



## Fourth Generation Farmer Benefits from FSA Farm Loan Programs

Josh Luttrell is the oldest son of Debbie and Darren Luttrell. He graduated from Ohio County High School in 2005. His parents are full-time grain and cattle farmers in Olaton, Kentucky (Ohio County). His parents devote much of their time to raising corn, soybeans and wheat on 3,500 acres.



Even though he enjoyed the long hours spent with his parents in their grain operation, his main interest was raising cattle. His goal was to operate his own cattle farm someday. In 2004, he began working toward that goal. With a FSA loan from the Daviess County office and the savings he had from working on the farm, he purchased 22 head of cattle. His parents provided land for pasture and the use of the farm buildings that were needed for the cattle.

In 2006, a 184-acre pasture farm came available near his parent's operation. He approached FSA and Farm Credit Services (FCS) for financial assistance in order to pur-

chase the farm. These two lenders financed his operation, FCS provided fifty percent of the financing with a first mortgage for twenty

years and FSA provided fifty percent with a second mortgage at five percent for forty years. The combination of loan terms made it possible for Josh to cash flow his operation.

Since purchasing the farm, he has been renovating the pastures, fencing and cross fencing his farm so he can utilize rotational grazing. Also, he is in the process of putting an office in one of the buildings so he can have a place to maintain his farm records. Josh feels good records are a must for the success

and productivity of his operation.

Besides managing his cattle operation, he also works full time for his father in his grain operation.

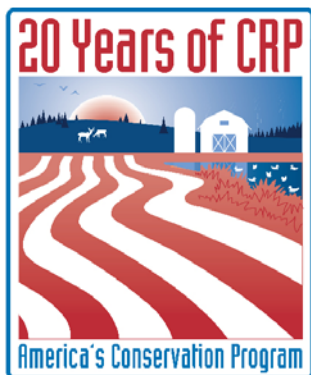
Josh's grandfather influenced him most in his decision to raise corn and cattle. When he was younger he would stay by his side as often and he could, watching and learning. He is the fourth generation of Luttrell farmers. His grandfather received a loan from FmHA(FSA) to purchase his farm.



Josh's goals for his operation are: in ten years have two hundred brood cows, in twenty years have everything paid for and invest in more land for a 500 head cow/calf operation. The joint financing program has meant the difference in him being able to get his cattle operation started ten years sooner than he could have accomplished otherwise.

For more information on FSA Loan Programs contact your local FSA Service Center.

## CRP Continuous Sign-up



Environmentally desirable land devoted to certain conservation practices may be enrolled in CRP at any time under continuous sign-up. Offers are automatically accepted provided the land and producer meet certain eligibility requirements. Offers for continuous sign-up are not subject to competitive bidding. Continuous sign-up contracts are 10 to 15 years in duration.

For continuous sign-up, the effective date of the CRP contract is the first day of the month following the month of approval. In certain circumstances, producers may defer the effective date for up to 6 months.

If the acreage is currently under CRP contract and is within one year of the scheduled expiration date, the effective date is October 1 following the expiration date.

### DIRECT DEPOSIT

Do you receive your FSA payments by DIRECT DEPOSIT to your bank account?



If not, contact your local FSA Office and provide a blank check marked "Void".

*Receive your payments quicker and avoid extra trips to the bank to make the deposit.*

### 2006 Kentucky Payments by Program Paid to Producers

PROGRAM	PAYMENT \$\$
CRP- Cost Shares	2,622,109
Crop Disaster Program- 2005	1,304,249
CRP Annual Rental	24,840,611
CRP Incentives	2,201,343
Direct and Counter Cyclical Program	95,878,294
Emergency Conservation Program	463,416
Grasslands Reserve Program	145,852
Loan Deficiency Payment	43,903,906
Market Gains	951,221
Milk Income Loss II	4,517,988
Noninsured Assistance Program	770,950
TTPP	200,344,566
<b>TOTAL</b>	<b>377,945,505</b>

### Kentucky Farm Loan Program (FLP) Makes the Top Ten List

- 3rd -Direct Operating Loans - 948
- 10th – Direct Ownership Loans - 78
- 6th – All (Direct and Guaranteed) Loans - 1276

#### Beginning Farmer Loans

- 7th – Beginning Farm OL Loans - 349
- 7th – All Beginner Farmer Loans - 439

#### Socially Disadvantaged Loans (SDA)

- 4th - Direct SDA OL Loans - 175
- 8th - Direct SDA FO Loans- 12
- 10th - Guaranteed SDA FO Loans - 8
- 5th - All (Direct and Guaranteed) SDA Loans- 195

### Kentucky FLP Exceeded All Goals

### 2007 Final Crop Reporting Dates

- ✓ May 31: Small Grains
- ✓ July 16: All crops, except small grains

## 2007 Annual DCP Enrollment

To participate in the Direct and Counter-Cyclical Program (DCP), producers are required to designate shares and sign the Direct and Counter-Cyclical Program Contract (CCC-509) on a yearly basis.



**August 3 last day to enroll and avoid a late fee.**

The annual DCP sign-up period runs from October 1 to June 1 of the applicable program year.

However, this year the deadline for enrollment has been extended to August 3. To be considered enrolled timely; the CCC-509 must be submitted by August 3 of this years applicable program year.

In cases where a farm is reconstituted, all resulting farms will need to enroll (signatures obtained) if the producers intend to participate. CCC-509's with signatures obtained after August 3, but by September 30, will be accepted, but the farm will be assessed a late filed sign-up fee of \$100.

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## Toll-Free Number for Borrowers

Farm Service Agency's Direct Loan borrowers can now check the status of their accounts around the clock using a new toll-free telephone number.

The toll-free number, 1-888-518-4983, is available in both English and Spanish. The system delivers information on active FSA loans 24 hours a day, seven days a week.



During the first call to the new system, borrowers will enter their tax identification number or Social Security Number associated with the loan. They also will need to enter the ZIP Code. Borrowers will create a personal identification number for security. Customers must enter their PIN every time they use the system and may change their PIN at any time.

### Beginner Farm Loans

FSA loans are often provided to beginning farmers who cannot qualify for conventional loans because they have insufficient financial resources. A beginning farmer is an individual or entity who: has not operated a farm for more than 10 years; meets the loan eligibility requirements of the program to which he/she is applying; substantially participates in the operation; and for Farm Ownership purposes, does not own a farm greater than 30 percent of the average size farm in the county.



### FSA Signature Policy

**All members of a general partnership must sign for the general partnership unless an individual is authorized to act on behalf of the general partnership and bind all members .**

### Interest Rates March 2007

90-Day Treasury Bill	5.000 %
Operating Loans	5.125 %
Farm Ownership Loans	5.375 %
Farm Ownership Loans - Beginning Farmer	4.000 %
Emergency Loans	3.750 %

### Contact your local FSA County Office to:

- ✓ Obtain additional information on FSA programs, or
- ✓ Report a name and/or address change.

### Kentucky FSA News is published by

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## Important Dates

- ✓ **March 31** Final date for LDP on 2006 Small Grains
- ✓ **May 28** Memorial Day - FSA Offices Closed
- ✓ **May 31** Final date to certify Small Grain planted acreage
- ✓ **August 3** Final application date for 2007 DCP
- ✓ **July 4** Independence Day - FSA Offices Closed
- ✓ **July 16** Final date to certify all crops, except Small Grains

### Bank Account Changes

If you make any changes in your bank account or change banks notify FSA to ensure payments reach your account timely. Payments can be delayed if we are not aware of changes to your account or routing numbers.

### 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 their local FSA County office or call the USDA Target Center at (202) 720-2600 for assistance.