

## Managed Haying and Grazing of CRP Acres

All Conservation Reserve Program (CRP) participants are eligible for managed haying and grazing on contract acreage 12 months after the cover is fully established. Acreage cannot be hayed or grazed under managed or emergency provisions more than one out of every five years (grazed) and one out of every ten years (hayed). Managed haying and grazing is not permitted during the primary nesting and broodrearing season (March 15-July 15). Managed haying and grazing is permitted only when it is consistent with the conservation of soil, water quality, and wildlife habitat (including habitat during nesting seasons for birds in the area). Year-round haying or grazing is not permitted. CRP participants must obtain a modified plan to include haying and grazing as determined by **NRCS** or a Technical

Service Provider (TSP). The haying and grazing must be site specific and reflect the local wildlife needs and concerns. Participants will need to receive notification of approval to hay or graze in writing from the applicable **FSA County Committee**. Maximum acreage for managed grazing will not exceed 75% of the contract acreage in any year. Maximum acreage for haying will not exceed 50% of the contract acreage in any year. Participants will be assessed a payment reduction for managed haying and grazing based on the number of acres hayed or grazed times the CRP annual rental payment times 25 percent as applicable. Beginning date for both managed haying and grazing is July 16. Ending dates are October 13 for haying and November 12 for grazing. ♦

### CRP Reminders

CRP cover maintenance is the participant's responsibility. Participants shall maintain practices according to the Conservation Plan of Operation (CPO). Participants are reminded to ensure that undesirable vegetation, weeds (including noxious weeds), insects, rodents, etc. that pose a threat to existing cover or adversely impact other landowners in the area are controlled. Participants need to ensure that adequate approved vegetative cover is maintained to control erosion for the CRP-1 period. If problems with your grass cover or tree practice become apparent to you, you may wish to contact FSA/NRCS to seek advice on how to correct the problem. Please be aware

that any corrective measures that may be required must be completed outside of the primary nesting and broodrearing season (March 15 - July 15) and be included in the CPO. Failure to stay in compliance with the terms and conditions of your contract may result in a payment reduction with evidence of a good faith effort to comply, or may result in termination of your contract if a good faith effort to comply is not found. Keep in mind that when CRP contracts are terminated, participants are required to refund all annual rental payment plus interest, all cost share payment plus interest, any incentive payments received plus interest, and must pay liquidated damages. ♦

## Foreign Buyers Notification

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. The Farm Service Agency is the administrator of this program for USDA.

Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25% of the fair market value of the property. County government offices, realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

## 2007 Direct & Counter-Cyclical Program (DCP) Sign-up Starts in October

**F**armers and landowners sharing in the crop production from farms with program crop base acres (wheat, corn, barley, oats, grain sorghum, soybeans, sunflowers, other minor oilseeds) can begin signing up for the 2007 DCP at FSA Offices in October. Timely enrollment continues through June 1, 2007.

Once again, FSA expects the Secretary of Agriculture to authorize advance payments as early as

December 2006 upon request. Meanwhile, this October is also when final 2006 crop DCP direct payments are scheduled to be issued to eligible producers already enrolled for the 2006 program.

2007 is the last year for the current DCP pending new Farm Bill legislation expected from Congress for 2008. Be sure to visit your local FSA Office for all the details of this important sign-up. ♦

## Notify FSA of Farm Changes

Please ensure you notify your County FSA Office of any changes to your farming operation or ownership for the 2007 crop year as soon as they become known. Only by keeping FSA timely informed can farm records be kept up-to-date and the proper producers be notified of upcoming farm program opportunities as they arise.

## Loans for Socially Disadvantaged Persons

### Overview

The Farm Service Agency (FSA) can make direct and guarantee loans to socially disadvantaged applicants to buy and operate family size farms and ranches. Funds specifically for these loans are reserved each year. Non-reserved funds can also be utilized. A socially disadvantaged farmer or rancher is one of a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of the group without regard to their individual qualities. For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians and Alaskan Natives, Hispanics, and Asian Americans and Pacific Islanders.

### This program:

- ♦ Targets direct and guaranteed loan assistance to socially disadvantaged persons;
- ♦ Discovers and removes barriers that prevent full participation of

those persons in FSA's farm loan programs; and

- ♦ Provides information and assistance to applicants to help them develop sound farm management practices, analyzes problems, and plans the best use of available resources essential for success in farming or ranching.

### Types of Loans:

- ♦ Direct loans are made to applicants by FSA and include both farm operating and farm ownership loans.
- ♦ Guaranteed farm loans also may be made for ownership or operating purposes, and may be made by any lending institution subject to Federal or State supervision (banks, savings and loans, and units of the Farm Credit System) and guaranteed by FSA. Some State governments also operate farm loan programs that are eligible for FSA guarantees. Typically, FSA guarantees 90 or 95 percent of a loan against any loss that might be incurred if the loan fails.

### Use of Loan Funds

Farm Ownership Loans (FO) may be used to purchase or enlarge a farm or ranch, purchase easements or rights of way needed in the farm's operation, erect or improve buildings, promote soil and water conservation and development, and pay closing costs. Reserved direct farm ownership loan funds can only be used to purchase a farm or ranch. Guaranteed farm ownership funds may also be used to refinance debt. Farm Operating Loans (OL) may be used to purchase livestock, poultry, farm equipment, feed, seed, fuel, fertilizer, chemicals, hail and other crop insurance, food, clothing, medical care, and hired labor. Funds also may be used to refinance debt and to install or improve water systems for home use, livestock or irrigation, and other improvements.

### For More Information

Further information is available from local USDA Service Centers or on the FSA website at: [www.fsa.usda.gov](http://www.fsa.usda.gov). ♦

## — Marketing Assistance Loans and Loan Deficiency Payments (LDPs) —

**N**on-recourse marketing assistance loans and LDPs are available to eligible producers for crops of wheat, corn, grain sorghum, barley, oats, soybeans, other oilseeds, pulse crops, wool, mohair, and honey.

To be eligible, you must:

- 1) comply with conservation and wetland protection requirements;
- 2) report your farm cropland acreage yearly;
- 3) have beneficial interest in the commodity, which is
  - (a) control and
  - (b) title; and
- 4) ensure your commodity meets Commodity Credit Corporation (CCC) eligibility standards.

You may request and obtain loans or receive LDPs on all or part of your eligible production anytime during the loan availability period. The loan availability period runs from when the commodity is normally harvested (or sheared for wool and mohair) until specified dates in the following calendar year.

### Payment Limitation

The sum of LDPs and marketing loan gains is subject to a \$75,000-per-person payment limitation for each crop year for grains, oilseeds, and pulse crops. There is a separate \$75,000-per-person payment limitation for wool, mohair, and honey.

### Nonrecourse Marketing Assistance Loans

Local loan rates are based on each commodity's national average loan rate and vary by county. Loan rates are based on the county where your commodity is stored and may be adjusted by CCC to reflect quality factors.

Eligible commodities are pledged as loan collateral with CCC having first lien on the commodity. For loan commodities stored on the farm, you are responsible for any loss in quantity or quality of the stored commodity. You may take your commodity to a CCC-approved warehouse and provide the FSA county office with a warehouse receipt as collateral for the loan.

Administrative actions will apply for incorrect certification of quantity or fraudulent representation for loans and LDPs and for removal or disposition of loan collateral (feeding, selling, or other form of disposal) of a farm-stored commodity loan without written authorization from the FSA county office. The financial penalties are severe and a producer's name will be placed on a loan violation list for a two-year period. Always call the office before any loan grain is fed or sold.

Loans mature on the last day of the 9th calendar month following the month in which the loan is approved.

### Settling Loans

You may repay your loan any time during the loan period at the lesser of

- 1) the loan rate plus accrued interest or
- 2) at the CCC-determined value, when applicable.

The CCC-determined value is based upon market prices at appropriate U.S. terminal markets, adjusted to reflect quality and location.

If you do not repay your loan during the loan period, you may settle your loan by forfeiting your commodity to CCC upon maturity.

### Marketing Loan Gains

A marketing loan gain is realized if the loan is repaid at less than the loan principal. The marketing loan gain rate equals the amount by which the applicable loan rate exceeds the CCC-determined value.

### Loan Deficiency Payments

If you are eligible to obtain a loan, but agree to forego the loan, you may obtain an LDP. The LDP rate equals the amount by which the applicable loan rate exceeds the CCC-determined value for the respective commodity. The LDP equals the LDP rate times the quantity of the commodity for which the LDP is requested.

### Final Availability Dates

The final loan/LDP availability dates for the respective commodities are listed in the table.

Final Loan/LDP Availability Date	Commodity
January 31	mohair and wool
March 31	barley, canola, crambe, flaxseed, honey, oats, rapeseed, sesame, and wheat
May 31	corn, dry peas, grain sorghum, lentils, mustard seed, safflower, small chickpeas, soybeans, and sunflower seed

Contact your local FSA county office for additional details on marketing assistance loans and LDPs. ♦

### ***Landowners May Designate Base Acres***

Upon change in cropland ownership, the prior landowner and the new landowner may come to an agreement on where the parent farm's DCP base acres will end up. That agreement (a memo of understanding signed by both transferor and transferee) must be presented to the County FSA Office before final approval of the farm reconstitution has been completed. There are other factors to consider if you are involved in a recent land ownership change, and you may wish to discuss this "landowner designation method" of dividing base acres with your local FSA Office.

## Emergency Loans Available

Agriculture Secretary Mike Johanns has designated 58 Colorado Counties as primary disaster areas (*only Clear Creek, Gilpin, Grand, San Juan, Sedgwick, and Summit counties DO NOT have primary disaster designation*).

Farmers and Ranchers in all Colorado counties are eligible for low-interest Emergency (EM) loans. Contact your local FSA office for more information.

**The USDA is an equal opportunity provider and employer.**

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, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice and TDD).

## Colorado FSA Offices

Akron . . . . .	.970-345-2364	Holyoke . . . . .	.970-854-2812
Alamosa . . . . .	.719-589-5661	Hugo . . . . .	.719-743-2408
Brighton . . . . .	.303-659-0525	Julesburg . . . . .	.970-474-2518
Burlington . . . . .	.719-346-7699	La Jara . . . . .	.719-274-5868
Byers . . . . .	.303-822-5257	Lamar . . . . .	.719-336-3437
Canon City . . . . .	.719-275-4465	Las Animas . . . . .	.719-456-0120
Center . . . . .	.719-754-3400	Longmont . . . . .	.303-776-1242
Cheyenne Wells . . . . .	.719-767-5648	Meeker . . . . .	.970-878-5628
Colo. Springs . . . . .	.719-632-9598	Monte Vista . . . . .	.719-852-5114
Cortez . . . . .	.970-565-8416	Montrose . . . . .	.970-249-8407
Craig . . . . .	.970-824-3476	Pueblo . . . . .	.719-543-8386
Delta . . . . .	.970-874-5735	Rocky Ford . . . . .	.719-254-7672
Dove Creek . . . . .	.970-677-2229	San Luis . . . . .	.719-672-3673
Durango . . . . .	.970-247-9277	Simla . . . . .	.719-541-2358
Eads . . . . .	.719-438-5851	Springfield . . . . .	.719-523-6251
Ft. Collins . . . . .	.970-295-5665	Steamboat . . . . .	.970-879-3225
Ft. Morgan . . . . .	.970-867-9419	Sterling . . . . .	.970-522-7440
Glenwood . . . . .	.970-945-5494	Trinidad . . . . .	.719-846-3681
Grand Junction . . . . .	.970-242-4511	Wray . . . . .	.970-332-3107
Greeley . . . . .	.970-356-8097		

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### *County Committee Elections*

Committee members are a critical component of the day-to-day operations of FSA. They help deliver FSA farm programs at the local level. Farmers who serve on committees are a direct link between the farm community and USDA.

### *Important Dates*

**November 3, 2006** - Ballots mailed to eligible voters.

**December 4, 2006** - Last day for voted ballots to be returned or postmarked.

**January 1, 2007** - Elected members and alternates take office.

# Farm Storage Facility Loans

**L**ow cost loans for storage facilities are available for producers to build or remodel farm storage facilities for a variety of commodities, including wheat, rice, soybeans, and corn. The 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, including new conventional -type cribs or bins and new and remanufactured oxygen-limiting and other upright silo-type structures.

All Farm Storage Facility Loans are secured by a promissory note and security agreement. The

maximum amount that may be borrowed is 85 percent of the net cost of the storage or handling equipment, up to \$100,000 for each borrower. A minimum down payment is also required.

For details, contact your local county FSA office. ♦

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## Noninsured Assistance Program (NAP) Provisions

### Producer Eligibility

A producer that shares in the risk of producing a crop or would have shared in the risk had the crop been planted.

### Eligible Crops

Any commercial agricultural crop (excluding livestock and their by-products), commodity, or acreage of a commodity grown for food or fiber for which CAT level crop insurance is not available. Some exceptions apply, such as experimental crops, crops following small grains that reached the heading stage, alfalfa, so please check with your local FSA Office.

### Filing Notice of Losses

A written notice of loss must be provided within 15 calendar days after the latter of the occurrence of prevented planting or end of the planting period or disaster occurrence or date damage to the specific crop acreage is apparent to the producer. For NAP purposes, notice of loss must be filed timely on a CCC-576 form for each weather related event or natural occurrence that causes damage to or loss of the specific crop or commodity. The requirement applies to both the NAP and DCP programs.

### Acreage Reporting Requirements

All unit acreage of the eligible NAP crop and each

crop in the event of multiple planting must be timely reported by the producer. Producers who fail to timely certify unit acreage and production risk ineligibility for NAP Assistance. Check with your local FSA Office for specific crop reporting dates.

### Production Reporting Requirement

Producers are responsible for reporting total amount of unit production for the covered NAP crop by no later than the subsequent crop year acreage reporting date for the crop following the year in which the loss occurred.

### Disposition of NAP Crop Acreage

Producers who have reported crop acreage for NAP purposes who choose not to harvest the specific crop acreage must leave intact all eligible acreage and crop units for which the producer intends to make an application for payment until all units have been appraised or released by a loss adjuster or fully certified FSA employee. During any year that a notice of loss is filed because of loss, an appraisal of remaining production must be completed by a loss adjuster.

Please contact the county office for Sales Closing Dates and other applicable deadlines. ♦