



Marion County News

January 2008

Lebanon FSA Service Center

680 Metts Drive
Lebanon, Ky. 40033
270-692-3351 (phone)
270-692-6621 (fax)
www.fsa.usda.gov/ky

Hours
Monday - Friday
8:00 – 5:00

County Committee
Leonard Potter
Marcus Clark
Thomas Whitehouse
Carolyn Lynch
George Hayden

County Committee meets
1st Wednesday of month

Staff
Pat Spalding
Connie Leachman
Janet Cornish
Tina Craig
Wayne Minor, Field Assistant

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Payment Limitation and Payment Eligibility Rules

Producers must complete necessary payment limitation forms and county committees must make an actively engaged in farming and person determination before program benefits may be earned. Producers will be ineligible until all necessary forms have been completed and key documentation provided. Regulations require that the names, addresses, and identification number of all members of an entity be provided to the Farm Service Agency (FSA). The status date is April 1st and this is the final date to make changes in your farming operation. This date is also used to determine any changes in the number of persons, marital status, shares of joint operations, corporations, or trusts; and whether an entity or partnership was formed. Spouses may be considered separate persons for payment limitation purposes if the determination is requested and payment limitation rules are applicable. Producers who file payment limitation forms are subject to an end-of-the year review. Producers selected for an end-of-year review must provide evidence to support the farm-operating plan as originally submitted by the producer. Documentation may include cancelled checks, ledgers, lease agreements; equipment records, crop sales documents or operating loan documents. Programs subject to payment limitation rules and regulations and limitations per person per program year are as follows:

- Direct and Counter Cyclical Program \$40,000
- Counter Cyclical \$65,000
- Livestock Incentive Program \$80,000
- Livestock Compensation Program \$80,000
- Crop Disaster Program \$80,000
- Marketing Loan Gains and Loan Deficiency Payments \$75,000
- Conservation Reserve Program (annual payments and incentive payments) \$50,000
- Non-Insured Assistance Program \$100,000
- Environmental Incentive Program \$450,000
- Tree Assistance Program \$75,000

Once an applicable payment limitation and person determination are filed, an annual update is not required unless there is a change in the farm operation that would affect the determination previously made.

Farm Storage Facility Loan Program (FSFLP)

The Farm Service Agency is offering a loan program to build or upgrade commodity storage and handling facilities. An eligible borrower is any person who as a landowner, operator, producer, tenant, or sharecropper who has a satisfactory credit history and no delinquent federal debt; is a producer of facility loan commodities; and provides proof of multi-peril crop insurance. Loans can only be made for purchasing and installing eligible permanently installed storage facilities including pre-fabricated structures, permanently affixed drying or handling equipment, or remodeling existing facilities. This program has also been expanded to include structures designed to store silage, and the new flat type structure, including a permanent concrete floor and bulkheads, designed for and primarily used to store facility loan commodities for the term of the loan. The interest rate for loans shall be the rate equivalent to Treasury securities during the month the loan is approved. The principal amount of any farm storage facility loan shall be no more than 85% of the net cost of the applicant's needed storage or handling equipment, not to exceed \$100,000. The loan shall be payable in equal installments of principal and interest amortized over the term of the loan, which is 7 years. Crop insurance is required on commodities that may be grown and stored in the facility.

Continuous CRP

As gas, oil and diesel prices continue to rise beyond our wildest dreams, could it be time for you to look at some alternatives for cropping some of the poor yielding parts of your fields. Well, Continuous CRP is one way to enroll eligible acreage and devote it certain conservation practices such as filter strips, riparian buffers, grass waterways, shelter belts, contour grass strips and shallow water areas for wildlife. Continuous CRP can be enrolled at any time. Rental rates are determined by the types of soil that you have on your property. All soil rental rates have been upgraded in the last few months; this will make a contract more appealing. To participate in the continuous sign-up, land owners must meet certain eligibility requirements. Cropland is eligible, even if it is not classified as being 'highly erodible'. However, cropland must have been planted or considered planted in an agricultural commodity during 4 out of 6 years, 1996 thru 2001. Extra financial incentives are available when landowners agree to install certain CRP practices. In Kentucky, eligible practices include filter strips, grassed waterways, contour buffer strips, riparian buffers and shallow water areas for wildlife. Incentive payments are 40% of the cost of implementing the practice in addition to the 50% cost share for completing the practice. An additional incentive is available at signup, this incentive is \$10 per acre. All incentives are one time payments. Continuous CRP contracts last 10 to 15 years, depending on the applied practice and what meets the producers need. Contracts will include the cost share payment up to 50% of the cost of establishing permanent cover and other eligible components. Cost-share payments are normally made when the approved practices are completed. Annual rental payments are made after October 1 each year during the contract period.

Commodity Loan

Grain producers (corn, soybeans, wheat, barley, and oats) have an opportunity for low interest loans for any commodity that was produced on farms that they operated in 2007. Any grain stored on the farm or a government approved warehouse is eligible to secure a commodity loan during the month of January @ a 4.25 interest rate. Loans are for a period of 9 months and can be repaid partially or fully before the 9 months are over. Repayment is at the lesser of the principal plus interest or the Posted County Price.

County Committee election

Leonard Potter was reelected to the County Committee for a second 3 year term. Congratulations to Mr. Potter, we look forward to working with him. Mr. Potter was also elected to be the chairman of the county committee.

Foreign Investment Act

The Foreign Investment Act of 1978 requires that any foreign person or organization that has an interest in U.S. agricultural land must report this interest to the FSA office within 90 days of purchase. Failure to file this report could result in a civil penalty of up to 25% of the fair market value of the land.