

June 2020



Farm Service Agency **Electronic News Service**

# NEWSLETTER

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## Kentucky FSA Newsletter

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### Kentucky Farm Service Agency

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**State Committee:**  
Brenda Paul, Chair  
Tom Flowers  
Kenney Imel  
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### USDA Issues First Coronavirus Food Assistance Program Payments

#### USDA Announces Details of Direct Assistance to Farmers through the Coronavirus Food Assistance Program

U.S. Secretary of Agriculture Sonny Perdue today announced the USDA Farm Service Agency (FSA) has already approved more than \$545 million in payments to producers who have applied for the Coronavirus Food Assistance Program. FSA began taking applications May 26, and the agency has received over 86,000 applications for this important relief program.

In the first six days of the application period, FSA has already made payments to more than 35,000 producers. Out of the gate, the top five states for CFAP payments are Illinois, Kansas, Wisconsin, Nebraska, and South Dakota. USDA has released data on application progress and program payments and will release further

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To find contact information for your local office go to [www.fsa.usda.gov/ky](http://www.fsa.usda.gov/ky)

updates each Monday at 2:00pm ET. The report can be viewed at [farmers.gov/cfap](http://farmers.gov/cfap).

FSA will accept applications through August 28, 2020. Through CFAP, USDA is making available \$16 billion in financial assistance to producers of agricultural commodities who have suffered a five-percent-or-greater price decline due to COVID-19 and face additional significant marketing costs as a result of lower demand, surplus production, and disruptions to shipping patterns and the orderly marketing of commodities.

In order to do this, producers will receive 80 percent of their maximum total payment upon approval of the application. The remaining portion of the payment, not to exceed the payment limit, will be paid at a later date nationwide, as funds remain available.

### **Getting Help from FSA**

New customers seeking one-on-one support with the CFAP application process can call 877-508-8364 to speak directly with a USDA employee ready to offer general assistance. This is a recommended first step before a producer engages the team at the FSA county office at their local USDA Service Center.

Producers can download the CFAP application and other eligibility forms from [farmers.gov/cfap](http://farmers.gov/cfap). Also, on that webpage, producers can find a payment calculator to help producers identify sales and inventory records needed to apply and calculate potential payments. Producers self-certify their records when applying for CFAP and that documentation is not submitted with the application. However, producers may be asked for their documentation to support the certification of eligible commodities, so producers should retain the information used to complete their application.

Those who use the online calculator tool will be able to print a pre-filled CFAP application, sign it, and submit it to your local FSA office either electronically or via hand delivery through an office drop box. Please contact your local office to determine the preferred delivery method for your local office. Team members at FSA county offices will be able to answer detailed questions and help producers apply quickly and efficiently through phone and online tools. Find contact information for your local office at [farmers.gov/cfap](http://farmers.gov/cfap).

### **Policy Clarifications**

FSA has been working with stakeholder groups to provide further clarification to producers on the CFAP program. For example, the agency has published a matrix of common marketing contracts that impact eligibility for non-specialty crops and has provided a table that crosswalks common livestock terms to CFAP cattle categories.

Updated information can be found in the frequently asked questions section of the CFAP website.

### **More Information**

To find the latest information on CFAP, visit [farmers.gov/CFAP](https://farmers.gov/CFAP) or call 877-508-8364.

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## **FSA Implements Set-Aside Loan Provision for Customers**

USDA's Farm Service Agency (FSA) will broaden the use of the Disaster Set-Aside (DSA) loan provision, normally used in the wake of natural disasters, to allow farmers with USDA farm loans who are affected by COVID-19, and are determined eligible, to have their next payment set aside. In some cases, FSA may also set aside a second payment for farmers who have already had one payment set aside because of a prior designated disaster.

FSA direct loan borrowers will receive a letter with the details of the expanded Disaster Set-Aside authorities, which includes the possible set-aside of annual operating loans, as well as explanations of the additional loan servicing options that are available. To discuss or request a loan payment Set-Aside, borrowers should call or email the farm loan staff at their local FSA county office.

The set-aside payment's due date is moved to the final maturity date of the loan or extended up to twelve months in the case of an annual operating loan. Any principal set-aside will continue to accrue interest until it is repaid. This aims to improve the borrower's cashflow in the current production cycle.

FSA previously announced it was relaxing the loan-making process and adding flexibilities for servicing direct and guaranteed loans to provide credit to producers in need. Direct loan applicants and borrowers are encouraged to contact their local FSA county office to discuss loan making and servicing flexibilities and other needs or concerns. Customers participating in FSA's guaranteed loan programs are encouraged to contact their lender. Information on these flexibilities, and office contact information, can be found on [farmers.gov/coronavirus](https://farmers.gov/coronavirus).

FSA will be accepting most forms and applications by facsimile or electronic signature. Some services are also available online to customers with an eAuth account, which provides access to the [farmers.gov](https://farmers.gov) portal where producers can view USDA farm loan information and certain program applications and payments. Customers can track payments, report completed practices, request conservation assistance and electronically sign documents. Customers who do not already have an eAuth account can enroll at [farmers.gov/sign-in](https://farmers.gov/sign-in).

USDA Service Centers are open for business by phone appointment only, and field work will continue with appropriate social distancing. While program delivery staff will continue to come into the office, they will be working with producers by phone and using online tools whenever possible. All Service Center visitors wishing to conduct business with the FSA, Natural Resources Conservation Service or any other Service Center agency are required to call their Service Center to schedule a phone appointment. More information can be found at [farmers.gov/coronavirus](https://farmers.gov/coronavirus).

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## **USDA Stands Up New Team to Better Serve Beginning Farmers and Ranchers**

The U.S. Department of Agriculture (USDA) is standing up a new team of U.S. Department of Agriculture (USDA) staff that will lead a department-wide effort focused on serving beginning farmers and ranchers.

To institutionalize support for beginning farmers and ranchers and to build upon prior agency work, the 2018 Farm Bill directed USDA to create a national coordinator position in the agency and state-level coordinators for four of its agencies – Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS), Risk Management Agency (RMA), and Rural Development (RD).

Sarah Campbell was selected as the national coordinator to lead USDA's efforts. A beginning farmer herself, Campbell held previous positions with USDA and has a wealth of experience working on issues impacting beginning farmers and ranchers. She recently served as acting director of customer experience for the Farm Production and Conservation Business Center, where she led the piloting of innovative, customer-centric initiatives.

In her new role, she will work closely with the state coordinators to develop goals and create plans to increase beginning farmer participation and access to programs while coordinating nationwide efforts on beginning farmers and ranchers.

Each state coordinator will receive training and develop tailored beginning farmer outreach plans for their state. Coordinators will help field employees better reach and serve beginning farmers and ranchers and will also be available to assist beginning farmers who need help navigating the variety of resources USDA has to offer.

### **More on Beginning Farmers**

Twenty seven percent of farmers were categorized as new and beginning producers, with 10 years or less of experience in agriculture, according to the 2017 Census of Agriculture.

USDA offers a variety of farm loan, risk management, disaster assistance, and conservation programs to support farmers, including beginning farmers and ranchers. Additionally, a number of these programs have provisions specifically for beginning farmers, including targeted funding for loans and conservation programs as well as waivers and exemptions.

### **More Information**

Learn more about USDA's resources for beginning farmers as well as more information on the national and state-level coordinators at [newfarmers.usda.gov](https://newfarmers.usda.gov) and [farmers.gov](https://farmers.gov). For more information on available programs in your area, contact your local [USDA service center](#).

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## **FSA Reminds Producers of Ongoing Disaster Assistance Program Signup**

The U.S. Department of Agriculture (USDA) has started making payments through the Wildfire and Hurricane Indemnity Program – Plus (WHIP+) to agricultural producers who suffered eligible losses because of drought or excess moisture in 2018 and 2019. Signup for these causes of loss opened March 23, and producers who suffered losses from drought (in counties designated D3 or above), excess moisture, hurricanes, floods, tornadoes, typhoons, volcanic activity, snowstorms or wildfires can still apply for assistance through WHIP+.

To be eligible for WHIP+, producers must have suffered losses of certain crops, trees, bushes or vines in counties with a Presidential Emergency Disaster Declaration or a Secretarial Disaster Designation (primary counties only) for qualifying natural disaster events that occurred in calendar years 2018 or 2019. Also, losses located in a county not designated by the Secretary as a primary county may be eligible if a producer provides documentation showing that the loss was due to a qualifying natural disaster event.

For losses due to drought, a producer is eligible if any area of the county in which the loss occurred was rated D3, or extreme drought, or higher on the U.S. Drought Monitor during calendar years 2018 or 2019. Producers who suffered losses should contact their FSA county office.

In addition to the recently added eligible losses of drought and excess moisture, FSA will implement a WHIP+ provision for crop quality loss that resulted in price deductions or penalties when marketing crops damaged by eligible disaster events. To ensure an effective program for all impacted farmers, the Agency is currently gathering information on the extent of quality loss from producers and stakeholder organizations.

USDA Service Centers, including FSA county offices, are open for business by phone only, and field work will continue with appropriate social distancing. While program delivery staff will continue to come into the office, they will be working with producers by phone and using online tools whenever possible. All Service Center visitors wishing to conduct business with the FSA, Natural Resources Conservation Service or any other Service Center agency are required to call their Service Center to schedule a phone appointment. More information on Service Centers can be found at [farmers.gov/coronavirus](https://farmers.gov/coronavirus), and more information on WHIP+ can be found at [farmers.gov/whip-plus](https://farmers.gov/whip-plus).

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## USDA Reminds Kentucky Producers to Complete Crop Acreage Reports

USDA's Farm Service Agency (FSA) offices in Kentucky are currently open to phone and virtual appointments only but can still work with producers on timely filing crop acreage reports. FSA staff can provide assistance over the phone, by email and through virtual meetings via Microsoft Teams.

The following acreage reporting dates are applicable in State:

July 15, 2020 all other crops Not reported before this date, and CRP.

In order to comply with FSA program eligibility requirements, all producers must file an accurate crop acreage report by the applicable deadline. FSA staff is still able to assist producers in completing acreage reports, including providing maps.

The following exceptions apply to acreage reporting dates:

- If the crop has not been planted by the acreage reporting date, then the acreage must be reported no later than 15 calendar days after planting is completed.
- If a producer acquires additional acreage after the acreage reporting date, then the acreage must be reported no later than 30 calendar days after purchase or acquiring the lease. Appropriate documentation must be provided to the county office.

Producers should also report crop acreage they intended to plant, but due to natural disaster, were unable to plant. Prevented planting acreage must be reported on form CCC-576, Notice of Loss, no later than 15 calendar days after the final planting date as established by FSA and USDA's Risk Management Agency.

Noninsured Crop Disaster Assistance Program (NAP) policy holders should note that the acreage reporting date for NAP-covered crops is the earlier of the dates listed above or 15 calendar days before grazing or harvesting of the crop begins.

If you have applied for organic certification and do not receive it before the acreage reporting deadline, you may provide the necessary documentation to FSA immediately upon receipt from the certifying agent.

For questions, please contact your local FSA office. To locate your local FSA office visit [farmers.gov/service-center-locator](https://farmers.gov/service-center-locator).

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## Direct Loans

FSA offers direct farm ownership and direct farm operating Loans to producers who want to establish, maintain or strengthen their farm or ranch. FSA loan officers process, approve and service direct loans.

Direct farm operating loans can be used to purchase livestock and feed, farm equipment, fuel, farm chemicals, insurance and other costs including family living expenses. Operating loans can also be used to finance minor improvements or repairs to buildings and to refinance some farm-related debts, excluding real estate.

Direct farm ownership loans can be used to purchase farmland, enlarge an existing farm, construct and repair buildings, and to make farm improvements.

The maximum loan amount for direct farm ownership loans is \$600,000 and the maximum loan amount for direct operating loans is \$400,000 and a down payment is not required. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

Please contact your local FSA office for more information or to apply for a direct farm ownership or operating loan.

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## Guaranteed Loan Program

FSA guaranteed loans allow lenders to provide agricultural credit to farmers who do not meet the lender's normal underwriting criteria. Farmers and ranchers apply for a guaranteed loan through a lender, and the lender arranges for the guarantee. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan. Guaranteed loans can be used for both farm ownership and operating purposes.

Guaranteed farm ownership loans can be used to purchase farmland, construct or repair buildings, develop farmland to promote soil and water conservation or to refinance debt.

Guaranteed operating loans can be used to purchase livestock, farm equipment, feed, seed, fuel, farm chemicals, insurance and other operating expenses.

FSA can guarantee farm ownership and operating loans up to \$1,776,000. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

Please contact your lender or local FSA farm loan office for more information on guaranteed loans.

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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).