

Kentucky FSA Newsletter - February 2022

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USDA Announces Inaugural Federal Advisory Committee for Urban Agriculture

Agriculture Secretary Tom Vilsack selected 12 members to serve on the U.S. Department of Agriculture's (USDA) inaugural Secretary's Advisory Committee for Urban Agriculture to provide input on policy development and to help identify barriers to urban agriculture as USDA works to promote urban farming and the economic opportunities it provides in cities across the country.

The new Secretary's Advisory Committee is part of USDA's efforts to support urban agriculture, creating a network for feedback. Urban agriculture plays an important role in producing fresh, healthy food in areas where grocery stores are scarce, and also provides jobs and beautifies neighborhoods.

Secretary's Advisory Committee for Urban Agriculture

The Committee is made up of agricultural producers, and representatives from the areas of higher education or extension programs, non-profits, business and economic development, supply chains and financing. Members include:

- Jerry Ann Hebron, Mich., Urban Producer
- Bobby Wilson, Ga., Urban Producer

- Viraj Puri, N.Y., Innovative Producer
- Kaben Smallwood, Okla., Innovative Producer
- Sally Brown, Wash., Higher Education
- John Erwin, Md., Higher Education
- Carl Wallace, Ohio, Non-Profit Representative
- John Lebeaux, Mass., Business and Economic Development Representative
- Zachari Curtis, D.C., Supply Chain Experience
- Allison Paap, Calif., Financing Entity Representative
- Tara Chadwick, Fla., Related Experience
- Angela Mason, III., Related Experience

USDA and the Office of Urban Agriculture and Innovative Production peer reviewed more than 300 nominees, and Vilsack made the final selections. Selections ensured geographic, racial and gender diversity and a broad range of agricultural experience. The new members will serve terms of one to three years.

The first meeting of this inaugural committee, which will be open to the public, will take place in late February. More details will be available in the *Federal Register* and at <u>farmers.gov/urban</u> and the new <u>Federal Advisory Committee for Urban Agriculture</u> website.

USDA and Urban Agriculture

The advisory committee and county committees are part of a broad USDA investment in urban agriculture. Other efforts include:

- Grants that target areas of food access, education, business and start-up costs for new farmers, and development of policies related to zoning and other needs of urban production.
- Cooperative agreements that develop and test strategies for planning and implementing municipal compost plans and food waste reduction plans.
- Investing \$260,000 for risk management training and crop insurance education for historically underserved and urban producers through partnerships between USDA's <u>Risk Management Agency</u>(RMA) and the University of Maryland, University of Connecticut, and Michigan State University Center for Regional Food Systems.
- Providing technical and financial assistance through conservation programs offered by USDA's <u>Natural Resources Conservation Service</u>(NRCS).
- Organizing 11 <u>Farm Service Agency</u> (FSA) urban and suburban county committees. FSA will organize additional committees.

The Office of Urban Agriculture and Innovative Production was established through the 2018 Farm Bill. It is led by NRCS and works in partnership with numerous USDA agencies that support urban agriculture. Its mission is to encourage and promote urban, indoor, and other emerging agricultural practices, including community composting and food waste

reduction. More information is available at <u>farmers.gov/urban</u> and the new <u>Federal</u> Advisory Committee for Urban Agriculture website.

Additional resources that may be of interest to urban agriculture entities include grants from USDA's <u>Agricultural Marketing Service</u> and <u>National Institute of Food and Agriculture</u> as well as <u>FSA loans</u>.

USDA Announces Conservation Reserve Program Signups for 2022



Agricultural producers and landowners can sign up soon for the Conservation Reserve Program (CRP), a cornerstone conservation program offered by the U.S. Department of Agriculture (USDA) and a key tool in the Biden-Harris Administration effort to address climate change and achieve other natural resource benefits. The General CRP signup will run from Jan. 31 to March 11, and the Grassland CRP signup will run from April 4 to May 13.

Producers and landowners enrolled 4.6 million acres into CRP signups in 2021, including 2.5 million acres in the largest Grassland CRP signup in history. There are currently 22.1 million acres enrolled, and FSA is aiming to reach the 25.5-million-acre cap statutorily set for fiscal year 2022.

CRP Signups

General CRP helps producers and landowners establish long-term, resource-conserving plant species, such as approved grasses or trees, to control soil erosion, improve water quality and enhance wildlife habitat on cropland.

Meanwhile, Grassland CRP is a working lands program, helping landowners and operators protect grassland, including rangeland and pastureland and certain other lands, while maintaining the areas as working grazing lands. Protecting grasslands contributes positively to the economy of many regions, provides biodiversity of plant and animal populations and provides important carbon sequestration benefits to deliver lasting climate outcomes.

Alongside these programs, producers and landowners can 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).

Climate Benefits

Last year, FSA enacted a Climate-Smart Practice Incentive for CRP General and Continuous signups, to better target CRP on addressing climate change. This incentive aims to increase carbon sequestration and reduce greenhouse gas emissions. CRP's climate-smart practices include establishment of trees and permanent grasses, development of wildlife habitat and wetland restoration. The Climate-Smart

Practice Incentive is annual, and the amount is based on the benefits of each practice type.

Additionally, in order to better target the program toward climate outcomes, USDA invested \$10 million last year in the CRP Monitoring, Assessment and Evaluation (MAE) program to measure and monitor the soil carbon and climate resilience impacts of conservation practices over the life of new CRP contracts. This will enable the agency to further refine the program and practices to provide producers tools for increased climate resilience.

More Information on CRP

Landowners and producers interested in CRP should contact their local <u>USDA Service</u> <u>Center</u> to learn more or to apply for the program -- for General CRP before the **March 11 deadline**, and for Grassland CRP before the **May 13 deadline**. Service Center staff continue to work with agricultural producers via phone, email, and other digital tools. Due to the pandemic, some <u>USDA Service Centers</u> are open to limited visitors. Additionally, fact sheets and other resources are available at fsa.usda.gov/crp.

Signed into law in 1985, CRP is one of the largest voluntary private-lands conservation programs in the United States. It was originally intended to primarily control soil erosion and potentially stabilize commodity prices by taking marginal lands out of production. The program has evolved over the years, providing many conservation and economic benefits.

Mid-South Stocker Conference, "Grass to Cash", Virtual for 2022

The Mid-South Stocker Conference helps operators explore ideas for efficient and healthy cattle production and helps define stocker production's role in a rapidly evolving cattle industry to effectively meet consumer expectations.

This is an annual event, a partnership of the University of Kentucky College of Agriculture, Food and Environment and the University of Tennessee. This year, the free conference is 12 to 2:45 p.m. EST Feb. 23.

The opening session will focus on grazing management for stockers with Matt Poore, ruminant nutrition specialist for North Carolina State University. The second session begins at 12:40 p.m. when Liesel Schneider, assistant professor of animal science, and Clair Hunkler, animal science graduate teaching assistant, both from UT, will discuss respiratory disease in stocker cattle. At 1:15 p.m., Jimmy Henning, UK forage extension specialist, will discuss baleage production. At 1:40 p.m., attendees may watch virtual tours of Kentucky and Tennessee stocker operations, followed by a stocker operator panel discussion at 2:10 p.m.

Interested individuals can find more information and register at <u>University of Kentucky</u> College of Agriculture, Food and Environment.

USDA Microloans Help Farmers Purchase Farmland and Improve Property

Farmers can use USDA farm ownership microloans to buy and improve property. These microloans are especially helpful to beginning or underserved farmers, U.S. veterans looking for a career in farming, and those who have small and mid-sized farming operations.

Microloans have helped farmers and ranchers with operating costs, such as feed, fertilizer, tools, fencing, equipment, and living expenses since 2013.



Microloans can also help with farmland and building purchases and soil and water conservation improvements. FSA designed the expanded program to simplify the application process, expand eligibility requirements and expedite smaller real estate loans to help farmers strengthen their operations. Microloans provide up to \$50,000 to qualified producers and can be issued to the applicant directly from the USDA Farm Service Agency (FSA).

To learn more about the FSA microloan program, contact your <u>local USDA Service</u> <u>Center</u>, or visit <u>fsa.usda.gov/microloans</u>.

USDA Offers Annual Installment Deferral Option for Farm Storage Facility Loan Borrowers



To assist Farm Storage Facility Loan (FSFL) borrowers experiencing financial hardship from the pandemic and other challenges in production agriculture, USDA's Farm Service Agency (FSA) is offering a one-time annual installment payment deferral option. No fees or prepayment penalties apply for borrowers who choose this FSFL loan flexibility option.

Eligible borrowers can request a one-time only annual installment payment deferral for loans having terms of three, five, seven or ten years. The installment deferral option is not available for 12-year term loans.

The FSFL installment payments will remain the same, except for the last year. The original loan interest rate and annual payment due date will remain the same. However, because the installment payment deferral is a one-year loan term extension, the final payment will be higher due to additional accrued interest.

Borrowers interested in exercising the one-time annual installment deferral option should contact FSA to make the request and to obtain, complete and sign required forms.

FSFLs provide low-interest financing for producers to store, handle and transport eligible commodities.

More Information

In addition to offering flexibilities for FSFLs, FSA has also made other flexibilities to help producers impacted by the pandemic, including relaxing the loan-making process for farm operating and ownership loans and implementing the Disaster Set-Aside provision that enables an upcoming installment on a direct loan to be set aside for the year. More information on these flexibilities can be found at farmers.gov/coronavirus. For more information, contact your local USDA Service Center. To locate your local FSA office, visit farmers.gov/service-center-locator.

What's New and Improved for Specialty Crop Producers?

Does your operation include specialty crops? Whether you grow fruits, vegetables, tree nuts, dried fruits, horticulture, or nursery crops - USDA is here for you.

Over the past year, USDA has stepped up our support of specialty crop producers and local and regional food systems. USDA believes specialty crop producers are integral to the food system of the future, and we are working to improve available options for specialty crop producers as well as ensure equity in program delivery.

What's New?

The Risk Management Agency (RMA) rolled out a new insurance option for small-scale producers who sell locally, which is named **Micro Farm**. This new insurance coverage option simplifies record keeping and covers post-production costs, such as washing and value-added products. It is available now, and you can learn more from an Approved Insurance Provider or your <u>RMA specialty crop liaison</u>.

In addition to Micro Farm, RMA rolled out other new insurance options in the past year, including: California Citrus Trees, Florida Citrus, Production and Revenue History option for Florida strawberries, and Hurricane Insurance Protection-Wind Index (HIP-WI). These new options either fill gaps in coverage or offer advantages over other policies. Since 2020, producers weathered several major hurricanes. The new HIP-WI played a crucial role in recovery with more than \$250 million in indemnities paid so far with most payments issued in a matter of weeks following a hurricane.

<u>Interest in growing and insuring specialty crops</u> has grown significantly with \$1 billion in liabilities for 1990 to \$22 billion in liabilities for 2021. (<u>For more details, check out reports on our Specialty Crops webpage.</u>)

The Farm Service Agency (FSA) also offered pandemic assistance for organic producers. The new <u>Organic and Transitional Education and Certification Program</u> (OTECP) provided assistance to help cover loss of markets, increased costs, labor shortages and expenses related to obtaining or renewing their organic certification.

What's Improved?

In the past year, RMA made improvements to existing policies -- including Whole-Farm Revenue Protection, a key insurance option for specialty crop producers. Beginning in the

2021 crop year, direct market producers could report two or more commodities using a new combined direct marketing code.

This reduced a tremendous burden for diversified producers and allowed them to receive a premium rate discount for diversification. For 2022, RMA increased coverage for organic and aquaculture producers and enabled organic producers to report certified organic acreage as long as the request for certification had been made by the reporting date, which provides additional flexibility to producers.

Want to Learn More?

These new and improved options for specialty crop producers are but a few of USDA's strides over the past year to build a fairer, more transparent food system rooted in local and regional production. To learn more, please read <u>USDA's January 19, 2022, news release</u>.

For crop insurance, visit <u>RMA's Specialty Crops webpage</u> or <u>contact your specialty crop</u> liaison.

Also, if there is not a standard offer for the crop you would like insured, you may still be able to get a written agreement for coverage. RMA Regional Offices review these requests to help provide coverage. These requests also provide Regional Offices the opportunity to review the possible expansion of the policy to your county.

Lastly, you can read our <u>Specialty Crops webpage on farmers.gov</u> and <u>question-and-answer with two specialty crop liaisons</u>, Adrienne Steinacher and Matt Wilkin.

Is the Noninsured Crop Disaster Assistance Program Right for You?

Farmers and ranchers rely on crop insurance to protect themselves from disasters and unforeseen events, but not all crops are insurable through the USDA's Risk Management Agency. The Farm Service Agency's (FSA) Noninsured Crop Disaster Assistance Program (NAP) provides producers another option to obtain coverage against disaster for these crops. NAP provides financial assistance to producers of non-insured crops impacted by natural disasters that result in lower yields, crop losses, or prevents crop planting.

Commercially produced crops and agricultural commodities for which crop insurance is not available are generally eligible for NAP. Eligible crops include those grown specifically for food, fiber, livestock consumption, biofuel or biobased products, or be commodities such as value loss crops like Christmas trees and ornamental nursery, honey, maple sap, and many others. Contact your FSA office to see which crops are eligible in your state and county.

Eligible causes of loss include drought, freeze, hail, excessive moisture, excessive wind or hurricanes, earthquake, flood. These events must occur during the NAP policy coverage

period, before or during harvest, and the disaster must directly affect the eligible crop. For guidance on causes of loss not listed, contact your local FSA county office.

Interested producers must apply for coverage using FSA form CCC-471, "Application for Coverage," and pay the applicable service fee at the FSA office where their farm records are maintained. These must be filed by the application closing date. Closing dates vary by crop, so it is important to contact your local FSA office as soon as possible to ensure you don't miss an application closing date.

At the time of application, each producer will be provided a copy of the NAP Basic Provisions, which describes how NAP works and all the requirements you must follow to maintain NAP coverage. NAP participants must provide accurate annual reports of their production in non-loss years to ensure their NAP coverage is beneficial to their individual operation.

Producers are required to pay service fees which vary depending on the number of crops and number of counties your operation is located in. The NAP service fee is the lesser of \$325 per crop or \$825 per producer per administrative county, not to exceed a total of \$1,950 for a producer with farming interests in multiple counties. Premiums also apply when producers elect higher levels of coverage with a maximum premium of \$15,750 per person or legal entity depending on the maximum payment limitation that may apply to the NAP covered producer. The service fee can be waived for beginning, qualifying veteran, and limited resource farmers and rancher., These farmers and ranchers can also receive a 50 percent reduction in the premium.

For more detailed information on NAP, download the <u>NAP Fact Sheet</u>. To get started with NAP, we recommend you contact your <u>local USDA service center</u>.

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

February 2022 Selected Interest Rates

Farm Loan Programs				
90-Day Treasury Bill	0.125%			
Farm Operating Loans - Direct	2.250%			
Farm Ownership Loans - Direct	2.875%			
Limited Resource Loans	5.000%			
Farm Ownership Loans - Direct FO Down Payment	1.500%			
Emergency Loans	3.250%			

Farm Programs Farm Storage Facility Loans			
3 Year	1.125%		
5 Year	1.375%		
7 Year	1.625%		
10 Year	1.625%		
12 Year	1.750%		
Commodity Loans	1.375%		
CCC Borrowing Rate	0.375%		

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