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USDA Updates Livestock Disaster Payment Rate to Assist Producers Hard-Hit by Heat and Humidity

FSA is updating the [Livestock Indemnity Program \(LIP\)](#) payment rate to support livestock producers in the Midwest who have lost cattle to the extreme heat and humidity experienced this summer. To help indemnify ranchers to reflect a trend towards higher cattle weights in feedlots, the 2023 LIP payment rate for beef calves over 800 pounds will increase from \$1244 per head to \$1618, an increase of \$374.



LIP provides benefits to livestock owners and some contract growers for livestock deaths exceeding normal mortality from eligible adverse weather events, certain predation losses and reduced sales prices due to injury from an eligible loss. Indemnity payments are made at a rate of 75% of the prior year's average fair market value of the livestock.

The updated LIP payment rate is effective immediately and will be applied retroactively starting Jan. 1, 2023, for all eligible causes of loss including excessive heat, tornado, winter storms, and other qualifying adverse weather. Producers who have already received LIP payments for 2023 losses will receive an additional payment, if applicable, commensurate with this updated rate. For details on eligibility and payment rates, review the [LIP fact sheet](#).

FSA recognizes that an annual update of LIP payment rates does not account for the volatile nature of livestock markets and is further exploring flexibilities to establish more current payment rates.

More Information

On [farmers.gov](#), the [Disaster Assistance Discovery Tool](#), [Disaster Assistance-at-a-Glance fact sheet](#), and [Loan Assistance Tool](#) can help producers and landowners determine program or loan options. For assistance with a crop insurance claim, producers and landowners should contact their [crop insurance agent](#). For FSA and NRCS programs, they should contact their [local USDA Service Center](#).

USDA To Provide Additional Financial Assistance to Qualifying Guaranteed Farm Loan Borrowers Facing Financial Risk

The USDA announced it will begin providing additional, automatic financial assistance for qualifying guaranteed Farm Loan Programs (FLP) borrowers who are facing financial risk. The announcement is part of the \$3.1 billion to help certain distressed farm loan borrowers that was provided through Section 22006 of the Inflation Reduction Act.



Since the Inflation Reduction Act was signed into law by President Biden in August 2022, USDA has provided approximately \$1.15 billion in assistance to more than 20,000 distressed borrowers as a part of an ongoing effort to keep borrowers farming, remove obstacles that currently prevent many borrowers from returning to their land, and improve the way that USDA approaches borrowing and loan servicing in the long-term. The financial assistance announced today will provide qualifying distressed guaranteed loan borrowers with financial assistance similar to what was already provided to distressed direct loan borrowers. Based on current analysis, the financial assistance announced today will assist an estimated approximately 3,500 eligible borrowers, subject to change as payments are finalized. An FLP guaranteed loan borrower is distressed if they qualify under one of the options below. FLP guaranteed borrowers who qualify under multiple options will receive a payment based on the option that provides the greatest payment amount:

Payment of any outstanding delinquency on all qualifying FLP guaranteed loans as of Oct. 18, 2022. This includes any guaranteed loan borrowers who did not receive an automatic payment in 2022 on that loan because they were not yet 60 days delinquent as of Sept. 30, 2022, as well as guaranteed borrowers that became delinquent on a qualifying FLP guaranteed loan between September 30, 2022, and Oct. 18, 2022.

Payment on a qualifying FLP guaranteed loan for which a guaranteed loan borrower received a loan restructure, which modified the guaranteed loan maturity date, between March 1, 2020, and Aug. 11, 2023. The payment amount will be the lesser of the post-restructure annual installment or the amount required to pay the loan in full. The guaranteed loan must not have been paid in full prior to Aug. 11, 2023.

Payments on certain deferred amounts on qualifying FLP guaranteed loans, not to exceed \$100,000, for guaranteed borrowers who received a deferral or another type of payment extension, for at least 45 days, between March 1, 2020, and Sept. 30, 2022, from their guaranteed lender on that qualifying guaranteed loan in response to COVID-19, disasters, or other revenue shortfalls. The Inflation Reduction Act payment amount will be the lesser of the most recent deferral or extension amount on the qualifying FLP guaranteed loan, or the amount required to pay that loan in full. The guaranteed loan must not have been paid in full prior to Aug. 11, 2023.

This assistance is only available for FLP guaranteed loan borrowers who did not or will not receive an initial payment on the same FLP guaranteed loan under Inflation Reduction Act assistance announced in October 2022. Distressed guaranteed borrowers qualifying for this assistance will receive a United States Department of the Treasury check that is jointly payable to the borrower and the lender. These borrowers will also receive a letter from FSA informing them of Inflation Reduction Act assistance they will receive as well as instructions to make an appointment with their lender to process the payment and apply it to their qualifying guaranteed loan accounts. Guaranteed lenders will receive an email in the coming days informing them of this assistance and any next steps. Lenders will also receive letters informing them which borrowers will receive assistance and the amount of assistance they will receive. Any distressed guaranteed borrowers who qualify for these forms of assistance and are currently in bankruptcy will be addressed using the same case-by-case review process announced in October 2022 for complex cases. FSA will also provide relief to qualifying FLP guaranteed loan borrowers determined to be distressed borrowers based on liability for remaining federal debt subject to debt collection and garnishment after the liquidation of their guaranteed loan account as of July 31, 2023. This will allow some borrowers to potentially return to farming. Guaranteed borrowers who qualify for this assistance will have their federal debt paid automatically by FSA and will receive a letter informing them of the payment made on their federal debt. All letters to qualifying

guaranteed loan borrowers will contain instructions for opting out of assistance if a borrower chooses to do so.

Important Tax Information

Similar to other USDA Inflation Reduction Act assistance, payments provided to borrowers and payments to be applied to FSA farm loan accounts will be reported to the Internal Revenue Service (IRS). Borrowers receiving this assistance will receive a 1099 form from FSA. Please note that payments over \$600 are subject to Federal and State Income Taxes and will be reflected on your annual 1099 form. Borrowers are encouraged to consult a tax professional with all tax-related questions regarding any Inflation Reduction Act assistance received. USDA also has tax-related resources at farmers.gov/taxes.

Individual Requests for Farmers Seeking Assistance

In addition to the automatic payments announced today for distressed guaranteed loan borrowers, FSA continues to accept and review individual distressed borrower assistance requests from direct loan borrowers who missed a recent installment or are unable to make their next scheduled installment on a qualifying direct FLP loan. All FSA direct borrowers should have received a [letter](#) detailing the eligibility criteria and process for seeking this type of assistance, which is available even before they become delinquent. As the letter details, borrowers who are within two months of their next installment may seek a cash flow analysis from FSA using a recent balance sheet and operating plan to determine their eligibility.

FSA direct borrowers also received a [letter](#) detailing an opportunity to receive assistance if they took certain extraordinary measures to avoid delinquency on their qualifying direct FLP loans, such as taking on or refinancing more debt, selling property, or cashing out retirement or college savings accounts.

Borrowers can submit requests for extraordinary measures or cash flow-based assistance in person at their local FSA office or by sending in a direct request using the farmers.gov 22006 assistance request portals at farmers.gov/loans/inflation-reduction-investments/assistance. All requests for assistance must be received by Dec. 31, 2023.

Financial Assistance Application Process Opens for USDA Farm Loan Borrowers Who Have Faced Discrimination

USDA announced the opening of the financial assistance application process for eligible farmers, ranchers, and forest landowners who experienced discrimination in USDA farm lending programs prior to January 2021. Section 22007 of the Inflation Reduction Act (IRA) directs USDA to provide this assistance. Since the law's passage, USDA has worked diligently to design the program in accordance with significant stakeholder input.

The program website, 22007apply.gov, is now open. The website includes an English- and Spanish-language application that applicants can download or submit via an e-filing portal, information on how to obtain technical assistance in-person or virtually, and additional resources and details about the program.

Farmers, ranchers, and forest landowners who experienced discrimination by USDA in its farm loan programs prior to January 1, 2021 and/or are currently debtors with assigned or assumed USDA farm loan debt that was the subject of USDA discrimination that occurred prior to January 1, 2021, are eligible for this program.

To apply, borrowers have the option to apply via the e-filing portal at 22007apply.gov or submit paper-based forms via mail or in-person delivery to the program's local offices. The application process closes October 31, 2023. Under the planned timeline, applications will be reviewed in November and December, with payments reaching recipients soon thereafter. Importantly, applicants should know that the application process is not on a first come, first served, basis. All applications received or postmarked before the October 31 deadline will be considered.

To support producers throughout the application process, USDA is ensuring that organizations with extensive experience conducting outreach to farm organizations are able to support individuals who may be eligible for the program. These groups include [AgrAbility](#), [Farmer Veteran Coalition](#), [Farmers' Legal Action](#)

[Group](#), [Federation of Southern Cooperatives](#), [Intertribal Agriculture Council](#), [Land Loss Prevention Program](#), [National Young Farmers Coalition](#), and [Rural Coalition](#).

Vendors operating four regional hubs are also providing technical assistance and working closely with these and other community-based organizations to conduct outreach using digital and grassroots strategies, to ensure potential applicants are informed about the program and have the opportunity to apply. These hubs are operating a network of brick-and-mortar program offices and will conduct extensive outreach about the program. Windsor Group serves farmers in the eastern regions of the U.S. and Analytic Acquisitions serves the western regions. A national administrator, Midtown Group, is responsible for program oversight and integrity, and will lead a national call-center, operate the application website - 22007apply.gov, which is now open – and review and process applications and payments. All vendors have experience in professional services, supporting government contracts, and complex program operations.

In standing up this program, USDA has become aware of some lawyers and groups spreading misleading information about the discrimination assistance process, pressuring people to sign retainer agreements, and asking people to fill out forms with private and sensitive information. As of today, the official application process has begun and filling out an application is free.

No attorneys' fees will be paid to applicants or their counsel by USDA or by any other agency or department of the United States. The amount of financial assistance will not be increased for those claimants who are represented by an attorney. Applicants are not required to retain an attorney. USDA, the national administrator, and the regional hub vendors will neither recommend that any applicant retain counsel or retain a specific attorney or law firm, nor discourage an applicant from obtaining counsel or using a specific attorney or law firm. For more information, read our [fact sheet about the program timeline and ways to protect against possible scams](#).

Avoid Scams Related to USDA Financial Assistance for Farmers Facing Discrimination

The Inflation Reduction Act provides \$2.2 billion in financial assistance for farmers, ranchers, and forest landowners who experienced discrimination in USDA's farm lending programs prior to January 1, 2021.

USDA has become aware of some lawyers and groups spreading misleading information about this process, pressuring people to sign retainer agreements, and asking people to fill out forms with private and sensitive information.

Application forms for this program **are not yet available** and the **application filing period has not started**. Before the application process opens, USDA will publish a list of trusted community organizations located across the country that will provide **FREE** help completing applications.

Please beware of organizations seeking to file your application for a fee. Filing an application for the program will be **FREE**. You **will not** need a lawyer to file an application for this program. If you feel the need for legal advice, seek the assistance of a trusted, licensed attorney.

Beware of solicitations by mail, email, or phone calls from individuals claiming to be connected to USDA. **USDA will not solicit you for information.**

The most up-to-date information on this program will be posted at www.farmers.gov/22007, a USDA website. Please check there for any concerns or reach out to your local FSA office. To find your local office, visit farmers.gov/service-locator.

If you believe there is an organization conducting a scam related to this process, please contact the USDA Office of the Inspector General (OIG) or any other appropriate authorities. The USDA OIG hotline can be accessed online at <https://usdaoig.oversight.gov/hotline> and by phone at (800) 424-9121.

USDA offers in-person training sessions about new Controlled Environment crop insurance



Is the new Controlled Environment crop insurance right for you? Find out with USDA's Risk Management Agency.

The USDA is introducing a new Federal Crop Insurance program designed to provide greenhouse growers an opportunity to insure against losses due to destruction orders based on detection of plant disease vectors. USDA is hosting an in-person public session on **OCT. 3 in LAKEWOOD, COLO.**, to introduce the program and answer any questions you may have. Learn more and see the schedule of the session's exact time and location. [Learn More](#)

Before You Break Out New Ground, Ensure Your Farm Meets Conservation Compliance

The term "sodbusting" is used to identify the conversion of land from native vegetation to commodity crop production after December 23, 1985. As part of the conservation provisions of the Food Security Act of 1985, if you're proposing to produce agricultural commodities (crops that require annual tillage including one pass planting operations and sugar cane) on land that has been determined highly erodible and that has no crop history prior to December 23, 1985, that land must be farmed in accordance with a conservation plan or system that ensures no substantial increase in soil erosion.



Eligibility for many USDA programs requires compliance with a conservation plan or system on highly erodible land (HEL) used for the production of agricultural commodities. This includes Farm Service Agency (FSA) loan, disaster assistance, safety net, price support, and conservation programs; Natural Resources Conservation Service (NRCS) conservation programs; and Risk Management Agency (RMA) Federal crop insurance.

Before you clear or prepare areas not presently under production for crops that require annual tillage, you are required to file Form AD-1026 "Highly Erodible Land Conservation and Wetland Conservation Certification," with FSA indicating the area to be brought into production. The notification will be referred to NRCS to determine if the field is considered highly erodible land. If the field is considered HEL, you are required to implement a conservation plan or system that limits the erosion to the tolerable soil loss (T) for the predominant HEL soil on those fields.

In addition, prior to removing trees or conducting any other land manipulations that may affect wetlands, remember to update form AD-1026, to ensure you remain in compliance with the wetland conservation provisions.

Prior to purchasing or renting new cropland acres, it is recommended that you check with your local USDA Service Center to ensure your activities will be in compliance with the highly erodible land and wetland conservation provisions.

For additional information on highly erodible land conservation and wetland conservation compliance, contact [your local USDA Service Center](#).

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USDA is an equal opportunity provider, employer and lender. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).