief Program \(ERP\)](#) 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 ELRP program by sending payments in the amount of 20% of the initial ELRP payment to all existing recipients.

“U.S. agricultural producers nationwide endured crippling natural disaster events in 2022 including a megadrought, Hurricane Ian, epic flooding and catastrophic wildfires. To say these events were costly is an understatement,” Vilsack said. “Last year USDA streamlined the delivery of natural disaster assistance, speeding up the timing of payments and cutting the time spent on paperwork by 90% or one million hours relative to previous disaster programs. While we will use the same streamlined approaches, funding is limited and significantly less than the estimated losses. We are designing payment factors that ensure the fair, equitable and efficient delivery of program benefits to help as many producers as possible offset the significant financial impacts resulting from these ongoing and widespread natural disasters.”

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.

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 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 [usda.gov](https://usda.gov).

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## 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 [funding opportunities](#) 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 [conservation programs and expert one-on-one technical assistance](#) 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 [USDA programs that support risk management](#).

USDA wants to ensure that veterans transitioning to agriculture have the resources needed to succeed. To conduct business, please contact your [local USDA Service Center](#). If you're a new farmer, you can also reach out to your [state Beginning Farmer and Rancher Coordinator](#).

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## USDA Announces 2023 Cotton Loan Rate Differentials

USDA's Commodity Credit Corporation today announced the 2023 crop loan rate differentials for upland and extra-long staple cotton which are applied to the crop loan rate to determine the per bale actual loan rate.

The differentials, also referred to as loan rate premiums and discounts, were calculated based on market valuations of various cotton quality factors for the prior three years. This calculation procedure is identical to that used in past years.

The 2023 crop differential schedules are applied to 2023 crop loan rates of 52 cents per pound for the base grade of upland cotton and 95 cents per pound for extra-long staple cotton. The 2018 Farm Bill stipulates that the loan rate for the base quality of upland cotton ranges between 45 and 52 cents per pound based on the simple average of the Adjusted World Price for the two marketing years immediately preceding the next crop planting. However, the established loan rate cannot be less than 98% of the preceding

year's established loan rate. The loan rate provided to an individual cotton bale is based on the quality of each individual bale as determined by USDA's Agricultural Marketing Service classing measurements.

These differentials are important to cotton producers because they are used to derive the actual loan rate for each bale of cotton – above (premium) or below (discount) the average per pound loan rate, depending on the grade or quality of the cotton. The actual loan rate is significant because it is used to determine any marketing loan gains and loan deficiency payments.

USDA's Commodity Credit Corporation adjusts cotton loan rates by these differentials so that cotton loan values reflect the differences in market prices for color, staple length, leaf, extraneous matter, micronaire, length uniformity and strength.

The rates are posted on the [Farm Service Agency \(FSA\) website](#). To apply for loans or other programs, please contact your local [USDA Service Center](#).

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## USDA Announces Grassland Conservation Reserve Program Signup for 2023

USDA announced that agricultural producers and private landowners can begin signing up for the Grassland Conservation Reserve Program (CRP) starting today and running through May 26, 2023. Among CRP enrollment opportunities, Grassland CRP is a unique working lands program, allowing producers and landowners to continue grazing and haying practices while conserving grasslands and promoting plant and animal biodiversity as well as healthier soil.

More than 3.1 million acres were accepted through the 2022 Grassland CRP signup from agricultural producers and private landowners. That signup—the highest ever for the program—reflects the continued success and value of investments in voluntary, producer-led, working lands conservation programs. The current total participation in Grassland CRP is 6.3 million acres, which is part of the 23 million acres enrolled in CRP opportunities overall.

Since 2021, USDA's FSA, which administers all CRP programs, has made several improvements to Grassland CRP to broaden the program's reach, including:

- Creating two Zones to put focus on environmentally sensitive land such as that prone to wind erosion.
- Enhancing offers with 10 additional ranking points to producers and landowners who are historically underserved, including beginning farmers and military veterans.
- Leveraging the [Conservation Reserve Enhancement Program](#) (CREP) to engage historically underserved communities within Tribal Nations in the Great Plains.

### How to Sign Up for Grassland CRP

Landowners and producers interested in Grassland CRP, or any other CRP enrollment option, should contact their local [USDA Service Center](#) to learn more or to apply for the program before the deadlines.

Producers with expiring CRP acres can enroll in the Transition Incentives Program (TIP), which incentivizes producers who sell or enter into a long-term lease with a beginning,

veteran, or socially disadvantaged farmer or rancher who plans to sustainably farm or ranch the land.

### **Other CRP Signups**

Under [Continuous CRP](#), producers and landowners can enroll throughout the year. Offers are automatically accepted provided the producer and land meet the eligibility requirements and the enrollment levels do not exceed the statutory cap. Continuous CRP includes a Climate-Smart Practice Incentive to increase carbon sequestration and reduce greenhouse gas emissions by helping producers and landowners establish trees and permanent grasses, enhance wildlife habitat, and restore wetlands.

FSA offers several additional enrollment opportunities within Continuous CRP, including the State Acres for Wildlife Enhancement (SAFE) Initiative, the Farmable Wetlands Program (FWP), and the Conservation Reserve Enhancement Program (CREP). Also available is the Clean Lakes Estuaries and Rivers (CLEAR30) Initiative, which was originally piloted in twelve states but has since been expanded nationwide, giving producers and landowners across the country the opportunity to enroll in 30-year CRP contracts for water quality practices.

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## **USDA Microloans Help Farmers Purchase Farmland and Improve Property**

Farmers can use USDA farm ownership microloans to buy and improve property. These microloans are especially helpful to beginning or underserved farmers, U.S. veterans looking for a career in farming, and those who have small and mid-sized farming operations.

Microloans have helped farmers and ranchers with operating costs, such as feed, fertilizer, tools, fencing, equipment, and living expenses since 2013.

Microloans can also help with farmland and building purchases and soil and water conservation improvements. FSA designed the expanded program to simplify the application process, expand eligibility requirements and expedite smaller real estate loans to help farmers strengthen their operations. Microloans provide up to \$50,000 to qualified producers and can be issued to the applicant directly from the USDA Farm Service Agency (FSA).

To learn more about the FSA microloan program, contact your local County USDA Service Center or visit [fsa.usda.gov/microloans](https://fsa.usda.gov/microloans).

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## **USDA Announces Additional Assistance for Distressed Farmers Facing Financial Risk**

The U.S. Department of Agriculture (USDA) today announced that beginning in April it will provide approximately \$123 million in additional, automatic financial assistance for qualifying farm loan program borrowers who are facing financial risk, as part of the \$3.1 billion to help distressed farm loan borrowers that was provided through Section 22006 of the Inflation Reduction Act (IRA). The announcement builds on financial assistance offered to borrowers through the same program in October 2022.

The IRA directed USDA to expedite assistance to distressed borrowers of direct or guaranteed loans administered by USDA's Farm Service Agency (FSA) whose operations face financial risk. For example, in the October payments, farmers that were

60 days delinquent due to challenges like natural disasters, the pandemic or other unexpected situations were brought current and had their next installment paid to give them breathing room.

In October 2022, [USDA provided approximately \\$800 million](#) in initial IRA assistance to more than 11,000 **delinquent direct and guaranteed borrowers** and approximately 2,100 borrowers who had their farms liquidated and still had remaining debt. USDA shared that it would conduct case-by-case reviews of about 1,600 complex cases for potential initial relief payments, including cases of **borrowers in foreclosure or bankruptcy**. These case-by-case reviews are underway.

At the same time in October 2022, USDA announced that it anticipated payments using separate pandemic relief funding totaling roughly \$66 million on over 7,000 direct loans to borrowers who used the USDA Farm Service Agency's **disaster-set-aside** option during the COVID-19 pandemic. The majority of these payments have been processed and USDA anticipates it will complete all such payments in April 2023.

### **New Assistance for Distressed Borrowers**

FSA intends to provide the new round of relief starting in April to additional distressed borrowers. This will include approximately \$123 million in automatic financial assistance for qualifying Farm Loan Program (FLP) direct loan borrowers who meet certain criteria. Similar to the automatic payments announced in October 2022, qualifying borrowers will receive an individual letter detailing the assistance as payments are made. Distressed borrowers' eligibility for these new categories of automatic payments will be determined based on their circumstances as of today. More information about the new categories that make up the \$123 million in assistance announced today and the specific amount of assistance a distressed borrower receives can be found described in this fact sheet, [IRA Section 22006: Additional Automatic Payments, Improved Procedures, and Policy Recommendations](#).

To continue to make sure producers are aware of relief potentially available to them, all producers with open FLP loans will receive a letter detailing a new opportunity to receive assistance if they took certain extraordinary measures to avoid delinquency on their FLP loans, such as taking on more debt, selling property or cashing out retirement accounts. The letter will provide details on eligibility, the specific types of actions that may qualify for assistance, and the process for applying for and providing the documentation to seek that assistance.

These steps are part of a process USDA announced along with the October payments that is focused on assisting borrowers unable to make their next scheduled installment. Earlier this year, all borrowers should have received a letter detailing the process for seeking this type of assistance even before they become delinquent. 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.

### **Tax Resources**

USDA will continue to work with the Department of Treasury to help borrowers understand the potential tax implications from the receipt of an IRA payment, including that options may be available to potentially avoid or alleviate any tax burden incurred as a result of receiving this financial assistance.

In early April, USDA will send a specific set of revised tax documents, educational materials and resources to borrowers that received assistance in 2022, including a link to a webinar hosted by a group of farm tax experts to provide education on the options available. USDA cannot provide tax advice and encourages borrowers to consult their


own tax professional, but FSA is providing educational materials for borrowers to be aware of the options. USDA has tax-related resources available at [farmers.gov/taxes](https://farmers.gov/taxes).

## Improved Procedures and Policy Recommendations

FSA is finalizing changes to its policy handbooks to remove unnecessary hurdles, improve loan making and loan servicing and provide more flexibility on how loans are structured to maximize the opportunities for borrowers. Additional details on those changes can be found in the linked fact sheet and are the start of a broader set of process enhancements. The fact sheet also provides information on the eight, no-cost legislative proposals included in the Fiscal Year 2024 President's Budget that are designed to improve the borrower experience.

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# USDA Encourages Rice Farmers to Prepare for new Rice Production Program

 PROGRAM updates The U.S. Department of Agriculture (USDA) previewed plans to provide up to [\\$250 million in assistance](#) to rice farmers and what steps they can take to be prepared to sign up when the program is released later this spring. USDA is sharing information early so producers can prepare for program signup, which will include a pre-filled application in an effort to simplify and streamline the application process.

On Dec. 29, 2022, President Biden signed into law H.R. 2617, the Consolidated Appropriations Act, 2023, which provided the authority and funding for USDA to make payments to rice producers based on data already on file with the USDA, including planted acres and acres prevented from being planted.

## What Farmers Can Do Now

The full details of the program and application will not be available until after a Notice of Funding Availability is published later this year in the Federal Register. But there is something farmers can do right now to be better prepared for the signup, if they qualify for a higher payment limitation.

The payment limitation for the program is set by law and is higher if the farmer's average adjusted gross farm income (income from activities related to farming, ranching, or forestry) is more than 75% of their average adjusted gross income (AGI). Specifically, a person or legal entity with adjusted gross farm income of less than 75% of their overall AGI, cannot receive, directly or indirectly, more than \$125,000 in payments. AGI is based on the three taxable years preceding the most immediately preceding complete tax year. Farmers with 75% or more AGI from farming qualify for a \$250,000 payment limit.

Rice farmers may visit their local county office to submit the appropriate form and certification (FSA-510, *Request for an Exception to the \$125,000 Payment Limitation for Certain Programs*), if they qualify for and want to seek the higher payment limit and get part of the paperwork done early. Farmers will still have a chance to fill out the AGI form during signup as well. The form should be filled out for the 2022 crop year.

## Planned Application Process

After the official notice is published later this year, USDA's Farm Service Agency (FSA) plans to mail pre-filled applications to producers using information on file with USDA's Risk Management Agency (RMA) or FSA, as reported by rice producers through their crop insurance agents or FSA county office. This streamlined application process will reduce the burden on producers and minimize errors due to manual data entries on the application form. More information will be provided when FSA announces the signup period in the coming weeks.

## Program Payments

As directed by the omnibus legislation, FSA will calculate Rice Production Program (RPP) payments by multiplying the payment rate, individual average actual production history (APH), as reported to RMA, or county yield and an amount of certified rice acres determined by the number of planted acres and acres that were prevented from being planted. FSA plans to issue an initial payment to eligible farmers soon after applications are returned and a final payment after the sign-up has closed. Details on these procedures and the initial payment rate will be in the future notice.

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## Environmental Review Required Before Project Implementation



The National Environmental Policy Act (NEPA) requires Federal agencies to consider all potential environmental impacts for federally funded projects before the project is approved.

For all Farm Service Agency (FSA) programs, an environmental review must be completed before actions are approved, such as site preparation or ground disturbance. These programs include, **but are not limited to**, the Emergency Conservation Program (ECP), Farm Storage Facility Loan (FSFL) program and farm loans. If project implementation begins before FSA has completed an environmental review, the request will be denied. Although there are exceptions regarding the Stafford Act and emergencies, it's important to wait until you receive written approval of your project proposal before starting any actions.

Applications cannot be approved until FSA has copies of all permits and plans. Contact your local FSA office early in your planning process to determine what level of environmental review is required for your program application so that it can be completed timely.

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