



KENTUCKY NEWS



January 2013

Kentucky FSA State Office

John W. McCauley
State Executive Director
771 Corporate Dr.
Ste 100
Lexington, KY 40503

859-224-7601 phone
859-224- 7691 fax
www.fsa.usda.gov/ky

Hours

Monday - Friday
7:30 a.m. - 4:30 p.m.

State Staff

Robert W. Finch, Executive
Officer

Marcinda Kester, Chief Farm
Programs

Mitchell W. Whittle, Chief
Farm Loans

Debbie Wakefield, Chief
Administrative Officer

County Committee Election Results are In

Congratulations to all those elected to represent farmers in their respective counties on the local county committee.

FSA appreciates all of the voters for taking the time to complete the election ballot. The county committee system works only because of your participation.

The committee members will hold their organizational meeting in January to determine who will serve as the county committee chair person and vice-chair person.

IRS 1099 Changes

Calendar year 2012 brought changes to the way FSA reports farm program payments to the producer and to the IRS.

In past years, IRS Forms 1099-G would be issued to show all program payments received from the Farm Service Agency, regardless of the amount.

For tax year 2012, producers whose total reportable payments from FSA were less than \$600 will not receive IRS Form 1099-G. Also, producers who receive payments from more than one county will only receive one Form 1099-G if the total of all payments from all counties is \$600 or more.

FSA Signature Policy

Husbands and wives may sign documents on behalf of each other for FSA and Commodity Credit Corporation programs in which either has an interest. This option is automatically available unless a written request for exclusion is made to the county office staff by either spouse.

There are exceptions to the rule, where spouses may not sign on behalf of each other for partnerships, joint ventures, corporations or other similar entities.

Individual signatures are also required on certain Farm Loan Program and Farm Storage Facility Loan documents.

For more clarification on spousal signature authority, feel free to contact your local FSA office.

Power of Attorney

For those who find it difficult to visit the county office because of work schedules, distance, health, etc., FSA has a power of attorney form available that allows producers to designate another person to conduct business at the office. If interested, contact our office or any Farm Service Agency office for more information.

Foreign Buyers Notification

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. The Farm Service Agency administers this program for USDA.

All individuals who are not U.S. citizens, and have purchased or sold agricultural land in the county are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form (FSA-153) could result in civil penalties of up to 25 percent of the fair market value of the property. County government offices, realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

Appeal Process

After an FSA official makes a decision on a request for USDA services or application, the producer will be sent a letter informing him/her of the decision and options that can be pursued.

Generally, program participants have three choices — an informal review with the original agency decision-maker, an opportunity for mediation and finally an appeal to the next level of authority within the agency.

Farming Operation Changes

Producers who have bought or sold land, or added or dropped rented land from their operation must report those changes to the FSA office as soon as possible. A copy of the deed or recorded land contract for purchase property is needed to maintain accurate records with FSA. Failure to do so can lead to possible program ineligibility and penalties. While making record updates, be sure to update signature authorizations. Making record changes now will save time in the spring.

Special Accommodations

Special accommodations will be made upon request for individuals with disabilities, vision impairment or hearing impairment. If accommodations are required, individuals should contact the county FSA office staff directly or by phone.

Selling Land

If you plan on selling farmland, you should be aware of several consequences associated with FSA programs. For example, if you're planning to sell land that's enrolled in the Conservation Reserve Program, the buyer must agree to continue the enrollment. If the buyer doesn't want to continue the CRP contract, you might have to refund all of the payments you've received to date.

Reviewing program implications with your local Farm Service Agency staff before completing a sale of farmland is always a prudent precaution.

Beginning and Limited Resource Farmers

FSA assists beginning farmers and or members of socially disadvantaged groups to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more than 10 years
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
- Does not own a farm in excess of 30 percent of the county's median size.

Additional program information, loan applications and other materials are available at your local USDA Service Center. You may also visit www.fsa.usda.gov

2013 KY NAP Application Closing Dates	
3/1/2013	Alfalfa, Clover, Grass, Millet, Mixfg, TEFF
3/15/2013	Beans, Beets, Broccoli, Cabbage, Cantaloupe, Carrots, Cauliflower, Corn, Corn-Hybrid Seed, Cucumbers, Eggplant, Gourds, Greens, Herbs, Lettuce, Onions, Peas, Peppers, Popcorn, Potatoes, Pumpkins, Radish, Sorghum, Sorghum-Grain, Soybeans, Squash, Strawberries, Sunflowers, Sweet Potatoes, Tobacco-Burley, Tobacco-Dark Air, Tobacco-Fire Cured, Tomatoes, Turnips, Watermelons

NAP Change for 2013

There is a change in the production reporting date and application for payment deadline for NAP beginning with the 2013 crop year. The deadline for reporting production or filing an application for payment will be the last acreage reporting date for the state. For Kentucky, this date is July 15th.

Farm Storage Facility Loans

The Farm Storage Facility Loan Program (FSFLP) allows producers of eligible commodities to obtain low-interest financing to build or upgrade farm storage and handling facilities.

The new maximum principal amount of a loan through FSFL is \$500,000. Participants are now required to provide a down payment of 15 percent, with CCC providing a loan for the remaining 85 percent of the net cost of the eligible storage facility and permanent drying and handling equipment. New loan terms of seven, 10 or 12 years are available depending on the amount of the loan. Interest rates for each term rate may be different and are based on the rate which CCC borrows from the U.S. Treasury Department.

Payments are available in the form of a partial disbursement and the remaining final disbursement. The partial disbursement will be available after a portion of the construction has been completed. The final fund disbursement will be made when all construction is completed. The maximum amount of the partial disbursement will be 50 percent of the projected and approved total loan amount.

Applications for FSFL must be submitted to the FSA county office that maintains the farm's records. An FSFL must be approved before any site preparation or construction can begin.

For more information about FSFL please visit your FSA county office or www.fsa.usda.gov.

USDA Finalizes New Microloan Program

Agriculture Secretary Tom Vilsack unveiled a new microloan program today that will expand access to credit for small farmers and ranchers and beginning and socially disadvantaged producers.

The microloan application process is simpler and requires less paperwork than traditional operating loans. Additionally, the requirement for managerial experience and loan security has been modified to ensure that small family operations and beginning farmers and ranchers can obtain the credit needed to start and continue an agricultural operation. This loan program will also be useful to specialty crop producers and operators of community supported agriculture (CSA).

Eligible applicants can apply for a maximum amount of \$35,000 to pay for initial start-up expenses such as hoop houses to extend the growing season, essential tools, irrigation, delivery vehicles, and annual expenses such as seed, fertilizer, utilities, land rents, marketing, and distribution expenses. As financing needs increase, applicants can apply for an operating loan up to the maximum amount of \$300,000 or obtain financing from a commercial lender under FSA's Guaranteed Loan Program.

Small farmers often rely on credit cards or personal loans, which carry high interest rates and have less flexible payment schedules, to finance their operations. The microloan program will expand access to credit and provide a simple and flexible loan process for small operators.

The current interest rate for Microloans is 1.25 percent.

In addition to microloans, FSA offers several farm loan programs that provide funding to purchase land, livestock, equipment, feed, seed, and supplies, or can be used to construct buildings or make farm improvements.

Producers interested in applying for a microloan or other FSA farm loan program should contact their local Farm Service Agency office.