



NEWSLETTER



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Kentucky FSA State Office

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Hours

Monday - Friday
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COC Election Nominations

The election of agricultural producers to Farm Service Agency (FSA) county committee starts with the nomination of eligible candidates.

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_commiteelectform.pdf

Nomination forms for the 2011 election must be postmarked or received in the local USDA Service Center by close of business on Aug. 1, 2011.

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.

Disaster Assistance

The Farm Service Agency would like to remind crop and livestock producers throughout the state that have recently experienced severe damage from flooding, wildfires and tornadoes that FSA programs are available to assist with recovery.

FSA administers several important programs that help producers recover from disaster damage and livestock deaths. Among the key programs available to address impacts from disasters are the Emergency Conservation Program (ECP), Honeybees and Farm-Raised Fish Program

(ELAP), the Noninsured Disaster Assistance Program (NAP) and the Supplemental Revenue Assistance Payments (SURE) Program.

Fact sheets for all of these programs can be found at www.fsa.usda.gov; click on Newsroom, then Fact Sheets.

We encourage all who have suffered a disaster due to the recent severe weather conditions to read the fact sheets and visit the local FSA county office so they get a quick start in the recovery process.

2010 ACRE Certification Deadline Extended

The deadline for a 2010 production certification to comply with the ACRE provisions for production reports has been extended to COB September 1, 2011. Because of this extension, using a register on September 1, 2011, is **not** authorized.

The extension is for completing both the farm benchmark yield (2005 through 2009) and the actual farm yield (2010). For more details contact the local FSA office.

Prevented Planting Reporting Deadline Extended

Due to Kentucky's weather creating delays in planting, the Kentucky Farm Service Agency is extending the 2011 date to report prevented planting for all crops except small grains to **July 15**, to coincide with the crop reporting deadline. Normally, producers are required to file this notification on prevented planting with their FSA office within 15 days of the respective crop's final planting date.

The prevented planting reporting requirement applies to all crops except small grains, whether covered by crop insurance, not covered by crop insurance, or covered



by FSA's Non-insured Crop Disaster Assistance Program (NAP).

Reporting to FSA could impact future FSA program benefits. In addition, federal crop insurance policy holders are reminded to notify their crop insurance companies of the planting conditions so they are aware of prevented planting.

Prevented planted acreage claims filed (Form CCC-576) by July 15, 2011, will be considered as timely filed, except for small grains. It is important that the CCC-576 form be timely filed and approved for a possible 2011 crop disaster Supplemental Revenue Payments Assistance Program (SURE) or for acreage history credit. Approved prevented planted acreage may also be eligible for ACRE Payments.

If a request for prevented planting is filed after the **July 15, 2011**, a late filed fee will be required and will have to have an on-site inspection completed to determine that the natural disaster condition was evident.

Compliance Spot Checks

Compliance spot checks will be conducted on 2011 crops. Instead of locally selecting farms, contracts, deficiency loans, etc. for review, a nationwide selection of producers is employed. Spot check selections are to be conducted based on a producer's participation in Conservation Reserve Program, Direct and Counter-cyclical Program, Loan Deficiency Program, etc.

For more information about the spot check selection procedure, feel free to contact your local Farm Service Agency office for additional clarification.

Successor-In-Interest

Many FSA programs will allow payments to be made to heirs or successors when a program participant passes away. Additionally, contracts in programs such as CRP must be revised to reflect the successor(s) to a deceased participant's interest. In the event of an FSA program participant's death, it is important that FSA be notified. Entities and joint operations that participate in FSA programs also need to notify FSA if a shareholder or member passes away. FSA benefits are reported to

IRS and maintaining current, accurate records about participants is vital to ensuring that those payments are reported correctly.

Farm Reconstitutions

For FSA program purposes, tracts having the same owner and the same operator are grouped under one farm serial number. When changes in ownership or operation take place, a farm reconstitution is necessary.

The reconstitution (or recon) is the process of combining or dividing farms or tracts of land based on the farming operation. Remember, to be effective for the current FY year, recons must be requested by **August 1** for farms subject to DCP.

The following are the different methods used when doing a farm recon:

Estate Method — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate;

Designation of Landowner Method — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding;

DCP Cropland Method — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract;

Default Method — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

Notice to Hispanic and/or Women Farmers or Ranchers

If you are a woman or Hispanic farmer and believe you were improperly denied farm loan benefits by USDA between 1981 and 2000, you may be eligible for compensation.

To register your name to receive a claims packet, call the Farmer and Rancher Call Center at **1-888-508-4429** or visit:

www.farmerclaims.gov

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.

Each member of an entity must meet the eligibility requirements. Loan approval is not guaranteed.

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

Loans for the Socially Disadvantaged

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or purchase or improve farms or ranches.

While all qualified producers are eligible to apply for these loan programs, the FSA has provided priority funding for members of Socially Disadvantaged Applicants.

A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities.

For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders.

If producers or their spouses believe they would qualify as socially disadvantaged, they should contact their local FSA office for details. FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

Farm Safety

Summer is an exciting and hectic time on Kentucky farms. **Be careful.** FSA employees care about our customers.

Remember to: Walk around machinery and check shields and guards; make sure the PTO's master shield is in place; make sure Slow Moving Vehicle signs are on machinery.

If you are taking medicine, take it at the appropriate time and eat on schedule.

If you are working in grain bins know that flowing grain can kill, and it can kill quickly. It takes less than five seconds for a person caught in flowing grain to be trapped. Try not to work alone in bins or confined spaces, and if that's not possible let someone know where you are by checking in regularly by cell phone.

The American Society of Safety Engineers (ASSE) offers the following safety tips for farmers:

1. Educate yourself on farm equipment. Read and follow instructions according to the equipment's manuals about safety.

2. Conduct regular equipment inspections.

3. Don't wear loose clothing while entering confined spaces such as grain bins, silos and hoppers as this can prevent entanglements.

4. Use seat belts while operating tractors with a ROPS. Do not allow additional passengers on the tractor with you.

5. While operating tractors and other farm equipment, be very cautious on rural roadways.

6. Use protective gear when operating machinery: Be familiar with hazardous chemicals. Take extra precaution when handling chemicals such as anhydrous ammonia, carbon dioxide, methane gas and hydrogen sulfide.

7. Consistently educate your family and co-workers about safety practices, especially children.

Sodbusting

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 the Natural Resources Conservation Service (NRCS) indicates 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.

Chaney's Dairy Barn Benefits from a FSA Farm Loan

If you were to ask Carl Chaney if he would recognize Chaney's Dairy Barn today, when he and his family started it in 2003, the answer would be a resounding "No".

In 1888, the first Chaney family moved to the area where the current operation sits and began farming. Surprisingly enough, at one time the Chaney farm was one of Kentucky's largest tobacco producers with approximately 50 acres of burley tobacco. Carl's father, Jim Chaney, began the dairy in the 1940's with two Jersey cows. At first, the dairy operation was simply there to pay for Jim's college expenses, but as the farm grew it turned into a way of life for the Chaney family. Jim Chaney dreamed that one day the milk from his Jersey herd would reach the grocery shelves.



In 2002, Carl and Debra Chaney decided to turn that dream into reality. They had been talking to four other operators with similar operations to the Chaney family farm. However, they weren't producing their milk for fluid consumption. These families were making ice cream. Intrigued by the idea, Carl and Debra Chaney did a significant amount of research and decided producing and marketing ice cream would someday open up the door to putting their milk in stores. Carl attended an ice cream making "short course" at Penn State University

and Chaney's Dairy Barn was born. Each and every year profit margins for the ice cream business have grown and Carl attributes that to the Dairy Barn's connection to the community. One highlight of the summer is "Ice cream and a Movie". "In five years, the movie night has grown from sixty attendees to six-hundred," said Chaney. The movie night gives people the opportunity to come out with their children and catch a glimpse of what it is like to live on a farm and enjoy Chaney's ice cream while watching a movie come nightfall. "We have so much support from our community that it is crazy to see how far we've come."

The Chaney's rely heavily on the branding of their products as "Kentucky Proud" to market them to the consumer. Carl was featured as a speaker at a recent Alltech Corporation symposium where he was to discuss the dairy operation. Carl discussed the importance of branding and marketing from the standpoint that it "makes us who we are". "We think we make good ice cream. You can go to other places and eat good ice cream. It's the experience of eating the ice cream on the back porch of the Dairy Barn with the Jersey cows in sight as the sun goes down that makes the difference from other places. . "If we hadn't marketed our product as well as I believe we have, then who knows where we would be," pondered Chaney. "We've been lucky because we are unique".

Diversifying the Chaney dairy operation has become more important, especially in years as recent as 2009. "If we didn't have the Dairy Barn, we would have needed to sell the entire dairy herd in 2009. My father sold milk for \$2.40 per hundred pounds of milk in 1942 and made money. In his mind, 2009 was the worst year he had ever seen for the dairy industry," added Chaney. Chaney contributes a portion of the success of his operation to the Farm Service Agency. Without FSA's help he might have fell on extremely hard times in managing the dairy herd. In the mid 1990's the operation was struck with a case of botulism that significantly reduced his dairy herd. However, FSA was able to help the Chaney's recover and again build up their operation in the coming years.

On February 12, 2011, Chaney's milk hit the shelves in local stores in Bowling Green, Kentucky. This day marked the realization of the dream that had begun over sixty years earlier. The milk is available in half gallons and whole gallons, as well as, old-fashioned glass bottles sold at the Chaney's Dairy Barn main location. All containers wear a label with the signature Jersey cow of the Chaney's operation "Topsy" as the focal point.

"Debra and I both see ourselves, first and foremost, as agricultural ambassadors." "Opportunities are everywhere to make a difference with someone," added Chaney. When asked if he believes that Chaney's Dairy Barn is a success, you will be answered with a smirk from Carl and the phrase "Its a work in progress". "We put out little fires each and every day, with hopes that the little ones don't turn into big ones."

Cold Storage Facility Loans

The Farm Storage Facility Loan program allows producers to build cold storage facilities to store their fresh fruits and vegetables. To be eligible, cold storage facilities must have a useful life of 15 years and include:

- New structures suitable for a cold storage facility;
- New walk-in, prefabricated, permanently-installed coolers suitable for storing fresh fruits and vegetables;
- New permanently affixed cooling, circulating and monitoring equipment;
- Electrical equipment integral to the proper operation of a cold storage facility;
- An addition or modification to an existing storage facility.

USDA will not make cold storage facility loans for portable structures, portable handling and cooling equipment, used or pre-owned structures, cooling equipment or structures deemed unsuitable.

The maximum loan amount for a Farm Storage Facility loan is \$500,000 per loan, which requires a down payment of at least 15 percent. Applications must be approved before construction can begin. Loan terms of seven, 10 or 12 years are available depending on the amount of the loan.

Important 2011 Deadlines

Date	CROP
7/15/2011	*Final Crop reporting date for all other crops, except small grain and value loss crops, including CRP Acreage
7/29/2011	Deadline to apply for 2009 SURE
8/1/2011	COC Nomination Due in County Office
9/1/2011	2010 ACRE Certification Deadline
9/1/2011 2012 Insurance	Final date to apply for NAP coverage for Christmas Trees, Crustaceans, Finfish, Flowers, Ginseng, Grass-Sod
9/30/2011 2012 Insurance	Final date to apply for NAP coverage for Barley-GR, Canola-FAL, Oats, Rye-WTR, TEFF, Wheat
10/30/2011	Deadline to file Notice of Loss for Livestock Losses
11/20/2011 2012 Insurance	Final date to apply for NAP coverage for Apples, Blueberries, Caneberries, Cherries, Chestnuts, Grapes, Honey, Peaches, Pears, Pecans, Plums, Rhubarb

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

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