



ODAP Program Background and Requirements

Funding Authority

Pursuant to Oregon Laws Chapter 2, 2021, the Oregon Department of Agriculture (ODA) has the authority to administer the Oregon Disaster Assistance Program utilizing funding appropriated to the Oregon Agricultural Disaster Relief Fund to provide assistance to farmers and ranchers in Oregon who suffered economic loss in the calendar year 2021 due to natural disasters.

Eligible Applicants

To be eligible for funds under the ODAP program, a person must execute the ODAP Application with a participating Lending Institution. The application will demonstrate eligibility that the applicants has:

1. a. Filed taxes in Oregon for farming or ranching operations located in this State; or
b. That the person is an Indian tribe as defined by ORS 391.802 with farming or ranching operations in this State;
2. That the person has an adjusted gross income of less than \$500,000 in the calendar year 2021; and
3. That the person's farming or ranching operations in this State suffered an economic loss in the calendar year 2021 due to a qualifying natural disaster.

Program Funding Limitations

(1) Oregon Disaster Assistance Program (ODAP) Forgivable Loan disbursement amounts may not exceed \$125,000 or cause the award recipient's actual or estimated gross farm income in calendar year 2021 to exceed 90% of the recipient's 3-year baseline.

(2) Notwithstanding paragraph (1) of this Program Funding Limitation section, an ODAP loan payment to a recipient that qualifies as a historically underserved producer (as defined by 7 USC § 1470.3), or to a recipient that has less than \$350,000 in gross farm income in calendar year 2021 may not exceed \$150,000 or cause the award recipient's actual or estimated gross farm income in calendar year 2021 to exceed 95% of the recipient's 3-year baseline.

(3) Notwithstanding eligible loan amounts provided in paragraphs (1) and (2) of this section, loan award amounts are subject to available funding and department priorities which may require a reduction in a loan award amount or require non-funding of an otherwise eligible loan application.

(4) An eligible Forgivable Loan minimum award amount is \$1,000.

Funding Calculations

The applicant must establish a three-year year baseline to determine the reasonably expected gross income for 2021 without natural disasters. The three-year baseline is established using the mean gross farm income in 2017, 2018, and 2019.

If the applicant is unable to complete the three-year baseline due to not operating a farm or ranch in Oregon, gross farm income data from 2020 shall be used if available. To complete remaining years for a three-year baseline, a reasonable estimate of what the applicant's gross farm income will be determined by using the reported principal activity code and the reported size range of the operation to determine county-level farm income based on the United States Department of Agriculture's (USDA) National Agricultural Statistics Service (NASS) information. The NASS data reference sheet may be found at oda.direct/ODAP.

For livestock producers with a principal activity code that represents animal production, the ODAP program recognizes there were excessive expenses due to natural disasters for the immediate preservation of livestock health and safety. Livestock producers will be able to deduct the difference from a three-year baseline of livestock expenses and their 2021 livestock expense from their 2021 gross farm income. Livestock expenses are determined to be the aggregate of IRS Form Schedule F lines 16, 18, 19, 24b, 26, and 31 or the equivalent for IRS 1120 filers or Indian Tribes.

All applicants, including IRS 1120 filers or Indian Tribes, may use ODAP Independent Income/Expense Verification Form information to satisfy respective tax year information requirements.

Examples of Eligible Funding Amounts:

	Example 1: No Federal Assistance Payment	Example 2 Federal Assistance Payment
3-year Baseline	\$100,000	\$100,000
90% Limitation Applied	\$90,000	\$90,000
2021 Gross Income	\$50,000	\$50,000
Eligible ODAP Loan Amount	\$40,000	\$40,000
Federal Payments Received	\$0	\$25,000
Required ODAP Repayment Amount (If full eligible ODAP Loan Amount disbursed)	\$0	\$25,000

Forgiveness Determination

If the applicant is not receiving a USDA Farm Service Agency disaster assistance for losses in 2021 and actual gross farm income from filed 2021 tax return has been used, the full balance of any loan granted will be forgiven immediately upon disbursing the Forgivable Loan.

If estimates for 2021 gross farm income were used, the applicant must provide the Lending Institution with a copy of the 2021 tax return once filed with the IRS. The eligible Forgivable Loan will be recalculated using the information from the filed tax returns. If the adjusted calculation results in a lower eligible amount than what was disbursed, recipient will be required to repay the difference, and the remaining Forgivable Loan amount will be forgiven. Failure to provide a copy of the filed 2021 tax return to the Lending Institution on or before November 30, 2022, will result in the Forgivable Loan being unforgiven and the recipient will be required to pay back the loan in full to the Lending Institution.

For applicants who meet the definition of an Indian Tribe and are not receiving USDA Farm Service Agency (FSA) disaster assistance for losses in 2021, the full balance of any loan granted will be forgiven immediately upon disbursing the Forgivable Loan.

If the applicant is awarded USDA Farm Service Agency (FSA) disaster assistance after submitting an application for ODAP program Forgivable Loan assistance, recipient will need to provide the Lending Institution with a copy of the FSA award letter. The award amount will be added to the applicant’s 2021 income, and the loan will be recalculated using the adjusted income. If the adjusted loan amount is greater than \$1,000 less than the amount received, the recipient will be required to pay the difference, and any remaining loan amount will be forgiven. Failure to provide a copy of the FSA award letter within ninety (90) days of receiving the letter will result in the loan balance being unforgiven and the recipient will be required to pay back the loan in full to the lending institution.