



# Kentucky FSA Accomplishments for Fiscal Year 2008

The Farm Service Agency (FSA) is a customer-driven agency dedicated to supporting the agricultural producers of America. The core duties of FSA are to implement agricultural policy, administer credit and loan programs, and manage conservation, commodity, disaster and farm marketing programs through a network of county offices.

## FSA Loans Available to Kentucky Producers

FSA makes direct and guaranteed loans, and provides credit counseling and supervision to farmers who are temporarily unable to obtain private commercial credit. FSA loan applicants are often beginning farmers who do not qualify for conventional loans because of insufficient net worth, or established farmers who have suffered financial setbacks from natural disasters or economic down turns. These loans are tailored to a producer's needs and may be used to buy farmland and finance agricultural production.

Under the Guaranteed Loan Program, FSA guarantees loans made by commercial agricultural lenders for up to 95 percent of any loss. FSA offers Direct Loans to those unable to qualify for a Guaranteed Loan.

**\$90.61 Million Approved for Kentucky Producers:** Kentucky FSA county offices approved a total of 1,442 direct and guaranteed loans for \$90,611,211 to producers. In FY 2008, Kentucky made 1,064 direct operating loans for \$27,192,420 million ranking Kentucky 1st in the nation in direct operating loans approved.

**\$43.9 Million in Farm Ownership Loans:** Farm Ownership Loans may be used to purchase or improve farmland, construct or repair buildings and other fixtures, and refinance debts (Guaranteed Loans only). In FY 2008, Kentucky approved 209 loans for \$43,927,780 million through the Direct and Guaranteed Farm Ownership Loan programs.

**\$44.3 Million in Farm Operating Loans:** Farm operating loans may be used to purchase livestock, equipment, feed, seed, farm chemicals and supplies and refinance farm debt. In FY 2008, Kentucky approved 1,171 loans for \$44,312,930 through the Farm

Operating Loan program.

**\$17.4 Million in Beginning Farm Ownership Loans:** FSA provides loans to beginning farmers who cannot qualify for conventional loans because of insufficient net worth. In FY 2008, Kentucky FSA approved 96 loans for \$17,475,640 million to Kentucky producers.

**\$6.7 Million to Socially Disadvantaged Applicants:** In FY 2008, 178 loans totaling \$6,766,330 were made to Socially Disadvantaged Applicants. A Socially Disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic, or gender prejudice without regard to his or her individual qualifications.

## FSA Programs Available to Kentucky Producers

FSA provides federal program benefits to Kentucky farmers and producers' in terms of commodity price supports, disaster relief, emergency assistance, conservation and other needed agriculture support efforts. Through these programs, FSA provides good land stewardship, which will help preserve our agricultural land for generations to come.

**\$80.5 Million in Direct and Counter-cyclical Program Payments:** The Direct and Counter-cyclical Program helps to stabilize U.S. agriculture by providing payments to eligible producers who enroll their farm each fiscal year during the life of the current farm bill. In FY 2008, Kentucky farmers received \$50,745,473 in Direct Program payments.

**\$45.6 Million in Market Assistance Loans:** Marketing assistance loans provide producers interim financing at harvest time to meet cash flow needs

without having to sell their commodities when market prices are typically at harvest-time lows. For crop year 2008, Kentucky made 560 loans for \$45,649,918.

**\$919,834 in Farm Storage Facility Loans:**

Loans are made to producers to build or upgrade farm storage and handling facilities. Storage structures for commercial purposes are ineligible for loans, as are portable handling or drying equipment and portable or permanent weigh scales. FY 2008, \$919,834 were loaned to Kentucky farmers.

**\$927,737 in Dairy Disaster Assistance Program**

**Payments III, (DDAP):** Eligible dairy producers who suffered production losses because of natural disasters in 2005, 2006, or 2007 were eligible to receive benefits under the DDAP, beginning March 5, 2008, through May 5. In FY 2008, Kentucky dairy operators with eligible losses received \$927,737.

**\$33 Million in Crop Disaster Assistance (CDP):**

CDP provides assistance to producers who suffered quantity and quality losses in the 2005, 2006, or 2007 crop year due to natural disasters. Kentucky producers who suffered damages in the 2005-2007 crop year were reimbursed over \$33 million under CDP, ranking 17th in the nation.

**\$1.3 Million in Noninsured Assistance Program (NAP) Payments:**

Kentucky producers of noninsurable crops who suffered crop losses due to severe drought received \$1,358,199 under the NAP.

**\$17 Million in Livestock Compensation Program (LCP):**

LCP provides benefits to livestock and catfish producers who suffered feed losses or incurred additional feed costs directly resulting from natural disasters occurring between January 1, 2005, and December 31, 2007. Producers incurring a loss in more than one year will receive benefits in the year in which the payment is most beneficial. Kentucky producers have received over \$117 million under the LCP program, 5th in the nation.

**\$1.0 Million in Livestock Indemnity Program (LIP):**

LIP provides benefits to livestock producers for livestock deaths caused by natural disasters that occurred between January 1, 2005, and December 31, 2007. Kentucky producers have received over \$1.03 million under the LIP program, 6th in the nation.

**\$46 Million in Conservation Reserve Program (CRP) Payments:**

Landowners enrolling land in CRP receive annual rental payments and cost-share assistance to restore long-term, resource-conserving covers on eligible land. Contracts are from 10 to 15 years. Kentucky has 17,593 contracts protecting 377,437.9 acres. Kentucky producers received over \$46 million under CRP during FY 2008.

**\$12,180 in State Acres for Wildlife Enhancement (SAFE):**

In 2008 Kentucky land owners and operators in designated geographic areas were allowed to enroll in a new continuous CRP practice titled SAFE. SAFE is a wildlife management tool that helps state and regional agencies, non-profit organizations and others address local wildlife objectives through habitat restoration. FSA provides SAFE participants with rental payments, including any incentives, and cost-share assistance. Kentucky approved 125 contracts covering 2,643 acres. Participants received \$12,180.25 in annual rental payments in FY 2008.

**\$12.7 Million in Conservation Enhancement Program (CREP) Payments:**

CREP is a Federal, State and local partnership that addresses state and nationally significant agricultural related environmental concerns along the Green River. At the end of FY 2008, there were 1,861 contracts covering 67,822 acres under CREP. FY 2008 participants received \$12,733,587 in annual rental payments under the CREP.

**\$166.8 Million in Tobacco Transition Payment Program (TTPP):**

The tobacco marketing quota and price support loan programs ended with the 2004 crop year. TTPP Payments began in 2005 and end in 2014. In FY 2008, FSA paid \$166,841,303 to Kentucky tobacco quota holders and producers under TTPP.

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