



September 2011

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

COC Election Nominations

Don't Miss Out on Voting

Ballots will be mailed to voters by Nov. 4, 2011, and must be returned to the FSA county office or postmarked by Dec. 5, 2011. Eligible voters must contact their local FSA county office before the final date if they did not receive a ballot.

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 also may be eligible to vote. Members of American Indian tribes holding agricultural land are eligible to vote if voting requirements are met.

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.

FSA Reminds Producers of Disaster Assistance Deadlines

The 2008 Farm Bill authorizes coverage of disaster losses through these five programs:

- Supplemental Revenue Assistance Payments Program (SURE);
- Livestock Indemnity Program (LIP);
- Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP);
- Livestock Forage Disaster Program (LFP); and the
- Tree Assistance Program (TAP).

SURE applications for 2010 crop losses will be accepted later this fall. SURE applications for 2011 crop losses will be accepted in the fall of 2012, when the 2011 farm revenue data required by statute becomes available.

FSA is required to determine that the

claimed loss was because of a disaster occurring on or before Sept. 30, 2011. FSA must determine if a qualifying loss meets the established disaster relief criteria for at least one crop.

At the time the SURE application for payment is filed, the producer will be required to identify and certify a crop of economic significance that suffered a qualifying loss of 10 percent or more. At least one such crop with 10-percent losses on or before Sept. 30, 2011, is required by SURE.

Important dates for the five disaster programs are summarized below.

SURE*

Deadline to File a Notice of Loss: No deadline for SURE, but check with your crop insurance or Noninsured Crop Disaster Assistance Program (NAP) policy.

- Application Period:
2009: closed
2010: begins fall 2011
2011: begins fall 2012

LFP*

- Deadline to File a Notice of Loss: Not applicable
- Application Period: Now through Jan. 30, 2012

LIP/ELAP*

- Deadline to File a Notice of Loss: Within 30 days of when the loss is apparent, but no later than Dec. 29, 2011.
- Application Period: Now through Jan. 30, 2012

TAP*

- Deadline to File a Notice of Loss: Not applicable
- Application Period: Within 90 days of when loss is apparent

* Losses must be due to a weather event that occurs on or before Sept. 30, 2011.

Message from the State Director



John W. McCauley
FSA State Executive Director

It's hard to believe that another federal fiscal year is almost behind us. Each year seems to pass a little quicker and seems to be a lot busier. This year we have been faced with many challenges including budget cuts, Discrimination Claims of Hispanic and Women Farmers, Pigford – The Black Farmers Discrimination Litigation, and the Keepseagle - The Native American Farmers Class Action Settlement. We must remember agriculture continues to be an important economic force in our nation and in Kentucky.

We have a goal of providing access of all Farm Service Agency programs to everyone who are eligible. We are making every effort to inform our customers about program details and the deadlines.

The Farm Service Agency understands that if we are going to solve the major environmental challenges of our time – combating climate change, reducing soil erosion, and ensuring an ample supply of clean water and healthy food for our families – *farmers must help lead the way.*

Please be assured that the Farm Service Agency will continue to work hard to deliver the same high quality services as we have done for our farmers for many years.

Continuous CRP

The Continuous Conservation Reserve Program is a private lands environmental improvement program that allows participants the opportunity to enroll environmentally sensitive acreages in conservation practices that will reduce soil erosion, improve water and soil quality and provide wildlife habitat and food sources.

The Continuous CRP program is a voluntary enrollment program. Eligible landowners enter into contracts that range from 10 to 15 years in length. In return, the landowners will receive annual rental and maintenance payments, incentive payments for certain activities, and cost share for establishment.

To be eligible for enrollment in the Continuous CRP, participants and acreage must meet certain requirements. Provided the eligibility requirements are met, FSA will automatically accept enrollments of acreage into Continuous CRP. Landowners may enroll in the program at any time during the year.

For more information on Continuous CRP enrollments, please contact your local FSA office.

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

Pigford – The Black Farmers Discrimination Litigation:

www.blackfarmercase.com
or call 1-866-950-5547.

Keepseagle - The Native American Farmers Class Action Settlement:

www.IndianFarmClass.com
or call 1-888-233-5506.



NAP Loss Filing

The CCC-576, Notice of Loss, is used to report failed acreage and prevented planting and may be completed by any producer with an interest in the crop. Timely filing a Notice of Loss is required for all crops including grasses. For losses on crops covered by the Non-insured Crop Disaster Assistance Program (NAP) and crop insurance, you must file a CCC-576 (Notice of Loss) in the FSA County Office within 15 days of the occurrence of the disaster or when losses become apparent.

If filing for prevented planting, an acreage report and CCC-576 must be filed within 15 calendar days of the final planting date for the crop.

Payment Eligibility and Payment Limitation Requirements

Payments and Benefits under certain programs are subject to some or all of the following:

- Payment limitation by direct attribution
- Payment limitation amounts for the applicable programs
- Actively engaged in farming requirements
- Cash-rent tenant rule
- Foreign person rule
- Average AGI limitations

No program benefits subject to limitation will be provided until:

- All required forms for the specific situation are provided
- Necessary payment eligibility and payment limitation determinations are made

Payment Eligibility and Payment Limitation determinations may be initiated by COC or requested by the producer.

After 2009, a farm operating plan is not required to be filed annually, if the farming operation continues to be conducted as reflected on the farm operating plan and supporting documents are on file in the County Office.

If any changes occur that could affect an actively engaged in farming, cash-rent tenant, foreign person, or average AGI determination, producers must timely notify the County Office by filing revised farm operating plans and/or supporting documentation, as applicable.

Note: Failure to timely notify the County Office may adversely affect payment eligibility. There are Statutory provisions that require entities, earning program benefits that are subject to limitation, to provide the names, addresses, and TIN's of the entities and members to the COC.

All applicable payment eligibility and payment limitation forms submitted by producers are subject to spot check through the end-of-year review process. If chosen, the producer would be required to provide documents that would verify capital, land, equipment, labor, and management contributions to the farming operation for that specific year.

A determination of not actively engaged in farming results in the producer being

ineligible for any payment or benefit requiring a determination of actively engaged in farming.

Noncompliance with AGI provisions, either by exceeding the applicable limitations or by failure to submit a certification statement, will result in the determination of ineligibility for all program benefits subject to AGI provisions; program benefits shall be reduced in an amount that is commensurate with the direct or indirect interest held by an ineligible person or legal entity in any legal entity, general partnership, or joint operation that receives benefits subject to the average AGI limitations.

Important Reminders

Farm Records Changes—If you have sold or bought land, changed tenants, or rented additional land, notify your local FSA Office so farm records can be updated.

FSA Signature Policy—Any member of a general partnership may sign for the general partnership and bind all members unless the Articles of Partnership are more restrictive.

Signature Authority for Spouses—A husband and wife may sign FSA and CCC documents on behalf of each other unless written notification has been provided to the FSA office denying a spouse this authority. Spouses may sign most documents, except promissory notes, CRP easements, and certain security agreements.

Producer Responsibilities for all Crops insured through NAP for 2012 including Hay and Grazing

To be eligible for NAP payments, producers shall timely:

- File CCC-471, Application for NAP Coverage
- Accurately report the acreage and shares for all crops for which CCC-471 is filed

Note: Honey producers shall report acreage to their recording County Office, the total number of the unit's colonies present in all counties. Any changes in total number of colonies or names of additional counties which bees are moved shall be reported within 30 calendar days of the change.

- Complete all eligibility forms.
- At the time crop is planted notify the office within 15 days for a Growing Season Inspection (GSI). Failure to have a Growing Season Inspection will result in an ineligibility determination for a NAP payment. If several crops are grown notify the office of planting. However, GSI can be completed after last crop is planted if all crops are still in growing season.
- 30 days prior to harvest notification shall be made to the County Office so that a preharvest inspection is completed before the onset of harvest.
- File a notice of loss within 15 calendar days after the disaster occurrence or date of damage to the crop became apparent.
- Report production to the office immediately after crop is harvested but no later than the Acreage Reporting Date for the following year. Submit production for all crops regardless of whether a loss is filed or not in order to maintain Average Production History.

Note: For producers of sod any marketing's of sod occurring between the time the beginning or ending inventory are established will need to be submitted at the time a loss is filed.

Farm Loan Information

Annual Adjustment to Statutory Loan Limits

In accordance with Handbook 1-FLP, the Farm Service Agency has released the dollar limits of guaranteed loans which are increased each fiscal year based on the percentage change in the Prices Paid by Farmers Index as compiled by the National Agricultural Statistics Service, USDA.

The maximum guaranteed loan limits for the 2012 Fiscal Year beginning October 1, 2011, have been increased to \$1,214,000.

The Agency will not guarantee any loan that will result in the applicant's total indebtedness exceeding the limits established in 1-FLP, paragraph 29. The maximum Farm Ownership and/or Farm Operating levels include the guaranteed loan being made plus any outstanding direct or guaranteed principal balances owed by anyone who will sign the Promissory Note.

The total combined outstanding direct and guaranteed OL, FO, CL, and SW, balance cannot exceed \$1,514,000. The total combined outstanding direct and guaranteed OL, FO, CL, SW, and EM balance cannot exceed \$2,014,000.

The maximum loan limits for the current fiscal year are available in any FSA office and on the FSA website at <http://www.fsa.usda.gov>.

FSA Guarantee Fee Increase

Effective October 1, 2011, all FSA loan guarantees, not previously approved and with funds obligated by FSA, will have an initial, one-time fee of 1.5% of the guaranteed portion of the face amount of the guaranteed loan. Prior to this date, FSA guarantees were assessed a fee of 1% of the guaranteed portion of the loan.

An example of the new fee, a loan of \$500,000.00 with a 90% FSA guarantee would be charged a one-time fee of \$6750.00 ($\$500,000.00 \times 90\% \times 1.5\% = \6750.00). The guarantee fee may be included in the farmer's FSA guaranteed loan.

We would have liked to see the FSA guarantee fee remain at 1% as

it has always been, but during this time the guarantee fees of Rural Development and the Small Business Administration have both seen several increases. Both of these Federal agencies presently have fees in excess of 1.5%. It is our hope that we will be able to maintain the 1.5% fee for a long period of time.

Thanks to both the work of our participating lenders and the overall quality of our guaranteed loan borrowers, historical loan losses are low which certainly assists us in our effort to minimize the amount of our guarantee fee.

October Farm Loan Interest Rates

Farm Operating Loans - Direct	1.750%
Farm Ownership	4.250%
Limited Resource Loans	5.000%
Farm Ownership Loans - Direct FO Down Payment	1.500%
Emergency Loans	3.750%

Milk Income Loss Contract (MILC) Program

Participants in the MILC Program are reminded that changes to their production start month must be made on or before the 14th of the month before the:

- Month originally selected by the dairy operation as their MILC production start month
- Newly-selected MILC production start month for the dairy operation.

Changes must be made in advance of payment rates being known by the public for both the original production start month that the dairy operation is changing from and the production start month to which the dairy operation is changing.

If participants failed to make a production start month selection for this upcoming FY2012, then by perpetual designation the production start month for the upcoming FY for which a production start month is **not** selected will be the production start month initially designated on the CCC-580, **unless** CCC-580M is submitted to modify the production start month. If a recent CCC-580M was submitted to modify the production start month for the dairy operation, the newly-designated production start month becomes the perpetual designation month for all subsequent FY's for which a production start month is **not** selected.

It is very **IMPORTANT** that MILC Program participants take a moment to review their MILC contract or contact the local County FSA Office to determine if they would like to make a change to their production start month to start receiving MILC payments for this upcoming FY.

RMA Deletes Crop Programs for 2012 Crop Year

The following crops by county are no longer insurable through crop insurance. Producers are required to purchase NAP insurance through FSA to maintain eligibility for SURE purposes. Please contact your local FSA office before the sales closing date listed below to maintain SURE eligibility.

Crop	County	NAP Sales Closing Date
Barley	Bourbon, Hickman, Larue, Lincoln, Meade, Trigg, and Washington	09/30/11
Burley Tobacco	Bell, Crittenden, Floyd, Fulton, Harlan, Knott, Letcher, Martin, McCreary, Perry and Union	03/15/12
Corn	Floyd, Jackson, and Magoffin	03/15/12
Dark Air Tobacco	Allen, Crittenden, Fulton, Hancock, and McCracken	03/15/12
Fire Cured Tobacco	McCracken	03/15/12
Grain Sorghum	Butler, Calloway, Casey, Christian, Edmonson, Franklin, Logan and Shelby	03/15/12
Hybrid Corn Seed	Henderson	03/15/12
Popcorn	Christian and Larue	03/15/12
Wheat	Bracken, Carroll, Garrard, Lincoln, Metcalfe, Monroe, Owen, Pendleton, and Robertson	09/30/11

TTPP Program

Tobacco Transition Payment Program (TTPP) permits contract holders, at their option, to transfer their payment rights to a third party (successor) in exchange for a lump-sum payment equal to or greater than the maximum discount rate established by the Commodity Credit Corporation.

Quota holders and producers who wish to sell their remaining three annual payments in return for a lump-sum payment must do so by completing Form CCC-962 with a registered lump-sum provider by November 1, 2011.

A list of registered lump-sum providers is available at your local FSA County Office.

Important 2011 Deadlines

Date	CROP
9/30/2011 2012 Insurance	Final date to apply for NAP coverage for Barley-GR, Canola-FAL, Oats, Rye-WTR, TEFF, Wheat
12/29/2011	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

United States Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, or marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audio tape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write: USDA, Director of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.