



Kansas FSA Updates

**Kansas State Office
Farm Service Agency**

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RURAL YOUTH LOANS

FSA makes loans to rural youths to establish and operate income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5,000.

FSA/NRCS BURN ADVISORY

Due to extreme drought conditions across Kansas, Farm Service Agency (FSA) and Natural Resource Conservation Service (NRCS) have issued a Burn Advisory warning all offices to discourage prescribed burns during unsafe burning conditions. Extremely dry conditions have produced unsafe conditions for burning with results outside objectives for completing prescribed burn practices. Completing burns under these conditions may increase the potential for severe wind erosion, place personal property and safety at risk and produce unfavorable results.

HONEY LOANS

Honey loans are a type of marketing assistance loan and they are available until April 1, 2013. The national loan rate for honey is \$.69 per pound. Market prices currently exceed the loan rate, so LDPs are not available at this time.

To be eligible for a loan, the producer must have produced honey in the United States during the calendar year for which the loan is requested, and extracted the honey on or before Dec. 31 of the applicable crop year; have continuous beneficial interest in the honey through date of repayment of the loan; and been responsible for the financial risk of keeping. Producers are responsible for maintaining the quality of farm-stored honey during the term of the loan.

The containers must be marked with the producer's name, type of honey, number of container and net weight. Pre-loan inspections are required before the loans can be disbursed.

Honey used as collateral may not be disposed of without approval of the county office staff.

PAYMENT ELIGIBILITY REQUIREMENTS

Program payments that require eligibility determinations prior to payment include the Direct and Counter Cyclical (DCP)/Average Crop Revenue (ACRE) Programs, Conservation Reserve Program, Loan Deficiency Payments, Marketing Loan Gains, Milk Income Loss Contract (MILC) Program, and Disaster Assistance Programs. Certain eligibility requirements apply to some programs and not others.

No DCP/ACRE program benefits can be afforded any producer until form CCC-902, Farm Operating Plan for Payment Eligibility Review, and supporting documentation have been provided and County Committee determinations made. The Farm Operating Plan does not need to be filed annually. However, producers are required to notify the County Office of any changes in the farming operation which would affect an 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 interests not previously disclosed on CCC-902 or update, including the farming interests of a spouse or minor child.

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. Signature authority is required for all entities.

Form AD-1026, Highly Erodible Land Conservation (HELC) and Wetland Certification (WC), must also 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/ACRE payments, \$50,000 under the Conservation Reserve Program, and \$100,000 under the Noninsured Crop Disaster Assistance Program. An individual or entity cannot be eligible to receive certain payments and benefits if the average adjusted gross income (AGI) exceeds \$500,000 in non-farm income. In addition, to be eligible for direct payments the AGI farm income cannot exceed \$750,000 and total AGI cannot exceed \$1 Million. For conservation programs the AGI threshold is \$1 million of non-farm income unless 66.66% of the AGI is derived from farming, ranching, or forestry.

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.

Noncompliance with the adjusted gross income provisions, either by exceeding the applicable limits 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.

MAINTAINING THE QUALITY OF LOANED GRAIN

Bins are ideally designed to hold a level volume of grain. When bins are overfilled and grain is heaped up, airflow is hindered and the chance of spoilage increases.

Producers who take out marketing assistance loans and use the farm-stored grain as collateral should remember that they are responsible for maintaining the quality of the grain through the term of the loan.

UNAUTHORIZED DISPOSITION OF GRAIN

If loaned grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties for unauthorized dispositions are severe and a producer's name will be placed on a loan violation list for a two-year period. Always call before you haul any grain under loan.

DAIRY INDEMNITY PROGRAM

The Dairy Indemnity Payment Program (DIPP) provides payments to dairy producers when a public regulatory agency directs them to remove their raw milk from the commercial market because of contamination due to no fault of the producer, such as pesticides, nuclear radiation or fallout, or other toxic substances such as aflatoxin in the feed. DIPP also provides payments to manufacturers of dairy products removed from the market because of pesticide contamination.

Affected producers and manufacturers should apply for indemnity payments at a local USDA Service Center or FSA office. DIPP claims for a loss that occurred on or before September 30, 2013, must be submitted to the appropriate County Office by close of business December 31, 2013.

DATES TO REMEMBER

03/25/2013 Hispanic and Women Farmers and Ranchers Claims Deadline
03/31/2013 Final Availability Date - 2012 Marketing Assistance Loans (MAL) - Honey, Oats, Wheat
05/20/2013 Conservation Reserve Program (CRP) General Sign-Up Begins
05/31/2013 Final Availability Date - 2012 MAL for Corn, Cotton, Grain Sorghum, Soybeans
06/07/2013 2011 Supplemental Revenue Assistance (SURE) Sign-Up Ends
06/14/2013 CRP General Sign-Up Ends
06/03/2013 2013 Average Crop Revenue Election (ACRE) Sign-Up Ends
08/02/2013 2013 Direct and Counter-Cyclical Payment (DCP) Sign-Up Ends

SELECTED INTEREST RATES FOR MARCH 2013

Farm Operating Loans — Direct 1.250%
Farm Ownership Loans — Direct 3.25%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher 1.50%
Emergency Loans 2.25%
Farm Storage Facility Loans (7 years) 1.375%
Commodity Loans 1996-Present 1.125%

For more information on bulletin subjects or details regarding your Gov Delivery subscription with the Kansas FSA State Office, contact Rachel Jones at rachel.jones@ks.usda.gov or phone 785-539-3531.

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