



KENTUCKY NEWS



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Kentucky FSA State Office

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Hours

Monday - Friday
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Drought Disaster Assistance

USDA has streamlined the disaster designation process, lowered emergency loan rates and created greater CRP flexibility to help farmers and ranchers in drought-stricken areas across the country.

FSA's low-interest emergency loans will help producers recover from losses due to drought, and other natural disasters. The interest rates have been reduced to 2.125 percent, providing a much-needed resource for producers hoping to recover from production and physical losses associated with natural disasters.

New guidelines were announced for emergency haying and grazing on Conservation Reserve Program (CRP) land. Annual rental payments for farmers enrolled in the CRP, who use those lands for emergency grazing and hay production, will be reduced by 10 percent instead of 25 percent. Also, because of the current severe drought, all counties with a drought level of D0 or higher, as measured by the US Drought Monitor, are approved for emergency haying and grazing outside of the primary nesting season (PNS).

USDA encourages all farmers and ranchers to contact their crop insurance companies and local USDA Farm Service Agency Service Centers, as applicable, to report damages to crops or livestock loss. In addition, USDA reminds livestock producers to keep thorough records of losses, including additional expenses for such things as food purchased due to lost supplies. More information about federal crop insurance may be found at www.rma.usda.gov. Additional resources to help farmers and ranchers deal with disaster losses may be found at www.usda.gov/disaster.

Highly Erodible Land Initiative Sign-Up

The Highly Erodible Land (HELI) Initiative sign-up under the Conservation Reserve Program (CRP) began on July 23, 2012. The purpose of this initiative is to protect up to 750,000 acres of the nation's most highly erodible croplands. Producers may enroll at their local Farm Service Agency (FSA) county office. Kentucky received a total allocation of 39,400 acres to enroll in the HEL CRP program. Offers will be accepted until either the state acreage allocation limit is reached or September 30, 2012, whichever occurs first.

CRP is a voluntary program designed to help farmers, ranchers and other agricultural producers protect their environmentally sensitive land. Through this Highly Erodible Land Initiative, eligible landowners receive annual rental payments and cost-share assistance to establish long-term, resource conserving covers on eligible cropland for a period of 10 years. Croplands with an erodibility index of 20 or greater are eligible for enrollment.

For more information producers are encouraged to contact their local FSA office or visit FSA's website at: www.fsa.usda.gov/crp



NAP Losses

The CCC-576, Notice of Loss, is used to report failed acreage, loss of production and prevented planting and may be completed by any producer with an interest in the crop. Timely filing of 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) 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.

ECP Drought Assistance

As part of USDA's continuing effort to assist livestock producers in response to the historic drought, Secretary Vilsack has authorized the use of nearly \$16 million to immediately help crop and livestock producers in 19 States cope with the adverse impacts of the historic drought. In addition, USDA will initiate a transfer of \$14 million in unobligated program funds into the Emergency Conservation Program.

These ECP funds can be used to assist in moving water to livestock in need, providing emergency forage for livestock, and rehabilitating lands severely impacted by the drought. Together these efforts should provide nearly \$30 million to producers struggling with drought conditions.

For more information about this drought assistance and other federal programs, just contact your local FSA office located at the nearest USDA Service Center.

Marketing Assistance Loans

A Marketing Assistance Loan (MAL) is available for producers who share in the risk of producing the crop. To be eligible, a producer must maintain continual beneficial interest in the crop from harvest through the earlier of the date the loan is repaid or CCC takes title to the commodity. Beneficial interest means retaining the ability to make decisions about the commodity; responsibility for loss or damage to the commodity; and title to the commodity. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan — even if the producer regains beneficial interest.

Commodity loan eligibility also requires compliance with conservation and wetland protection requirements; beneficial interest requirements, acreage reporting and ensuring that the commodity meets Commodity Credit Corporation

minimum grade and quality standards. For commodities to be eligible they must have been produced by an eligible producer, be in existence and in a storable condition and be merchantable for food, feed or other uses as determined by CCC. The quality of the commodity in farm storage must be maintained throughout the term of the loan.

Producers do not have to participate in the Direct and Counter-Cyclical and/or ACRE programs to be eligible for commodity loans.

Violating provisions of a marketing assistance loan may trigger administrative actions, such as assessing liquidated damages, calling the loan and denial of future farm-stored loans.

The most common violations are removing or disposing of a commodity being used as loan collateral without prior authorization and providing an incorrect quantity certification.

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.

CREP & Continuous CRP Available

The Conservation Reserve Enhancement Program (CREP) allows farmers and ranchers to voluntarily enroll environmentally sensitive land into a program that decreases erosion, restores wildlife habitat and safeguards ground and surface water. CREP is a partnership with federal and state government and is limited to specific geographic areas.

Environmentally sensitive acreage qualifying for the Conservation Reserve Enhancement Program (CREP) or Continuous CRP will be eligible for annual rental payments and cost-share of up to 50 percent on approved practices. These programs will remain funded, and continue to provide heightened environmental benefits on select areas.

Succession in Interest

If you have made any changes that affect your interest in base acres since you signed your last Direct and Counter-cyclical Program contract, you must report these successions-in-interest to the county committee by Sept. 30, so that a final determination can be made on who is eligible for the program on the farm.

Changes that qualify as a succession-in-interest include:

- A sale of land
- A change of operator or producer, including an increase or decrease in the number of partners
- A foreclosure, bankruptcy or involuntary loss of the farm.
- A change in producer shares to reflect changes in the producer's share of the crop(s) that were originally approved on the contract.

If a succession-in-interest has taken place, you as the "predecessor," are required to refund any advance DCP payments you received for the affected base acres before a payment can be made to the "successor."

Not reporting a succession-in-interest can result in contract termination and a loss of program benefits for all producers involved.

Preventing Fraud

The Farm Service Agency supports the Risk Management Agency in the prevention of fraud, waste and abuse of the Federal Crop Insurance Program. FSA has been, and will continue to, assist RMA and insurance providers by monitoring crop conditions throughout the growing season. FSA will continue to refer all suspected cases of fraud, waste and abuse directly to RMA.

Producers can report suspected cases to the FSA office, RMA, or the Office of the Inspector General.

Approved Double-Cropping Crops

Double cropping occurs when two specific crops have the capability to be planted and carried to maturity for the intended use, as reported by the producer, on the same acreage within a crop year under normal growing conditions. The specific combination of crops must be approved by the FSA State Committee. A listing of approved double-cropping crops for your County may be obtained from your local FSA office.

AFIDA

Any foreign person who acquires, transfers or holds any interest, other than a security interest, in agricultural land in the United States is required by law to report the transaction no later than 90 days after the date of the transaction. They must file Agricultural Foreign Investment Disclosure Act (AFIDA) reports with the FSA county office that maintains reports for the county where the land is located.

For AFIDA purposes, agricultural land is defined as any land used for farming, ranching or timber production, if the tracts total 10 acres or more.

For more information regarding AFIDA and FSA programs, contact the FSA office near you or visit the USDA Web site at <http://www.usda.gov>.

Emergency Farm Loans

USDA's Farm Service Agency (FSA) provides emergency loans to help producers recover from production and physical losses due to drought, flooding, other natural disasters, or quarantine.

Emergency loan funds may be used to:

- Restore or replace essential property;
- Pay all or part of production costs associated with the disaster year;

- Pay essential family living expenses;
- Reorganize the farming operation; and
- Refinance certain debts.

Further information and applications for the loan programs described are available at local FSA county offices.

Youth Loans

FSA makes loans to rural youths to establish and operate income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5,000.

Stop by the county office for details and help preparing and processing the application forms. The FSA staff can help you with questions you may have about a particular program.