



KENTUCKY NEWS



May 2012

**Kentucky
FSA State Office**

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Kentucky Farm Service Agency Important 2012 Deadlines

Kentucky producers are reminded to mark your calendars for the upcoming important 2012 deadlines.

<u>May 1-Prior Year</u>	Final date to apply for NAP coverage for Nursery
<u>June 1</u>	Farm Record Changes Due
<u>June 1</u>	ACRE and DCP Signup Deadline
<u>June 15</u>	COC Nominations Open
<u>July 15</u>	*Final crop reporting date for all other crops, except small grain and value loss crops, including CRP Acreage
<u>Sept 1-Prior Year</u>	Final date to apply for NAP coverage for Christmas Trees, Crustaceans, Finfish, Flowers, Ginseng, Grass-Sod
<u>Sept 30-Prior Year</u>	Final date to apply for NAP coverage for Barley-GR, Canola-SPR & FAL, Oats-SPR & WTR, Rye, Wheat
<u>Nov 20- Prior Year</u>	Final date to apply for NAP coverage for Apples, Blueberries, Caneberries, Cherries, Chestnuts, Grapes, Honey, Nectarines, Peaches, Pears, Pecans, Plums, Rhubarb
<u>No Deadline</u>	Continuous Conservation Reserve (CRP) Program on going

* **Exception:** Crops insured through NAP must report the earlier of: 15 calendar days before the onset of harvest or grazing, or July 15.

2012 FSA County Committee Elections

The election of agricultural producers to the Farm Service Agency (FSA) county committees is important to all farmers and ranchers, whether beginning or long-established, large or small operation. It is crucial that every eligible producer participate in these elections because FSA county committees are a link between the agricultural community and the U.S. Department of Agriculture.

County Committee (COC) members are a critical component of FSA operations. The intent is to have the COC reflect the makeup of the producers and to represent all constituents. This means wherever possible, minorities, women or lower income producers need to be on the committee to speak for these underrepresented groups.

County committees provide local input on:

- Commodity price support loans and payments
- Conservation programs
- Incentive, indemnity and disaster payments for some commodities
- Emergency programs
- Payment eligibility

FSA county committees operate within official regulations designed to carry out federal laws. County committee members apply their judgment and knowledge to make local decisions.

Election Period

- June 15, 2012 - Nomination period begins
- Aug. 1, 2012 - Last day to file nomination forms (FSA-669A) at the local USDA Service Center
- Nov. 5, 2012 - Ballots mailed to eligible voters
- Dec. 3, 2012 - Last day to return voted ballots to the USDA Service Center
- Jan. 1, 2013 - Newly elected county committee members take office

Nominations

To become a nominee, eligible individuals must sign nomination form FSA-669A. The form includes a statement that the nominee agrees to serve if elected. This form is available at USDA Service Centers and online at http://www.fsa.usda.gov/Internet/FSA_File/fsa0669a_commiteeelectform.pdf Nomination forms for the 2012 election must be postmarked or received in the local USDA Service Center by close of business on Aug. 1, 2012.

Agricultural producers who participate or cooperate in an FSA program may be nominated for candidacy for the county committee. Individuals may nominate themselves or others as a candidate. Additionally, organizations representing minority and women farmers or ranchers may nominate candidates. Nomination forms are filed for the county committee of the office that administers a producer's farm records.

Who Can Vote

Agricultural producers of legal voting age may be eligible to vote if they participate or cooperate in any FSA program. A person who is not of legal voting age but supervises and conducts the farming operations of an entire farm may also be eligible to vote. More information about voting eligibility requirements can be found in the FSA fact sheet titled "FSA County Committee Election - Eligibility to Vote and Hold Office as a County Committee Member." Producers may contact their local USDA Service Center for more information.

Acreage Certification

Time is nearing for producers to certify their 2012 acreage. Filing an accurate acreage report for all crops and land uses, including failed acreage and prevented planting acreage, can prevent the loss of benefits for a variety of programs.

Failed acreage must be reported within 15 days of the disaster event and before disposition of the crop. Prevented planting must be reported no later than 15 days after the final planting date.

Acreage reports are required for many FSA programs. For crops enrolled in programs other than May 31 deadline on small grains and a July 15 deadline on all other crops.

Acreage reports on crops covered by NAP are due in the county office by the earlier of May 31 for small grains and July 15 for all other crops, or 15 calendar days before the onset of harvest or grazing of the specific crop acreage being reported.

Disposition of Grain

If loan grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties for unauthorized dispositions are severe and a producer's name will be placed on a loan violation list for a two-year period. Always call the county office before you haul any grain.

Farm Storage Facility Loan Program

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 7, 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 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 local office or www.fsa.usda.gov.

Pulse Crops

The Food, Conservation, and Energy Act of 2008 states that eligible pulse crop acres may be added as base acres.

The addition of pulse crop base acres is:

- Effective for 2009 through 2012 crop years
- Required to be calculated in the same manner as eligible oilseed acreage under the 2002 Farm Bill.

The calculation of pulse crop base acres and yield is based on the acreage and yield history from the 1998 through 2001 crop years. Pulse crops are defined as:

- Dry peas (green, yellow, Austrian, Umatilla and wrinkled); intended uses must be Seed or Dry Edible
- Lentils; any intended use
- Large chickpeas (Kabuli garbanzo beans); any intended use
- Small chickpeas (Desi garbanzo beans); any intended use.

Pulse crop base acres will only be eligible for counter-cyclical or Average Crop Revenue Election (ACRE) payments for 2009 through 2012 crop years. Direct payments will not be eligible.

New Continuous CRP Initiative

FSA has announced a new conservation initiative to protect up to 750,000 acres of the nation's most highly erodible croplands. This initiative will assist producers with targeting their most highly erodible cropland (land with an erodibility index of 20 or greater) by enabling them to plant wildlife-friendly, long-term cover through the Conservation Reserve Program (CRP).

Producers can enroll land on a continuous basis beginning this summer at their local Farm Service Agency (FSA) county office. With the use of soil survey and geographic information system data, local FSA staff can quickly determine a producer's eligibility for the initiative.

Producers are encouraged to contact their local FSA office or visit FSA's website at www.fsa.usda.gov/crp for additional information regarding CRP.

February MILC Payments for Dairy Producers

Producers participating in USDA's Milk Income Loss Contract (MILC) program will receive payments for the month of February. USDA makes MILC payments on a monthly basis when the Boston Class I milk price falls below \$16.94 per hundredweight after adjustment for the cost of dairy feed rations.

The MILC payment trigger price of \$16.94 is adjusted upward when the National Average Dairy Feed Ration Cost for a month is greater than \$7.35 per cwt. USDA's National Agricultural Statistics Service releases the data for determining the Average Dairy Feed Ration Cost monthly. Using this information, the MILC payment trigger for the month of February has been adjusted to \$16.94, for a final MILC payment rate of \$0.3895043 per hundredweight.

For more information about the MILC program, please visit your local FSA office or go online to: http://www.fsa.usda.gov/Internet/FSA_File/milc2011.pdf.

Farm Safety

Flowing grain in a storage bin or gravity-flow wagon is like quicksand, it can kill quickly. It takes less than five seconds for a person caught in flowing grain to be trapped.

The mechanical aspects of grain handling equipment, also presents a real danger. Augers, power take offs, and other moving parts can grab people or clothing.

These hazards, along with pinch points and missing shields, are dangerous enough for adults; not to mention children. It is always advisable to keep children a safe distance from operating farm equipment. Always use extra caution when backing or maneuvering farm machinery. Ensure everyone is visibly clear and

accounted for before machinery is engaged. FSA wants all farmers to have a productive crop year, and that begins with putting safety first.

Sodbuster Regulations

The term "sodbusting" is used to identify the plowing up of erosion-prone grasslands for use as cropland. Sodbuster violations are unauthorized tillage practices on highly erodible lands that converted native vegetation such as rangeland or woodland to crop production after Dec. 23, 1985.

Farmers and ranchers should be aware that if they use highly erodible land for crop production without proper conservation measures, they risk losing eligibility to participate in Farm Service Agency programs.

Before producers clear, plow or otherwise prepare areas not presently under crop production for planting, they are required to file an AD-1026, indicating the area to be brought into production.

If Natural Resources Conservation Service indicates on a CPA-026 that the area will be highly erodible land, the producer will be required to develop and implement a conservation plan on the affected acreage, before bringing land into production.

In addition, producers and the producer's affiliates have to file an AD-1026 in the administrative or control county office before any farm program payments can be made. The AD-1026 is the producer's signed certification that HELC, as well as wetland conservation, provisions will not be violated.

Farm Loan Programs

The Farm Service Agency is committed to providing family farmers with loans to meet their farm credit needs. If you are having trouble getting the credit you need for your farm, or regularly borrow from FSA, direct and guaranteed loans are currently available.

Ask your lender about an FSA loan guarantee if you've had a setback and your lender is reluctant to extend or renew your loan. Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of up to \$300,000. Guaranteed loans have a maximum limit of \$1,214,000. This makes the maximum combination of direct and guaranteed loan indebtedness \$1,514,000.

The one-time loan origination fee charged on FSA guaranteed farm ownership and operating loans has increased from 1 percent to 1.5 percent of the guaranteed portion of the loan, for loans obligated after October 1, 2011.

To find out more about FSA loan programs, contact the county office staff.

May Interest Rates

90-Day Treasury Bill	0.125%
Farm Operating Loans - Direct	1.500%
Farm Ownership Loans - Direct	3.500%
Limited Resource Loans	5.000%
Farm Ownership Loans - Direct FO Down Payment	1.500%
Emergency Loans	3.750%
Commodity Loans	1.125%
Farm Storage Facility Loans - 7 Year	1.500%
- 10 Year	2.125%
- 12 Year	2.375%
Tobacco Transition Payment Program (Maximum Discount Rate)	5.000 %