

# USDA



## Farm Service Agency

# Kentucky NEWS

June 2007

## 2007 County Committee Elections

The Farm Service Agency (FSA) is soliciting candidates for the County FSA Committee (COC) from June 15 through August 1, 2007.

One of FSA's responsibilities is to conduct County Committee elections in an open manner that ensures accountability. County FSA Offices will provide local organizations representing socially disadvantaged groups with detailed information about the COC election process. FSA is reaching out to agricultural communities to get equitable representation on their county committees. The members on County Committees are nominated and elected by local producers who are eligible to participate in FSA programs.

### County Committee Duties

Committee members are a critical component of the operations of FSA. They help deliver FSA farm programs at the local level. The FSA COC is accountable to the FSA State Committee (STC); oversees the work of the county office and the County Executive Director (CED) who manages the county office. Committees also provide input on:

- Commodity price support loans and payments;
- Conservation Programs;
- Incentive, indemnity and disaster payments for some commodities; and
- Emergency programs.

### Local Administrative Areas (LAA)

A county or multi-county area served

by the county committee is divided into 3 or 5 Local Administrative Areas (LAA). Each LAA is represented by one member on the county committee. A person may only vote in one LAA in each county or multi-county area in which they participate or cooperate in FSA programs or programs administered by FSA.

### Who Can Vote

Agricultural producers of legal voting age can 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 can also vote. More information about voting eligibility requirements can be found online at: <http://www.fsa.usda.gov/>

News & Events/County Committee Elections. Producers may contact their local USDA Service Center for more information.

### Nominations

To become a nominee, eligible individuals must sign nomination Form FSA-669A, included in this newsletter. This form allows individuals to nominate themselves or any other person as a candidate. Organizations representing socially disadvantaged farmers and ranchers may nominate any eligible candidate. Additional forms may be obtained at the County FSA Office and online at: [http://www.fsa.usda.gov/News & Events/County Committee Elections](http://www.fsa.usda.gov/News%20&%20Events/County%20Committee%20Elections). Nomination forms and facts sheets in Spanish are also available at this site.

### Don't Miss Out on Voting

Ballots will be mailed to voters by November 2, 2007, and must be returned to the FSA county office or postmarked by December 3, 2007.

**USDA**  
Farm Service Agency

### County Committee Election 2007

*Make a Difference: Nominate and Vote!*

<b>June 15, 2007</b>	Nomination period begins. Forms are available from your USDA Service Center and online, <a href="http://www.fsa.usda.gov">http://www.fsa.usda.gov</a>
<b>August 1, 2007</b>	Last day to file nomination forms at the USDA Service Center
<b>November 2, 2007</b>	Ballots mailed to eligible voters
<b>December 3, 2007</b>	Last day to return voted ballots to the USDA Service Center
<b>January 1, 2008</b>	Elected committee members and alternates take office

**Farmers Serving Farmers**

USDA is an equal opportunity employer and provider.

**VOTE VOTE VOTE VOTE VOTE VOTE VOTE**

**USDA encourages producers to:**

- **Get involved**
- **Nominate or become a candidate**
- **Vote**

## Message from the State Director ...

I want to update you on the status of closing Farm Service Agency (FSA) offices in Kentucky. Last fall, the first phase of restructuring FSA County Offices was submitted to our National Headquarters for review. This part of the plan included eight offices that we are requesting to close and consolidate with another office.

According to a process that was designed by Congress we have a strict procedure to follow prior to closing any FSA office. That process requires that a public meeting be held in the county where the office is proposed for closure, in order to inform farmers in that county of our intentions and outline farmers' options. In this case, those meetings were held in February and March of this year. We are presently waiting the required 120 days prior to physically closing those offices.

In the meantime, we have submitted a second group of offices to our National Headquarters to begin the same process of closing. In those counties, the public meetings will most likely occur in June, July and August. All farmers in the affected counties will be notified in writing about the public meeting for their county.

### *Why are we closing offices?*

Probably, the most common question asked is; why are we closing offices? There is not any single answer, but rather a combination of factors that brought us to a set of circumstances that must be addressed.

✓ The primary reason is the significant reduction in office staff; in large part due to the loss of the Tobacco Price Support Program. In two years, we have lost 25 percent of our regular measured workload and 15 percent of our allowed number of county office employees. Therefore, we can not keep all offices operating at the current level.

✓ A secondary reason is the number of Service Centers we have for a state our

size. Kentucky ranks 6th nationally in the total number of FSA Service Centers and we rank 25th in the total amount of FSA program payments paid to farmers. This means that dollars of benefits paid per office is very low compared to all other states.

✓ Another reason we are proposing this restructuring is the efficiency and cost savings gained from consolidating operations into fewer locations. When we combine automation and some general administrative functions into fewer offices we can gain about 10 percent efficiency of the average offices workload. That means more employees can spend more time on program work. We can also save more than \$750,000 per year in reduced telecommunications and operational costs.

We have identified the offices with the lowest workload and those with a County Executive Director who manages two offices as priorities for consolidation. We have considered mileage between offices so we don't have a large number of farmers expected to drive excessive distances.

The average distance between FSA offices will be 22.2 miles after we close this proposed group of offices. Over 90 percent of Kentucky farmers will be within a 30 minute drive of an FSA Service Center. Also, when a county office is closed, farmers in that county do have the option to select the most convenient office in any adjoining county.

After these criteria are used to identify offices for consolidation, then the next and most difficult step is to decide which Service Center will become the headquarters. In some cases, it makes the most sense to combine a smaller office with a larger workload office. In other instances, there are clear travel patterns or centers of commerce that clearly favor one location over another. In other situations, we must consider the most central location to the largest number of farmers.



Jeffery S. Hall  
State Executive Director

A lot of people are saying our office is fine the way it is, leave us alone. That may be the case in some counties, but other counties are struggling with understaffed and underserved offices. We must ultimately reallocate resources to make sure farmers in all counties are properly served. *Our goal is to build a better program delivery system for our customers.*

Kentucky is not going this alone; thirty-one other states have submitted plans that include closing more than 160 FSA offices. Not that misery loves company, but this is a national problem, that has frankly hit Kentucky hardest because we have lost more employees than any other state and one of our most significant programs no longer exists. We are coordinating our plans with our sister USDA agencies; Natural Resources Conservation Service and Rural Development. It is important for us to work together when making decisions that involve the wisest and best use of taxpayer money.

This is not something required by Congress or the US Department of Agriculture (USDA). It is a plan to reorganize our offices in Kentucky in a way that will last for many years. While no one wants to see FSA offices close, we are beyond the point of letting things go for another year. We must fix our problem before someone else fixes it for us. If we don't overhaul soon, the problems will only get worse and more expensive. We ask for your patience and understanding as we work through this process.

*Jeffery S. Hall*

## Noninsured Crop Disaster Assistance Program (NAP)

NAP provides financial assistance to eligible producers affected by natural 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 not available.

**Crop Reports:** To remain eligible for NAP, you must annually report the crop, including: type and variety, crop location, producer shares, date



the crop was planted, type of practice used and intended use (fresh, processed, etc.). Once harvested, the production must be reported.

### What if the crop fails?

When a covered crop is affected by a natural disaster, you must notify your local FSA office by completing a Notice of Loss (form CCC-576) within 15 calendar days of the natural disaster occurrence or the date the

damage became apparent.

## NAP Sales Closing Dates

CROP	Application Closing Date	CROP	Application Closing Date
Grass-FG	Mar-1	Squash	Mar-15
Grass-GZ	Mar-1	Strawberries	Mar-15
Grass-SD	Mar-1	Sweet Potatoes	Mar-15
Alfalfa	Mar-15	Tomatoes	Mar-15
Beans	Mar-15	Turnips	Mar-15
Beets	Mar-15	Watermelons	Mar-15
Broccoli	Mar-15	Christmas Trees	Sep-1
Cabbage	Mar-15	Crustaceans	Sep-1
Cantaloupe	Mar-15	Finfish	Sep-1
Cauliflower	Mar-15	Grass-Sod	Sep-1
Corn	Mar-15	Barley-GR	Sep-30
Cucumbers	Mar-15	Oats-FG	Sep-30
Eggplant	Mar-15	Oats-GR	Sep-30
Herbs	Mar-15	Oats-GZ	Sep-30
Lettuce	Mar-15	Wheat	Sep-30
Oats	Mar-15	Apples	Nov-20
Okra	Mar-15	Blueberries	Nov-20
Onions	Mar-15	Caneberries	Nov-20
Peppers	Mar-15	Grapes	Nov-20
Potatoes	Mar-15	Honey	Nov-20
Pumpkins	Mar-15	Peaches	Nov-20
Radish	Mar-15	Pears	Nov-20
Sorghum	Mar-15	Pecans	Nov-20
Soybeans-FG	Mar-15	Rhubarb	Nov-20
Soybeans-GR	Mar-15		

Note: For any crop not listed above contact your local Farm Service Agency.

## Reporting Crop Acreage

The annual requirement of reporting to the FSA office can be referred to as crop reporting, acreage reporting, or crop certification. Filing an accurate and timely report for all crops and land uses, including failed acreage, can prevent loss of benefits for a variety of Farm Service Agency programs. All cropland on the farm must be reported to receive benefits from the Direct and Counter-cyclical Program, marketing assistance loans and Load Deficiency Payments.

### Sign Your DCP Contract by August 3, 2007



This year the deadline to sign your 2007 Direct and Counter-cyclical Program (DCP) contract has been extended to August 3. After that date a late-signing fee of \$100 per farm will be assessed.

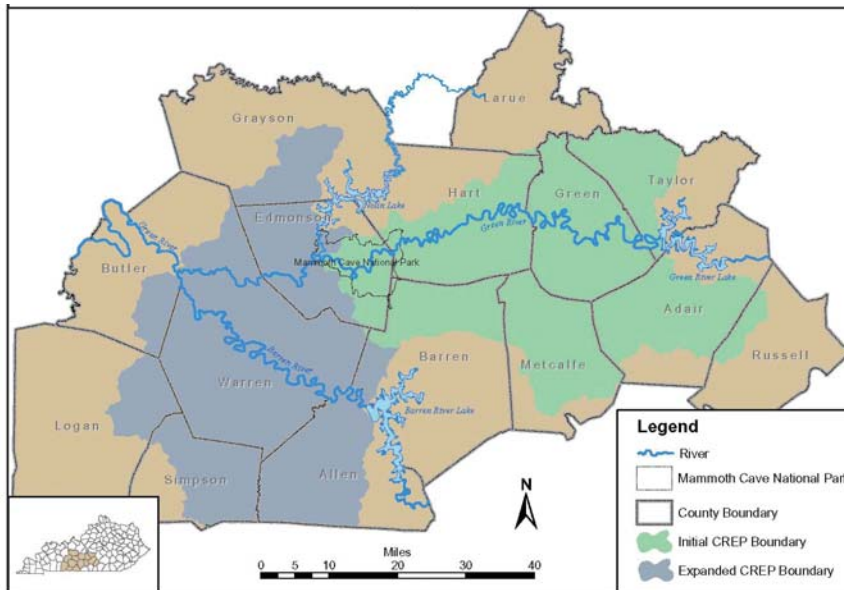
### 2007 Final Crop Reporting Dates

**May 31, 2007**  
Small Grains

**July 16, 2007**  
All Other Crops -  
Except Small Grains

**September 30, 2007**  
Value Added Crops -  
Ornamental Nursery  
Christmas Trees  
Floriculture  
Crustaceans  
Sod Grass  
Finfish

## Conservation Reserve Enhancement Program (CREP) Area Map



## Green River CREP Field Day

Mark your calendars for 2:00 P.M., August 23, 2007. The Green River CREP partners are sponsoring a CREP Field Day in Barren County. The day will provide an opportunity for current participants and potential participants of CREP to hear the impact the Green River CREP is having on the area. Speakers will include Senator Mitch McConnell (invited), and CREP participants who will provide a peer perspective to CREP participation. Guests will be provided the opportunity to see successful CREP practices which are currently providing targeted benefits to the environment and to wildlife habitat.

Counties involved in the CREP Project include all of Green and Warren Counties, and portions of Adair, Allen, Barren, Butler, Edmonson, Grayson, Hart, Logan, Metcalfe, Russell, Simpson, and Taylor Counties.

CREP is a partnership between USDA and the Commonwealth of Kentucky. Partners include the Farm Service Agency, Natural Resource Conservation Service, The Commonwealth of Kentucky, Kentucky Division of Conservation, Kentucky Fish and Wildlife, Kentucky Division of Forestry and The Nature Conservancy.

Details on the location have not been confirmed. Check with your local office for more information and the location closer to the event date.

## Continuous CRP

The Continuous Conservation Reserve Program (CRP) 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 or the Conservation Reserve Enhancement Program (CREP) availability, contact your local FSA office.

## Interest Rates

May 2007

### DIRECT

Operating Loans	5.00%
Farm Ownership Loans	5.25%
Emergency Loans	3.75%

## Maintaining CRP Cover

CRP cover maintenance is the participant's responsibility and must be done according to the conservation plan. All CRP maintenance activity, such as mowing, burning and spraying, must be conducted outside the primary nesting season for wildlife and in accordance with the conservation plan.



Spot treatment of the acreage may be allowed during the primary nesting season if certain criteria are met. The primary nesting season in Kentucky is May 15 through August 1.

For more information visit your local USDA Service Center.

## Farm Lease Agreements

Using flexible or variable leases has become increasingly attractive to tenants and landowners due in part to fluctuating market prices.

The key determinant in terms of how FSA looks at these leases is whether the landlord shares in the production risk of the crop. Leases which are based on a share of the crop or proceeds are considered share leases and must be reported as such by the producer when signing up for DCP payments.



In the past, most farmers negotiated a specific cash rent fee and nothing else. Due to the recent spike in cash grain prices, many renters and landlords are becoming more creative in the way rent is figured. While this is certainly acceptable, renters and landlords must have a clear agreement, and convey their rental terms to their local FSA office.

If a lease bases the rent on the amount of crop produced or the income derived from that crop (whether or not the crop is actually grown), or any combination of the two, it is a share lease and the landlord must receive a share of the DCP contract payment. This is because the landlord now shares the risk in the crop. The more bushels produced or the higher price received for that crop creates a higher rent.

For additional clarification on the direct and counter-cyclical payments, flexible and combination leases contact your local FSA office.

## CCC-633-EZ Required for LDP's

### Why File

The CCC-633-EZ, Loan Deficiency Payment Agreement and Request form, is available to producers for requesting LDP benefits (copy enclosed). The CCC-633-EZ replaces the CCC-633 LDP and CCC-709 forms. The CCC-633-EZ must be completed for producers to receive LDP benefits.

### Where to File

The CCC-633-EZ is a two part form consisting of multi pages. Page 1 (copy enclosed) of the form includes terms and conditions, and serves as your intention to request and receive LDP benefits. This form needs to be filed in one FSA County office for all counties in which you have a farming interest in the eligible commodity.

### When to File

This form must be filed before loss of beneficial interest. Page 2 (copy enclosed) is applicable to feed grains, wheat, minor oil-seeds, rice, and pulses. Page 3 is applicable to cotton and Page 4 is applicable to wool, mohair, and unshorn pelts. Copies of pages 3 and 4 are available from your local office.

Producers with level 2 eAuthentication, who wish to submit their LDP request through eLDP, will be required to submit a completed CCC-633-EZ, Page 1 to their FSA County Office prior to loss of beneficial interest. Upon receipt of an approved CCC-633-EZ, Page 1, the County Office will update the customer's eLDP profile to reflect that the CCC-633-EZ, Page 1 was received in the County Office.

## Potential or Suspected Foreign Investors

U.S. Department of Agriculture (USDA) regulations, 7 CFR Section 781.1, for Agricultural Foreign Investment Disclosure Act (AFIDA) specify that when a foreign person acquires or transfers an interest in U.S. agricultural land, such transactions shall be disclosed to the Secretary of Agriculture on AFIDA Report form FSA-153. The report must be filed with the County Farm Service Agency (FSA) Office within 90 calendar days of the date of the transaction.

### Agricultural land is:

✓ All crops, ranch, and timberland more than 10 acres in size in the aggregate and forestland.



✓ Ownership of tracts totaling 10 acres or less in the aggregate must produce annual gross receipts in excess of \$1,000 for the sale of the farm, ranch, forestry or timber products to be reported.

Failure to complete the AFIDA Report within 90 calendar days of the date of the transaction could result in a civil penalty of up to 25 percent of the fair market value of the interest held in the agricultural land. The AFIDA Report shall be considered to have been filed in a timely manner if it is received at a County Farm Service Agency Office within 90 calendar days of the date agricultural land is acquired or transferred. The FSA-153 form can be obtained from local FSA offices or downloaded from the USDA Forms Web site.

## Farm Loan Programs

FSA offers loans for farmers and ranchers to purchase farmland and finance agricultural operations. FSA loan programs are designed to help producers who are temporarily unable to obtain private or commercial credit. In many cases, applicants are beginning farmers who have insufficient net worth to qualify for financing through a commercial lender. In other instances, borrowers might have suffered setbacks from natural disasters or might be persons with limited resources.

Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of up to \$200,000. Guaranteed loans can reach a maximum indebtedness of \$852,000. Emergency loans are always direct loans for farmers who may have suffered physical or production losses in disaster areas designated by a Presidential or Secretarial disaster declaration. Rural Youth Loans, loans to beginning farmers and loans for socially disadvantaged applicants are also available through FSA.

For loan eligibility or the different available loan programs, contact your local county office.

## Maintaining Farm Stored Grain Quality



Many producers sometimes struggle to find adequate grain storage. Overfilled grain storage bins can lead to grain quality problems.

Bins are ideally designed to hold a level volume of grain. When bins are overfilled and grain is heaped up, airflow is hindered and the chance of spoilage increases.

The Farm Storage Facility Loan Program offers producers low interest financing for the purchase of new grain storage and drying equipment. Producers may be eligible to finance up to \$100 thousand for the purchase of grain storage and drying equipment.

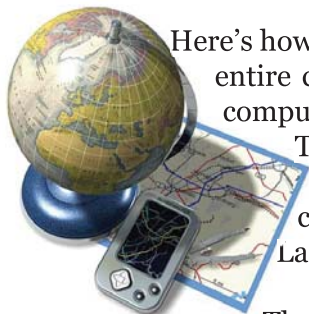
For additional information about grain storage options and the FSA farm storage facility loan program, contact your FSA office.

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.

## Utilizing Geographic Information System (GIS)

FSA currently employs a Geographic Information System (GIS), a computer-based tool for capturing, storing, mapping and analyzing geographic farm data. FSA uses GIS to replace the old manual system of hard copy maps and aerial photographs. This digital technology is faster and more accurate than the old way, and saves taxpayers money over the long term.



Here's how GIS works. Up-to-date aerial photographs of the entire county are scanned so they can be stored in the computer. The photos become the base layer of the GIS. Technicians examine the photos and identify individual farms. They then outline each farm field, creating another layer of data called the Common Land Unit (CLU).

The software stores the shape of the field as a "polygon," and ties it to a specific location using latitude and longitude. The software can then automatically calculate the size of each field. The CLU layer will be connected to a database that contains information about the cropping history for each particular field.

GIS gives FSA the tools to provide quicker, more accurate information to producers and reduce the amount of time the producer must spend in the FSA office. As an added bonus, producers can review their farm's GIS files online from the comfort of their homes.

All you need to get started is software and data. Much of the software for basic GIS functionality is free for download; more advanced software does come with an associated cost. You can almost always find data for free on the web. The key is to know what you are looking for. The Geospatial Data Gateway, at <http://datagateway.nrcs.usda.gov/>, contains a great deal of imagery and vector data available for public consumption.

For more information on free GIS software and downloads, go to the following site: <http://software.geocomm.com/viewers/>.

### Toll-Free Number for Borrowers

The toll-free number for direct loan borrowers was incorrectly listed in the March Issue of Kentucky FSA News. The correct number is **1-888-518-4983**.

### Kentucky FSA News

is published by

Kentucky FSA State Office  
771 Corporate Drive, Ste. 100  
Lexington, KY 40503  
Telephone: (859) 224-7601  
E-mail: [webmaster@ky.usda.gov](mailto:webmaster@ky.usda.gov)

## Farm Programs - FY 2006 Payments

- ✓ Conservation Programs - **\$29,646,787**
- ✓ Disaster Assistance Programs - **\$2,566,288**
- ✓ Direct and Counter-cyclical Program - **\$95,878,294**
- ✓ Price Support Programs - **\$49,373,115**
- ✓ Tobacco Transition Payment Program - **\$200,344,566**

## Farm Loan Programs

- ✓ Loans Outstanding FY 2006 - **\$378,169,467**



**Change of address must be reported to your LOCAL FSA County Office.**

A directory of local FSA County offices is available on-line at: <http://www.fsa.usda.gov/ky/>



USDA Farm Service Agency  
771 Corporate Dr., Ste. 100  
Lexington KY 40503-5478

June 2007

Kentucky FSA NEWS 8

Farm Service  
Agency *online*



- My USDA
- USDA Customer Statement  
[www.usda.gov](http://www.usda.gov)

- eLDP
- eDCP  
[www.fsa.usda.gov](http://www.fsa.usda.gov)

- Kentucky FSA NEWS  
[www.fsa.usda.gov/ky](http://www.fsa.usda.gov/ky)

### 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.

## Important Dates

- ✓ **July 4** Independence Day - Federal Offices Closed
- ✓ **July 16** Final date to certify all crops, except small grains
- ✓ **August 1** Final date to file nomination forms at County office. *Nomination forms must be returned to the FSA County Office or be postmarked by August 1*
- ✓ **August 3** Final application date for 2007 DCP
- ✓ **Sept 1** Final date to apply for coverage under NAP for 2007 on Christmas trees, Crustaceans, Grass-Sod & Finfish
- ✓ **Sept 30** Final date to apply for coverage under NAP for 2007 on Wheat
- ✓ **Nov 3** Ballots mailed to eligible voters
- ✓ **Dec 4** Last day to return completed ballots to the FSA County Office. *Ballots must be returned to the FSA County Office or be postmarked by December 4.*
- ✓ **Jan 1, 2008** Elected committee members and alternates take office.