



Kansas FSA Updates

Kansas State Office
Farm Service Agency

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ADJUSTED GROSS INCOME

USDA and the Internal Revenue Service have established an information exchange process for verifying compliance with adjusted gross income (AGI) provisions for farm programs. Written consent is required from each producer or payment recipient for the tax review process. No actual tax data will be included in the report that IRS sends to FSA.

This ensures that payments are not issued to producers whose AGI exceeds certain limits. The limits set in the 2008 Farm Bill are \$500,000 nonfarm average AGI for commodity and disaster programs; \$750,000 farm average AGI for direct payment; \$1 million nonfarm average AGI for conservation programs; and \$1 million total (both farm and nonfarm) average AGI for 2012 and 2013 direct payments.

Participants in CCC programs subject to average AGI rules must submit form CCC-933 to their local FSA County Office to avoid interruption of program benefits. This form may be obtained from local FSA and NRCS offices or online at:

<http://forms.sc.egov.usda.gov/eForms/searchAction.do> .

USDA ANNOUNCES RESULTS FOR 45TH CONSERVATION RESERVE PROGRAM GENERAL SIGN-UP

The U.S. Department of Agriculture (USDA) will accept \$1.7 million acres into CRP nationwide, as offered under the 45th Conservation Reserve Program (CRP) general sign-up that ended in June. Kansas FSA received 2,193 offers on more than 155,773 acres of land, demonstrating CRP's continuing appeal as one of our nation's most successful voluntary programs for soil, water and wildlife conservation. In Kansas, 2,005 offers were accepted for enrollment on 145,269 acres. Since 2009, USDA has enrolled nearly 12 million acres in new CRP. Currently, there are more than 26.9 million acres enrolled on 700,000 contracts nationwide.

In addition to today's announcement, over the last four years, USDA has set aside significant acreage under CRP's Continuous enrollment programs to target habitat conservation on especially important lands. For example, in March of 2012, President Obama dedicated 1 million acres of CRP to Continuous Enrollment Programs to conserve wetlands, grasslands and wildlife. This year farmers and ranchers have already offered more than 370,000 acres under Continuous CRP sign-up.

CRP is a voluntary program that allows eligible landowners to receive annual rental payments and cost-

share assistance to establish long--term, resource-conserving covers on eligible farmland throughout the duration of their 10 to 15 year contracts.

Under CRP, farmers and ranchers plant grasses and trees in fields and along streams or rivers. The plantings prevent soil and nutrients from washing into waterways, reduce soil erosion that may otherwise contribute to poor air and water quality and provide valuable habitat for wildlife.

In 2012, CRP helped to reduce nitrogen and phosphorous losses from farm fields by 605 million pounds and 121 million pounds respectively. CRP has restored more than two million acres of wetlands and associated buffers and reduces soil erosion by more than 300 million tons per year. CRP also provides \$2.0 billion annually to landowners - dollars that make their way into local economies, supporting small businesses and creating jobs.

In addition, CRP sequesters more carbon dioxide than any other conservation program in the country, and also reduces both fuel and fertilizer use. Yearly, CRP results in carbon sequestration equal to taking almost 10 million cars off the road.

USDA selected offers for enrollment based on an Environmental Benefits Index (EBI) comprised of five environmental factors plus cost. The five environmental factors are: (1) wildlife enhancement, (2) water quality, (3) soil erosion, (4) enduring benefits and (5) air quality.

Participants with ranked signup 45 offers will be notified of their offer results, and upon confirmation the accepted offer will be referred to NRCS for conservation plan development. If there are any questions please contact your local FSA Office.

GUARANTEED LOAN PROGRAM

The Farm Service Agency loan limit for the Guaranteed Loan Program is \$1,302,000. The limit is adjusted annually in September based on data compiled by the National Agricultural Statistics Service.

A guaranteed loan is initiated with the farmer or rancher's lender. The rates and terms are determined by the lender; however, up to a 95% guarantee may be provided by FSA. As a reminder, the one-time loan origination fee charged on FSA guaranteed farm ownership and operating loans is 1.5 percent of the guaranteed portion of the loan.

The guaranteed loan program includes a conservation loan (CL) program to promote conservation practices on farms and ranches that help protect natural resources. CL funds can be used to implement a conservation practice approved by the NRCS, such as: reducing soil erosion, improving water quality and promoting sustainable and organic agricultural practices.

Producers should contact their local FSA County Offices – Farm Loan Programs with questions about farm loans.

MATURING MARKETING ASSISTANCE LOANS

Marketing Assistance Loans (MALs) mature on demand, but no later than the last day of the 9th calendar month after the month the MAL is disbursed. A producer may settle an outstanding nonrecourse MAL:

- Before the maturity date by repaying the MAL.
- Upon maturity, by delivering or forfeiting the commodity to CCC in satisfaction of the loan indebtedness.
- After maturity and before CCC acquires the farm-stored commodity by repaying the outstanding MAL principal.

County offices will notify producers of the loan maturity date on the outstanding MAL.

Loans with a Saturday, August 31, 2013 maturity date can be repaid through close of business on Tuesday, September 3, 2013. Monday, September 2, 2013 is a Federal holiday, so the maturity date falls on the next workday. Please contact your local FSA office for questions regarding MALs.

ACTIVELY ENGAGED

USDA has amended the rules that govern the requirements to be 'actively engaged' in farming. These rules apply to eligibility for payments under the Direct and Counter-cyclical Program (DCP) or Average Crop Revenue Election (ACRE) program administered by FSA.

Normally the stockholder or a member of a legal entity **must** make contributions of active personal labor and/or active personal management for the farming operation. The contributions are to be performed on regular basis, must be identifiable, and separate from the contributions of others.

The exception to this rule for a stockholder or member of a legal entity only occurs when both of the following apply:

- At least half of the interest in the legal entity is held by stockholders or members who are providing active personal labor or active personal management;
- The total direct payments received by the legal entity and each of the members can't exceed \$40,000.

FARM STORAGE FACILITY LOAN PROGRAM

The Farm Storage Facility Loan Program (FSFL) allows producers of eligible commodities to obtain low-interest financing to build or upgrade farm storage and handling facilities.

The new maximum principal amount of a loan through FSFL is \$500,000. Participants are now required to provide a down payment of 15 percent, with CCC providing a loan for the remaining 85 percent of the net cost of the eligible storage facility and permanent drying and handling equipment. Additional security is required for poured-cement open-bunker silos, renewable biomass facilities, cold storage facilities, hay barns and for all loans exceeding \$50,000. New loan terms of 7, 10 or 12 years are available depending on the amount of the loan. Interest rates for each term rate may be different and are based on the rate which CCC borrows from the Treasury Department.

The following commodities are eligible for farm storage facility loans:

- Corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley or minor oilseeds harvested as whole grain
- Corn, grain sorghum, wheat, oats or barley harvested as other-than-whole grain
- Pulse crops - lentils, small chickpeas, dry beans and dry peas
- Hay
- Renewable biomass
- Fruits (including nuts) and vegetables - cold storage facilities
- Honey

For more information about FSFL please visit your FSA County Office or www.fsa.usda.gov.

KANSAS CONSERVATION AND USDA PARTNERSHIPS TEAMING UP AT KANSAS STATE FAIR

Since it was such a success last year, several conservation organizations and USDA agencies will again be teaming together to sponsor a booth at the Kansas State Fair. The booth is located across from the butter sculpture in the Pride of Kansas building. The Kansas State Fair will be held September 6-15, 2013.

Fairgoers interested in natural resources conservation need to plan to stop at this booth and visit with conservationists, program specialists, foresters and others. Learn about each agency's or organization's programs and how you may benefit from them. When you stop by the booth, ask for an educator packet loaded with information about a variety of natural resources, posters that will brighten bulletin boards and coloring books that help youths learn about natural resources. Don't forget to browse the publications for information about trees, conservation programs in Kansas and more. Take time to sign up for a chance to win a rain gauge. One is given away each day.

Those hosting the booth will be - The Kansas Conservation Partnership that includes the Natural Resources Conservation Service (NRCS), the Kansas Association of Conservation Districts (KACD), and the Division of Conservation, Kansas Department of Agriculture (DOC). The Kansas Forest Service (KFS), the Kansas Forestry Association/Tree Farm Organization and the Farm Service Agency (FSA) will be joined by the Kansas Agricultural Statistics for the first time to enhance our partnerships and communication opportunities with fairgoers interested in conservation and USDA!

The Web sites for those sponsoring the booth are as follows:

KACD - www.kacdnet.org

NRCS - www.ks.nrcs.usda.gov

DOC - <http://agriculture.ks.gov/>

FSA - www.fsa.usda.gov/ks

KFS - www.kansasforests.org

Tree Farm - www.kstreefarmsystems.org

Walnut Council - www.walnutcouncil.org

Kansas Ag Statistics - www.nass.usda.gov/ks

DATES TO REMEMBER

08/31/2013 CRP Emergency Haying Deadline

09/30/2013 CRP Emergency Grazing Deadline

SELECTED INTEREST RATES FOR AUGUST 2013

Direct Farm Operating Loans - 1.50%

Direct Farm Ownership Loans - 3.625%

Direct Farm Ownership Loans — Down Payment, Beginning Farmer or Rancher - 1.50%

Emergency Loans - 2.50%

Farm Storage Facility Loans (7 years) - 2.00%

Commodity Loans 1996-Present - 1.125%

USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).