



**DISTRICT 1 – Cheyenne - Decatur - Gove - Greeley - Logan - Norton - Rawlins - Sheridan
Sherman - Thomas - Wallace - Wichita**

May 2010

DCP AND ACRE ENROLLMENT DEADLINE JUNE 1

The deadline to enroll in either the Direct and Counter-Cyclical Program (DCP) or the Average Crop Revenue Election (ACRE) program is **June 1**. The DCP program is an annual enrollment, similar to the past years. The ACRE program was created in the 2008 Farm Bill to give producers an option in lieu of traditional counter-cyclical payments. Producers who elect the ACRE program for a farm agree to: *forgo counter-cyclical payments; * accept a 20-percent reduction of the direct payments; accept a 30-percent reduction in loan rates for all commodities produced on the farm. The election into ACRE is irrevocable through 2012.

ACRE fact sheet is available at:

www.fsa.usda.gov/Internet/FSA_File/acre.pdf.

Acreage Report Deadlines

A complete acreage report is required for program participation in several programs. This includes all cropland and grassland. The final date to report acreages of wheat, barley, oats, and rye is **June 1**. The final date to report feed grains, oilseeds, dry beans, forage sorghum, fallow, CRP and grassland is **August 1**. Since August 1, 2010 falls on Sunday, producers may report on August 2.

Adjusted Gross Income (AGI) Verification

Adjusted Gross Income (AGI) limits apply in order to participate in FSA farm programs. To participate in the DCP program the three year average Nonfarm AGI shall not exceed \$500,000 and the three year average Farm AGI shall not exceed \$750,000. CRP has a \$1 million dollar Nonfarm AGI. These income limits are verified for FSA by the Internal Revenue Service (IRS). In order for IRS to perform this verification you are required to submit a consent form to IRS to release this information to FSA. Consent is given on form CCC-927 for individuals and CCC-928 for entities. FSA will not have access to tax returns. The consent forms **must be mailed directly to IRS no later than June 15, 2010**. The Kansas State FSA mailed these forms directly to producers. The forms are also available at any FSA office. Failure to submit these forms will result in a refund of USDA payments for 2009 and 2010.

Conservation Reserve Program (CRP)

A "general" CRP signup is anticipated this summer, but no dates have been announced. However, CRP signup is on-going for "continuous" practices such as waterways, filter strips (next to streams), contour and terrace grass strips, windbreaks, and quail buffers.

2010 CROP LOANS

Commodity Credit Corporation (CCC) loan rates aren't your final sales price. These are just short term loans to pay bills or to pay down higher interest rate loans before deciding to sell your crop. Our interest rates are the lowest available in the credit market today at 1.5 percent. What are you paying for money? If your grain is collateral on your bank notes, we have a lien waiver the banks sign all the time to allow you to get a CCC commodity loan.

Loans can be repaid at any time during the loan term. Loans mature the last day of the ninth month following the month the loan is disbursed. For example loans disbursed July 2010 mature April 30, 2011.

Warehouse stored loans require warehouse receipts from the storing elevator. When you decide to sell grain you have to redeem a whole warehouse receipt. So if you want to sell in 1,000 – 2,000 – 3,000 bushel, etc. increments then get your warehouse receipts in those amounts.

Farm stored bins must have inside and outside ladders and provide sufficient head room so a commodity inspector can get inside to sample the grain. You can get a measurement service to determine the quantity or certify to the quantity.

2010 LOAN RATES

County	HRW Wheat (bu)	Corn (bu)	Milo (cwt)	Barley (bu)	Oats (bu)
Cheyenne	\$2.66	\$1.94	\$3.16	\$1.95	\$1.43
Decatur	\$2.65	\$1.93	\$3.18	\$1.95	\$1.43
Gove	\$2.67	\$2.01	\$3.23	\$1.95	\$1.43
Greeley	\$2.59	\$2.07	\$3.39	\$1.95	\$1.43
Logan	\$2.68	\$2.02	\$3.25	\$1.95	\$1.43
Norton	\$2.65	\$1.95	\$3.12	\$1.90	\$1.43
Rawlins	\$2.65	\$1.96	\$3.21	\$1.95	\$1.43
Sheridan	\$2.64	\$1.95	\$3.22	\$1.95	\$1.43
Sherman	\$2.65	\$1.96	\$3.18	\$1.95	\$1.43
Thomas	\$2.69	\$1.97	\$3.24	\$1.95	\$1.43
Wallace	\$2.63	\$2.03	\$3.29	\$1.95	\$1.43
Wichita	\$2.59	\$2.06	\$3.36	\$1.95	\$1.43

Report Changes

It is important to keep your records accurate and up to date. Report any changes on land ownership or changes in your farming operation. Also, if you have any banking changes such as different account numbers or changing banks, report these changes to insure your Direct Deposit is accurate. Address changes also need to be timely reported including update the 9-1-1 addresses.

UNAUTHORIZED REMOVAL/DISPOSITION

When you have a farm stored commodity loan the grain in the bins is loan collateral. This collateral can't be removed or disposed of by selling it or feeding it without contacting FSA ahead of time, the same as if we were any other lender. Prior to moving any grain, contact your county office. A CCC-681-1 Authorization for Delivery of Loan Collateral for Sale needs to be approved before the grain is taken out of the bins.

FAILED ACREAGE

If ANY of your crops are affected by a disaster such as hail, freeze, drought, etc., you need to file CCC-576 Notice of Loss. This must be filed within 15 calendar days after the disaster occurs, or the date damage to the specific crop is apparent to the producer for yield losses.

DIRECT & GUARANTEED LOANS

FSA makes loans directly to the borrower and also guarantees loans made by commercial lenders to farm operators who want to buy farm land, livestock, equipment, or need operating money.

To qualify for a direct loan applicants 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.

You may want to do business with a commercial lender, but the lender wants a guarantee on the loan. The bank applies to FSA for the guarantee. Often a combination of our direct and guaranteed financing is used.

Direct loans include:

Farm operating loans
Farm ownership loans
Beginning farmer operating (<10 yrs farming)
Beginning farmer ownership (<10 yrs farming)
Youth loans up to \$5,000 (10-20 year olds)
Socially Disadvantaged operating (females & minorities)
Socially Disadvantaged ownership (females & minorities)
Emergency operating loans (weather related)

Guaranteed loan types:

Farm operating loans
Farm ownership loans

2008 SURE Signup

This is a disaster payment program called the Supplemental Revenue Assistance Program (SURE). It provides benefits for farm revenue losses due to natural disasters that occur in crop years 2008 through September 30, 2011. To be eligible for SURE payments, a producer is required to obtain crop insurance on all crops in all counties or, if crop insurance is not available, you must participate in the Non-Insured Assistance Program (NAP) except for grazed acreage. Crop insurance or NAP coverage is not required for crops that are not of economic significance or those where the administrative fee required to buy NAP coverage exceeds 10% of the value of the coverage.

Eligible farmers and ranchers who meet the definition of Socially Disadvantaged (minorities and females, Limited Resource, or Beginning Farmer or Rancher) are exempt from the risk management purchase requirement.

The following conditions trigger SURE payments:

- at least one crop of economic significance must suffer a 10% production loss due to an eligible disaster condition
- crop of economic significance is a crop that has contributed or would have contributed at least 5% or more of the total expected revenue from all crops on the farm
- producers in counties declared disaster counties by the Secretary of Agriculture, or in contiguous counties, or producers who show proof of an individual loss of at least 50% are eligible to receive SURE payments for crop production or crop quality losses. Losses are measured with consideration to the whole-farm revenue, which includes crop insurance indemnities and commodity program payments, so producers are not paid more than once for the same loss.

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