Farm News

By: Tom Mills
County Extension Agent
for Agriculture

KY Tax Treatment of Phase II and TLAP Payments

Rockcastle County tobacco quota owners and tobacco growers are benefiting from three additional tobacco checks this year. The first check was a Tobacco Loss Assistance Program (TLAP) payment for the federal government, which farmers received last May. Payments were based on 1999 crop history and netted local growers approximately $950,000. The second check was also a TLAP payment, based on the 2000 crop, which farmers received three weeks ago. Estimates are that the second TLAP payment netted farmers over $975,000 dollars. By this years end, a Phase II payment based on the 1999 crop history will net farmers an additional $935,000.

The good news is that local quota owners and growers will benefit from nearly three million dollars additional net farm income. Three million dollars net farm income would generally require thirty million dollars in gross farm income. Comparing an estimated 2000 gross farm income of 11 million dollars, you can see the good news is nearly three times more net profit.

Now, the bad news is, with no expenses against the additional 3 million net farm income, some farmers may find themselves returning part of their payment as taxes. With this in mind, farmers are encouraged to set down with tax planners now. With less than 60 days remaining in 2000, farmers are limited on time to put their plans in action.

One additional item of good news is that Kentucky will not tax any of these payments. Senate Bill 247 enacted by the 1998 General Assembly, provided that amounts received by a tobacco producer or quota owner from TLAP payments on a national settlement agreement between the tobacco industry and the states attorney general, are excluded from Kentucky adjusted gross income. This is not the case with federal tax.

An example of the Kentucky savings is:

If a farmer had $30,000 Kentucky taxable income (after deductions) and $10,000 of this was Phase II or TLAP money, he would save $600 dollars in Kentucky income tax by not having these payments taxed. Kentucky is at a 6% rate. Keep in mind that the federal rates are much higher and all payments are taxable income on federal forms.

Sales and Buying Tips

By: Hazel Jackson
County Extension Agent for
Family and Consumer Science

For many shoppers, the word "sale" is magical. They think of lots of great bargains! Sales seem to pop up anytime and anywhere. Shoppers need to be sure they are really getting a good deal.

Be careful before buying.

*Shop around. What's on sale in one store might be cheaper at regular price in another store.

*Was the price too high to begin with and then marked down?

*There may be more than one price on the tag. Be sure the price has really been lowered from its normal selling price, not from the manufacturer's suggested retail price.

*Ask yourself, "Would I buy this if it were not on sale?" Remember, a poorly made item is no bargain, no matter how low the price is.

Rules about returning items.

Look for a sign at the cash register telling how to return items that don't fit or work right. You can also ask the cashier before you buy an item if it can be brought back for exchange or refund. If the store sign states, "All sales final," make your purchase very carefully. You probably won't be allowed to exchange or get your money back on it afterward.

Layaway plans.

You might find something on sale that you really need. Layaway can be a handy way to pay for it. You can afford to buy the item if you only have to pay a little at a time. Before you buy, find out how layaway works at that store. Some things to look out for are:

*What happens if you cancel the purchase? How much money, if any, do you get back?

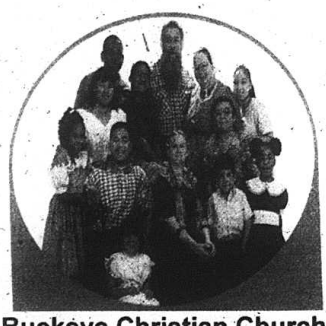
*How often do you have to make payments? How much do you have to pay, and where do you pay?

*What happens if you miss a payment or are late?

*Does the store charge anything to put items in layaway? Be sure to think about that cost when comparing prices at different stores.

*Look at the total cost of the item, not just what each payment will be.

For more information call the Extension Office at 256-2403.



Buckeye Christian Church
will be hosting the
Galilean Children's Home Ministries
from
Liberty, Kentucky
A Christian based orphanage and child care ministry spreading the love of Jesus Christ through word and song
Sunday, Nov 5th, 2000, 11:00 AM
Pastor Cledith Ray Thacker
Everyone is welcome to attend

Agricultural News

By: Warden Alexander, FSA Director

Marketing Cards

The Farm Service Agency (FSA) is now mailing marketing cards for producers whose paper work is in order. If you do not receive your marketing card within the next week and have NOT contracted your tobacco-then you need to contact the FSA office and complete the needed paperwork for the marketing card to be issued. Land operators are reminded to inform tenants of farms their paperwork must be completed prior to the issuance of the marketing cards.

Producers who have contracted their tobacco for marketing need to come to the office to pick up the MQ 76 C Pilot marketing card. These cards shall be issued to land operators upon request.

Glickman tells struggling dairy farmers more help is on the way.

Agriculture Secretary Dan Glickman today told America's dairy farmers that significant new assistance is on the way.

Glickman said the agriculture appropriations bill that President Clinton is expected to sign provides an estimated $667 million to help dairy farmers cope with the low milk prices, which have declined for three consecutive years, and are now at their lowest level since 1991. About 80,000 dairy farmers across the country will receive an average of $8,300 each. The maximum payment per farmer wil be capped at $25,000. Overall, USDA expects to distribute more than twice as much dairy market loss assistance this year as it has in the last two years combined.

"Many of America's small and medium-size dairy farms need this help to survive," said Glickman.

Estimates indicate that Wisconsin dairy farmers will receive about $137 million. New York farmers will receive an estimated $60 million. Minnesota is expected to receive about $56 million. USDA will distribute an estimated $51 million in California and $48.5 million in Pennsylvania.

In addition, Glickman announced a major expansion of USDA's Dairy Options Pilot Program. This innovative cost-share program helps dairy farmers put a "floor" under the price they receive for milk using the futures and options markets. USDA subsidizes both premiums and brokerage fees for participating dairy farmers. USDA will spend about $24 million over the next two years expanding this program, but the innovative approach used will allow dairy farmers to leverage significantly more protection against price drops. The program, currently operating in 61 counties, will expand to 300 counties in 39 states. A full list of participating counties is available on the web at http://www.usda.gov/news/releases/2000/10/0372a.pdf

The market loss assistance payments will be made to dairy farmers who received payments in the last two years as well as new producers. In an effort to speed payments and eliminate the need for a sign-up, payments to previous participants will be automatically calculated based on 1997 or 1998 production levels, whichever are higher. In order to better target small to medium-sized producers, payment calculations for all participants will be limited to the first 39,000 cwt. of production. All dairy farmers will receive the same payment rate. Further details are expected to be announced next month. Payments are expected to go out within the next few months.

FSA Quiet Time

The Farm Service Agency will be processing payments on Wednesday mornings, therefore, limited service will be available during these quiet hours. Applications and other documents may be left on the front counter. The quiet time became effective Wednesday, September 20, 2000.

Tobacco Commission Seeks Public Input

The Tobacco Commission announced that it is seeking public input on changes occurring in the tobacco farming economy and recommendations on measures that may be necessary to improve economic opportunity and development in communities that are dependent on tobacco production. While protecting consumers, particularly children, from hazards associated with smoking.

In September, the President named William Martin "Rod" Kuegel, Jr., the President of the Burley Tobacco Growers Cooperative Association, as a co-chair of the Commission along with Matthew Myers, the President of the Campaign for Tobacco-Free Kids.

According to Commission Executive Director Doug Richardson, the Commission is looking for input in eight areas outlined in the Federal Register notice of October 23, 2000, available at http://www.fsa.usda.gov/tobcom or in writing to Tobacco Commission, Stop 0574, 1400 Independence Ave., SW, Washington, DC 20250-0574. All comments received will be available on the website for public review. The Commission's preliminary report will be published on their website no later than December 31, 2000, to which the public may submit additional comments.

Willailla News

By Carol Martin

Several members of Poplar Grove Baptist Church were at the home of Mrs. Sally Brown on Monday afternoon raking leaves and cleaning up her yard. Sally has been confined to her home with a cold.

Denver Gibbons of this community was released from a hospital and is seriously ill at his home.

Mr. and Mrs. Floyd Barker of Mason, Ohio were visitors of Mrs. Mary Jane Randolph on Friday. They were enroute to Pennington Gap, Virginia to visit relatives.

Mrs. Gerry Owens and Mrs. Irene Brown of Advance, Indiana were here over the weekend visiting Irene's sisters, Mrs. Thelma Brown and Gerry's sister, Mrs. Carol Martin and family and brothers, Don Thompson and family and Willis and Ruby Thompson.

Mrs. Gusta (Sis) Elder of Florence, spent the weekend with her father, Jim Stevens at Bandy.

Mrs. Ora Lee Hurst is home from the Central Baptist Hospital. She is improving some. She was back in Lexington on Tuesday to consult with her doctor.

Phil Pumphery is a patient at Lake Cumberland Medical Center where he has been since Sunday. He is in very serious condition at this writing.

Sunday dinner guests of Don and Noreitta Thompson were Mrs. Gerry Owens and Mrs. Irene Brown of Advance, Indiana, Mrs. Thelma Brown, Willis and Ruby Thompson, Phil and Michelle Thompson and Mrs. Carol Martin. The dinner was in honor of Mrs. Gerry Owens' 65th birthday.

Mrs. Alice Cupp and Mrs. Lucille Ponder report that their sister, Ms. Verla Casey of Valley Station, is still a patient at Norton South West Hospital in Louisville. She has been very ill, but is improving some.

Mrs. Micki Jo Woodson, Matthew and Zachary spent the weekend with her parents, Brownie and Carol Martin.

Don and Noreitta Thompson spent a few days recently in Altanta, Georgia on business.

The Brodhead Vol. Fire Dept. & Ladies Auxiliary Will Be Having The Last Fish Fry Of The Year On Saturday, November 4th

CARRY OUTS 3:00 - 5:00 PM (can get them until closing, but you may have to wait in line)

DINE IN 4:00 - 8:00 PM (ALL YOU CAN EAT FISH)

MENU: 3 pieces of fish, cole slaw, baked potato, hush puppies, cake & drink
ADULTS $5.00 CHILDREN UNDER 12 $2.50

DON'T FORGET OUR ANNUAL CHRISTMAS BREAKFAST ON SATURDAY, DECEMBER 2nd
WE WILL BE SERVING FROM 7:00 - 11:00 AM

MENU: COUNTRY HAM, BACON OR SAUSAGE, FRIED TATERS, EGGS, BISCUITS, GRAVY, FRIED APPLES, JUICE, OR MILK AND COFFEE
COUNTRY HAM BREAKFAST $7.00
BACON OR SAUSAGE BREAKFAST $4.00
(An Individual Item Menu & Price List also available)

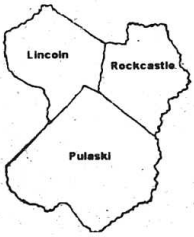
FREE DELIVERY IN BRODHEAD CITY LIMITS
ALL PROCEEDS GO TO AVFF

COME AND JOIN US FOR SOME GOOD HOME COOKED FOOD!

ELECT **MIKE DUNCAN**

Circuit Judge, Division III

"Seventeen Years Experience as Lawyer and Prosecutor"



28th JUDICIAL CIRCUIT

Dear Rockcastle Countians,

November 7th, is election day and your vote will determine who becomes Circuit Judge of the new Division III, for Rockcastle, Pulaski, and Lincoln Counties.

I've enjoyed traveling throughout Rockcastle County and I believe I now understand why Rockcastle County has such a wonderful community spirit.

Thank you for the many kindnesses you have shown to me and my family.

I again ask for your vote and remind you that because judicial races are balloted as non-partisan, all registered voters, regardless of their party, are entitled to vote in my race. A straight party ticket vote, however, misses my election.

Vote a straight party ticket if you so choose, but also look for my name, Mike Duncan, as it appears on your ballot for Circuit Judge, Division III, and push the button next to it.

Mike Duncan

Vote **MIKE DUNCAN** for Circuit Judge
28th Judicial Circuit, New Division III, Non-Partisan
Barry D. Daulton, C.P.A., Treasurer
No Monetary Contributions Accepted. All Campaign Literature Paid for by Mike Duncan.