



**Farm Service Agency**

U.S. DEPARTMENT OF AGRICULTURE

Kentucky FSA Newsletter - September 20, 2024

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## Message from Kentucky FSA State Executive Director Dean Schamore



Fall has a special meaning to farmers and their harvest. The term "harvest" was the original English name for "fall" or "autumn". And the word "harvest" comes from the Old Norse "haust," which means "to gather". For centuries we've defined this entire season by the action of gathering crops. Harvest is a very rewarding time to those who've worked the lands during spring and summer; and it's a blessing for all of us who depend on the crops they produce.

FSA wants all farmers to have a bountiful harvest - and that begins with putting safety first. We know that one of the busiest and most dangerous seasons of the year for farmers is the fall harvest. For this reason, the third week of September has been recognized as [National Farm Safety and Health Week](#). There are numerous safety and health issues common in agriculture, and a major hazard this time of year is with grain bins. According to the National Education Center for Agricultural Safety (NECAS), there have been 504 grain bin entrapments that have happened since 2007. Visit the [NECAS website](#) to view

helpful grain bin safety videos, as well as numerous other farm safety tips and training.

Unfortunately, dry conditions have persisted across many areas of the state, and according to the USDA National Agricultural Statistics Service (NASS) Kentucky Field Office, "most of Kentucky is now under abnormally dry or moderate drought conditions." You can help us by reporting drought conditions for the U.S. Drought Monitor (USDM). See the article below for more information and a link to report drought conditions.

On behalf of all of us at the Farm Service Agency in Kentucky, we thank our farmers and producers for caring for the land and helping ensure we have safe and affordable food, fuel and fiber for our communities.

We appreciate our Kentucky farmers!

Dean Schamore  
State Executive Director for FSA  
Kentucky State Office

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## USDA Launches Online Debt Consolidation Tool to Increase Farmer And Rancher Financial Viability



The U.S. Department of Agriculture (USDA) is announcing the launch of the Debt Consolidation Tool, an innovative online tool available through [farmers.gov](https://farmers.gov) that allows agricultural producers to enter their farm operating debt and evaluate the potential savings that might be provided by obtaining a debt consolidation loan with USDA's Farm Service Agency (FSA) or a local lender.

A debt consolidation loan is a new loan used to pay off other existing operating loans or lines of credit that might have unreasonable rates and terms. By combining multiple eligible debts into a single, larger loan, borrowers may obtain more favorable payment terms such as a lower interest rate or lower payments. Consolidating debt may also provide farmers and ranchers additional cash flow flexibilities.

The Debt Consolidation Tool is a significant addition to FSA's suite of improvements designed to modernize its Farm Loan Programs. The tool enhances customer service and increases opportunities for farmers and ranchers to achieve financial viability by helping them identify potential savings that could be reinvested in their farming and ranching operation, retirement accounts, or college savings accounts.

Producers can access the Debt Consolidation Tool by visiting [farmers.gov/debt-consolidation-tool](https://farmers.gov/debt-consolidation-tool). The tool is built to run on modern browsers including Chrome, Edge, Firefox, or the Safari browser. Producers do not need to create a farmers.gov account or access the authenticated customer portal to use the tool.

### **Additional Farm Loan Programs Improvements**

FSA recently announced significant changes to Farm Loan Programs through the [Enhancing Program Access and Delivery for Farm Loans rule](#). These policy changes, to take effect September 25, 2024, are designed to better assist borrowers to make strategic investments in the enhancement or expansion of their agricultural operations.

FSA also has a significant initiative underway to streamline and automate the Farm Loan Program customer-facing business process. For the over 26,000 producers who submit a direct loan application annually, FSA has made several impactful improvements including:

- The [Loan Assistance Tool](#) that provides customers with an interactive online, step-by-step guide to identifying the direct loan products that may be a fit for their business needs and to understanding the application process.
- The [Online Loan Application](#), an interactive, guided application that is paperless and provides helpful features including an electronic signature option, the ability to attach supporting documents such as tax returns, complete a balance sheet, and build a farm operating plan.
- An [online direct loan repayment feature](#) that relieves borrowers from the necessity of calling, mailing, or visiting a local USDA Service Center to pay a loan installment.
- A [simplified direct loan paper application](#), reduced from 29 pages to 13 pages.
- A new [educational hub](#) with farm loan resources and videos.

USDA encourages producers to reach out to their local FSA farm loan staff to ensure they fully understand the wide range of loan and servicing options available to assist with starting, expanding, or maintaining their agricultural operation. To conduct business with FSA, please contact your local [USDA Service Center](#).

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# USDA Expands Funding Opportunities for Specialty Crop Growers to Help Offset On-Farm Food Safety Expenses for 2024 and 2025

The U.S. Department of Agriculture (USDA) is expanding the [Food Safety Certification for Specialty Crops \(FSCSC\) program](#) to now include medium-sized businesses in addition to small businesses. Eligible specialty crop growers can apply for assistance for expenses related to obtaining or renewing a food safety certification. The program has also been expanded to include assistance for 2024 and 2025 expenses. Producers can apply for assistance on their calendar year 2024 expenses beginning July 1, 2024, through Jan. 31, 2025. For program year 2025, the application period will be Jan. 1, 2025, through Jan. 31, 2026.



## Program Details

FSCSC assists specialty crop operations that incurred eligible on-farm food safety certification and expenses related to obtaining or renewing a food safety. FSCSC covers a percentage of the specialty crop operation's cost of obtaining or renewing its certification, as well as a portion of related expenses.

Eligible FSCSC applicants must be a specialty crop operation; meet the definition of a small or medium-size business and have paid eligible expenses related to certification.

- A small business has an average annual monetary value of specialty crops sold by the applicant during the three-year period preceding the program year of no more than \$500,000.
- A medium size business has an average annual monetary value of specialty crops the applicant sold during the three-year period preceding the program year of at least \$500,001 but no more than \$1,000,000.

Specialty crop operations can receive the following cost assistance:

- Developing a food safety plan for first-time food safety certification.
- Maintaining or updating an existing food safety plan.
- Food safety certification.
- Certification upload fees.
- Microbiological testing for products, soil amendments and water.
- Training

FSCSC payments are calculated separately for each eligible cost category. Details about payment rates and limitations are available at [farmers.gov/food-safety](https://farmers.gov/food-safety).

### **Applying for Assistance**

Interested applicants have until Jan. 31, 2025, to apply for assistance for 2024 eligible expenses. FSA will issue payments as applications are processed and approved. For program year 2025, the application period will be January 1, 2025, through January 31, 2026. FSA will issue 50% of the calculated payment for program year 2025 following application approval, with the remaining amount to be paid after the application deadline. If calculated payments exceed the amount of available funding, payments will be prorated.

Specialty crop producers can apply by completing the [FSA-888-1, Food Safety Certification for Specialty Crops Program \(FSCSC\) for Program Years 2024 and 2025](#) application. The application, along with the [AD-2047, Customer Data Worksheet](#) and [SF-3881, ACH Vendor/Miscellaneous Payment Enrollment Form](#), if not already on file with FSA, can be submitted to the FSA office at any USDA Service Center nationwide by mail, fax, hand delivery or via electronic means. Alternatively, producers with an eAuthentication account can apply for FSCSC [online](#). Producers interested in creating an eAuthentication account should visit [farmers.gov/sign-in](https://farmers.gov/sign-in).

Specialty crop producers can also call 877-508-8364 to speak directly with a FSA employee ready to assist. Visit [farmers.gov/food-safety](https://farmers.gov/food-safety) for additional program details, eligibility information and forms needed to apply.

### **More Information**

To learn more about FSA programs, producers can contact their local [USDA Service Center](#). Producers can also prepare maps for acreage reporting as well as manage farm loans and view other farm records data and customer information by [logging into their farmers.gov account](#). Producers without an account can [sign up today](#).

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## **USDA Updates Farm Loan Programs to Increase Financial Freedom, Resilience and Profitability for Agricultural Producers**

The U.S. Department of Agriculture (USDA) today announces changes to the Farm Service Agency's (FSA) Farm Loan Programs, effective Sept. 25, 2024 — changes that are intended to increase opportunities for farmers and ranchers to be financially viable. These improvements, part of the [Enhancing Program Access and Delivery](#)

[for Farm Loans rule](#), demonstrate USDA's commitment to improving farm profitability through farm loans designed to provide important financing options used by producers to cover operating expenses and purchase land and equipment.

Farm loan policy changes outlined in the *Enhancing Program Access and Delivery for Farm Loans* rule, are designed to better assist borrowers to make strategic investments in the enhancement or expansion of their agricultural operations.

The three most notable policy changes include:

- Establishing a new low-interest installment set-aside program for financially distressed borrowers. Eligible financially distressed borrowers can defer up to one annual loan installment per qualified loan at a reduced interest rate, providing a simpler and expedited option to resolve financial distress in addition to FSA's existing loan servicing programs.
- Providing all eligible loan applicants access to flexible repayment terms that can increase profitability and help build working capital reserves and savings. By creating upfront positive cash flow, borrowers can find opportunities in their farm operating plan budgets to include a reasonable margin for increased working capital reserves and savings, including for retirement and education.
- Reducing additional loan security requirements to enable borrowers to leverage equity. This reduces the amount of additional security required for direct farm loans, including reducing the frequency borrowers must use their personal residence as additional collateral for a farm loan.

### **Additional Farm Loan Program Improvements**

Under the Biden-Harris Administration, USDA's FSA has embarked on a comprehensive and systemic effort to ensure equitable delivery of Farm Loan Programs and improve access to credit for small and mid-size family farms.

FSA has also included additional data in its [annual report to Congress](#) to provide information that Congress, stakeholders, and the general public need to hold USDA accountable on the progress that has been made in improving services to underserved producers. This year's report shows FSA direct and guaranteed loans were made to a greater percentage of young and beginning farmers and ranchers, as well as improvements in the participation rates of minority borrowers. The report also highlights FSA's microloan program's new focus on urban agriculture operations and niche market lending, as well as increased support for producers seeking direct loans for farm ownership in the face of increasing land values across the country.

FSA has a significant initiative underway to streamline and automate the Farm Loan Program customer-facing business process. For the over 26,000 producers who submit a direct loan application annually, FSA has made several impactful improvements including:



- The Loan Assistance Tool that provides customers with an interactive online, step-by-step guide to identifying the direct loan products that may be a fit for their business needs and to understanding the application process.
- The Online Loan Application, an interactive, guided application that is paperless and provides helpful features including an electronic signature option, the ability to attach supporting documents such as tax returns, complete a balance sheet, and build a farm operating plan.
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FSA helps America's farmers, ranchers and forest landowners invest in, improve, protect and expand their agricultural operations through the delivery of agricultural programs for all Americans. FSA implements agricultural policy, administers credit and loan programs, and manages conservation, commodity, disaster recovery and marketing programs through a national network of state and county offices and locally elected county committees. For more information, visit, [www.fsa.usda.gov](http://www.fsa.usda.gov)

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## Reporting Drought Conditions



### Reporting Drought Conditions

The National Drought Mitigation Center, the National Integrated Drought Information System and the U.S. Department of Agriculture's Climate Hubs work with states, tribes, and agricultural producers across the country to collect Condition Monitoring Observer Reports on Drought (CMOR-Drought), including photos.

### How does reporting local drought conditions benefit you?

Your reports help us understand how drought is affecting local conditions, which appear on a map. U.S. Drought Monitor (USDM) authors consult the CMOR map to help identify areas that need more attention. The USDM triggers drought responses, including the Farm Service Agency's Livestock Forage Disaster Program, Emergency Conservation Program, Emergency Loans and certain recovery provisions under the Emergency Assistance for Livestock, Honeybees and

Farm-Raised Fish Program as well as Internal Revenue Service tax provisions. State agencies, including emergency management and public safety, may also make use of USDM maps to know where to direct assistance.

### **How often should you report local drought conditions?**

We recommend that you submit a photo each month or each season, to provide an ongoing comparison of wet, dry and normal conditions. Of course, we also welcome more frequent submissions.

For more information or to submit a report, visit [droughtimpacts.unl.edu/Tools/ConditionMonitoringObservations.aspx](https://droughtimpacts.unl.edu/Tools/ConditionMonitoringObservations.aspx).

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## **USDA Reminds Producers of Fall Application Deadlines for Noninsured Crop Disaster Assistance Program (NAP)**



The USDA Farm Service Agency (FSA) reminds producers of approaching application deadlines for purchasing risk coverage for some crops through the Noninsured Crop Disaster Assistance Program (NAP). NAP provides financial assistance to producers of non-insurable crops impacted by natural disasters that result in lower yields, crop losses, or prevented crop planting.

NAP covers losses from natural disasters on crops for which no permanent federal crop insurance program is available, including forage and grazing crops, fruits, vegetables, floriculture, ornamental nursery, aquaculture, turf grass and more.

Upcoming application deadlines for NAP coverage in Kentucky for the 2024 production season include:

*Barley-GR, Canola-FAL & SPR, Christmas Trees, Flowers, Grass-Sod, Mushrooms, Oats SPR & WTR, Rye, Triticale, Wheat.*

NAP basic coverage is available at 55% of the average market price for crop losses that exceed 50% of expected production. Buy-up coverage is available in some cases. NAP offers higher levels of coverage, ranging from 50% to 65% of expected production in 5% increments, at 100% of the average market price. Producers of organic crops and crops marketed directly to consumers also may exercise the “buy-up” option to obtain NAP coverage of 100% of the average market price at coverage levels ranging between 50% and 65% of expected production. Buy-up coverage is not available for crops intended for grazing.



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. Premiums apply for buy-up coverage.

If a producer has a Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification (form CCC-860) on file with FSA, it may serve as an application for basic coverage for all eligible crops beginning with crop year 2022. These producers will have all NAP-related service fees for basic coverage waived. These producers may also receive a 50% premium reduction if higher levels of coverage are elected on form CCC-471, prior to the application closing date for each crop.

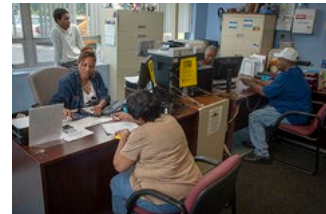
To learn more about NAP visit [fsa.usda.gov/nap](https://fsa.usda.gov/nap) or contact your local [USDA Service Center](#).

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## Receipt for Service - Improving Customer Service

Did you know that, as a customer in any USDA service center, employees are required, per federal law and USDA regulations, to provide you with a computer-generated receipt at the end of your visit? This [Receipt for Service](#) details the type of service you requested, the service and response provided by the staff, and the date and time of your visit.



The 2014 Farm Bill designated that FSA, Natural Resources Conservation Service (NRCS) and Rural Development (RD) employees are statutorily required to provide producers a receipt when a current or prospective producer or landowner interacts or engages with the Agency regarding a USDA benefit or service.

On behalf of our customers, FSA employees are required to enter receipts timely and create only one receipt per customer per visit, regardless of the number of employee interactions a customer may encounter in a single visit. A single receipt will be generated that provides a summary of the customer's visit on behalf of the other employees who also met with the customer on the same day. Employees must also ensure that all services rendered are properly reflected in that receipt.

Issuing a receipt is required by our offices. If you do not receive a receipt, please be sure to request one. For more information, FSA's [Receipt for Service handbook](#) is now available online.

Don't leave the office without your receipt!

## Current Farm Loans and Farm Programs Interest Rates - September 2024

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Farm Loan Programs		Farm Programs		
90-Day Treasury Bill	<b>5.500%</b>	Farm Storage Facility Loans	3 Year	<b>4.000%</b>
Farm Operating Loans - Direct	<b>5.250%</b>	Farm Storage Facility Loans	5 Year	<b>3.875%</b>
Farm Ownership Loans - Direct	<b>5.500%</b>	Farm Storage Facility Loans	7 Year	<b>3.875%</b>
Limited Resource Loans	<b>5.000%</b>	Farm Storage Facility Loans	10 Year	<b>4.000%</b>
Farm Ownership Loans - Direct FO Down Payment	<b>1.500%</b>	Farm Storage Facility Loans	12 Year	<b>4.125%</b>
Emergency Loans	<b>3.750%</b>	Commodity Loans		<b>5.625%</b>
		CCC Borrowing Rate		<b>4.625%</b>

### ***Other Publications:***

- See our [2024 Kentucky Guaranteed Lender Newsletter](#)
- See our [2024 USDA Farm Service Agency Annual Program and Policy Reminders](#).

## Kentucky FSA State Office

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Lexington, KY 40503

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[State Webpage](#)

Contact your [local USDA Service Center](#) for assistance with FSA loans or programs

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**Kentucky FSA State Committee**

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- *Carrie Divine - Morganfield*
- *Pat Henderson - Irvington*
- *James Kay, Sr. - Versailles*
- *Roger Thomas - Smiths Grove*

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