



*United States Department of Agriculture  
Farm Service Agency*

# Kentucky



# 2007 Annual Report

## Contents

### *Introduction*

Message from State Executive Director .....	3
Kentucky Agricultural Statistics .....	4

### *Conservation Programs*

All Conservation Programs .....	5-20
Conservation Reserve Program .....	5-8
Conservation Reserve Enhancement Program .....	8-13
Disaster Assistance .....	14-15
Price Support .....	16-17

### *Tobacco Program*

Transition Payment Summary .....	17-20
----------------------------------	-------

### *Farm Loan Programs*

Loan Program Summary .....	21-22
----------------------------	-------

### *GIS and Agriculture*

Aerial Imagery/Common Land Unit .....	23
---------------------------------------	----

### *Outreach*

State Summary .....	24-25
---------------------	-------

### *Payments/Loans*

Summary. ....	26
---------------	----

**Message from the State Executive Director**



**Jeffery S. Hall**  
State Executive Director

We are pleased to present our 2007 Annual Report for the Kentucky Farm Service Agency (FSA). The goal of this report is to offer a snapshot of many programs and services offered during the past year.

We hope you get a feel for the contribution this Agency makes to Kentucky agriculture.

FSA delivers programs that improve the economic viability of American agriculture. The Agency meets this goal through direct payments that offer stability, additional payments in periods of low commodity prices, assistance to cover natural disaster, and programs to compensate for good environmental stewardship. FSA extends credit to family farmers who are unable to obtain credit from conventional sources. We offer Farm Ownership loans and loans for operating expenses. FSA has been a fixture in American agriculture for nearly seventy-five years.

The Agency's future is bright, in part, because of the people we serve. America's farmers continue to set the world standard in food and fiber production. It is our challenge to keep pace with the people we serve.

We have a dedicated group of employees that have the responsibility for delivering the programs and benefits highlighted in this report. For most farmers, the employees in the local Service Center are their only point of contact for FSA programs. It is the people in our Service Centers, and the members of our County Committees, who are the cornerstone of our Agency's solid reputation.

This report is designed to provide a more complete picture of FSA in Kentucky. We hope you find the information valuable. We will work to build an even stronger partnership with the farmers we serve.

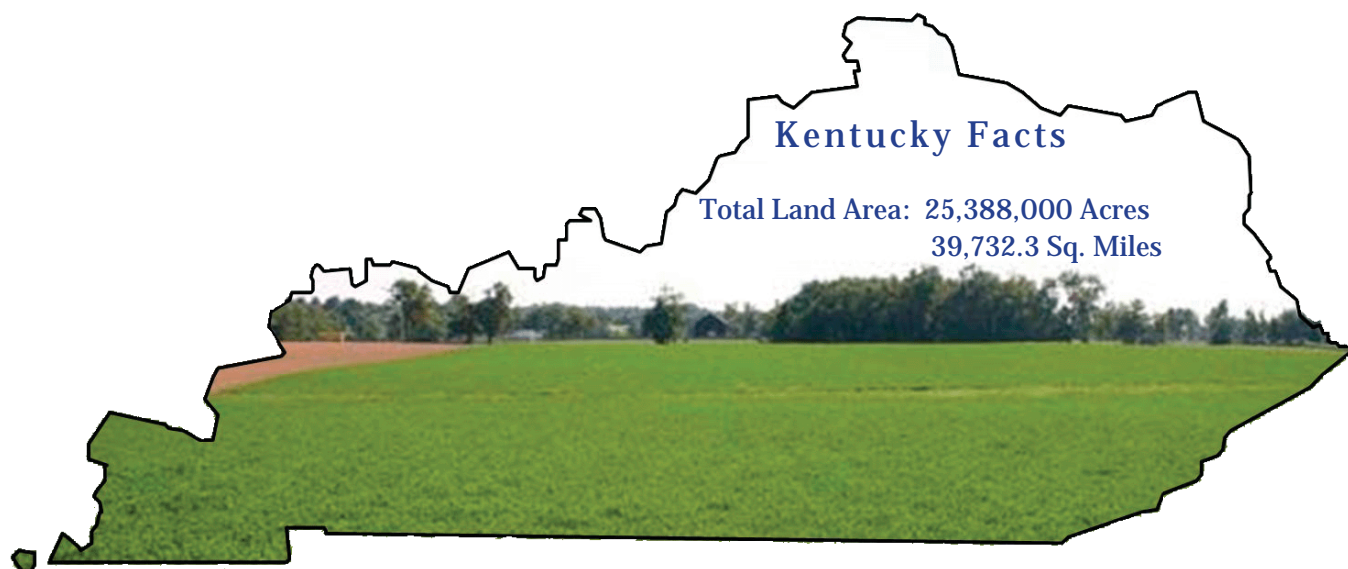
A handwritten signature in black ink that reads "Jeffery S. Hall". The signature is written in a cursive style.

In Kentucky FSA has 82 field offices, servicing 120 counties. FSA's programs are delivered through U.S. Department of Agriculture (USDA) Service Centers. The Kentucky FSA State Office is located in Lexington.

**Contact Information:**

Kentucky FSA State Office  
771 Corporate Dr., Suite 100  
Lexington, KY 40503  
Telephone: (859) 224-7601  
Fax: (859) 224-7691  
Web: <http://www.fsa.usda.gov/ky>

# Kentucky 2007



## NUMBER OF FARMS, AVERAGE SIZE OF FARM, AND LAND IN FARMS, 1978-2007

YEAR	NUMBER	AVERAGE SIZE FARM	LAND	YEAR	NUMBER	AVERAGE SIZE FARM	LAND
	1,000	ACRES	1,000 ACRES		1,000	ACRES	1,000 ACRES
1978	104	142	14,800	1993	95	148	14,100
1979	103	143	14,700	1994	94	150	14,100
1980	102	143	14,600	1995	93	151	14,000
1981	103	142	14,600	1996	92	152	14,000
1982	103	141	14,500	1997	91	153	13,900
1983	103	141	14,500	1998	90	153	13,800
1984	101	144	14,500	1999	91	149	13,600
1985	100	145	14,500	2000	90	152	13,700
1986	99	146	14,500	2001	88	157	13,800
1987	99	145	14,400	2002	87	159	13,800
1988	97	147	14,300	2003	87	159	13,800
1989	95	149	14,200	2004	85	162	13,800
1990	93	152	14,100	2005	84	164	13,800
1991	91	155	14,100	2006	84	163	13,700
1992	91	155	14,100	2007	83	165	13,700

## NUMBER OF LIVESTOCK FARMS, 2002-2007

Item	2002	2003	2004	2005	2006	2007
All Cattle	47,000	46,000	45,000	45,000	45,000	45,000
Beef Cows	40,000	39,000	38,000	38,000	38,000	38,000
Milk Cows	2,600	2,500	2,300	2,200	2,000	1,900
Hogs and Pigs	1,200	1,000	1,000	800	900	1,000
Sheep and Lambs	NA	NA	1,200	1,300	1,400	1,400



Assist agricultural producers and landowners in achieving a high level of stewardship of soil, water, air, and wildlife resources on America's farms and ranches while protecting the human and natural environment.

Division Chief: Robert Finch  
 Program Specialist: Faye Brown

## Conservation Reserve Program (CRP)

The CRP was authorized by the Food Security Act of 1985 to provide farm and ranch owners, operators, and tenants a voluntary long-term land retirement program. Initially, the CRP emphasized soil erosion. In 1990, Congress extended the CRP enrollment period and broadened the program's focus. The CRP's objectives expanded to include improving water quality, turning marginal pasture land into riparian areas, increasing wildlife habitat, and other environmental goals of growing importance to the American public. In 1995, FSA initiated "continuous" sign ups to allow certain high-priority conservation practices that yield highly desirable environmental benefits to be offered and accepted at any time.

Kentucky has 16,548 contracts protecting 342,219 acres. Kentucky producers received **\$29,530,000** under CRP during FY 2007 making the state the 20th largest recipient of CRP funds nationally.

### Continuous Sign up

Producers with eligible lands may enroll certain high priority conservation practices, such as filter strips and riparian buffers, at any time during the year without competition. In addition to annual rental payments and cost-share assistance, many practices are eligible for additional annual and one-time up-front financial incentives.

### Emergency Haying and Grazing of CRP

During the drought of 2007 Emergency and Managed Haying and Grazing of CRP contract acreage was utilized by Kentucky participants and producers to provide alternative forage resources for livestock.

In FY2007 Kentucky had **1,800** CRP contracts utilizing Emergency and Managed Haying and Grazing of CRP.

CRP Practice	Contracts	Acres
Managed Haying	1,030	30,179
Managed Grazing	118	1,041
Emergency Haying	558	13,484
Emergency Grazing	94	836
<b>Totals</b>	<b>1,800</b>	<b>45,540</b>



# Kentucky 2007

## Conservation Reserve Program, continued

### Summary Active Contracts

Administrative County Name	Active CRP Acres	Acres Expire 9/30/2008	Acres Expire 9/30/2009	Acres Expire 9/30/2010
ADAIR	2,977.30	28.7	69.7	0
ALLEN	1,647.20	0	68.3	192.9
ANDERSON	14.2	0	0	0
BALLARD	5,820.50	327.4	169.6	1,318.40
BARREN	5,152.50	95.5	0	281.7
BATH	206	0	8.7	0.8
BOONE	19.2	0	0	4.2
BOURBON	1,620.40	94	0	107.9
BOYD	Freedom of Information Act Prohibits listing the CRP Acreage for this county.			
BOYLE	130	0	0	0
BRACKEN	47.3	0	0	0
BREATHITT	Freedom of Information Act Prohibits listing the CRP Acreage for this county.			
BRECKINRIDGE	13,162.90	797.9	537	2,373.10
BULLITT	45.4	0	13.9	0
BUTLER	9,921.60	453.7	418	1,119.70
CALDWELL	15,346.40	591.2	649.8	4,350.60
CALLOWAY	8,797.60	139.1	279.5	959.7
CAMPBELL	1/			
CARLISLE	7,051.10	433	203	1,995.00
CARTER	30.5	0	0	3.1
CASEY	598.8	36.3	12.7	63.1
CHRISTIAN	31,230.00	5,073.00	2,571.20	3,318.80
CLARK	239.6	0	0	8.5
CLINTON	Freedom of Information Act Prohibits listing the CRP Acreage for this county.			
CRITTENDEN	16,376.70	1,854.30	1,207.10	5,746.80
CUMBERLAND	162.3	9.1	0	47.2
DAVISS	1,928.50	67	51.5	199.8
EDMONSON	5,281.70	632.4	160.5	438.3
ELLIOTT	5.5	0	0	0
ESTILL	32.4	0	0	17.2
FAYETTE	221.3	0	0	0
FLEMING	303.2	0	52.5	0
FLOYD	1/			
FRANKLIN	Freedom of Information Act Prohibits listing the CRP Acreage for this county.			
FULTON	2,428.70	31.2	219.7	178.3
GARRARD	Freedom of Information Act Prohibits listing the CRP Acreage for this county.			
GRANT	23.7	0	0	21
GRAVES	41,597.20	1,939.10	4,435.10	5,851.60
GRAYSON	14,371.80	3,619.30	840	1,889.10
GREEN	7,587.40	6	0	0
GREENUP	22.2	0	0	0
HANCOCK	890.2	103.8	156.5	160
HARDIN	3,923.80	147.9	402.2	870.6
HARRISON	284.9	0	0	0
HART	7,863.70	87.3	67.5	108.8
HENDERSON	4,099.00	101.9	301.4	153.6
HENRY	260.8	5.1	2.9	0
HICKMAN	7,278.50	931.3	517.3	748.2
HOPKINS	10,970.40	1,515.00	741.3	617.9

1/Data not available due to privacy restrictions required by the Farm Security and Rural Investment Act of 2002.

Conservation Reserve Program, continued

Summary Active Contracts

Administrative County Name	Active CRP Acres	Acres Expire 9/30/2008	Acres Expire 9/30/2009	Acres Expire 9/30/2010
JACKSON	24	0	0	0
JEFFERSON	Freedom of Information Act Prohibits listing the CRP Acreage for this county.			
JESSAMINE	Freedom of Information Act Prohibits listing the CRP Acreage for this county.			
KNOX	Freedom of Information Act Prohibits listing the CRP Acreage for this county.			
LARUE	817	10	100.4	156.5
LAUREL	8.5	0	0	0
LAWRENCE	1/			
LEE	Freedom of Information Act Prohibits listing the CRP Acreage for this county.			
LESLIE	Freedom of Information Act Prohibits listing the CRP Acreage for this county.			
LEWIS	7.9	0	0	0
LINCOLN	207	0	161.3	0
LIVINGSTON	11,669.80	434	528	4,156.40
LOGAN	15,360.00	664	521.9	1,031.90
LYON	4,178.50	452.6	355.6	2,028.50
MCCRACKEN	3,668.40	28.2	40.1	197.7
MCCREARY	Freedom of Information Act Prohibits listing the CRP Acreage for this county.			
MCLEAN	3,494.70	0	131.2	432.8
MADISON	79	0	0	0
MAGOFFIN	Freedom of Information Act Prohibits listing the CRP Acreage for this county.			
MARION	2,214.30	129.1	221.9	57
MARSHALL	10,304.30	186.5	42.4	553.1
MASON	665.1	87	0	0
MEADE	3,846.90	137.7	112.2	509.7
MENIFEE	Freedom of Information Act Prohibits listing the CRP Acreage for this county.			
MERCER	191.4	42.4	0	0
METCALFE	4,294.80	0	0	24.1
MONROE	377	0	0	60.1
MONTGOMERY	417.2	0	6.1	35.8
MORGAN	Freedom of Information Act Prohibits listing the CRP Acreage for this county.			
MUHLENBERG	10,271.30	644.4	528.9	1,096.80
NELSON	1,292.90	232.3	45.6	189.2
NICHOLAS	166.3	0	0	0
OHIO	2,573.30	162.7	26	382.8
OLDHAM	215.5	4.4	58.9	31.9
OWEN	Freedom of Information Act Prohibits listing the CRP Acreage for this county.			
PENDLETON	155.9	0	0	0
PIKE	Freedom of Information Act Prohibits listing the CRP Acreage for this county.			
POWELL	Freedom of Information Act Prohibits listing the CRP Acreage for this county.			
PULASKI	68.2	0	0	13.5
ROBERTSON	Freedom of Information Act Prohibits listing the CRP Acreage for this county.			
ROCKCASTLE	39.8	0	0	0
ROWAN	Freedom of Information Act Prohibits listing the CRP Acreage for this county.			
RUSSELL	558.5	0	0	38.8
SCOTT	37.8	0	0	0
SHELBY	1,280.40	7.8	270.5	352.2
SIMPSON	1,835.30	33.7	0	101.3
SPENCER	23.2	4	0	14
TAYLOR	3,390.40	0	123.9	0

1/Data not available due to privacy restrictions required by the Farm Security and Rural Investment Act of 2002.

# Kentucky 2007

## Conservation Reserve Program, continued

### Summary Active Contracts

Administrative County Name	Active CRP Acres	Acres Expire 9/30/2008	Acres Expire 9/30/2009	Acres Expire 9/30/2010
TODD	8,552.40	754.3	379.1	653.6
TRIGG	4,241.80	1,052.60	77.8	397.8
TRIMBLE	51.9	0	0	0
UNION	3,354.90	256.4	99.5	288.4
WARREN	9,484.50	0	131.4	308.5
WASHINGTON	1,164.60	2.4	0	76.6
WAYNE	1/			
WEBSTER	14,419.90	898.8	2,640.10	2,452.60
WHITLEY	135.7	0	0	0
WOODFORD	81.3	9.2	0	0
<b>STATE TOTAL</b>	<b>355,543.60</b>	<b>25,355.00</b>	<b>20,759.70</b>	<b>48,880.80</b>

1/Data not available due to privacy restrictions required by the Farm Security and Rural Investment Act of 2002.

## Conservation Reserve Enhancement Program (CREP)

**U**nder the Conservation Reserve Enhancement Program (CREP), Federal/State and local partnerships implement projects designed to address specific environmental objectives through targeted CRP enrollments. Sign-up is held on a continuous basis. In 2001, USDA and the Commonwealth of Kentucky agreed to implement a CREP on a section of the Green River to restore up to 100,000 acres.

CREP is the Commonwealth's largest conservation program. Never before has there been a program that allows landowners to benefit to this degree through the application of environmentally sound conservation practices.

The Green River CREP was originally available in the middle Green River region (which included all or part of the counties: Adair, Russell, Taylor, Green, Hart, Metcalfe, Barren, and Edmonson). While the program was successful during its initial years, the Farm Service Agency approved an amendment to the program to expand the CREP region down river on the Green approximately 30 river miles to include environmentally significant watersheds downstream of the original project area, and to utilize the community-based approach of this program to more effectively protect locally unique resources and provide better service to the local landowners. The expansion of the CREP Region downstream includes the Barren River and Nolin Rivers up to the spillways of their respective reservoirs. This newly expanded area included all of Warren County, and parts of Allen, Simpson, Logan, Butler, and Grayson Counties.

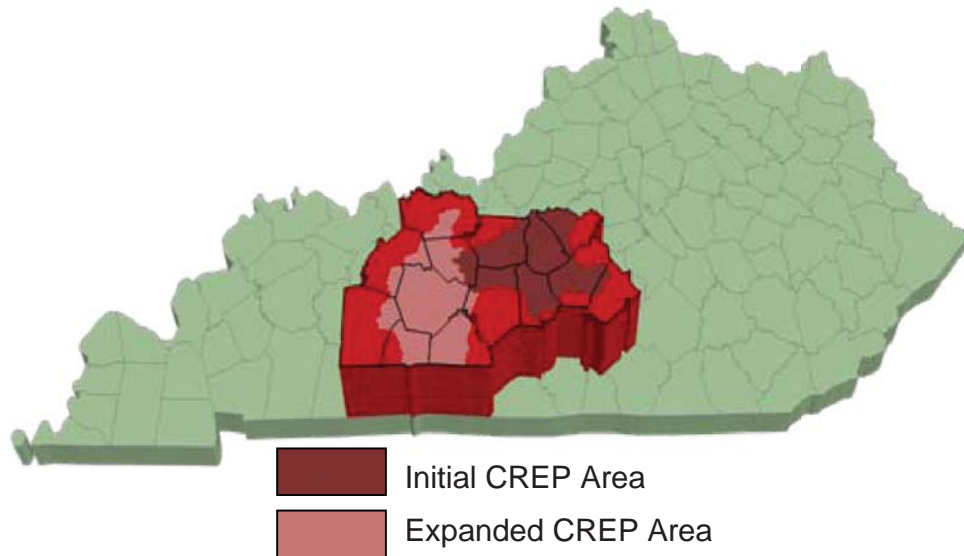
A regional field day was held in Barren County, Kentucky, in August 2007 to kick off the expansion of the program, and to serve as an opportunity to learn about the program, and about specific practices and installation techniques and requirements. Participants observed demonstrations of equipment and practices.



Conservation Reserve Enhancement Program, continued

At the end of FY 2007, there were **668** contracts covering **22,512.8** acres under CREP.

CREP Area Map, Initial and Expanded Area



CREP Total Acreage by County per Fiscal Year 2007

County	Total Acreage per Fiscal Year						Cumulative Total
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	
<b>Original Area</b>							
Adair	4	124.6	827.6	270.1	121	271.9	1,619.20
Barren	695.3	1,375.10	282.9	267.3	32.7	150.6	2,803.90
Edmonson	129.8	16	0	0	45.3	71	262.1
Green	66.1	571.5	881.7	367.1	554.6	427	2,868.00
Hart	850.9	323.9	75.2	139.4	722.2	1,771.50	3,883.10
Metcalfe	59.9	75.5	359.6	153.6	0	145.1	793.7
Russell	0	0	0	0	22.7	25.1	47.8
Taylor	915.6	319.5	189.7	200.2	185.2	574.6	2,385
<b>Expansion Area</b>							
Allen						0	0
Butler						0	0
Grayson						0	0
Logan	Program Not Available	Program Not Available	Program Not Available	Program Not Available	Program Not Available	0	0
Simpson	Program Not Available	Program Not Available	Program Not Available	Program Not Available	Program Not Available	73.4	73.4
Warren	Program Not Available	Program Not Available	Program Not Available	Program Not Available	Program Not Available	2.6	2.6
<b>Total</b>	<b>2,721.60</b>	<b>2,806.10</b>	<b>2,616.70</b>	<b>1,397.70</b>	<b>1,683.70</b>	<b>3,512.80</b>	<b>14,738.60</b>

# Kentucky 2007

## Conservation Reserve Enhancement Program, continued

### Approved Contracts

County	Practice	Number	Acres
Adair	CP1 Introduced Grasses	178	2612.4
	CP2 Native Grasses		
	CP3A Hardwood Tree Planting		
	CP22 Riparian Buffer		
	CP25 Rare/Declining Habitat		
CP29 Wildlife Habitat Buffer			
Allen	CP22 Riparian Buffer	4	304
	CP25 Rare/Declining Habitat		
Barren	CP1 Introduced Grasses	129	4077.6
	CP2 Native Grasses		
	CP3 Tree Planting		
	CP3A Hardwood Tree Planting		
	CP22 Riparian Buffer		
CP29 Wildlife Habitat Buffer			
Butler	CP1 Introduced Grasses	51	1983.6
	CP22 Riparian Buffer		
	CP25 Rare/Declining Habitat		
	CP29 Wildlife Habitat Buffer		
Edmonson	CP1 Introduced Grasses	84	2326.5
	CP2 Native Grasses		
	CP21 Introduced Grasses		
	CP22 Riparian Buffer		
	CP25 Rare/Declining Habitat		
CP29 Wildlife Habitat Buffer			
Grayson	CP22 Riparian Buffer	20	840.1
	CP25 Rare/Declining Habitat		
Green	CP1 Introduced Grasses	233	6490.6
	CP2 Native Grasses		
	CP3A Hardwood Tree Planting		
	CP11 Established Tree Cover		
	CP22 Riparian Buffer		
	CP25 Rare/Declining Habitat		
CP29 Wildlife Habitat Buffer			
Hart	CP1 Introduced Grasses	226	7329.8
	CP2 Native Grasses		
	CP22 Riparian Buffer		
	CP25 Rare/Declining Habitat		
	CP29 Wildlife Habitat Buffer		
Logan	CP8A Permanent Grass Waterways	60	2554.9
	CP21 Introduced Grasses		
	CP22 Riparian Buffer		
	CP25 Rare/Declining Habitat		
	CP29 Wildlife Habitat Buffer		
Metcalf	CP1 Introduced Grasses	52	1081.6
	CP2 Native Grasses		
	CP22 Riparian Buffer		
	CP29 Wildlife Habitat Buffer		

Conservation Reserve Enhancement Program, continued

Approved Contracts

County	Practice	Number	Acres
Russell	CP22 Riparian Buffer	23	403.9
	CP25 Rare/Declining Habitat		
	CP29 Wildlife Habitat Buff		
Simpson	CP22 Riparian Buffer	15	422.9
	CP25 Rare/Declining Habitat		
	CP29 Wildlife Habitat Buff		
Taylor	CP2 Native Grasses	157	2582.3
	CP3A Hardwood Tree Planting		
	CP8A Permanent Grass Waterways		
	CP22 Riparian Buffer		
	CP25 Rare/Declining Habitat		
Warren	CP22 Riparian Buffer	144	5282
	CP25 Rare/Declining Habitat		
	CP29 Wildlife Habitat Buff		
<b>State Totals</b>	<b>All</b>	<b>1,376</b>	<b>38,252.20</b>

Kentucky CREP Matrix

State Practice Code	Federal Practice Code or Practice Description	State Cost Share Rate	State Incentive Rate	State Incentive Rate w/ Easement Option
KCREP 1	CP-1	25%	25%	75%*
	CP-2	25%	25%	75%*
	CP-3	25%	25%	75%*
	CP-3A	25%	25%	75%*
KCREP2	CP-8A	25%	25%	75%*
	CP-15A	25%	25%	75%*
	CP-21	25%	25%	75%*
	CP-22	25%	25%	75%*
KCREP3	CP-29	25%	25%	75%*
KCREP3	Livestock Water System	25%	25%	75%*
KCREP4	Fence	25%	25%	75%*
KCREP5	Stream Crossing	25%	25%	75%*

\*Incentive available if permanent easement is offered on noted practice, and in watershed of federal contract.

Cost share and incentive payments combined cannot exceed \$7,500 per practice per fiscal year. Each applicant or operation is limited to \$20,000 total per fiscal year, not to exceed \$40,000 in any two consecutive program years.

# Kentucky 2007

## Conservation Reserve Enhancement Program, continued

The following photos are from the field day held in August to kick-off the program changes. The response has been tremendous.

# CREP Field Day

Producers were able to see demonstrations of equipment such as this native warm-season grass seed drill.



Practice information was provided through exhibits and handout materials. Staff was on hand to answer producer's questions.

Approximately 400 people attended the farm field day to view enrolled acres on a CREP site, field demonstrations, and presentations from local landowners, CREP field staff and U.S. Senator Mitch McConnell.



A Certification of Appreciation was presented to the host family by federal and state partners.

**Conservation Reserve Enhancement Program, continued**



Senator Mitch McConnell visits with local producer at the CREP field day.

Established covers of Forbs and Native covers enhance wildlife habitats and provide numerous environmental benefits.



**Established field of Forbs and Native Grasses**



This field of Native grasses provides cover for wildlife habitat and water surface runoff.

# Kentucky 2007

## Other Conservation Programs

### *Emergency Conservation Program (ECP)*

The Emergency Conservation Program (ECP) provides emergency cost-share funding for farmers to rehabilitate farmland damaged by natural disasters that create new conservation problems. The assistance may be used for losses suffered due to various natural disasters including tornados, floods and drought. Kentucky paid producers **\$233,142** in FY 2007 to help restore farmland damaged by severe drought and tornado damage.

### *Disaster Assistance*

Division Chief: Robert Finch  
Program Specialist: Marcinda Kester

### *Crop Disaster Program (CDP)*

CDP provides benefits to farmers who suffered losses to the 2005-2007 crops from natural disasters and related conditions and who had insurance either through RMA or the NAP program. Producers who incurred qualifying losses in 2005, 2006 or 2007 must choose only one year for which to receive benefits. They may receive benefits for multiple crop losses if all were in the same crop year. Producers who did not purchase crop insurance or NAP coverage are not eligible for this program.



Kentucky producers as of March 7, 2008, have received **\$15,438,103** under the 05-07 CDP program. Sign-up ending date

has not been announced.

### *Noninsured Assistance Program (NAP)*

NAP provides financial assistance to producers of non-insurable crops when low yields, loss of inventory, or prevented planting occur due to natural disasters. This program covers non-insurable crop losses and planting prevented by disasters. Eligible crops include commercial crops and other agricultural commodities produced for food (including livestock feed) or fiber for which the catastrophic level of crop insurance is unavailable. Also eligible for NAP coverage are controlled environmental crops (mushrooms and floriculture), specialty crops (honey and maple sap), and value loss crops (aquaculture, Christmas trees, ginseng, ornamental nurs-

## Noninsured Assistance Program (NAP), continued

ery crops and turf grass sod). Producers are required to purchase NAP coverage no later than the sales closing for the application crop and program year.

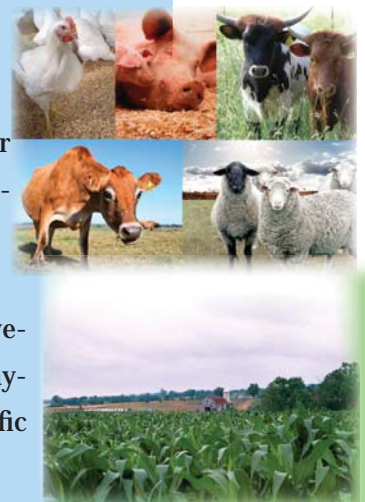
Kentucky producers as of March 7, 2008, have received **\$1,027,411** under the NAP for losses.

## Livestock Compensation Program (LCP)

LCP provides benefits to livestock and catfish producers who suffered feed losses or incurred additional feed costs directly resulting from natural disasters occurring between January 1, 2005, and December 31, 2007.

LCP payments are calculated by multiplying the national payment rate for each livestock category by the number of eligible livestock in each category. The national payment rate represents 61 percent of the cost for corn needed to maintain the specific livestock for 30 days, as determined by FSA.

Kentucky producers as of March 7, 2008, have received **\$13,234,068** under the LCP program. Sign-up ending date has not been announced.



## Livestock Indemnity Program (LIP)

LIP provides benefits to livestock producers for livestock deaths caused by natural disasters that occurred between January 1, 2005, and December 31, 2007.



To be eligible for LIP, an owner or contract grower's livestock must have been located in a county or contiguous county designated a natural disaster by the President or declared by the U.S. Secretary of Agriculture between January 1, 2005, and December 31, 2007.

USDA bases the LIP national payment rate for eligible livestock owners on 26 percent of the average fair market value of the livestock.

Kentucky producers have received as of March 7, 2008, **\$23,696** under the LIP program. Sign-up ending date has not been announced.

# Kentucky 2007

## 2007 Direct and Counter-cyclical Program (DCP)

Division Chief: Robert Finch  
Program Specialist: Amelia McNeely

The Direct and Counter-cyclical Program helps to stabilize U.S. Agriculture by providing payments to eligible producers who enroll their farm each fiscal year during the lift of the current farm bill. In FY 2007, Kentucky farmers received **\$80,543,878** in Direct Program payments. DCP began with the 2002 Farm Bill and continued through 2007.



Program Chief: Robert Finch  
Program Specialist: Amelia McNeely  
Javier Garza  
Brenda Johnson

Provides farm income support to eligible producers, cooperatives, and associations to help improve the economic stability and viability of the agricultural sector, and to ensure the production of an adequate and reasonably priced supply of food and fiber.

## Market Gains and Loan Deficiency Payments (LDP)

Producers who agree to forgo a marketing assistance loan may obtain a Loan Deficiency Payment (LDP). Kentucky producers received **\$181,771** in market loan gains and LDP's in FY 2007.



For a crop to be eligible for an LDP, the producer must have beneficial interest in the commodity, in addition to meeting all eligibility requirements. LDP provisions are active when the alternative repayment rate for the commodity at a given location is less than the base loan rate at the same location.

## Milk Income Loss Contract Program (MILC)

MILC compensates dairy producers when domestic milk prices fall below a specified level. The Agricultural Reconciliation Act of 2005 reauthorized the program through September 30, 2007. The extended program period is called MILCX. The program has no set funding level. The MILC program is available to producers on dairy operations throughout the U.S. if the dairy operation produces and commercially markets milk during the period of December 1, 2001 – September 30, 2005. In FY 2007, Kentucky dairy operators received **\$2,104,009** to help compensate for low milk prices.





## Market Assistance Loans

Marketing assistance loans provide producers interim financing at harvest time to meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows. For crop year 2007, Kentucky made **452** loans for **\$31,843,106**.

## Farm Storage Facility Loan Program



Under the Commodity Credit Corporate (CCC) Charter Act, FSA may make loans to producers to build or upgrade farm storage and handling facilities. Storage structures for commercial purposes (the storage of grain for others, whether paid or unpaid) are ineligible for loans, as are portable handling or drying equipment and portable or permanent weigh scales. The maximum term of a farm storage loan is seven years. In FY 2007, **37** loans were disbursed to Kentucky farmers totaling **\$1,858,265**.

## Tobacco Transition Payment Program (TTPP)

On October 22, 2005, President Bush signed the American Jobs Creation Act of 2004, which included the Fair and Equitable Tobacco Reform, commonly referred to as the “Tobacco Buyout.” FSA is charged with administering the program, titled the Tobacco Transition Payment Program (TTPP).

TTPP provides payments to tobacco quota holders and tobacco producers beginning in 2005 and ending in 2014. On January 14, 2008, Farm Service Agency (FSA) began issuing the fourth round of TTPP payments to eligible quota holders and producers. Quota holders and producers are permitted, at their option, to transfer their payments to third parties through two different mechanism: assignments of payments and successor-in-interest contracts. Assignments are revocable only by the assignee; the assignor retains all rights and obligations under the contract. Successor-in-interest contracts facilitate lump-sum payments to quota holders or producers.



In FY 2007, FSA paid **\$176,540,099** to Kentucky tobacco quota holders and producers under TTPP.

# Kentucky 2007

## Tobacco Transition Payment Program (TTPP), continued

### 2007 Payment Summary

County	\$ Producer	\$ Quota Holder	\$ Total
Adair	449,079	1,173,390	1,622,469
Allen	388,217	984,007	1,372,224
Anderson	356,712	925,520	1,282,232
Ballard	307,756	785,239	1,092,995
Barren	1,059,509	3,070,482	4,129,991
Bath	576,273	1,463,877	2,040,150
Bell	646	3,870	4,515
Boone	355,798	917,186	1,272,983
Bourbon	1,243,491	2,985,028	4,228,519
Boyd	4,854	14,264	19,118
Boyle	405,204	1,138,226	1,543,430
Bracken	823,086	1,988,629	2,811,715
Breathitt	98,223	308,886	407,110
Breckinridge	756,601	1,980,461	2,737,062
Bullitt	139,860	346,609	486,469
Butler	66,615	244,704	311,319
Caldwell	227,310	615,989	843,299
Calloway	1,061,049	2,394,373	3,455,422
Campbell	91,373	197,098	288,471
Carlisle	194,516	442,605	637,121
Carroll	410,605	1,185,951	1,596,555
Carter	293,105	776,794	1,069,899
Casey	580,953	1,476,243	2,057,196
Christian	1,318,866	2,410,881	3,729,747
Clark	748,756	1,884,821	2,633,577
Clay	289,526	687,756	977,282
Clinton	208,206	560,695	768,901
Crittenden	2,946	10,909	13,855
Cumberland	178,879	640,289	819,168
Daviess	961,785	2,505,131	3,466,916
Edmonson	159,506	454,567	614,073
Elliott	164,850	512,016	676,866
Estill	161,978	418,583	580,561
Fayette	1,379,905	2,990,621	4,370,527
Fleming	712,690	1,855,700	2,568,390
Floyd	97	491	588
Franklin	642,171	1,653,537	2,295,709
Fulton		343	343
Gallatin	238,639	618,083	856,721
Garrard	756,493	1,879,381	2,635,874
Grant	701,251	1,569,903	2,271,155
Graves	1,204,467	3,056,524	4,260,990
Grayson	358,373	995,532	1,353,905
Green	592,107	1,673,925	2,266,033
Greenup	137,279	433,574	570,853
Hancock	276,358	693,814	970,172
Hardin	420,542	1,114,132	1,534,674
Harlan	2,000	3,201	5,201

Tobacco Transition Payment Program (TTPP), continued

2007 Payment Summary

County	\$ Producer	\$ Quota Holder	\$ Total
Harrison	1,083,400	2,624,565	3,707,966
Hart	942,460	2,434,216	3,376,676
Henderson	198,552	471,030	669,582
Henry	1,187,537	2,721,657	3,909,194
Hickman	72,796	148,352	221,148
Hopkins	120,003	270,225	390,228
Jackson	299,446	762,839	1,062,285
Jefferson	62,417	145,147	207,564
Jessamine	892,865	1,984,694	2,877,559
Johnson	58,217	155,674	213,892
Kenton	164,598	383,203	547,801
Knox	103,666	232,977	336,642
Larue	304,272	857,293	1,161,565
Laurel	421,222	990,912	1,412,134
Lawrence	71,225	171,665	242,890
Lee	57,287	145,888	203,176
Leslie	9,478	26,184	35,662
Letcher	769	1,269,648	1,270,418
Lewis	505,998	1,659,229	2,165,228
Lincoln	640,594	4,454	645,048
Logan	1,158,738	2,604,428	3,763,166
Lyon	164,663	396,409	561,072
Mccracken	168,344	386,177	554,521
Mccreary	7,054	12,859	19,913
Mclean	240,591	699,764	940,355
Madison	1,198,816	2,993,764	4,192,580
Magoffin	148,849	429,660	578,509
Marion	657,579	1,549,151	2,206,730
Marshall	164,345	386,888	551,233
Mason	966,919	2,371,178	3,338,097
Meade	180,123	482,252	662,375
Menifee	115,491	340,938	456,429
Mercer	672,237	1,652,838	2,325,075
Metcalfe	413,096	1,417,693	1,830,789
Monroe	296,034	887,641	1,183,676
Montgomery	431,774	1,278,874	1,710,648
Morgan	374,427	971,935	1,346,362
Muhlenberg	281,786	675,436	957,223
Nelson	549,878	1,344,020	1,893,898
Nicholas	545,554	1,425,845	1,971,399
Ohio	296,269	708,194	1,004,463
Oldham	127,354	333,063	460,417
Owen	1,076,574	2,480,069	3,556,644
Owsley	187,377	452,699	640,076
Pendleton	611,007	1,459,800	2,070,807
Perry	8,509	14,921	23,430
Powell	98,443	253,536	351,979
Pulaski	639,465	1,677,507	2,316,972
Robertson	268,959	668,516	937,475
Rockcastle	291,767	804,228	1,095,996
Rowan	121,000	358,380	479,381

# Kentucky 2007

Tobacco Transition Payment Program (TTPP), continued

## 2007 Payment Summary

County	\$ Producer	\$ Quota Holder	\$ Total
Russell	305,421	841,510	1,146,931
Scott	1,371,901	2,993,288	4,365,189
Shelby	1,288,994	3,317,963	4,606,957
Simpson	376,501	993,271	1,369,773
Spencer	412,583	1,121,048	1,533,631
Taylor	521,213	1,340,425	1,861,638
Todd	835,776	1,857,617	2,693,392
Trigg	544,119	1,277,291	1,821,410
Trimble	479,776	1,200,298	1,680,073
Union	2,252	8,905	11,157
Warren	463,719	1,585,902	2,049,621
Washington	816,408	1,808,621	2,625,029
Wayne	242,650	749,318	991,968
Webster	143,349	345,791	489,139
Whitley	26,882	127,572	154,454
Wolfe	207,646	527,917	735,562
Woodford	1,275,633	2,937,852	4,213,485
<b>Totals:</b>	<b>\$50,483,156</b>	<b>\$126,056,943</b>	<b>\$176,540,099</b>

## TOBACCO PRODUCTION

Tobacco All Classes Production (thousand lbs.)	Year	All Air-Cured Dark (thousand lbs.)	All Air-Cured Light (thousand lbs.)	All Fire-Cured Dark (thousand lbs.)
235,003	2004	10,313	206,700	17,990
174,260	2005	10,360	143,500	20,400
186,700	2006	12,400	153,300	21,000
<b>190,560</b>	<b>2007</b>	<b>11,760</b>	<b>154,000</b>	<b>24,800</b>

Kentucky Agricultural Statistics

## Farm Loan Programs

Division Chief: Mitchell Whittle  
 Program Specialists: Debra V. Hunt  
 John Hoskins  
 Jacky Ott  
 Mike Hoyt

FSA makes and guarantees loans, and provides credit counseling and supervision to farmers who are temporarily unable to obtain private commercial credit. FSA loan applicants are often beginning farmers who do not qualify for conventional loans because of insufficient net worth, or established farmers who have suffered financial setbacks from natural disasters or economic down turns.

FSA offers Direct Loans to those unable to qualify for a Guaranteed Loan. Under the Guaranteed Loan Program, FSA guarantees loans made by commercial agricultural lenders for up to 95 percent of any loss. In FY 2007, Kentucky FSA county offices approved a total of **7,255** loans for **\$374,137,804** to producers.

### Loans Outstanding to Producers in FY 2007

	Number	Outstanding Value \$
Direct Loans	5,874	169,175,000
Guaranteed Loans	1,381	204,962,804
	Number	Loan Amounts
<b>Direct Loans</b>		<b>\$</b>
Farm Ownership	1,425	88,026,000
Farm Operating	3,920	65,303,000
Emergency	352	11,207,000
Economic Emergency	91	4,354,000
Soil and Water	86	285,000
<b>Guaranteed Loans</b>		<b>\$</b>
Farm Ownership	779	154,634,651
Farm Operating	601	50,289,481
Economic Emergency	1	38,670

# Kentucky 2007

## Farm Loan Programs, continued

### FSA Loans Available to Producers

- **Farm Ownership Loans** may be used to purchase or improve real estate or reorganize the farm business.
- **Farm Operating Loans** may be used for normal operating expenses, machinery and equipment, real estate repairs, and refinancing debt.
- **Socially Disadvantaged Loans** are made to those members of a group who have been subjected to racial, ethnic, or gender prejudice because of his or her identity as a member of the group without regard to his or her individual qualifications.

### 2007 Average Loan Size in Kentucky

Direct Farm Ownership	\$119,106
Direct Operating	\$22,124
Guaranteed Farm Ownership	\$299,531
Guaranteed Operating	\$127,768



### Top Ten Rankings

<b>Kentucky Farm Loan Program (FLP) makes the Top Ten List for the second year.</b>	<b>Direct and Guaranteed Loans</b>
	1st - Direct Operating Loans - 1,085
	10th - Direct Ownership Loans - 94
	5th - All (Direct and Guaranteed Loans)- 1,388
	<b>Beginning Farmer Loans</b>
	5th - Beginning Farm OL Loans - 387
	5th - All Beginner Farmer Loans - 535
	<b>Socially Disadvantages Loans (SDA)</b>
	2nd - Direct SDA OL Loans - 190
	7th - Direct SDA FO Loans - 12
3rd - All (Direct and Guaranteed) SDA Loans - 213	

## GIS and Agriculture

# FSA: GIS Technology for Modern Agriculture

## Geographic Information Systems:

- ▶ Measure land
- ▶ Identify crops
- ▶ Make digital maps
- ▶ Improve response to natural disasters

GIS helps FSA offices more effectively measure land by allowing computer generated maps to interface with databases that store information about the land. GIS gives local FSA offices tools to:

- ▶ Help producers continue to exercise sensible land stewardship.
- ▶ Provide quicker, more accurate information for decision-making.
- ▶ Reduce the amount of time a producer must spend in the local FSA office.



Division Chief: Robert Finch  
 GIS Coordinator: Faye Brown  
 GIS Specialist: Guy Perry

FSA is integrating GIS data layers and GPS information to increase the efficiency, accuracy and timeliness of FSA programs. This allows FSA to provide quicker, more accurate information to agricultural producers. Three critical data sets are being modernized through using GIS and GPS in FSA County Offices and USDA Service Centers:

- Aerial Imagery
- Common Land Unit
- Soils

**Aerial Imagery:** Kentucky was flown for 1-meter leaf on true color imagery during the 2004 growing season. Counties are updating farm records using this new base layer imagery. In 2006 Kentucky was flown for 2-meter leaf on true color imagery for acreage and compliance determinations. The goals of the National Agricultural Imagery Program are to collect 1 and 2 meter natural color and color infrared imagery for the entire continental United States on a five year refresh cycle and deliver the imagery in the year of acquisition.

**Common Land Unit:** The Common Land Unit (CLU) data set represents all field boundaries. Each CLU is linked to a unique set of characteristics that include a farm number, tract numbers, field numbers, land use code, highly erodible land status, and field acreage.

# Kentucky 2007

## Outreach

Program Chief: Robert Finch  
Outreach Coordinator: Brenda Johnson

**K**entucky Farm Service Agency is taking a proactive position on providing timely and equal access to Farm Program and Loan information for all potential customers, especially small, limited resource, socially disadvantaged and underserved. Kentucky FSA operates with principles and values that demonstrate a commitment to treating all customers with dignity and respect, to ensure that our targeted, minority group customers have an equal opportunity to pursue owning or operating a farming operation in Kentucky.

Kentucky FSA will work to maintain a high level of customer satisfaction regarding the delivery of information and programs, while providing fair and equal treatment to all internal and external customers. As a USDA Agency, we recognize the importance of operating under an established set of values, and how we can achieve positive results.

The following are some examples of FSA's outreach projects throughout the Commonwealth:

**Food Drive:** The Grayson County FSA Office partnered with NRCS, RD, the Conservation District and 25 community churches to collect over 3,000 pounds of nonperishable food items as part of the 11th annual "Harvest of the Heart" food drive held in November. The food was delivered to the local food pantry that serves more than 750 Grayson County families.



**Adair County News**  
June 2007  
Farm Service Agency

**Adair County FSA Office**  
901 Campbellville Rd  
Campbellville, KY 40228  
901 Campbellville Rd  
Campbellville, KY 40228

**County Committee:** The Farm Service Agency county area committees are responsible for the administration of Federal farm programs at the local level.

**Committee Nominations Open:** Nominations for candidates to run for the Farm Service Agency county committees representing producers in Local Administrative Area II (LAA II) will be accepted from June 15 through August 1, 2007. LAA's are election areas. Elections are held each year to elect or re-elect a member(s) whose term will expire.

**Adair County will be holding an election for a person to represent LAA I beginning January 1, 2008. This position is currently held by Linda Taylor. LAA I includes the area of Adair County that is South of a line from Green County along Hwy 41 N, to the Millstone Road, to Millstone Church Rd, to Hwy 10 West, to Blue Road, to the Green St. South of Hwy 208, from including the Parkway East to Hwy 10, then including 10 North to Hwy 208, and being north of Hwy 208 to the Green River and then north of the Green River to the Casey County line.**

**Nominations Form:** The reverse of this sheet is a nomination form (FSA-680A). All nomination forms must be postmarked or returned to the Adair County FSA Office not later than August 1, 2007.

**Return nomination forms to:**  
Adair County FSA Office  
901 Campbellville Road  
Campbellville, KY 40228

**LAA Boundaries:**

**County Committee Elections:** FSA County Offices continue to promote diversity of nominees and members of the local County Committees. A special election newsletter is mailed to all producers of record announcing the areas (LAA's) holding elections. This is an outreach effort to achieve a more diverse representation of the agricultural community on the local County Committee.



## Outreach, continued

**Farm Machinery Show:** FSA participated in the 43rd Annual National Farm Machinery (NFMS) show in Louisville, February 13-16, 2008. FSA was one of the 800 exhibitors at the show. FSA showcased the new disaster assistance programs. Farmers from across the nation stopped by the booth to discuss a wide range of FSA programs including disaster assistance, Geographic Information System (GIS), and farm loans.



The National Farm Machinery Show is the largest indoor farm show in the nation and was attended by 301,900.

**Newsletters:** Kentucky FSA NEWS is published quarterly. The newsletter provides FSA producers with the latest information on programs and services FSA has to offer. The newsletter is mailed directly to all FSA producers in Kentucky. The newsletter is also used by County offices as an outreach tool in their local community.

**Small Limited Resource Farmer Conference:** Kentucky FSA in partnership with Kentucky State University, and other USDA and State Agency's sponsored the annual "Kentucky Small Farmers Conference". The Conference was in November on the campus of Kentucky State University (KSU) in Frankfort. KSU is an 1890 land grant institute. The theme for this year's event was "**Turning Challenges into Opportunities**". Agricultural producers and community agricultural leaders from across the Commonwealth participated in educational workshops and farm tours. Farmers had the opportunity to ask questions and receive information on a broad range of farming-related topics.

# Kentucky 2007



## **Farm Programs (FY 2007 Payments)**

- **Conservation Programs — \$29,530,000**
  - **Conservation Reserve Program (CRP)**
  - **Conservation Reserve Enhancement Program (CREP)**
  
- **Disaster Assistance Programs — \$29,956,420**
  - **Crop Disaster Program (CDP)**
  - **Noninsured Assistance Program (NAP)**
  - **Emergency Conservation Program (ECP)**
  - **Livestock Compensation Program (LCP)**
  - **Livestock Indemnity Program (LIP)**
  
- **Direct and Counter-cyclical Program (DCP) — \$80,543,878**
  
- **Price Support Programs — \$35,987,151**
  - **Market Gains and Loan Deficiency Payments (LDP)**
  - **Milk Income Loss Contract Program (MILC)**
  - **Market Assistance Loans (MAL)**
  - **Farm Storage Facility Loan Program (FSFL)**
  
- **Tobacco Transition Payment Program (TTPP) — \$176,540,099**

## **Farm Loan Programs**

- **Loans Approved FY 2007 — \$374,137,804**
  - **Direct Loans**
  - **Gararanteed Loans**
- **Farm Ownership Loans**
- **Farm Operating Loans**
- **Socially Disadvantaged Loans**



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.

*Kentucky Farm Service Agency*

