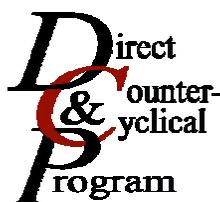




**DISTRICT 6 – Allen – Bourbon – Cherokee – Crawford – Elk/Chautauqua – Greenwood -
Labette- Montgomery – Neosho – Wilson - Woodson**

May 2007

2007 DCP SIGNUP



The sign up deadline for the 2007 Direct and Counter-cyclical Payment Program (DCP) for enrollment in DCP has been extended from June 1 to August 3, 2007. The final date for late-filed enrollment in DCP for the 2007

contract period is September 30, 2007.

Producers wanting to enroll in the program after August 3, 2007 will be required to pay a \$100 late fee per farm. The program provides direct and counter-cyclical payments to enrolled producers. Both payments are calculated using base acres and payment yields established for each farm. Producers receive direct payments at rates established by statute regardless of market prices. Counter-cyclical payment rates vary depending on market prices.

For the 2007 crop year, up to 22 percent of the direct payment for a covered commodity can be made in advance, down from the 40 or 50 percent allowed in prior years. Producers are reminded that any ownership or operator changes, share changes, etc., that affect 2007 DCP contracts should be reported to FSA offices immediately.

NEED MORE GRAIN STORAGE?

FSA has a Farm-Stored Facility Loan (FSFL) Program available to eligible producers. Producers can borrow up to 85% of the cost, not to exceed \$100,000, to build new or remodel existing permanent storage facilities or drying or handling equipment for up to 7 years. A minimum down payment of the difference is required. The interest rate is equivalent to the rate charged on U.S. Treasury securities of comparable maturity loan amount and is fixed for the life of the loan. April's interest rate is 4.5%.

REPORTING 2007 CROP ACREAGE

It goes by different names — crop report, acreage report, crop certification — but regardless of what you call it, filing an accurate and timely acreage 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 Loan Deficiency Payments. Conservation Reserve Program acreage must be reported to receive annual rental payments. And, crop acreage for which Non-insured Crop Disaster Assistance Program (NAP) coverage is purchased must also be reported.

Crop reports, form FSA-578, Report of Acreage, must account for all cropland on a farm, whether idle or planted. Producers are required to file reports by May 31 for small grains. Reports for feed grains, cotton, soybeans, sunflowers, and CRP must be reported by August 1. When reporting acreages, producers will also need to provide planting dates. If the May 31 and August 1 deadlines are not met, producers will be required to pay for a field visit at a minimum charge of \$46 per farm, new this year.

FSA FARM LOANS

USDA's Farm Service Agency (FSA) makes and guarantees loans to farm operators. These may be made to beginning farmers or established farmers. Special funding is set aside for females and members of certain minority groups. These loans are tailored to a producer's needs and may be used to buy farmland, machinery, livestock, or finance agricultural production.

FSA offers several types of loan programs. Under the Guaranteed Loan Program, FSA guarantees loans made by conventional agricultural lenders. All loans must meet certain qualifying criteria to be eligible for guarantees. Farmers interested in Guaranteed Loans apply directly with a conventional lender who then arranges for the guarantee.

FSA additionally offers Direct Loans. To qualify for a Direct Farm Ownership or Operating Loan, the applicant must have sufficient repayment ability and loan collateral, and be unable to obtain credit elsewhere. Loans may be considered for up to 100% of security value. As of April 2007, the Direct Operating loan interest rate is 5.25% and the Direct Farm Ownership interest rate is 5.5%. Farm Ownership loans utilizing a combination of Direct and commercial financing are available at 4% or 5% interest rates. To apply for a direct loan, contact the Farm Loan Program staff in Girard, Kansas at 620-724-6227, Ext. 229. The Farm Loan Program staff will work with you to analyze your situation, provide technical assistance, and tailor loans to meet your needs. Funding is limited, so it is suggested that inquiries be made as soon as an applicant's credit needs are identified.



DID YOU KNOW? The average kid in America eats about 46 slices of pizza a year. In the U.S. pepperoni is the number one favorite topping and anchovies are last. In Japan the favorite topping is squid! Wisconsin is the state that grows the most cranberries. Each year cranberry producers grow more than 300 million pounds of cranberries. Take your children on a journey to the following website for more games, puzzles, and trivia! <http://content.fsa.usda.gov/fsakids/>

FOREIGN LAND OWNERSHIP REQUIREMENTS

FSA is required by the Agricultural Foreign Investment Disclosure Act to keep record of land purchased by persons who are not citizens of the United States. Foreign owners of agricultural land are required to visit an FSA office and report their land on a FSA-153 form. Any foreign person who holds, acquires or transfers an interest in agricultural land and does not submit a FSA-153 is subject to a civil penalty of 25 percent of the fair market value of the land on the date the penalty is assessed. Contact your local office for additional information.



TRUSTS – Revocable & Irrevocable

Farm loan customers considering utilizing a trust, should contact their local Farm Loan Manager for information on how a trust will affect future servicing of their loan or eligibility for additional credit. The Farm Loan Manager will be able to provide specific items that should be included in the trust document, which the attorney will be able to incorporate at the time the trust is developed.

Any of our loan customers that have established a trust since obtaining their FSA loan should provide a copy of the trust, along with all exhibits and attachments, to their local Farm Loan Manager. Upon receipt of the trust, the manager will review the trust, document the loan history for the borrower and submit the information to our State Office. We must obtain an opinion from our Office of General Counsel to determine if the trustee has authority to mortgage trust property and incur debt. Establishing a trust which does not contain the required language may prohibit FSA from providing future servicing or extending additional loan assistance. Transferring security property from an individual to an entity (trust) may affect FSA's security interest. Farm Loan Staff encourages our customers to consider estate planning to keep the family farm intact and will be glad to provide the specific requirements your attorney will need to include in the trust documents. Working together to develop the trust document will enable us to provide continued service for your loan needs and avoid unnecessary legal expenses.

FSA ANNOUNCES CRP REALLOCATIONS

FSA Deputy Administrator John Johnson announced at the recent North American Fish and Wildlife Conference in Portland that the agency has reallocated acres to five states to support further conservation efforts directed at protecting and improving habitat for the northern bobwhite quail. The states that will be receiving additional acreage that can be entered into the Conservation Reserve Program (CRP) in connection with this quail buffer conservation practice thirty three (CP33) are Kansas, 35,000 acres; Illinois, 30,000 acres; Missouri, 10,000 acres; and Ohio, 5,800 acres.

In a northern bobwhite quail study, conducted in 2005 and 2006 under the auspices of Mississippi State University (MSU) researchers found that, generally, quail numbers increased in areas in CRP. When researchers analyzed land enrolled in CRP in Kansas, Nebraska, and Missouri, they found almost a 3 percent increase in quail numbers.

A study by the Washington Department of Fish and Wildlife conducted on sage grouse populations in the eastern part of the state is giving hope that over time bobwhite quail production will experience a similar growth in population. Researchers discovered that sage grouse population grew 12 percent between 1992 and 2006 after covers matured on CRP acreage.

The increase is significant considering the population of sage grouse in this region had declined by 25 percent between 1970 and 1988 prior to the availability of the CRP. Researchers also found that sage grouse

populations in an area not aided by CRP continued to decline. The researchers were encouraged at the effect that installing conservation practices on cropland acres contributed to halting further losses in a species already in sharp decline.

CRP is a voluntary program through which farmers and ranchers plant grasses and trees in crop fields and along streams. Today, more than 37 million acres are enrolled in the program. Besides providing wildlife habitat, plantings on CRP acres stop soil and nutrients from washing into regional waterways and contaminating the air. CRP provides numerous benefits to the nation, including preventing 450 million tons of soil from eroding each year and restoring more than two million wetland acres since its inception.

Producers interested in participating in the bobwhite buffer practice began contacting their local county offices on March 23. Signup will continue as long as acres remain available for the program or Dec. 31, 2007, whichever comes first.

2007 COUNTY COMMITTEE ELECTION PROCESS STARTING JUNE 15

County committees play a vital role in helping to ensure that FSA agricultural programs adequately serve the needs of county producers. Each year farmers and ranchers elect a member to the county committee. (Please contact your FSA office for the name and location of the local administrative area (LAA) from which voters are electing a committee member this year). Nominations for the 2007 committee candidates will be accepted from June 15 to August 1, 2007, at local county offices. Ballots will be mailed to all known eligible voters November 2, with ballot counting to soon follow the December 3 deadline for return of voted ballots. Committee members and alternates take office January 1, 2008.

To be an eligible candidate, a person must participate or cooperate in an FSA program, be of legal voting age and live in the county's local administrative area where the election is being held. Individuals may nominate themselves and others as candidates. Eligible candidates may also be nominated by community-based organizations. All those involved in farming and ranching are encouraged to participate in the county committee election, especially women and minorities, since producer diversity on FSA COCs ensures that the voices of all producers are heard. Additional election information and the nomination form is available on the internet at <http://www.fsa.usda.gov/pas/publications/elections/Default.asp> or at your local FSA office.



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