

## Farm Service Agency U.S. DEPARTMENT OF AGRICULTURE

# <u>USDA Provides Update on Implementation of Forthcoming Disaster</u> Assistance

News Release | February 03, 2022

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Program benefits to be delivered through two-phased approach

HOUSTON, Feb. 3, 2022 – Today, the U.S. Department of Agriculture (USDA) provided an update at the Cattle Industry Convention on forthcoming assistance for agricultural producers impacted by weather-related disasters in calendar years 2020 and 2021.

"Over the past two years, as agricultural producers have struggled with the ongoing impacts of the COVID-19 pandemic, many have been hard-hit by more frequent and more intense natural disasters," said Robert Bonnie, Under Secretary for Farm Production and Conservation. "With the help of Congress, USDA is working to deliver \$10 billion in much-needed relief, including \$750 million for livestock producers impacted by the severe drought. As we work to administer this assistance, we remain guided by our goals to streamline the application process to reduce the burden on producers, proactively include underserved producers who have been left out of past relief efforts and encourage participation in existing risk management tools that can help producers weather future extreme weather events."

#### **Background**

On September 30, 2021, President Biden signed into law the *Extending Government Funding and Delivering Emergency Assistance Act* (P.L. 117-43). This Act includes \$10 billion in assistance to agricultural producers impacted by wildfires, droughts, hurricanes, winter storms, and other eligible disasters experienced during calendar years 2020 and 2021. Additionally, the Act specifically targets \$750 million to provide assistance to livestock producers for losses incurred due to drought or wildfires in calendar year 2021.

According to Under Secretary Bonnie, USDA will follow a two-phased process to administer relief to eligible livestock and crop producers, with the first phase utilizing a streamlined process that relies on existing data that producers have already reported to USDA.

#### **Phase One for Livestock Producers**

For impacted ranchers, USDA will leverage <u>Livestock Forage Disaster Program</u> (LFP) data to administer relief. LFP is an important tool that provides up to 60 percent of the estimated replacement feed cost when drought adversely impacts grazing lands. FSA continues to tally 2021 LFP applications filed by the January 31, 2022, deadline, but early estimates show 74,000 applications totaling more than \$500 million in payments to livestock producers under LFP.

While LFP has provided a critical infusion of assistance for ranchers, widespread and severe drought conditions, especially in the Western and Plain states, last year drove prices for feed 50 percent or more above the feed cost formula.

Congress recognized requests for aid go beyond this existing program and provided specific funding for livestock producers in 2021.

For the first phase of livestock assistance, USDA intends to:

- Use existing LFP application data;
- Streamline the application process to require no or minimal additional paperwork; and
- Distribute at least half the \$750 million through the first phase by the end of March 2022.

#### **Phase One for Crop Producers**

The broader program to provide assistance to crop producers will follow a two-phased process similar to that of the livestock assistance with implementation of first phase this spring. Phase one of the crop assistance program delivery will use existing <a href="Federal Crop Insurance">Federal Crop Insurance</a> or <a href="Moninsured Crop Disaster">Noninsured Crop Disaster</a>
<a href="Assistance Program">Assistance Program</a> data as the basis for calculating initial payments.

Making the initial payments using existing safety net and risk management data will both speed implementation and further encourage participation in these permanent programs, including the Pasture, Rangeland, Forage Rainfall Index Crop Insurance Program, as Congress intended.

#### **Phase Two for Livestock and Crop Producers**

The second phase of both the livestock and crop programs will fill additional assistance gaps and cover eligible producers who did not participate in these existing programs.

#### **More Information**

Additional USDA disaster assistance information can be found on farmers.gov, including the <u>Disaster Assistance Discovery Tool</u>, <u>Disaster-at-a-Glance fact sheet</u>, and <u>Farm Loan Discovery Tool</u>. For FSA and Natural Resources Conservation Service programs, producers should contact their local <u>USDA Service Center</u>. For assistance with a crop insurance claim, producers and landowners should contact their <u>crop insurance agent</u>.

USDA touches the lives of all Americans each day in so many positive ways. Under 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?usda.gov.

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