



## Farm Service Agency

March 2007

### ***A Message from Ben Brancel, State Executive Director***

There's no question these are exciting times for American agriculture. 2007 is bringing unprecedented changes, and with them a new set of challenges. With the beginning of 2007, we're also seeing the beginning of a debate on the next Farm Bill.

These are challenging times for FSA as well. Computer problems are keeping FSA's employees from making payments and delivering services as promptly as we would like. This is a national problem, not limited to Wisconsin. We ask for your continued patience as our technical experts work through these problems.

Please call your local county office to make an appointment before coming in to sign up for programs or to request program payments. This will help us better serve you.

In 2006, the Wisconsin FSA made \$187 million in loans and issued \$516 million in farm program payments. FSA employees are committed not only to outstanding customer service, but also to our Agency mission of supporting America's farmers and ranchers by helping secure affordable and abundant food, fiber, and now fuel.

This statewide newsletter is being sent to all Wisconsin agricultural producers, FSA program participants, and cropland owners. Using a statewide format saves tax dollars, ensures that all readers receive the same program information, and frees up valuable time for our county office employees to serve you. As we continue to improve this new format, we welcome your suggestions on how best we can communicate with you.

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### ***2007 DCP Signup Deadline Reminder***

Sign up for the 2007 Direct and Counter-Cyclical Program (DCP) runs until June 1, 2007. A new DCP contract needs to be signed every year for each farm in order to receive DCP payments. To sign up you will need to provide the following information:

- What land you will be operating for 2007. For leased land, leases signed by the landowner must be on file prior to the office issuing an advance payment.
- Whether you have changed the status of your operation. For example, if you have

changed your operation from an individual to a partnership, LLC, trust etc.

- Contract payment shares have changed.
- If you have bought or sold land, or if you are renting new land, please notify your local office as soon as possible so your records can be updated prior to enrolling the farm.

When updating the 2007 contract, you may elect to receive your advance direct payments any time between now and September 2007.



## County Committee Election Results

The results of the 2006 County Committee election held last December have been tabulated. The following table show who was elected to represent the applicable townships in your County. The newly elected positions are for a 3-year term effective January 1st. Congratulations to those elected. We wish to thank everyone for taking the time to vote. The County Committee system works because of your participation! \*Newly elected members.

County	LAA 1	LAA 2	LAA 3	LAA 4	LAA 5
Ashland/Bayfield/Douglas/Iron	Gerald J Richardson	Gregory E Tetzner*	Loretta J Skaj	Julie A Anderson	Dale R Wehmas
Barron	Fred A Sutherland	Larry A Moen	Bonnie Stafne*		
Brown	Janet M Bodart	Daniel De Grave*	Norbert Van De Hei		
Buffalo	Robert F Traun	David A Bauer	Keith Weltzien*		
Calumet	Kenneth O Hedrich	Douglas Frisch	Donald Ruhland*		
Chippewa	Daniel M Holub	Mark C Hebert	Carl E Cronquest*		
Clark	Monica Ruzic	Larry F Meyer	James M Erickson*		
Columbia	John G Stevenson	Dennis Hohl	Randal Link*		
Crawford	Alan Flansburgh*	Michael P Kilburg Sr	Stephen A Kvigne		
Dane	Frederick J Ballweg	Carol M Zander	Steven J Haak*		
Dodge	Robert Schwandt	Ronald Twardokus*	David J Kohn		
Door	John Gray	Leonard DeFere*	Marilyn Uecker		
Dunn	David Buchner*	Sally Kay Casper	Ronald Cutler		
Eau Claire	Watford Seguin Jr*	James Nicolet	James Stensen		
Fond Du Lac	Terence Madigan*	James Bertram	Lorna Bock		
Forest/Florence/ Oneida/Vilas	Todd J Broullire*	Ronald W Karl	Rod A Kuczmarski	Leon D Kukanich*	
Grant	David Knoke	Linda Ruchti	Marvin Kettler*		
Green	George Eichelkraut*	Jerome Grunnet	Dean Kaster		
Green Lake	Ronald D Bogucke	Pamela L Schure*	Michael H Dornfeld		
Iowa	Rodney W Anding*	Marilyn Welsh	Arthur D Whitford		
Jackson	Ivan E Kinning	John R Curran	Douglas J Hurlburt*		
Jefferson	Scott R Zimmerman*	Karen Christian	Sally Ann Janet Kutz		
Juneau	Daniel J Pokorney	Dale A Benson*	William A Robinson		
Kewaunee	Thomas W Konop*	Merlin H Obry	Gene J Dalebroux		
LaCrosse	Robert Sandman	David C Pfaff	David Hansen*		
Lafayette	David W Hammer	Ted A Thomas	Harold A Huntington*		
Lincoln/Langlade	Rita B Winter	Rick Dorn	Tom Houdek*	Greg Schroepfer	Glenn Remington
Manitowoc	Anthony B Bohman*	Dean A Fischer	David Hartlaub		
Marathon	Shawn Bahr*	Larry Murry	David Szews		
Marinette	Michael Russ	John Fendryk	Karl Stibbe*		
Marquette/Adams	Debra J Kemnitz*	Zeb Zuehls	Linda J Gumz	Richard L Colby	Scott C Parr
Monroe	David M Wagner	Robert Miller	Dean L Wegner*		
Oconto	Richard Gerndt	Richard E Gilles*	Douglas L Allen		
Outagamie	Evelyn Steinacker	Michael G Van Asten*	Gerald P Wagenson		
Pepin	Kurt D Manore	Gerald K Dusek*	Daniel Weiss		
Pierce	DeWayne F Benedict	Dale D Hines*	Donald W Acker		
Polk	Leora H Dueholm	Gregory J Friendshuh	Ted J Johnson*		
Racine/Kenosha	Michael Weinkauf*	John C Vyvyan	Carol A Lois	Lori M Edquist	
Richland	Norman Fruit	Duane Klang*	Greg L Kinney		
Rock	Bryce R O'Leary	James W Quade	Daniel W Fenrich*		
Rusk/Sawyer	Joann Huiras*	Eugene E DuSell	Daniel A Cicha	Roger Ploger	Bernard P Kadlec
Sauk	Bradley W Schyvinck*	Randall Puttkamer	Joseph E Prem		
Shawano/Menominee	Kenneth Strassburg	Dennis Zahn*	Bruce Raymakers*	Chantel I Otradovec	Robert Johnson
Sheboygan	Michael Limberg	Wade Kleinhans	Michael M Rammer*		
St Croix	Suzette Sontag	John Schachtner*	Kenneth Graf		
Taylor/Price	Robert L Baker	Gary Pernsteiner*	Donald Purvis	Jeffery Hoogland*	Peggy S Hainy
Trempealeau	Todd M McRoberts	Edward P Patzner Jr	Richard L Geske*		
Vernon	Chris L Hanson*	Janice L Ihle	Gordon Nemec		
Walworth	Donald Henningfeld*	William Leedle	Charles Papcke		
Washburn/Burnett	Doyle K Christian	Marjorie E Peterson*	Ann M Stellrecht	Dale L Lawrence*	Gregory Odden
Washington/Ozaukee	Michael Thull	Barbara Falk*	Paul Held	Gerald Gantner*	Darwin Kison
Waukesha/Milwaukee	Roger Guhr	David Morris	Sandy Porter*	Jacqueline Dittmar Crayton	
Waupaca	Donald Louison	Ardyce A Eisentraut*	Dorothy Clinton		
Waushara	Russell Heise	Jo Ann Yeska	Darrel K Fenske*		
Winnebago	Carol Ihde	Daniel E Stokes	Roger Zentner		
Wood	Harvey R Petersen Jr	Dale R Gehrke	Peter J Arendt Jr*		

## **Conservation Compliance & \$3.50 Corn**

In light of current commodity prices, you may be looking for that extra acreage to cash in on.

Please remember that all participants in USDA programs are required to have a conservation system in place on all the highly erodible land (HEL) that they operate. Several areas where problems can arise with complying with a conservation system are; renting new cropland, purchasing new land, breaking out additional cropland, draining or tiling new land, planting different crops such as soybeans, and changing, or removing existing conservation practices.

It is very important that you contact the FSA office before doing any of the above or modifying - tiling, draining, dredging, filling, or leveling - any wetland or drainage ditch. Failure to obtain advance approval for any of these situations can result in loss of all Federal payments and eligibility.

## **Keep Your MILCX Contract Up to Date**

Dairy operations are reminded to inform the county office of any entity or operation changes that may affect your Milk Income Loss Contract (MILCX). The change from an individual to a corporation or partnership, etc. would require an update to your MILCX and other applicable eligibility forms. If you have changed creameries or dairy plants and have had your production information sent directly from them in the past, an updated authorization would need to be completed. Contact your local FSA office for additional information.



## **FSA and Crop Insurance**

Producers with Federal Crop Insurance must ensure that farm records are maintained accurately for both FSA and the crop insurance policies administered by the Risk Management Agency (RMA). Failure to inform RMA about any operation changes may result in the forfeiture of any crop loss indemnification.

FSA continues to work with RMA to improve the integrity of the Federal Crop Insurance Program through the prevention of fraud, waste, and abuse. FSA offices are responsible for the monitoring and oversight of the crop insurance program locally and growing season inspections on a selected number of insured producers. FSA also assists RMA by gathering facts and reporting observations as they pertain to weather, crop plantings, maintenance, and harvest. Producers who become aware of potential crop insurance abuse should report the information to the local FSA office.

## **Fruit & Vegetable Planting Reminder**

Planting fruits or vegetables (FAV) on acreage under contract in the Direct and Counter-Cyclical Program (DCP) may adversely affect your program benefits. If you are going to plant any vegetable or fruit crops this year, it is very important that you check with your FSA office **before** planting to ensure that you do not jeopardize your payment eligibility.



Failure to follow the rules with FAV plantings on contract acres will be a contract violation resulting in payment reductions or termination of the DCP contract on the farm.

Play it safe and contact your county office before you plant or lease land for fruit or vegetable production in 2007.

## **NAP Coverage Deadline**

March 15 is the deadline for producers to apply for Noninsured Crop Disaster Assistance Program, or NAP, at the county FSA office. The application and service fee must be filed by the application closing date of March 15<sup>th</sup> for 2007 spring seeded crops, including vegetables. March 15<sup>th</sup> is also the sales closing date for many spring seeded crops for Federal Crop Insurance – check with your local crop insurance agent for additional details and deadlines.

The service fee for NAP coverage is \$100 per crop per county or \$300 per producer per county. The fee cannot exceed a total of \$900 per producer with farming interest in multiple counties. Limited resource producers may request a waiver of service fees.

## Report Changes to FSA

If there are changes in the land you own or operate, changes in your address, your bank account (for direct deposit), or any changes in the structure of your operation, it is very important that you report these changes to the FSA office immediately. Special emphasis needs to be placed on the requirement to report to your local FSA office any changes as a result of the creation of trusts, LLCs, partnerships or other entity. The change of land ownership or contract shares from an individual to one of the above mentioned entities, could impact your eligibility and other contract requirements. Contact your FSA office for additional details.



*Move your Clocks forward March 11th!*

## CRP Contracts Expiring in 2007 Watch Out!

Conservation Reserve Program (CRP) participants with 2007 expiring contracts need to remember that these contracts don't expire until September 30, 2007. This means that all provisions and conservation and maintenance requirements of the CRP contract must be complied with through September 30<sup>th</sup>. If you are unsure of your contract requirements, please contact your local FSA office for additional details.

## Continuous CRP and CREP Still Available

Environmentally desirable land devoted to certain conservation practices may be enrolled in Conservation Reserve Program (CRP) or Conservation Reserve Enhancement Program (CREP) at any time under continuous sign up provisions. Offers are automatically accepted provided the land and producer meet certain eligibility requirements.

To be eligible, cropland must have been planted or considered planted to an agricultural commodity 4 of the 6 crop years between 1996 and 2001, and is physically and legally capable of being planted to an agricultural commodity. Also, certain marginal pastureland is eligible for enrollment as a riparian buffer.

Eligible conservation practices for the CRP continuous signup include riparian buffers, wildlife habitat buffers, wetland buffers, filter strips, wetland restoration, grass waterways, shelterbelts, living snow fences, contour grass strips, and shallow water areas for wildlife.

For additional information or to set up an appointment to determine if your land is eligible, contact your local FSA county office.

## 2007 DCP Enrollment Available Online

DCP Enrollment online (E-DCP) allows you to choose 2007 DCP payment options, assign crop shares, and sign and submit your contracts electronically from any computer with Internet access. You no longer have to visit the USDA Service Center to complete these tasks and can view and print out submitted contract options at any time. However, if cash leases or other eligibility forms are needed, an office visit would still be required.

This voluntary service is available to all producers who are eligible to participate in DCP and who have obtained an eAuthentication account. The electronic service is available at <http://www.fsa.usda.gov/egov/edcp/default.htm>. To access the service, eligible producers must have an active USDA eAuthentication Level 2 account, which requires completing an online registration form, found at <http://www.eauth.egov.usda.gov> followed by a visit to the local USDA Service Center or FSA county office for identity verification.

## CRP Maintenance

Spring..... is fast approaching, and with it comes a need to review your conservation plan concerning maintenance of your Conservation Reserve Program (CRP) acres. Maintenance of these acres is the producer's responsibility (each contract receives a maintenance payment as part of the annual rental payment!). CRP contracts require the producer to control invading woody vegetation, weeds, and other pests. However, the options available to you and the timing are critical. Not paying attention to these requirements can cost you money, or even cause you to lose your contract. Please note:



CRP participants are never allowed to mow an entire field or large amounts of acreage on an annual basis. Full field mowing for generic weed control is always prohibited.

Each year, you need to survey your CRP to determine if you need to take some action. Spot mowing or spot spraying to control invading woody plants or weed patches before and after the nesting period is a contract requirement. The nesting period for your contract is detailed in your conservation plan – please review for specific dates.



If you find that your CRP fields have a major weed problem that threatens to take over the cover that is supposed to be on your fields, and you determine action needs to be taken during the **Primary Nesting Period**, you **MUST** contact the FSA office before doing anything. When absolutely necessary to control a large problem, the FSA County Committee has authority to approve limited activities during this time period. A good example of this is a Canada thistle problem. To control Canada thistle, or even burdock, wild parsnip, etc, the plant must be mowed or sprayed before the plant seeds out. In most cases, mowing after the end of the nesting period could be too late. Contact the county office before conducting maintenance activities to control any weed problems during the nesting season.

It is important that you understand the consequences of not maintaining your CRP as required. If the problem is so severe that it can't be corrected, such as a field that has been allowed to be taken over by box elder trees or other self seeded trees or weeds, your contract will be terminated. Termination of a contract will require that you refund all payments received, plus interest, plus a liquidated damage charge. It can get very expensive! If you have other maintenance issues that could have been controlled, but weren't because you simply didn't take the time, again, you can lose your contract. Other compliance issues related to maintenance can cause you to lose your payment on the violated acreage or all acreage on your contract for that year.

## Required Management on CRP

Certain CRP participants are required to perform management activities this spring as part of your approved conservation plan. These required management activities are designed to ensure plant diversity and wildlife benefits, while ensuring protection of the soil and water resources. Management activities are site specific and are used to enhance the wildlife benefits for the site. Management activities must be completed as required in your conservation plan, including adherence to the dates specified. Contact the FSA office upon completion of your required management to report compliance and to file the necessary documentation for cost share. Management activities are not authorized during the nesting season – check your specific plan for applicable dates. Failure to perform planned management activities can result in contract violation.



## **Wool & Mohair Loans or Loan Deficiency Payments (LDPs)**



Wool and mohair producers are reminded to apply for commodity loans and loan deficiency payments for their 2007 wool, mohair, and unshorn pelts.

Producers should complete page one of the CCC-633 EZ form as soon as possible for their current crop year wool, mohair, and unshorn pelts before losing beneficial interest in the commodity. By completing page one of the CCC-633 EZ form the producer indicates their intention to receive LDP benefits later on. After page one is completed, producers can request benefits at any time during the period that loans or LDPs are available, before or after losing beneficial interest. For 2007, the LDP and loan deadline is January 31, 2008.

## **Deadlines for Loans & LDPs**

With market prices being higher than county loan rates on most crops, we want to remind you that a marketing assistance loan may be a good alternative for short-term financing.

A marketing assistance loan on commodity crops provides short-term operating funds at a comparably low interest rate.

Please note the deadlines to apply for marketing assistance loans and LDPs for:

- ✓ 2006 crop wheat, small grains, many minor oilseeds, and honey is March 31, 2007
- ✓ 2006 corn or soybean crops is May 31, 2007.

Repayment of commodity loans is usually made at the loan rate plus interest. However, if daily prices drop any time throughout the 9-month loan period, the repayments for that day can be made with a market gain at the lower Posted County Price (PCP) without interest. The PCP, which is also used to calculate LDP rates, is subject to change each business day at 6:00 a.m. central time.

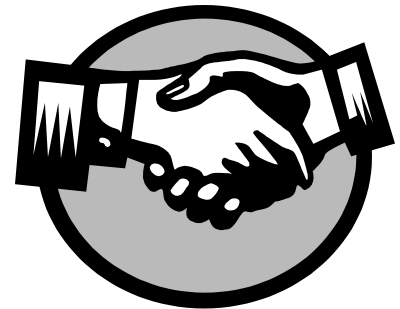
## **FSA and NRCS Partnering to help Finance EQIP Conservation Practices**

The Natural Resources Conservation Service (NRCS) and the Farm Service Agency (FSA) are working cooperatively to make USDA conservation programs more available and readily accessible to beginning, small, and limited resource producers. This effort has greatly increased the number of limited resource producers entering into conservation program contracts. As producers move from initial contract development into the implementation stage, many face the inability to acquire the initial capital investment for their cost-share portion needed for contract implementation.

FSA has several loan programs available that may help mitigate the upfront costs associated with USDA conservation program implementation. A primary objective of the FSA farm loan program is to assist small, beginning, and socially disadvantaged (minority and female) producers. The loan programs are not new and have been used successfully in conjunction with conservation programs across the country.

Use of FSA loan programs, in conjunction with conservation programs, has the potential to improve the effectiveness of both NRCS and FSA programs. FSA makes direct and guaranteed farm ownership and operating loans to family-size farmers who cannot obtain commercial credit from a bank or other lender. While collateral is required for the loan, a business plan must indicate the loan can be repaid. FSA loans can be used for various farm purposes, such as farm improvements, which would cover conservation projects and practices, and associated costs. Loan funds may be used to finance the producer's share of the project costs, and also as interim financing on the federal cost-share portion paid upon completion of the conservation program project.

Additional program information, loan applications, and other materials are available on the FSA web site at [www.fsa.usda.gov](http://www.fsa.usda.gov) and on the NRCS web site at [www.nrcs.usda.gov](http://www.nrcs.usda.gov).





## Guaranteed Line of Credit Loans

The Farm Service Agency (FSA) provides loan guarantees to commercial lenders up to 90% on lines of credit. Lenders in turn assist credit worthy applicants that otherwise would not meet the lender's credit standards. Specifics concerning FSA guaranteed lines of credit include:

Maximum Loan Amount	<ul style="list-style-type: none"> <li>• \$899,000</li> </ul>
Interest Rate	<ul style="list-style-type: none"> <li>• Lender's Average Farm Customer Rate.</li> </ul>
Loan Purposes	<ul style="list-style-type: none"> <li>• Operating Expenses.</li> <li>• Family Living Needs.</li> <li>• Routine Capital Purchases.</li> <li>• Debt Payments</li> </ul>
Loan Term	<ul style="list-style-type: none"> <li>• 5 Years to Advances</li> </ul>
Repayment	<ul style="list-style-type: none"> <li>• Loan is Repaid Annually as Products Produced with Loan Funds are Sold or Consumed.</li> </ul>
Security	<ul style="list-style-type: none"> <li>• First lien on Farm Products Produced.</li> <li>• As Required by FSA and Lender.</li> </ul>

Producers interested in an FSA guaranteed line of credit to address their annual operating credit needs should discuss them with a commercial lender. FSA offices retain a list of participating guaranteed lenders.

Line of credit loans less than \$125,000 may be supported by abbreviated applications. They are processed by lenders in a manner very similar to non guaranteed loans.

Producers unable to qualify for loan guarantees may qualify for direct annual operating loans from FSA. Additional information about all FSA programs is available from local USDA Service Centers, or on the FSA website at <http://www.fsa.usda.gov/>

## Farm Storage Facility Loan Program

Improved market conditions have resulted in increased interest in FSA Facility Loans. The program's objective is to provide low cost financing to producers interested in building or upgrading commodity storage. Program provisions include:

Eligible Structures	<ul style="list-style-type: none"> <li>• Cribs or Bins.</li> <li>• New and Remanufactured Oxygen Limiting Structures.</li> <li>• Upright Bunker Type or Open Silo Structures.</li> <li>• Commodity Handling and Drying Equipment.</li> <li>• Renovation of Existing Structures to Increase Storage</li> <li>• Certain Flat Storage Structures.</li> <li>• Electrical Equipment &amp; Site Preparation</li> </ul>
Ineligible Structures	<ul style="list-style-type: none"> <li>• Portable Equipment.</li> <li>• Used Structures.</li> <li>• Structures with Useful Life Less Than 10 Years.</li> <li>• Feed Handling or Processing Equipment.</li> <li>• Hay Storage.</li> <li>• Commercial Storage.</li> </ul>
Interest Rate	<ul style="list-style-type: none"> <li>• Fixed Rate</li> <li>• Currently 4.625%</li> </ul>
Repayment Term	<ul style="list-style-type: none"> <li>• 7 Annual Installments</li> </ul>
Maximum Loan Amount	<ul style="list-style-type: none"> <li>• Limited by Producer's Storage Need Formula</li> <li>• 85% of Net Construction Cost.</li> <li>• \$100,000 per Person.</li> </ul>
Security	<ul style="list-style-type: none"> <li>• Loans &lt;\$50,000 –Security Interest in Structure.</li> <li>• Loans &gt;\$50,000 – Real Estate Mortgage or Letter of Credit.</li> <li>• Additional Security as Required.</li> </ul>



8030 Excelsior Drive, Suite 100  
Madison, WI 53717-2906

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## DATES TO REMEMBER

March 15	Deadline to obtain 2007 policies on spring seeded non-insurable crops
March 31	Deadline to obtain LDPs or 9-month loans on wheat, small grains, and honey
May 15	Nesting period begins—check your Conservation plan for ending dates
May 30	Offices closed for Memorial Day Holiday
May 31	Final date to request LDPs or 9-month loans on corn and soybeans
June 1	Final application date for 2007 DCP
July 15	Final date to complete a 2007 crop acreage report
Continuous	Farm Storage Facility Loans
Continuous	Conservation Reserve Program continuous signup

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