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Message from Kentucky FSA State Executive Director Dean Schamore

Thank you, Kentucky farmers and producers! Each year, your careful planning, dedication and hard work that you put into planting and harvesting (and everything between) ensures Americans have consistent access to safe, nutritious, and affordable food. Know that FSA is here for you to provide you with important technical assistance, outreach and education to equip you with the resources needed to access and participate in FSA’s programs and services.

Over the past few weeks, some of our local FSA offices held a farmers appreciation day where we shared program and loan resources and answered your questions. We are continually working to increase program awareness, education and participation, often times with the help of agricultural partners located throughout the state.

Kentucky FSA has 64 service centers ready to help you manage your farming operation through a variety of credit and loan programs, as well as conservation, disaster & price support programs. Service Center staff can guide you through the process of preparing and submitting the required paperwork, with no need to hire a paid preparer. Below is an article detailing such one-on-one assistance.
You are encouraged to call your local FSA office to schedule an appointment to ensure maximum use of your time and to discuss any records or documentation that might be needed during your appointment.

Reminders Included in this Issue:

- Once planting is complete, you should call your local FSA county office to make an appointment to file your crop acreage. Your local FSA office can help by providing you with maps and acreage reporting deadlines by crop for your county. July 15 is a major deadline for most crops.

We look forward to working with you.

### USDA Service Centers Provide Free, One-on-One Help for Farmers

At USDA, we are committed to helping farmers complete loan applications, environmental reviews, and other paperwork free of charge. One-on-one support is available at more than 2,300 USDA Service Centers nationwide. USDA's Farm Service Agency and Natural Resources Conservation Service staff are usually co-located at these Service Centers and can help guide farmers to the best USDA assistance based on their unique goals, whether it is loans, conservation programs, or insurance.

Language translation service is available in all USDA Service Centers, so one-on-one assistance with a Service Center employee can be translated in real time for farmers requiring it. And while some program and loan applications do have an administrative fee for filing, there is never a charge for preparation services provided by USDA staff.

- Farmers who work with the USDA Service Center can:
  - Establish their farm by registering for a farm number, which is required for USDA programs and assistance.
  - Learn how to meet conservation compliance provisions.
  - Verify eligibility for USDA programs.
  - Discuss their business and conservation goals.
  - Create a conservation plan.
  - Fill out and file loan and program applications.

We are committed to delivering USDA programs and services to America’s farmers and ranchers while taking safety measures in response to COVID-19. We encourage you to check the status of your local USDA Service Center and make an appointment to discuss your business needs.
USDA Encourages Producers to Enroll in Grassland CRP

The U.S. Department of Agriculture (USDA) encourages producers and landowners to enroll in the Grassland Conservation Reserve Program (CRP) starting next week through May 13, 2022. Grassland CRP provides a unique opportunity for farmers, ranchers, and agricultural landowners to keep land in agricultural production and supplement their income while improving their soils and permanent grass cover. The program had its highest enrollment in history in 2021 and is part of the Biden-Harris Administration’s broader effort to equip producers with the tools they need to help address climate change and invest in the long-term health of our natural resources.

Grassland CRP is a federally funded voluntary working lands program. Through the program, USDA’s Farm Service Agency (FSA) provides annual rental payments to landowners to maintain and conserve grasslands while allowing producers to graze, hay, and produce seed on that land. Maintaining the existing permanent cover provides several benefits, including reducing erosion, providing wildlife habitat and migration corridors, and capturing and maintaining carbon in the soil and cover.

FSA provides participants with annual rental payments and cost-share assistance. The annual rental rate varies by county with a national minimum rental rate of $13 per acre for this signup. Contract duration is 10 or 15 years.

Grassland CRP National Priority Zones
Because Grassland CRP supports not only grazing operations but also biodiversity and conserving environmentally sensitive land such as that prone to wind erosion, FSA created two National Priority Zones in 2021: the Greater Yellowstone Migration Corridor and Dust Bowl Zone. As part of the Biden-Harris Administration’s focus on conservation in important wildlife corridors and key seasonal ranges, for this year’s signup, FSA is expanding the Greater Yellowstone Wildlife Migration Corridor Priority Zone to include seven additional counties across Montana, Wyoming, and Utah, to help protect the big-game animal migration corridor associated with Wyoming elk, mule deer, and antelope.

Offers within one of these National Priority Zones will receive an additional 15 ranking points and $5 per acre if at least 50% of the offer is located in the zone.

Alongside Grassland CRP, producers and landowners can also enroll acres in Continuous CRP under the ongoing sign up, which includes projects available through the Conservation Reserve Enhancement Program (CREP) and State Acres for Wildlife Enhancement (SAFE).

Broadening Reach of Program
As part of the Agency’s Justice40 efforts, producers and landowners who are historically underserved, including beginning farmers and military veterans, will receive 10 additional ranking points to enhance their offers.

Additionally, USDA is working to broaden the scope and reach of Grassland CRP by leveraging the Conservation Reserve Enhancement Program (CREP) to engage historically underserved communities. CREP is a partnership program that enables states,
Tribal governments, non-profit, and private entities to partner with FSA to implement CRP practices and address high priority conservation and environmental objectives. Interested entities are encouraged to contact FSA.

**More Information on CRP**

Landowners and producers interested in Grassland CRP should contact their [local USDA Service Center](https://fsa.usda.gov/crp) to learn more or to apply for the program before the May 13 deadline. Additionally, fact sheets and other resources are available at [fsa.usda.gov/crp](https://fsa.usda.gov/crp).

Signed into law in 1985, CRP is one of the largest voluntary private-lands conservation programs in the United States. The working lands signup announced today demonstrates how much it has evolved from the original program that was primarily intended to control soil erosion and only had the option to take enrolled land out of production. The program has expanded over the years and now supports a greater variety of conservation and wildlife benefits, along with the associated economic benefits.

**USDA Reminds Kentucky Producers to File Crop Acreage Reports**

After planting is complete, agricultural producers in Kentucky should make an appointment with their local Farm Service Agency (FSA) office to report crop acreage before the applicable deadline.

An acreage report documents a crop grown on a farm or ranch and its intended uses. Filing an accurate and timely acreage report for all crops and land uses, including failed acreage and prevented planted acreage, can prevent the loss of benefits.

Acreage reporting dates vary by crop and by county. Contact your [local FSA office](https://fsa.usda.gov) for a list of acreage reporting deadlines by crop.

**Actively Engaged Provisions for Non-Family Joint Operations or Entities**

Many Farm Service Agency (FSA) programs require all program participants, either individuals or legal entities, to be “actively engaged in farming.” This means participants provide a significant contribution to the farming operation, whether it is capital, land, equipment, active personal labor and/or management. For entities, each partner, stockholder or member with an ownership interest, must contribute active personal labor and/or management to the operation on a regular basis that is identifiable and documentable as well as separate and distinct from contributions of any other member. Members of joint operations must have a share of the profits or losses from the farming operation commensurate with the member’s contributions to the operation and must make contributions to the farming operation that are at risk for a loss, with the level of risk being commensurate with the member’s claimed share on the farming operation.

Joint operations comprised of non-family members or partners, stockholders or persons with an ownership in the farming operation must meet additional payment eligibility
provisions. Joint operations comprised of family members are exempt from these additional requirements. For 2016 and subsequent crop years, non-family joint operations can have one member that may use a significant contribution of active personal management exclusively to meet the requirements to be determined "actively engaged in farming." The person or member will be defined as the farm manager for the purposes of administering these management provisions.

Non-family joint operations may request to add up to two additional managers for their farming operation based on the size and/or complexity of the operation. If additional farm managers are requested and approved, all members who contribute management are required to complete form CCC-902MR, Management Activity Record. The farm manager should use the form to record management activities including capital, labor and agronomics, which includes crop selection, planting decisions, acquisition of inputs, crop management and marketing decisions. One form should be used for each month and the farm manager should enter the number of hours of time spent for each activity under the date of the month the actions were completed. The farm manager must also document if each management activity was completed on the farm or remotely.

The records and supporting business documentation must be maintained and timely made available for review by the appropriate FSA reviewing authority, if requested.

If the farm manager fails to meet these requirements, their contribution of active personal management to the farming operation for payment eligibility purposes will be disregarded and their payment eligibility status will be re-determined for the applicable program year.

In some instances, additional persons or members of a non-family member joint operation who meet the definition of farm manager may also be allowed to use such a contribution of active personal management to meet the eligibility requirements. However, under no circumstances may the number of farm managers in a non-family joint operation exceed a total of three in any given crop and program year.

**USDA Updates Farm Loan Programs to Increase Equity**

The U.S. Department of Agriculture (USDA) is updating its farm loan programs to better support current borrowers, including historically underserved producers. These improvements are part of USDA’s commitment to increase equity in all programs, including farm loans that provide important access to capital for covering operating expenses and purchasing land and equipment.

The 2018 Farm Bill authorized FSA to provide equitable relief to certain direct loan borrowers, who are non-compliant with program requirements due to good faith reliance on a material action of, advice of, or non-action from an FSA official. Previously, borrowers may have been required to immediately repay the loan or convert it to a non-program loan with higher interest rates, less favorable terms, and limited loan servicing.
Now, FSA has additional flexibilities to assist borrowers in such situations. If the agency provided incorrect guidance to an existing direct loan borrower, the agency may provide equitable relief to that borrower. FSA may assist the borrower by allowing the borrower to keep their loans at current rates or other terms received in association with the loan which was determined to be noncompliant or the borrower may receive other equitable relief for the loan as the Agency determines to be appropriate.

USDA encourages producers to reach out to their local loan officials to ensure they fully understand the wide range of loan and servicing options available that can assist them in starting, expanding or maintaining their operation.

**Additional Updates**

Equitable relief is one of several changes authorized by the 2018 Farm Bill that USDA has made to the direct and guaranteed loan programs. Other changes that were previously implemented include:

- Modifying the existing three-year farming experience requirement for Direct Farm Ownership loans to include additional items as acceptable experience.
- Allowing socially disadvantaged and beginning farmer applicants to receive a guarantee equal to 95%, rather than the otherwise applicable 90% guarantee.
- Expanding the definition of and providing additional benefits to veteran farmers.
- Allowing borrowers who received restructuring with a write down to maintain eligibility for an Emergency loan.
- Expanding the scope of eligible issues and persons covered under the agricultural Certified Mediation Program.

Additional information on these changes is available in the March 8, 2022 rule on the [Federal Register](https://www.federalregister.gov).

**More Background**

FSA has taken other recent steps to increase equity in its programs. Last summer, USDA announced it was providing $67 million in competitive loans through its new Heirs’ Property Relending Program to help agricultural producers and landowners resolve heirs’ land ownership and succession issues. FSA also invested $4.7 million to establish partnerships with organizations to provide outreach and technical assistance to historically underserved farmers and ranchers, which contributed to a fourfold increase in participation by historically underserved producers in the Coronavirus Food Assistance Program 2 (CFAP 2), a key pandemic assistance program, since April 2021.

Additionally, in January 2021, Secretary Vilsack announced a [temporary suspension of past-due debt collection and foreclosures](https://www.farmers.gov) for distressed direct loan borrowers due to the economic hardship imposed by the COVID-19 pandemic.

Producers can explore available loan options using the [Farm Loan Discover Tool](https://farmers.gov) on farmers.gov ([also available in Spanish](https://farmers.gov)) or by contacting their local USDA Service Center. Service Center staff continue to work with agricultural producers via phone, email, and other digital tools. Due to the pandemic, some USDA Service Centers are open to limited visitors. Producers can [contact their local Service Center](https://farmers.gov) to set up an in-person or phone appointment to discuss loan options.
Maintaining Good Credit History

Farm Service Agency (FSA) loans require applicants to have a satisfactory credit history. A credit report is requested for all FSA direct farm loan applicants. These reports are reviewed to verify outstanding debts, see if bills are paid timely and to determine the impact on cash flow.

Information on your credit report is strictly confidential and is used only as an aid in conducting FSA business.

Our farm loan staff will discuss options with you if you have an unfavorable credit report and will provide a copy of your report. If you dispute the accuracy of the information on the credit report, it is up to you to contact the issuing credit report company to resolve any errors or inaccuracies.

There are multiple ways to remedy an unfavorable credit score:

- Make sure to pay bills on time
  (Setting up automatic payments or automated reminders can be an effective way to remember payment due dates)
- Pay down existing debt
- Keep your credit card balances low
- Avoid suddenly opening or closing existing credit accounts

FSA’s farm loan staff will guide you through the process, which may require you to reapply for a loan after improving or correcting your credit report.

For more information on FSA farm loan programs, contact your local FSA office, or visit fsa.usda.gov.

Kentucky Department of Agriculture Reminds Produce Growers to Complete the Produce Farm Inventory Survey and take the required safety training.

Kentucky Agriculture Commissioner Dr. Ryan Quarles is reminding all Kentucky produce growers that as the planting season begins, it’s time to complete the Produce Farm Inventory Survey and take the required safety training.

“While producing delicious, nutritious food is the ultimate goal, Kentucky producers always work hard to put safety first,” Quarles said. “The survey and training requirement through the Kentucky Department of Agriculture’s Produce Safety Rules make sure safety is top of mind as the season begins.”
In 2011, Congress passed the Food Safety Modernization Act, a law that tasked the U.S. Food and Drug Administration with implementing new protocols aimed at increasing food safety across the nation. Instead of allowing the FDA to inspect Kentucky farms, Commissioner Quarles worked to secure passage of legislation in 2020 which allowed the Kentucky Department of Agriculture (KDA) to enter into a state-led program. The KDA’s Produce Safety Program helps producers comply with federal regulatory standards for the growing, harvesting, packing, and holding of produce.

For Kentucky growers, the first step in the process is to complete the Produce Farm Inventory Survey. The survey, which can be completed on-line or via a mail-in-survey card, is a requirement of Kentucky’s Produce Safety Regulation for all produce growers regardless of farm size or sales. If you have not already completed this survey, you can do so on-line by visiting the KDA’s Produce Safety page on its website.

For more information about the survey, the grower trainer course or the inspection process, contact Mark Reed, KDA Produce Safety Program Manager, (502) 782-7809 or mark.reed@ky.gov.

Click here to read the full article.

• See our 2022 Kentucky Guaranteed Lender Newsletter
• See our 2022 KY FSA Customer Calendar

May 2022 Selected Interest Rates

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<tr>
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<td>Commodity Loans</td>
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<tr>
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**Kentucky State FSA Office**

771 Corporate Dr., Ste 205  
Lexington, KY 40503  
Phone: 859-224-7601  
[Visit State Webpage](#)

**State Committee**

<table>
<thead>
<tr>
<th>Name</th>
<th>City</th>
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<tbody>
<tr>
<td>John McCauley</td>
<td>Lexington</td>
</tr>
<tr>
<td>Carrie Divine</td>
<td>Morganfield</td>
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<tr>
<td>Pat Henderson</td>
<td>Irvington</td>
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<tr>
<td>James Kay, Sr.</td>
<td>Versailles</td>
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<tr>
<td>Roger Thomas</td>
<td>Smiths Grove</td>
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**State Executive Director**

Dean Schamore  
859-224-7687  
[Dean Schamore](mailto:dean.schamore@usda.gov)

**Administrative Officer**

Clark Sturgeon  
859-224-7622  
[clark.sturgeon@usda.gov](mailto:clark.sturgeon@usda.gov)

**Farm Program Chief**

Jennifer Farmer  
859-224-7614  
[jennifer.farmer@usda.gov](mailto:jennifer.farmer@usda.gov)

**Farm Loan Chief**

Mike Hoyt  
859-224-7440  
[mike.hoyt@usda.gov](mailto:mike.hoyt@usda.gov)

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