

Farm Service Agency

District 2 - Barton, Ellis, Graham, Osborne, Phillips,
Rooks, Rush, Russell, Smith, Trego

April 2007

DCP Signup



The annual signup for the Direct and Counter Cyclical Program (DCP) has been extended until August 3, 2007. Advance Direct payments for 2007 are 22% of the total earnings. The balance of the Direct Payment will be issued in October 2007.

The county office will also be reviewing all eligibility forms for each participant, which may require a few more forms to be signed and a little more time to complete the signup process. Call your local FSA office to schedule an appointment.

Designation by Landowner

Producers are reminded of the importance of reporting to their local FSA office any change to their farming operation that would affect the status of that farm so the change can be effective for the current fiscal year. A special provision exists that allows the contract acres to be divided in a manner agreed to by all sellers and buyers. The method known as "Designation by Landowner" provision must be requested and requires all buyers and sellers agree to the method by signing the FSA-155, Request for Farm Reconstitution, or providing a memorandum of understanding that includes the signatures of all buyers and sellers. These requests must be made by June 1.

Farm Record Changes



Notify your FSA office if changes for the 2007 crop year have been made to any of the farms for which you have an interest. Changes to report include land that has been purchased or sold, share changes, or one or more owner or operator should now be listed as a trust, corporation, partnership, or estate.

Controlled Substance

Any person who is convicted under federal or state law of a controlled substance violation could be ineligible for USDA payments or benefits. Violations include planting, harvesting or growing a prohibited plant. Prohibited plants include marijuana, opium poppies, and other drug producing plants.

Sodbusting

Before breaking out any acreage and/or before planting a crop on newly purchased or rented land, carefully read the Conservation Plan of Operation (CPO). Planting a crop on sodbusted acreage or on newly acquired land that does not have a completed CPO may result in the loss of USDA benefits on all acreage owned and operated. A CPO must be in place and approved by Natural Resource Conservation Service (NRCS) prior to breaking out any acreage or planting a crop on acreage without an approved plan.

Socially Disadvantaged Loans

FSA offers direct and guaranteed farm ownership and farm operating loans to farmers who are temporarily unable to obtain private, commercial credit and who meet other regulatory criteria. Each year a portion of our loan funding is specifically targeted for socially disadvantaged persons and beginning farmers. FSA defines a socially disadvantaged person as one of a group whose members are: all women, African Americans, American Indians and Alaskan Natives, Hispanics, Asians and Pacific Islanders.

Farm Storage Facility Loans

Seven year Farm Storage Facility Loans are available for the purchase and installation of eligible storage facilities, permanently affixed drying or handling equipment, or remodeling existing facilities.

All loans are secured by a promissory note and security agreement. The maximum amount that may be borrowed is 85 percent of the net cost, up to \$100,000 for each borrower. A 15% down payment is also required. For more information, contact the FSA office.



Special Accommodations

Special accommodations will be made, upon request, for individuals with disabilities, vision impairment, or hearing impairment. If special accommodations are required, please call the FSA office and we will be happy to make any arrangements that are needed.

Certification

Producers need to report their planted small grain acreages. These reports are required annually to maintain eligibility for most farm programs. Small grains, including wheat, barley, and oats are required to be reported by May 31, 2007. When reporting crop and land uses to the FSA office, producers will need to provide the acreage and planting dates for each field.

Habitat for Upland Birds



Kansas has received an additional statewide allocation of 35,000 acres for CP-33 buffer strips. The purpose of this CRP continuous signup practice is to provide food and cover for bobwhite quail, upland birds and other species by planting field edges of eligible cropland to an approved cover. These buffers generally should be installed around the entire perimeter of the field or at a minimum, in areas where runoff enters or leaves the field. These acres are available through December 31, 2007 on a first come, first serve basis. Contact your local FSA office for more information.



FOR SALE

Foreign Investors

Foreign investors who buy, sell, or hold a direct or indirect interest in U.S. agricultural land must report their holdings and transactions to the Farm Service Agency. Reports must be made within 90 days of the date of the transaction by completing form FSA-153. This form can be obtained at any FSA county office.

Signature Authority for Spouses

Spouses can sign FSA program documents on behalf of each other for most FSA farm programs in which either has an interest, without signing any special forms. This authority is in effect unless notification denying either spouse has been provided to FSA. For crop loans, an FSA-211 must be on file for spouses to sign for each other.

Payment Eligibility and Payment Limitation Requirements

Producers should be aware of payment limitation and payment eligibility requirements to be eligible for most USDA benefits. No program benefits can be afforded any producer until form CCC-502, Farm Operating Plan for Payment Eligibility Review, and supporting documentation has been provided and County Committee determinations made. Producers are required to notify the County Office of any changes in the farming operation which would affect a "person", actively engaged in farming, cash-rent tenant, or foreign person determination. Changes that may affect a determination include, but are not limited to the following:

- Contract shares that may reflect a change of land lease from cash rent to share rent or a change from share rent to cash rent, modification of a variable/fixed bushel rent arrangement.
- The size of a producer's farming operation by the addition or deletion of a farm that may affect the application of a cropland factor.
- The structure of a farming operation, including any change in the member's share.
- Contributions of farm inputs of capital, equipment, active personal labor, or active personal management.
- The acquisition of farming interest not previously disclosed on CCC-502 or update, including the farming interest of a spouse or minor child.
- An increase in income that may affect the 3-year average for the determination of average adjusted gross income or other change that affects eligibility under the average adjusted income limitation.

By statute, entities earning program benefits subject to a payment limitation must provide to the county committee the names, addresses, and ID numbers of the entities' members. The entity is also required to inform its members of the requirements to designate "permitted entities". Signature authority is required for all entities.

Form AD-1026, Highly Erodible Land Conservation (HELC) and Wetland Certification (WC), must be on file and a County Committee determination made prior to receiving benefits for most programs.

A "person" or entity can earn \$40,000 per year in Direct payments, \$65,000 in Counter Cyclical payments, \$50,000 under the Conservation Reserve Program, \$450,000 under the Environmental Quality Incentive Program, and \$100,000 under the Noninsured Crop Disaster Assistance Program. Other programs also have payment limits, such as Loan Deficiency payments and Marketing Loan gains of up to \$75,000, a separate marketing loan gain or LDP limitation of \$75,000 exists for honey, peanuts, mohair, and wool. Spouses, if certain conditions are met, may be considered a separate person for payment limitation purposes if they request to be.

An individual or entity cannot be eligible to receive certain payments and benefits if the average adjusted gross income (AGI) exceeds \$2.5 million unless at least 75 percent of the average AGI was derived from farming, ranching, or forestry operations.

Payment limitation and payment eligibility determinations may be initiated by the County Committee or requested by the producer. All payment limitations and eligibility determinations, as well as AGI certifications, are subject to spot check. A "not actively engaged in farming" determination may result in the loss or denial of all program benefits and request for repayment of USDA payments or loans.

Noncompliance with the adjusted gross income provisions, either by exceeding the \$2.5 million limitation or by failure to submit the applicable certification statement, will result in the determination of ineligibility for all program benefits subject to the adjusted gross income provisions. Program benefits shall be reduced in an amount that is commensurate with the direct and indirect interest held by an ineligible individual or entity in any entity, general partnership, or joint operation that receives benefits subject to the average adjusted gross income limitation.

The U.S. 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, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, D.C., 20250-9410, or call 202-720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.