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Message from Kentucky FSA State Executive Director Dean Schamore



Spring is here, field work has begun, and so far, it's been a good planting season. The most recent *Crop Progress and Condition Report* from the National Agricultural Statistics Service (*NASS*) *Kentucky Field Office* shows overall that corn and soybean planting is well ahead of both last year and the five-year average, with planted corn emerging despite the persistently cool weather. The NASS report also notes that winter wheat condition remains mostly good, and although some pasture has been stunted by the cool weather, its condition is also mostly good.

We appreciate those of you who've reached out to your local FSA offices, allowing us to assist you with the various types of loans, conservation programs, and insurance programs that support the hard work you put into farming. And for those of you who are new to farming, or just new to working with us, your local FSA office can help you establish your farm by registering for a farm number, which is required for USDA programs and assistance. FSA in Kentucky has 64 service centers with staff ready to help you manage your farming operation and help guide you through the process of preparing and submitting the required paperwork, with no need to hire a paid preparer.

A big part of our support for Kentucky farmers is outreach. We work with agricultural partners located throughout the state to increase program awareness and to education and encourage program participation, especially with our underserved communities. Over the past few months, many of our local FSA offices held Farmer Appreciation Days, Farmers Market Meetings, Career Days, and other events to connect with local communities.

Last month, I had the opportunity to speak at the 2023 "Path to Prosperity Regional Development Series" held at the University of Kentucky in Lexington. Federal, State, and local governments, along with private sector and non-profit partners, came together to provide small businesses, farmers, and aspiring entrepreneurs an opportunity to engage with us and learn best practices. Our new FSA Farm Loans Chief, Warren Whitaker, participated in two panel discussions, answering questions at the event and from those submitted on Zoom. The panels explored the needs of underserved small businesses and farmers, providing information for accessing capital and various technical and financial assistance. The Federal Depository Insurance Corporation (FDIC), Small Business Administration (SBA), and the United States Department of Agriculture (USDA) were all present to share useful information, tools and resources.

We strive to build relationships with partners in our communities to ensure you remain aware of all the available resources FSA has for you. Something you can do to be reminded of program deadlines and updates is to sign up for email and text alerts by visiting farmers.gov/subscribe. From there you can choose from a number of topics including disaster assistance, conservation programs, crop insurance, farm loans, and more.

Like any other business, farming can be stressful. May is Mental Health Awareness Month - please keep in mind that there are resources available to help with emotional support. The *Suicide and Crisis Lifeline* is a national network of local crisis centers that provides free and confidential emotional support to anyone experiencing emotional distress, or for anyone who is worried about a loved one who may need crisis support. The service available 24 hours a day, 7 days a week, and can be reached by calling or texting **988** or chatting at https://988lifeline.org/chat/.

Another source of emotional support is <u>Raising Hope</u>, a local outreach campaign to support healthy lives on Kentucky farms, helping farmers and their families across Kentucky during disaster events. We've partnered with Raising Hope at various events to let our farmers know that there is help during difficult times.

Be safe out there in the fields and thank you for the work you do to help deliver affordable food and fiber while conserving our nation's natural resources.

Dean Schamore State Executive Director for FSA Kentucky State Office

Still time to respond to the 2022 Census of Agriculture

The U.S. Department of Agriculture's (USDA) National Agricultural Statistics Service (NASS) is reminding Kentucky farmers that the window is closing on the opportunity to participate in the 2022 Census of Agriculture. To date, NASS has received



over 52,000 completed questionnaires from Kentucky producers for a return rate of almost 48%. NASS is encouraging producers who have not returned their completed ag census questionnaires to do so as soon as possible.

"Thank you to those who have returned their questionnaire, we appreciate your response. If you haven't completed your Census, there is still time," said David Knopf, director of the NASS Eastern Mountain Regional Office in Kentucky. "By responding, you are helping your county publish reliable statistical data. The more responses received the better the data quality."

NASS is reminding producers that if they produced and sold \$1,000 or more of agricultural product in 2022, or normally would have produced and sold that much, they meet USDA's definition of a farm. However, federal law requires everyone who received the 2022 Census of Agriculture questionnaire complete and return it, even if they do not currently meet this definition.

"If you received the ag census but do not fit the definition of a farm, are no longer farming, never farmed, or are a landowner who leases your land to a producer, please write your status on the form and mail it back," said Knopf.

The Census of Agriculture remains the only comprehensive and impartial source of agriculture data for every state and county in the nation. Census data are used by policymakers, trade associations, researchers, agribusinesses, educators, and many others. The information helps inform decisions on farm policy, rural development, the development of farm technologies, and more. It also aids in the creation and funding of loans and insurance programs and other forms of assistance.

The ag census differs from other NASS surveys. Beyond being conducted just once every five years, it provides important demographic information and data on certain commodities, such as horses, bison, and Christmas trees, that would not otherwise be available. The Census of Agriculture collects information on nearly every aspect of agriculture for a complete picture of the health of the industry.

NASS will release the results of the ag census in early 2024. To learn more about the Census of Agriculture, visit nass.usda.gov/AgCensus. On the website, producers and other data users can access frequently asked questions, past ag census data, special study information, and more.

USDA Announces Grassland Conservation Reserve Program Signup for 2023

The U.S. Department of Agriculture (USDA) announced that agricultural producers and private landowners can begin signing up for the Grassland Conservation Reserve Program (CRP) **through May 26, 2023**. Among CRP enrollment opportunities, Grassland CRP is a unique working lands program, allowing producers and landowners to continue grazing and haying practices while conserving grasslands and promoting plant and animal biodiversity as well as healthier soil.

"Grassland CRP clearly demonstrates that agricultural productivity and conservation priorities can not only coexist but also complement and enhance one another," said Dean Schamore, FSA State Executive Director in Kentucky. "The strength of this program lies in its many benefits — through annual rental payments, the program helps producers and landowners

produce and maintain diverse wildlife habitat, sequester carbon in the soil, and support sound, sustainable grazing. These benefits help keep agricultural lands in production while delivering lasting climate outcomes."

More than 3.1 million acres were accepted through the 2022 Grassland CRP signup from agricultural producers and private landowners. That signup—the highest ever for the program—reflects the continued success and value of investments in voluntary, producer-led, working lands conservation programs. The current total participation in Grassland CRP is 6.3 million acres, which is part of the 23 million acres enrolled in CRP opportunities overall.

Since 2021, USDA's FSA, which administers all CRP programs, has made several improvements to Grassland CRP to broaden the program's reach, including:

- Creating two <u>National Priority Zones</u> to put focus on environmentally sensitive land such as that prone to wind erosion.
- Enhancing offers with 10 additional ranking points to producers and landowners who are historically underserved, including beginning farmers and military veterans.
- Leveraging the <u>Conservation Reserve Enhancement Program</u> (CREP) to engage historically underserved communities within Tribal Nations in the Great Plains.

How to Sign Up for Grassland CRP

Landowners and producers interested in Grassland CRP, or any other CRP enrollment option, should contact their <u>local USDA Service Center</u> to learn more or to apply for the program before the deadlines.

Producers with expiring CRP acres can enroll in the Transition Incentives Program (TIP), which incentivizes producers who sell or enter into a long-term lease with a beginning, veteran, or socially disadvantaged farmer or rancher who plans to sustainably farm or ranch the land.

Other CRP Signups

Under <u>Continuous CRP</u>, producers and landowners can enroll throughout the year. Offers are automatically accepted provided the producer and land meet the eligibility requirements and the enrollment levels do not exceed the statutory cap. Continuous CRP includes a Climate-Smart Practice Incentive to increase carbon sequestration and reduce greenhouse gas emissions by helping producers and landowners establish trees and permanent grasses, enhance wildlife habitat, and restore wetlands.

FSA offers several additional enrollment opportunities within Continuous CRP, including the State Acres for Wildlife Enhancement (SAFE) Initiative, the Farmable Wetlands Program (FWP), and the Conservation Reserve Enhancement Program (CREP). Also available is the Clean Lakes Estuaries and Rivers (CLEAR30) Initiative, which was originally piloted in twelve states but has since been expanded nationwide, giving producers and landowners across the country the opportunity to enroll in 30-year CRP contracts for water quality practices.

USDA hosts an annual General CRP signup. This year's <u>General CRP signup was open from Feb. 27 through April 7</u>. The program 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. The Climate-Smart Practice Incentive is also available in the General signup.

More Information

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.

Privately owned grazing lands cover nearly 30 percent of the national landscape, and USDA recognizes the tremendous opportunity address climate-change through voluntary private lands conservation. In addition to CRP, resources are available at FSA's sister agency, Natural Resources Conservation Service (NRCS). Earlier this month, NRCS <u>announced its \$12 million investment</u> in cooperative agreements for 49 projects that expand access to conservation technical assistance for livestock producers and increase the use of conservation practices on grazing lands.

Myth-Busting FSA's New Revenue-Based Disaster and Pandemic Assistance Programs

A Message from FSA Administrator Zach Ducheneaux



In January, we announced two new programs designed to assist producers who experienced revenue losses from 2020 and 2021 natural disasters or the COVID-19 pandemic. These programs are revenue-based and feel a little different from our regular programs, but the goal is to better support farmers.

Both the Emergency Relief Program (ERP) Phase Two and the Pandemic Assistance Revenue Program (PARP) offer a holistic approach to disaster assistance and provide economic support for producers who bear the financial brunt of circumstances beyond their control.

With the rollout of any new program, there is a learning curve for producers and employees alike. ERP Phase Two and PARP are no exception. To encourage producer participation in these valuable programs, I'm going to do my best to debunk some myths and misconceptions surrounding ERP Phase Two and PARP.

With a June 2, 2023, deadline to apply for both programs, it's important that we clear up confusion about how to apply, what documents are required for participation, insurance requirements and related misinformation making its way across the countryside.

Now, let's do some myth-busting.

Myth #1 – You need to submit a completed tax return to FSA to apply for ERP Phase Two or PARP.

While these programs are based on revenue losses, you do not need a tax return, completed or otherwise, to apply for assistance. In fact, we have an <u>ERP Phase 2 tool</u> and <u>PARP tool</u> that walk you through the process step by step.

We understand that you may have questions for your certified public accountant or tax preparer, who was likely been hard to reach prior to the April 18 Internal Revenue Service tax deadline but we encourage you to download the program decision tools and get started. You'll probably discover that you already have on hand much of the information you need.

The following supporting materials will help you:

- Schedule F (Form 1040); and
- Profit or Loss from Farming or similar tax documents for tax years 2018, 2019, 2020, 2021, and 2022 for ERP and for calendar years 2018, 2019, and 2020 for PARP.

The only reason you *might* have to provide your tax returns to FSA is in the event of a spot check or a request from the FSA County Committee.

Myth #2 – You cannot receive an ERP Phase Two payment if you received a payment under Phase One.

It's possible that you can still receive ERP Phase Two benefits if you received an ERP Phase One payment. There is also a possibility that your Phase Two payment may be offset.

Myth #3 – ERP Phase Two was intended to be an additional payment to those who received payment under Phase One.

ERP Phase Two was never designed or intended to be an additional payment. Instead, it was intended to assist those producers who did not receive relief in Phase One.

Click here to read the full blog and view a producer testimonial on the application process.

Submit Loan Requests for Financing Early

The Farm Loan team in Kentucky is already working on operating loans for spring 2023 and asks potential borrowers to submit their requests early so they can be timely processed. The farm loan team can help determine which loan programs are best for applicants.

FSA offers a wide range of low-interest loans that can meet the financial needs of any farm operation for just about any purpose. The traditional **farm operating and farm ownership loans** can help large and small farm operations take advantage of early purchasing discounts for spring inputs as well expenses throughout the year.

Microloans are a simplified loan program that will provide up to \$50,000 for both Farm Ownership and Operating Microloans to eligible applicants. These loans, targeted for smaller and non-traditional operations, can be used for operating expenses, starting a new operation,

purchasing equipment, and other needs associated with a farming operation. Loans to beginning farmers and members of underserved groups are a priority.

Other types of loans available include:

Marketing Assistance Loans allow producers to use eligible commodities as loan collateral and obtain a 9-month loan while the crop is in storage. These loans provide cash flow to the producer and allow them to market the crop when prices may be more advantageous.

Farm Storage Facility Loans can be used to build permanent structures used to store eligible commodities, for storage and handling trucks, or portable or permanent handling equipment. A variety of structures are eligible under this loan, including bunker silos, grain bins, hay storage structures, and refrigerated structures for vegetables and fruit. A producer may borrow up to \$500,000 per loan.

For more information about farm loans, contact your local USDA Service Center.

Communication is Key in Lending

Farm Service Agency (FSA) is committed to providing our farm loan borrowers the tools necessary to be successful. FSA staff will provide guidance and counsel from the loan application process through the borrower's graduation to commercial credit. While it is FSA's commitment to advise borrowers as they identify goals and evaluate progress, it is crucial for borrowers to communicate with their farm loan staff when changes occur. It is the borrower's responsibility to alert FSA to any of the following:

- Any proposed or significant changes in the farming operation
- Any significant changes to family income or expenses
- The development of problem situations
- Any losses or proposed significant changes in security

If a farm loan borrower can't make payments to suppliers, other creditors, or FSA on time, contact your farm loan staff immediately to discuss loan servicing options.

For more information on FSA farm loan programs, contact your <u>local USDA Service Center</u>, or visit fsa.usda.gov.

Share Your Plant 2023 Stories



Spring is finally here and for many, this is a time of hope and renewal. As some head to the local hardware store to kickstart outdoor improvements, America's agricultural producers are already putting their spring plans into action, planting the seeds that will feed, fuel, and clothe us later in the year.

As in years past, we'd like to showcase the planting season stories of farmers and ranchers across America. To share yours, make a post on Facebook, Instagram or Twitter with photos or video and tag **@FarmersGov**. Be sure to include where

you are and what you're working on in your post. You can also direct message us through any of our @FarmersGov social media accounts.

Alternatively, email us at <u>SM.FP.Social@usda.gov</u> with your name or the name of your operation, your location (city/county and state), and information about what's happening in your photos or videos.

Need more ideas on what makes a great #Plant23 photo? Check out highlights from previous years:

- Plant 2022
- Plant 2021
- Plant 2020

Make sure to follow @FarmersGov on <u>Facebook</u>, <u>Twitter</u>, and <u>Instagram</u>, and we look forward to sharing your story!

USDA Welcomes Community Gardens to its People's Garden Initiative



The U.S. Department of Agriculture (USDA) welcomes school gardens, community gardens, urban farms, and small-scale agriculture projects in rural, suburban and urban areas to be recognized as a "People's Garden." People's Gardens grow fresh, healthy food and support resilient, local food systems; teach people how to garden using conservation practices; nurture habitat for pollinators and wildlife and create greenspace for neighbors.

To be part of the initiatives, gardens should be registered on the USDA website and meet criteria including benefitting the community, working collaboratively, incorporating conservation practices and educating the public. Affiliate People's Garden locations will be indicated on a map on the USDA website, featured in USDA communications, and provided with a People's Garden sign. New gardens will join the People's Garden at USDA headquarters in Washington, D.C. and 17 other flagship gardens established in 2022.

USDA originally launched the People's Garden Initiative in 2009. It's named for the "People's Department," former President Abraham Lincoln's nickname for USDA, which was established during his presidency in 1862.

To learn more about People's Garden or to register one, visit the People's Garden webpage at usda.gov/Peoples-Garden.

The People's Garden Initiative is part of USDA's broader efforts to advance equity, support local and regional food systems and access to food, and encourage use of conservation and climate-smart practices.

- See our 2023 Kentucky Guaranteed Lender Newsletter
- See our <u>USDA Farm Service Agency Annual Program and Policy Reminders March</u> <u>2023</u>.

May 2023 Selected Interest Rates

Farm Loan Programs	
90-Day Treasury Bill	4.875%
Farm Operating Loans - Direct	5.000%
Farm Ownership Loans - Direct	5.000%
Limited Resource Loans	5.000%
Farm Ownership Loans - Direct FO Down Payment	1.500%
Emergency Loans	3.750%

Farm Programs Farm Storage Facility Loans	
3 Year	3.750%
5 Year	3.500%
7 Year	3.500%
10 Year	3.500%
12 Year	3.500%
Commodity Loans	5.625%
CCC Borrowing Rate	4.625%

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Contact your local USDA Service Center.

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