



Tax Resources for USDA Program Participants

Navigating filing taxes can be challenging, especially if you are new to running a farm business, participating in disaster programs for first time, or trying to forecast the farm's tax bill. Receiving funds from USDA through activities such as a conservation program payment or a disaster program is considered farm income that includes a tax liability for farm businesses. USDA technical assistance is free and creates no tax implications.



At the end of the tax year, USDA issues tax forms 1098 and 1099 forms for farm loans, conservation programs administered by the Farm Service Agency and Natural Resource Conservation Service including the Conservation Reserve Program and Environmental Quality Incentives Program, crop disaster payments, and the Market Facilitation Program. USDA also issues tax forms for recipients of assistance for distressed borrowers, including through Section 22006 of the Inflation Reduction Act.

If you have received tax forms related to your operation, USDA cannot and does not provide tax advice but wants you to be aware of options that may help manage your tax liability. USDA has partnered with experts to provide resources to help you make the right tax decisions for your operation. Monthly webinars are available for registration and to view on demand at <https://www.farmers.gov/working-with-us/taxes>.

The [Tax Estimator Tool](#) is an interactive spreadsheet that producers can download to estimate tax liability. It is for informational and educational purposes and should not be considered tax or legal advice. Producers may need to work with a tax professional to determine the correct information to be entered in the Tax Estimator Tool.

We encourage you to visit <https://www.farmers.gov/working-with-us/taxes> for more information on how to find and work with a tax preparer as well as instructions on how to request copies of USDA documents and links to other helpful tax resources.

USDA's Conservation Reserve Program Pays More Than \$1.77 Billion to America's Producers in Support of Conservation and Climate-Smart Agriculture

The U.S. Department of Agriculture (USDA) has issued more than \$1.77 billion this year to agricultural producers and landowners through its Conservation Reserve Program (CRP), a critical piece of the Department's efforts to support climate-smart agriculture and forestry on working lands. This year, CRP's more than 667,000 participants received payments from USDA's Farm Service Agency (FSA) for their voluntary conservation efforts on more than 23 million acres of private land. Since 2021, CRP has grown by 21% in terms of acres enrolled, testament to the Biden-Harris administration's program improvement efforts.

Improvements to CRP

Since 2021, FSA has made improvements to the program:

- **Introducing a new climate-smart practice incentive** for CRP general and continuous signups designed to reward participants who implement conservation practices that increase carbon sequestration and reduce greenhouse gas emissions.
- **Enabling additional soil rental rate adjustments** or rate flexibilities, including a possible increase in rates where appropriate.
- **Increasing payments for practice incentives** from 20% to 50%. This incentive, in addition to cost share payments, for continuous CRP practices is based on establishment cost.
- **Increasing payments for water quality practices rates** from 10% to 20% for certain water quality benefiting practices available through the CRP continuous signup, such as grassed waterways, riparian buffers and filter strips.
- **Establishing a Grassland CRP minimum rental rate** benefitting more than 1,000 counties with rates currently below the \$13 minimum.

Additionally, FSA made significant improvements to the Conservation Reserve Enhancement Program (CREP) that reduce barriers by making the partnership program more accessible to a broader cross-section of agricultural producers and new conservation partners. These program improvements include the flexibility for partners to provide matching funds in the form of cash, in-kind contributions, or technical assistance and the ability for FSA to invest in additional, full-time staff devoted to working directly with our CREP partners and program specialists in FSA's state offices.

Since 2021, FSA has also entered into the first-ever Tribal Nations CREP agreements in partnership with the Cheyenne River, Rosebud, and Oglala Sioux Tribes. And in 2022, USDA entered into the Big Sioux River Watershed CREP agreement with the South Dakota Department of Game, Fish & Parks to assist farmers, ranchers and agricultural landowners to improve water quality, reduce soil erosion, enhance wildlife habitat, and create public hunting and fishing access. These CREP agreements reflect priorities and goals of USDA to broaden the scope and reach of its voluntary, incentive-based conservation programs to engage underserved producers.

FSA's conservation programs had a strong showing in 2023. FSA partnered with producers and landowners to enroll 3.9 million CRP this year—including 927,000 enrolled acres through General CRP, 2.3 million acres enrolled in Grassland CRP and 694,000 acres enrolled in Continuous CRP. These results underscore the continued importance of CRP as a tool to help

producers invest in the long-term health, sustainability, and profitability of their land and natural resources.

More Information

CRP is a voluntary program contract with agricultural producers through which environmentally sensitive agricultural land is devoted to conservation benefits. CRP participants establish long-term, resource-conserving plant species, such as approved grasses or trees to control soil erosion, improve water quality and develop wildlife habitat. In return, FSA provides participants with rental payments and cost-share assistance. Contract duration is between 10 and 15 years.

To learn more about CRP and other FSA programs, producers can contact their local [USDA Service Center](#).

USDA Extends Application Deadline for Discrimination Financial Assistance Program to Jan. 13

The application period is now open for a new financial assistance program under Section 22007 of the Inflation Reduction Act (IRA), for farmers, ranchers, and forest landowners who experienced discrimination in USDA farm lending programs prior to January 2021. The application process will close on January 13, 2024. Borrowers will have the option to apply for assistance online via 22007apply.gov or through a paper-based form.

Details about the program, including an application and e-filing portal, are available at 22007apply.gov. 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. Applicants can also call the free call center at 1-800-721-0970, or visit one of several dozen brick-and-mortar offices the program has set up around the country. Locations are provided on the program website and vendors will update the local events schedule with more information as it becomes available. It is important to note that filing an application is FREE and does not require a lawyer.

If you want to get weekly updates on the program's events and progress, you can go to <https://22007apply.gov>, and subscribe to a weekly newsletter.

USDA Launches Program to Support Agricultural Employers and Farmworkers, Aiming to Increase

Economic and Supply Chain Resilience as Part of President Biden's Investing in America Agenda

The Biden-Harris Administration announced that agricultural employers can begin to apply for a pilot program designed to improve the resiliency of the food and agricultural supply chain by addressing workforce challenges farmers and ranchers face. USDA, in coordination with other federal agencies, is announcing up to \$65 million in grants available for the Farm Labor Stabilization and Protection Pilot Program (FLSP Program).

The program will help address workforce needs in agriculture, promote a safe and healthy work environment for farmworkers, and aims to support expansion of lawful migration pathways for workers, including for workers from Northern Central America, through the Department of Labor's seasonal H-2A visa program.

The FLSP Program seeks to advance the following Administration priorities:

- **Address current workforce needs in agriculture:** Based on stakeholder input, USDA identified that agricultural employers have experienced increased challenges finding an adequate supply of workers, which threatens our domestic capacity to produce a safe and robust food supply. This pilot program will help address these challenges by expanding the potential pool of workers, and enhancing employers' competitiveness by improving the quality of the jobs they offer.
- **Reduce irregular migration, including from Northern Central America through the expansion of regular pathways:** While U.S. agricultural operations seek additional workers, the Biden-Harris Administration has committed to promote the expansion of regular migration pathways, as part of the Los Angeles Declaration on Migration and Protection. The FLSP offers an opportunity to support this commitment, with economic benefits for foreign workers and their families, and professional and economic development opportunities for communities that send their workers to participate in the H-2A program.
- **Improve working conditions for farmworkers:** A stable and resilient food and agricultural sector relies on attracting and retaining skilled agricultural workers, and strong working conditions are critical to achieve that goal. Through this pilot program, USDA will support efforts to improve working conditions for agricultural workers, both U.S. and H-2A workers. The pilot will help ensure that workers know their rights and the resources available for them, and will promote fair and transparent recruitment practices.

Eligibility for this competitive grant program is limited to domestic agricultural employers who 1) anticipate meeting all Department of Labor (DOL) and Department of Homeland Security (DHS) regulatory requirements for the H-2A program, including demonstrated effort to effectively recruit U.S.-based workers and hire all willing, able, and qualified U.S. workers; and 2) commit to, and indicate capacity to fulfill all Baseline Requirements, as well as any selected (supplemental) commitments that entail additive worker benefits and protections. Eligible employers include fixed-site employers, joint-employers, agricultural associations, and H-2A labor contractors.

The maximum award amount is \$2,000,000 and the minimum amount is \$25,000 per grant agreement (including any sub-awardees). Award amounts will be determined based on the

projected number of full-time equivalent (FTE) agricultural employees, desired award level, as well as the competitive nature of the application. Consistent with the H-2A requirements, applicants must demonstrate insufficient availability of a U.S.-based workforce. The grant window for each recipient is 24 months, allowing producers to use the grant over the course of two agricultural production seasons.

Applications for the FLSP program must be received on or before 11:59 pm Eastern Time on **November 28, 2023**. More information about the application process can be found here: www.ams.usda.gov/flsp.

Ask USDA Available to Answer Questions About FSA Programs

Ask USDA is now available as a tool for FSA customers to ask questions about FSA programs and services.

Ask USDA, available at ask.usda.gov is similar to AskFSA, which was decommissioned Sept. 21, but it also provides information for all USDA programs. Ask USDA allows USDA customers to search for and read answers about FSA programs and services in the same location as they read about other USDA programs and services.

Customers are able to submit questions through email, chat, and phone if they need more information. This improved customer service approach provides a one-stop shopping experience that covers all of USDA's many programs.



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