

In This Issue:

- [Message from Kentucky FSA State Executive Director Dean Schamore](#)
- [USDA Encourages You to Consider NAP Risk Protection Coverage Before Crop Sales Deadlines](#)
- [USDA Supports Military Veteran's Transition to Farming](#)
- [USDA Offers Options for Signing and Sharing Documents Online](#)
- [Submit Loan Requests for Financing Early](#)
- [Communication is Key in Lending](#)
- [March 2022 Selected Interest Rates](#)

Message from Kentucky FSA State Executive Director Dean Schamore



Spring planting is just a few weeks away! While we look forward to warmer temperatures and breaking ground, we must remain mindful of the potential for severe weather events, like the tornadoes and high winds that impacted Western Kentucky on Dec. 10, 2021 to Dec. 11, 2021. Events like these create significant challenges and often result in catastrophic loss for agricultural producers. The tireless efforts of our dedicated employees and locally elected County Committees helped affected producers get started with the Emergency Conservation Program (ECP) signup, which assisted producers in both debris and fence removal and fence repair, and the livestock indemnity program (LIP), which will cover producers who had livestock deaths due to the storms.

During fiscal year 2021, Kentucky FSA delivered more than \$754.97 million in federal program payments and loans to our farmers across the state. This included more than \$423.6 million in key farm safety-net programs to Kentucky producers through programs such as Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) and Dairy Margin Coverage. And more than \$68.1 million in disaster assistance was provided to Kentucky farmers, livestock producers and foresters.

We have staff in 64 service centers across the state ready to help you manage your farming operation. If you are new to farming, we are here to help you get started or grow

your operation through a variety of programs and services, from farm loans to crop insurance, and conservation programs to disaster assistance.

A great way 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 wide number of topics including disaster assistance, conservation programs, crop insurance, farm loans, and more. For more information visit farmers.gov/working-with-us/stay-connected or for subscription assistance, contact your [local USDA Service Center](#).

This March 2022 issue of Kentucky FSA News reminds farmers and producers of upcoming deadlines for key commodity safety net programs, program and contact information on funds targeted for veteran's and beginning farmers, and helpful farm loans information.

To locate your local FSA office visit farmers.gov/service-center-locator

Agricultural Producers Have Until March 15 to Enroll in USDA's Key Commodity Safety Net Programs



Agricultural producers who have not yet enrolled in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs for the 2022 crop year have until March 15, 2022, to sign a contract. The U.S. Department of Agriculture (USDA) offers these two safety net programs to provide vital income support to farmers experiencing substantial declines in crop prices or revenues.

Producers can elect coverage and enroll in ARC-County or PLC, which are both crop-by-crop, or ARC-Individual, which is for the entire farm. Although election changes for 2022 are optional, producers must enroll through a signed contract each year. Also, if a producer has a multi-year contract on the farm and makes an election change for 2022, it will be necessary to sign a new contract.

If an election is not submitted by the March 15, 2022, deadline, the election remains the same as the 2021 election for crops on the farm. Farm owners cannot enroll in either program unless they have a share interest in the crop.

Producers have completed 976,249 contracts to date, representing 54% of the more than 1.8 million expected contracts.

Producers who do not complete enrollment by the deadline will not be enrolled in ARC or PLC for the 2022 crop year and will not receive a payment if triggered.

Producers are eligible to enroll farms with base acres for the following commodities: barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium and short grain rice, safflower seed, seed cotton, sesame, soybeans, sunflower seed, and wheat.

Decision Tools

In partnership with USDA, two web-based decision tools are available to assist producers in making informed, educated decisions using crop data specific to their respective farming operations:

- [Gardner-farmdoc Payment Calculator](#), a tool available through the University of Illinois allows producers to estimate payments for farms and counties for ARC-CO and PLC.
- [ARC and PLC Decision Tool](#), a tool available through Texas A&M that allows producers to estimate payments and yield updates and expected payments for 2022.

Crop Insurance Considerations and Decision Deadline

ARC and PLC are part of a broader safety net provided by USDA, which also includes crop insurance and marketing assistance loans.

Producers are reminded that ARC and PLC elections and enrollments can impact eligibility for some crop insurance products.

Producers on farms with a PLC election have the option of purchasing Supplemental Coverage Option (SCO) through their Approved Insurance Provider; however, producers on farms where ARC is the election are ineligible for SCO on their planted acres for that crop on that farm.

Unlike SCO, the Enhanced Coverage Option (ECO) is unaffected by an ARC election. Producers may add ECO regardless of the farm program election.

Upland cotton farmers who choose to enroll seed cotton base acres in ARC or PLC are ineligible for the stacked income protection plan (STAX) on their planted cotton acres for that farm.

Producers should contact their crop insurance agent to make certain that the election and enrollment made at FSA follows their intention to participate in STAX or SCO coverage. Producers have until March 15, 2022, to make the appropriate changes or cancel their ARC or PLC contract.

More Information

In addition to the March 15 deadline for ARC and PLC, other important deadlines include:

- March 11, [Conservation Reserve Program General Signup](#)
- March 15, [Pandemic Cover Crop Program](#)
- March 25, [Dairy Margin Coverage](#)
- March 25, [Dairy Margin Coverage \(DMC\) and Supplemental Dairy Margin Coverage \(SDMC\)](#)
- April 15, [Spot Market Hog Pandemic Program \(SMHPP\)](#)
- May 13, [Conservation Reserve Program \(CRP\) – Grassland Signup](#)

For more information on ARC and PLC, producers can visit the [ARC and PLC webpage](#) or contact their local USDA Service Center. In those service centers

where COVID cases exceed safety levels, staff continue to work with agricultural producers via phone, email and other digital tools. Producers with [level 2 eauthentication access](#) can electronically sign contracts or may make arrangements to drop off signed contracts at the FSA county office. Because of the pandemic, some [USDA Service Centers](#) are open to limited visitors.

USDA Encourages You to Consider NAP Risk Protection Coverage Before Crop Sales Deadlines

The Farm Service Agency encourages you to examine available USDA crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the applicable crop sales deadline.

Federal crop insurance covers crop losses from natural adversities such as drought, hail and excessive moisture. NAP covers losses from natural disasters on crops for which no permanent federal crop insurance program is available. You can determine if crops are eligible for federal crop insurance or NAP by [visiting the RMA website](#).

NAP offers higher levels of coverage, from 50 to 65 percent of expected production in 5 percent increments, at 100 percent of the average market price. Producers of organics and crops marketed directly to consumers also may exercise the “buy-up” option to obtain NAP coverage of 100 percent of the average market price at the coverage levels of between 50 and 65 percent of expected production. Buy-up levels of NAP coverage are available if the producer can show at least one year of previously successfully growing the crop for which coverage is being requested. NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production.

For all coverage levels, the NAP service fee is the lesser of \$325 per crop or \$825 per producer per county, not to exceed a total of \$1,950 for a producer with farming interests in multiple counties.

Beginning, underserved, veterans and limited resource farmers are now eligible for free catastrophic level coverage.

The next NAP application deadline for 2022 is March 15th. To find out more, contact your [local USDA Service Center](#) at or visit fsa.usda.gov.

Federal crop insurance coverage is sold and delivered solely through private insurance agents. Agent lists are available at all USDA Service Centers or at [USDA's online Agent Locator](#). You can use the [USDA Cost Estimator](#) to predict insurance premium costs.

USDA Supports Military Veteran's Transition to Farming

Are you a military veteran interested in farming? USDA offers resources to help you:



- **Fund Your Operation:** USDA's Farm Service Agency offers a variety of [funding opportunities](#) to help agricultural producers finance their businesses. Certain funds are targeted for veterans and beginning farmers and ranchers.
- **Conserve Natural Resources:** USDA's Natural Resources Conservation Service offers [conservation programs and expert one-on-one technical assistance](#) to strengthen agricultural operations now and into the future. Veterans may be eligible for a cost share of up to 90 percent and advance payments of up to 50 percent to cover certain conservation practices.
- **Manage Risks:** USDA is here to help you prepare for and recover from the unexpected. Veterans who are beginning farmers may be eligible for reduced premiums, application fee waivers, increased insurance coverage, and other incentives for multiple [USDA programs that support risk management](#).

USDA wants to ensure that veterans transitioning to agriculture have the resources needed to succeed. While USDA offices are currently closed to visitors because of the pandemic, Service Center staff continue to work with agricultural producers via phone, email, and other digital tools. To conduct business, please contact your local USDA Service Center. Additionally, more information related to USDA's response and relief for producers can be found at farmers.gov/coronavirus. If you're a new farmer, you can also reach out the Kentucky Beginning Farmer and Rancher Coordinator, [Angella Watson](#), (ph) 859-224-7685.

USDA Offers Options for Signing and Sharing Documents Online



Farmers and ranchers working with USDA's Farm Service Agency or Natural Resources Conservation Service can now sign and share documents online in just a few clicks. By using Box or OneSpan, producers can digitally complete business transactions without leaving their homes or agricultural operations. Both services are free, secure, and available for multiple FSA and NRCS programs.

Box is a secure, cloud-based site where FSA or NRCS documents can be managed and shared. Producers who choose to use Box can create a username and password to access their secure Box account, where documents can be downloaded, printed, manually signed, scanned, uploaded, and shared digitally with Service Center staff. This service is available to any FSA or NRCS customer with access to a mobile device or computer with printer connectivity.

OneSpan is a secure eSignature solution for FSA and NRCS customers. Like Box, no software downloads or eAuthentication is required for OneSpan. Instead, producers

interested in eSignature through OneSpan can confirm their identity through two-factor authentication using a verification code sent to their mobile device or a personalized question and answer. Once identity is confirmed, documents can be reviewed and e-signed through OneSpan via the producer's personal email address. Signed documents immediately become available to the appropriate Service Center staff.

Box and OneSpan are both optional services for customers interested in improved efficiency in signing and sharing documents with USDA, and they do not replace existing systems using eAuthentication for digital signature. Instead, these tools provide additional digital options for producers to use when conducting business with FSA or NRCS.

USDA Service Center staff are available to help producers get started with Box and OneSpan through a few simple steps. Please visit farmers.gov/service-locator to find your local office and let Service Center staff know you're interested in signing and sharing documents through these new features. In most cases, one quick phone call will be all that is needed to initiate the process.

Visit farmers.gov/mydocs to learn more about Box and OneSpan, steps for getting started, and additional resources for conducting business with USDA online.

To learn more about program flexibilities and Service Center status during the coronavirus pandemic, visit farmers.gov/coronavirus.

Submit Loan Requests for Financing Early

Farm Loan teams throughout Kentucky are already working on operating loans for spring 2022 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.

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 local FSA office. To locate your local FSA office visit farmers.gov/service-center-locator or visit fsa.usda.gov.

- See our [2022 Kentucky Guaranteed Lender Newsletter](#)
- See our [2022 KY FSA Customer Calendar](#)

March 2022 Selected Interest Rates

Farm Loan Programs	
90-Day Treasury Bill	0.125%
Farm Operating Loans - Direct	2.375%
Farm Ownership Loans - Direct	3.000%
Limited Resource Loans	5.000%
Farm Ownership Loans - Direct FO Down Payment	1.500%
Emergency Loans	3.375%

Farm Programs
Farm Storage Facility Loans

3 Year	1.500%
5 Year	1.750%
7 Year	1.875%
10 Year	1.875%
12 Year	2.000%
Commodity Loans	1.875%
CCC Borrowing Rate	0.875%

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USDA Farm Service Agency

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