



# KENTUCKY NEWS



June 2014

## 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](http://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

Mike Hoyt, Chief Farm Loans

Debbie Wakefield, Chief  
Administrative Officer

## Farm Service Agency County Committee Nomination Period Begins June 15

The nomination period for local Farm Service Agency (FSA) county committees begins Sunday, June 15, 2014.

To be eligible to serve on an FSA county committee, a person must participate or cooperate in a program administered by FSA, be eligible to vote in a county committee election and reside in the local administrative area where the person is nominated.

Farmers and ranchers may nominate themselves or others. Organizations representing minorities and women also may nominate candidates. To become a candidate, an eligible individual must sign the nomination form, FSA-669A. The form and other information about FSA county committee elections are available at [www.fsa.usda.gov/elections](http://www.fsa.usda.gov/elections). Nomination forms for the 2014 election must be postmarked or received in the local USDA Service Center by close of business on Aug. 1, 2014. Elections will take place this fall.

While FSA county committees do not approve or deny farm ownership or operating loans, they make decisions on disaster and conservation programs, emergency programs, commodity price support loan programs and other agricultural issues. Members serve three-year terms. Nationwide, there are about 7,800 farmers and ranchers serving on FSA county committees. Committees consist of three to 11 members that are elected by eligible producers.

FSA will mail ballots to eligible voters beginning Nov. 3, 2014. Ballots are due back to the local county office either via mail or in person by Dec. 1, 2014. Newly elected committee members and alternates take office on Jan. 1, 2015.

---

## Farm Reconstitutions

When changes in farm 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.

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 per

Continued from page 1

sons; 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.

---

## 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.

FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

---

## USDA Announces Programs to Conserve Sensitive Land and Help Beginning Farmers

CRP provides incentives to producers who utilize conservation methods on environmentally-sensitive lands. For example, farmers are monetarily compensated for establishing long-term vegetative species, such as approved grasses or trees (known as “covers”) to control soil erosion, improve water quality, and enhance wildlife habitat.

CRP consists of a “continuous” and “general” sign-

up period. Continuous sign up for the voluntary program starts June 9. Under continuous sign-up authority, eligible land can be enrolled in CRP at any time with contracts of up to 10 to 15 years in duration. In lieu of a general sign-up this year, USDA will allow producers with general CRP contracts expiring this September to have the option of a one-year contract extension. USDA will also implement the 2014 Farm Bill's requirement that producers enrolled through general sign-up for more than five years can exercise the option to opt-out of the program if certain other conditions are met. In addition, the new grassland provisions, which will allow producers to graze their enrolled land, will enable producers to do so with more flexibility.

The Transition Incentives Program provides two additional years of payments for retired farmers and ranchers who transition expiring CRP acres to socially disadvantaged, military veteran, or beginning producers who return the land to sustainable grazing or crop production. Sign up will also begin June 9. TIP funding was increased by more than 30 percent in the 2014 Farm Bill, providing up to \$33 million through 2018.

As part of the 2014 Farm Bill, participants meeting specific qualifications may have the opportunity to terminate their CRP contract during fiscal year 2015 if the contract has been in effect for a minimum of five years and if other conditions are also met.

For more information on CRP and other FSA programs, visit a local FSA county office or go online to [www.fsa.usda.gov](http://www.fsa.usda.gov).

---

## FSA Signature Policy

Using the correct signature when doing business with FSA can save time and prevent a delay in program benefits. The following are FSA signature guidelines:

- Spouses may sign documents on behalf of each other for FSA and CCC programs in which either has an interest, unless written notification denying a spouse this authority has been provided to the county office
- Spouses shall not sign on behalf of each other as an authorized signatory for partnerships, joint ventures, corporations, or other similar entities

For additional clarification on proper signatures contact your local FSA office.

## USDA Announces Restart of the Biomass Crop Assistance Program

The Biomass Crop Assistance Program (BCAP) was reauthorized by the 2014 Farm Bill and will resume on a limited basis [on June 9] upon the publication of a Notice of Funding Availability.

BCAP employs three types of biomass assistance primarily through approved BCAP project areas. For growing new biomass, BCAP provides financial assistance with 50 percent of the cost of establishing a perennial crop. To maintain the crop as it matures until harvest, BCAP provides an annual payment for up to 5 years for herbaceous crops, or up to 15 years for woody crops. To collect existing agriculture or forest residues that are not economically retrievable, BCAP provides assistance with mitigating the cost of harvesting and transporting the materials to the end-use facility.

The 2014 Farm Bill authorizes \$25 million annually for BCAP, requiring between 10 and 50 percent of the total funding to be used for harvest and transportation of biomass residues. Traditional food and feed crops are ineligible for assistance. The 2014 Farm Bill also enacted several modifications for BCAP, including higher incentives for socially disadvantaged farmers and ranchers, and narrower biomass qualifications for matching payments, among other changes.

Only the matching payments portion of the BCAP, with narrower biomass qualifications, will resume this summer. Additional information will be provided as the updated BCAP regulations and policies are implemented. With the 2014 Farm Bill requiring several regulatory updates to BCAP, the resumption of establishment and annual payments has been deferred until a later date.

For forest residues, this year's matching payments are targeted for energy generation while reducing fire, insect and disease threats on Forest Service and Bureau of Land Management lands. Agriculture residues for energy are also eligible for matching payments.

The USDA Farm Service Agency (FSA), which administers BCAP, will coordinate the BCAP enrollments. For more information on BCAP and other FSA programs, visit a local FSA office or go online to [www.fsa.usda.gov](http://www.fsa.usda.gov).

## Acreage Reporting

In order to comply with FSA program eligibility requirements, all producers are encouraged to visit their local FSA office to file an accurate crop certification report by the applicable deadline.

## 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.

USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).