



## John W. McCauley Named Kentucky FSA State Executive Director

The Obama Administration appointed John W. McCauley to serve as the Kentucky State Executive Director for USDA Farm Service Agency (FSA). He assumes the duties on November 2, 2009.

"John McCauley has a solid understanding of the challenges and opportunities facing our rural communities and will help build on the Obama Administration's efforts to rebuild and revitalize rural America," said Agriculture Secretary Tom Vilsack.

McCauley was the managing member of JWM Consulting Service for seven years and brings two decades of public service to this position. He served as Director of the Division of Pesticide Regulation in the Kentucky Department of Agriculture in the 1990s and served on the Governor's Commission on Literacy five years before that. McCauley has also worked in the Kentucky Labor Cabinet and Kentucky General Assembly.

## Supplemental Revenue Assistance (SURE)

SURE provides benefits for farm revenue losses due to natural disaster that incurred in the crop years 2008 through September 30, 2011. To be eligible for SURE payments, a producer is required to obtain crop insurance on all crops in all counties or, if crop insurance is not available, to participate in the Non-Insured Assistance Program (NAP) except for grazed acreage. Furthermore, crop insurance or NAP coverage is no longer required for crops that are not of economic significance or those where the administrative fee required to buy NAP coverage exceeds 10 percent of the value of the coverage. Eligible farmers and ranchers who meet the definition of Socially Disadvantaged, Limited Resource, or Beginning Farmer or Rancher do not have to meet this requirement.

### *SURE Triggers*

- at least one crop of economic significance must suffer a 10% production loss due to an eligible disaster condition
- crop of economic significance is a crop that has contributed or would have contributed at least 5% or more of the total expected revenue from all crops on the farm
- producers in counties declared disaster counties by the Secretary of Agriculture, or in contiguous counties, or those who show proof of an individual loss of at least 50% are eligible to receive SURE payments for crop producer or crop quality losses.

Losses are measured with consideration to the whole-farm

revenue, which includes crop insurance indemnities and commodity program payments, so that producers are not paid more than once for the same loss.

### *Crop Acreage Report*

Physical evidence of the crop in the field is not required for FSA to accept late filed 2008 acreage reports for SURE only. However, evidence of existence or disposition must be provided.

The requirements for 2008 SURE include:

- crop acreage report for all 2008 crops in all counties
- late-filed fees will be waived for late-filed 2008 acreage reports for SURE only and physical

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## Livestock Forage Disaster Program ( LFP)

The LFP provides compensation to eligible livestock producers who suffer grazing losses for eligible livestock due to drought conditions or fire on federally managed land.

Eligible livestock producers may receive assistance for eligible livestock grazing losses that occur due to drought or fire on or after January 1, 2008, and before October 1, 2011, during the calendar year in which the loss occurs.

FSA began accepting 2008 calendar year applications on September 14, 2009. The applications must be filed by December 10, 2009. Late filed applications for LFP cannot be approved.

For 2009 and subsequent years, sign-up applications must be filed no later than 30 calendar days after the end of the calendar year in which the grazing losses occurred. Losses must occur in calendar year the application is being filed.

For drought, eligibility is tied to land physically located in a county that is, during the normal grazing period

for the specific type of grazing land or pastureland for the county, rated by the U. S. Drought Monitor as having any of the following:

- **D2** (severe drought) intensity in any area of the county for at least eight consecutive weeks during the normal grazing period for the specific type of grazing land or pastureland for the county
- **D3** (extreme drought) intensity in any area of the county at any time during the normal grazing period for the specific type of grazing land or pastureland for the county
- **D4** (extreme drought) intensity in any area of the county for at least four weeks during the normal grazing period (not consecutive weeks) for the specific type of grazing land or pastureland for the county or is rated as having a D4 (exceptional drought) intensity in any area of the county at any time during the normal grazing period for the specific grazing land or pastureland for the county.

Losses due to drought must occur during the normal grazing period for the specific type of grazing land.

### LFP Monthly Payment Rate

The monthly payment rate will be an amount equal to 60 percent of the lesser of:

- *the monthly feed cost for all covered livestock, using a feed grain equivalent (feed grain equivalent for adult beef cow is 15.7 pounds of corn per day)*
- *the monthly feed cost calculated using the normal carrying capacity for the grazing land.*

An eligible producer can only receive a maximum of **three** monthly payments for the same covered livestock during the calendar year regardless of how many different drought intensity ratings the county receives.

In the case of an eligible livestock producer that sold or otherwise disposed of covered livestock because of drought conditions in one or both of the two previous production years, the payment rate shall be equal to 80 percent of the monthly payment rate.

### Eligible Kentucky counties for the 2008 calendar year are:

County	Pasture Type	Pasture Type	County	Pasture Type	Pasture Type
Adair	*Improved Pasture	*Forage Sorghum	Lincoln	Improved Pasture	Forage Sorghum
Bell	Improved Pasture	Forage Sorghum	McCreary	Improved Pasture	Forage Sorghum
Casey	Improved Pasture	Forage Sorghum	Pulaski	Improved Pasture	Forage Sorghum
Clinton	Improved Pasture	Forage Sorghum	Rockcastle	Improved Pasture	Forage Sorghum
Cumberland	Improved Pasture		Russell	Improved Pasture	Forage Sorghum
Harlan	Improved Pasture	Forage Sorghum	Wayne	Improved Pasture	Forage Sorghum
Knox	Improved Pasture	Forage Sorghum	Whitley	Improved Pasture	Forage Sorghum
Laurel	Improved Pasture	Improved Pasture			

\* Improved Pasture - pasture with permanent vegetative cover (nonirrigated)

\* Forage Sorghum - crops planted specifically for the purpose of providing grazing for covered livestock (nonirrigated)

## Livestock Indemnity Program (LIP)

LIP was established to compensate producers for losses due to death of livestock:

- in excess of normal mortality due to adverse weather
- that occurred on or after 01/01/2008 and before 10/01/2011

Eligible causes of loss include extreme heat, extreme cold, lightning, tornado, disease, floods,



hurricanes, blizzards, wildfires, tropical storm, earthquake and typhoon.

**Exception:** Drought is not an eligible adverse weather event, except when associated with anthrax, a condition that occurs because of drought and results in the death of eligible livestock.

Participants that apply for livestock deaths that are caused by disease are required to provide documentation to support how disease was accelerated or exacerbated by an eligible adverse weather event.

**Receipts:** If you have a company remove the dead carcasses from your farm, request a receipt in advance to provide verifiable information to support losses for LIP.

For 2009 losses, eligible LIP producers must file an application for payment no later than **January 30, 2010**.

## Emergency Livestock Assistance Program (ELAP)

ELAP provides compensation to eligible producers of livestock, honey bees, and farm-raised fish for losses due to disease, adverse weather, or other loss conditions, including losses due to blizzards and wildfires. ELAP is for losses that are not covered by Livestock Indemnity Program (LIP), Livestock Forage Disaster Program (LFP), or Supplemental Revenue Assistance Program (SURE).

Eligible producers under ELAP may receive assistance for losses that occur on or after January 1, 2008, and before October 1, 2011, during the calendar year in which the loss occurs. Eligible losses include feed losses, physical losses and additional costs incurred in providing feed to eligible livestock.

Signup, for producers with eligible losses during 2008 and 2009, began September 14, 2009. Producers who suffered losses in calendar year 2008 must provide a notice of loss and application for payment in their administrative county office no later than **December 10, 2009**.

Producers who suffer losses September 14, 2009, through December 31, 2009, must file a notice of loss within 30 days of when the loss is apparent to the participant, but no later than **January 30, 2010**.

There are no late filed provisions for ELAP.

Additional ELAP information is available at FSA county offices or on line at [www.fsa.usda.gov](http://www.fsa.usda.gov).

## Supplemental Revenue Assistance

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- evidence in the field is not required
- if the actual use of a crop is different from the intended use initially reported, the producer may report the final use to the County Office; however, the intended use will not be changed.

**The provisions noted are for 2008 only.** Crop reports not on file for 2009 will be subject to a late reporting fee to be eligible for SURE and physical evidence must exist at the time of the report.

More details on the SURE Program are available at your local FSA County Office or on line at [www.fsa.usda.gov](http://www.fsa.usda.gov).

## Reminder

### County Committee Elections

Be watching your mailbox for your official County Committee election ballot starting early next month. Ballots will be mailed to all eligible voters starting on November 6, 2009. If, for some reason, you don't receive a ballot, feel free to notify your local county FSA office. Completed and signed ballots are due back in the county office by the close of business on December 7, 2009.

## Tree Assistance Program (TAP)

TAP provides assistance to eligible orchardists and nursery tree growers to replant or rehabilitate trees (including nursery, ornamental, fruit, nut, or Christmas trees),



bushes, and vines that were lost or damaged because of natural disaster.

Natural disaster includes plant disease, insect infestation, drought, fire, freeze, flood, earthquake, lightning, or other natural occurrence of such magnitude or severity so as to be considered disastrous, as determined by the Secretary.

TAP applies only to orchardists who commercially produce trees for production of an annual crop and nursery tree growers who suffer tree deaths in excess of 15 percent after adjustment for normal mortality.

Normal mortality is defined as the number of expected lost tree, bush, or vine types in the individual stand normally occurring during a calendar year for a producer, computed using a percentage established for the area by the FSA State Committee.

Eligible tree, bush, or vine losses must have occurred on or after January 1, 2008, and before October 1, 2011. TAP eligibility is based on a calendar year.

Check with your local FSA office for sign-up dates.

## 2009 Changes to FSFL Program

Changes to the Farm Storage Facility Loan (FSFL) program have been implemented in accordance with the 2008 Farm Bill. FSA administers FSFL on behalf of the USDA Commodity Credit Corporation (CCC).

The FSFL Program provides low-interest financing for producers of eligible commodities to build or upgrade farm storage and handling facilities. The maximum principal amount of a loan through FSFL is \$500,000. Participants are required to provide a down payment of 15 percent, with CCC providing a loan for the remaining 85 percent of the net cost of the eligible storage facility and permanent drying and handling equipment. Loan terms of seven, ten or twelve years are available depending on the amount of the loan.



Interest rates for each term rate may be different and are based on the rate which CCC borrows from the Treasury Department.

Payments are available in the form of a partial disbursement and the remaining final disbursement. The partial disbursement will be available after a portion of the construction has been completed. The final fund disbursement will be made when all construction is completed. The maximum amount of the partial disbursement will be 50 percent of the projected and approved total loan amount.

Applications for FSFL must be submitted to the FSA county office that maintains the farm's records. An FSFL must be approved before any site preparation or construction can begin.

### *The following commodities are eligible for farm storage facility loans:*

- Corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley or minor oilseeds harvested as whole grain
- Corn, grain sorghum, wheat, oats or barley harvested as other-than-whole grain
- Pulse crops - lentils, small chickpeas and dry peas
- Hay
- Renewable biomass
- Fruits (including nuts) and vegetables – cold storage facilities

## 2010 DCP and ACRE Sign-up Begins

Enrollment for the 2010 Direct and Counter-cyclical Program (DCP) and the Average Crop Revenue Election (ACRE) program has begun and will continue through June 1, 2010. This is an annual crop election and must be made each crop year.

USDA computes DCP Program payments using base acres and payment yields established for each farm. Eligible producers receive direct payments at rates established by statute regardless of market prices. For 2010, eligible producers may request to receive advance direct payments based on 22 percent of the direct payment. Counter-cyclical payments are issued only when the effective price for a commodity is below its target price. The effective price is the higher of the national average market price received during the 12-month marketing year for each covered commodity and the national average loan rate for a marketing assistance loan for the covered commodity.



The ACRE Program provides a safety net based on state revenue losses and acts in place of the price-based safety net of counter-cyclical payments under DCP.

An ACRE payment is issued when both the state and the farm have incurred a revenue loss. The total number of planted acres for which a producer may receive ACRE payments may not exceed the total base on the farm. In exchange for participating in ACRE, in addition to not receiving counter-cyclical payments, a farm's direct payment is reduced by 20 percent, and marketing assistance loan rates are reduced by 30 percent.

The decision to enroll in the ACRE Program is irrevocable. The owner of the farm and all producers on the farm must agree to enroll in ACRE. Once enrolled, the farm shall be enrolled for that initial crop year and will remain in ACRE through the 2012 crop year.

The June 1, 2010, deadline is mandatory for all participants. USDA will not accept any late-filed applications.

## 2009 Crop LDP Application Reminder to Retain Payment Eligibility

Producers are reminded that Loan Deficiency Payment (LDP) applications can be filed in person, by fax or through the eLDP process. LDP's are payments made to producers who, although eligible to obtain a CCC loan, agree to forego the loan in return for a payment on the eligible commodity. Each year eligible producers must indicate their intentions to request an LDP by submitting a completed CCC-633 EZ, Page 1, to their local FSA County Office before beneficial interest is lost. The CCC-633 EZ will cover all farms and commodities in which a producer has an interest for the 2009 crop year. The CCC 633 EZ is a multi-part form.

Page 1 of the CCC-633 EZ must be filed before beneficial interest is lost in the commodity and before a request for payment is completed on Pages 2-4. The completion of Page 1 does not cause a producer to lose loan eligibility for the commodity. The option of obtaining a loan is maintained until a Page 2 or 4 payment request is filed. Page 1 can be filed in any County FSA Office in which a producer has a farming interest.

Electronic Loan Deficiency Payments are available to Kentucky producers who have an active USDA eAuthenticationLevel2 account. The eLDP is an internet based service allowing producers to request certified LDP's on line and, in most cases receive approval and payment by direct deposit within 48 hours. Producers interested in establishing an eAuthentication Level 2 account may go online at <http://www.eauth.egov.usda.gov>. After completing the registration, a producer must go to the local County FSA Office to finalize the registration, request an eLDP Customer Profile and confirm that they have a CCC-633 EZ Page 1 LDP Agreement on file.

## Biomass Crop Assistance Program

FSA is currently accepting applications from biomass facilities interested in participating in the Biomass Crop Assistance Program (BCAP). BCAP



provides financial assistance to producers or entities that deliver eligible biomass material to designated biomass conversion facilities for use as heat, power, biobased products or biofuels.

Initial assistance will be for the Collection, Harvest, Storage and Transportation (CHST) costs associated with the delivery of eligible materials.

Once an agreement is signed between FSA and a facility and funding through the program is provided, the facilities can begin accepting materials. Producers who sell these materials can apply for matching payments under the collection, harvest, storage and transportation (CHST) component of BCAP.

A biomass owner is eligible to receive payments for two years. The purpose of the matching payments is to assist biomass producers with the CHST cost of delivering biomass to a qualified biomass conversion facility. Once a facility becomes qualified, eligible material owners or producers who deliver biomass to that facility may be eligible to receive CHST payments.

Eligible material owners or producers, who market eligible material to a qualified biomass conversion facility, may apply for the matching CHST payment at their FSA county office. An application must be submitted before the eligible material is sold and delivered to a qualified biomass conversion facility. After the product is delivered, a producer must provide FSA with documentation of product quantity, quality and payment rate. County offices will validate payment requests with information in the county office and information provided under the terms of MOUs with the qualified biomass conversion facilities.

**Current Kentucky approved facilities are:** Midwestern Biofuels, LLC, East Kentucky Power Cooperative, Cox Interior, Inc./Cox Waste to Energy, and Smurfit-Stone Container Enterprises, Inc.

Biomass conversion facilities and material owners or producers should contact their FSA state offices or visit [www.fsa.usda.gov](http://www.fsa.usda.gov) for more information.

### CRP/CREP Contract Requirement

CRP/CREP program contract land is required to be main-



tained in accordance with the approved conservation plan for the land. Participants are reminded that failure to maintain land by controlling undesirable growth, maintaining approved cover and/or completing required Mid Contract maintenance activities as indicated in the conservation plan, may result in contract violation. Determined violations may result in a payment reduction or termination of the contract. All participants are responsible for ensuring that contract land is maintained in accordance with the conservation plan.

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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.

## NAP Sales Closing Dates

Noninsured Assistance Program (NAP) is designed to reduce financial losses that occur when natural disasters cause a catastrophic loss of production for an eligible crop by providing coverage equivalent to catastrophic (CAT) insurance. To be eligible you must file form CCC-471 with your local FSA Office and pay the application service fee by the application closing date.

Application Closing Date	Crop	Application Closing Date	Crop	Application Closing Date	Crop
11/20/2009	Apples	3/15/2010	Beans	3/15/2010	Peas
11/20/2009	Blueberries	3/15/2010	Beets	3/15/2010	Peppers
11/20/2009	Caneberries	3/15/2010	Broccoli	3/15/2010	Potatoes
11/20/2009	Cherries	3/15/2010	Cabbage	3/15/2010	Pumpkins
11/20/2009	Chestnuts	3/15/2010	Canola-SPR	3/15/2010	Radish
11/20/2009	Grapes	3/15/2010	Cantaloupe	3/15/2010	Sorghum
11/20/2009	Honey	3/15/2010	Carrots	3/15/2010	Soybeans
11/20/2009	Peaches	3/15/2010	Cauliflower	3/15/2010	Squash
11/20/2009	Pears	3/15/2010	Corn	3/15/2010	Strawberries
11/20/2009	Pecans	3/15/2010	Cucumbers	3/15/2010	Sunflowers
11/20/2009	Plums	3/15/2010	Eggplant	3/15/2010	Potatoes
11/20/2009	Rhubarb	3/15/2010	Gourds	3/15/2010	Tomatoes
3/1/2010	Alfalfa	3/15/2010	Herbs	3/15/2010	Turnips
3/1/2010	Clover	3/15/2010	Lettuce	3/15/2010	Watermelons
3/1/2010	Grass	3/15/2010	Oats		
3/1/2010	Mixfg	3/15/2010	Onions		

## 2009 Reporting Changes to CCC-1099G's

Producers annually receive CCC-1099G's detailing payments producers have received from FSA. This year, the 2009 Advance payments producers received from the Direct and Counter-Cyclical Payment (DCP) Program were processed as overpayments and offset from the 2009 Final payments. The 2009 Advance payments will not be reflected on the CCC-1099G's producers receive. The CCC-1099G's will reflect the total 2009 DCP direct entitlement

### New National Agriculture Imagery Program (NAIP) Search Website

GIS and non-GIS users can now search and identify tools for interactive map data that contain basic NAIP coverage information and imagery dates through a new website located at <http://gis.apfo.usda.gov/naipcoverage>.

ArcMap users can navigate to the web service by adding the following:  
 ✓ ArcGIS Server connection <http://gis.apfo.usda.gov/arcgis/services>

Instructions on how to use the web service are available by clicking on the "Help" link located in the upper-right corner of the website.

## FSA to Implement Treasury Offset Program

Beginning August 3, 2009, FSA/Commodity Credit Corporation (CCC) payments made by direct deposit are processed through the Treasury Offset Program (TOP), so any delinquent Federal debt can be withheld. This is required for FSA to be compliant with the Debt Collection Improvement Act of 1996 (DCIA).

Payments made by the Farm Service Agency by direct deposit will be transmitted to Treasury, resulting in a one day delay in funds being credited to recipient's bank account. The one day delay is required for the Department of Treasury's processing of delinquent debt through the TOP.

For questions regarding TOP offset to a delinquent debt, the payee may contact the TOP Call Center at 1-800-304-3107 to obtain the contact information for the offsetting agency. The TOP Call Center only has access to the name of the offsetting agency and their contact information. The payee will need to call the offsetting agency to determine the origination of the debt.

*Special Accommodations* are available upon request for individuals with disabilities, vision impairment or hearing impairment by contacting your local FSA Service Center.

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Change of Address must be  
 reported to your local  
 FSA Service Center.

**Important Deadlines**

Nov 6	COC Election Ballots Mailed
Nov 11	Veteran's Day (FSA Closed)
Nov 20	NAP Closing Date
Nov 26	Thanksgiving Day (FSA Closed)
<b>December</b>	
Dec 7	COC Ballots due to the FSA County Office or Postmarked
Dec 10	Signup Deadline Emergency Livestock Assistance Program (ELAP) - 2008 Losses
Dec 14	Signup Deadline Livestock Forage Disaster Program (LFP)
Dec 25	Christmas Day (FSA Closed)
<b>January 2010</b>	
Jan 1	COC Members take Office
Jan 18	Martin Luther King Jr.'s Birthday (FSA Closed)
Jan 30	Signup Deadline LIP
Jan 30	Signup Deadline Emergency Livestock Assistance Program (ELAP) - 2009 Losses
<b>February</b>	
Feb 15	Washington's Birthday (FSA Closed)