



FARM SERVICE FOCUS

FARM
SERVICE
AGENCY



Smith County FSA Office
319 Roger Barta Way
Smith Center, KS 66967

COUNTY COMMITTEE:
Darin Hawkins Chairperson
Robert Koops Vice Chairperson
Dianna Rice Member

Cary J. Tucker
County Executive Director

FROM THE HEART OF THE USA

REGULAR MEETING DATE SECOND
THURSDAY OF EACH MONTH, 8:00 A.M.

OFFICE HOURS 8 a.m. - 4:30 p.m.
TELE: 785-282-3832 FAX 785-282-6830

May 2010

SUPPLEMENTAL REVENUE ASSISTANCE PROGRAM (SURE)

Producers with significant production losses for crop year 2008 may be eligible for SURE payments. SURE payments are based on production losses on a producer's "Farm". "Farm" for SURE is defined as all crops in which a producer has an interest nationwide. To receive 2008 SURE payments the producer must have all eligible crops insured through the Non-Insured Assistance Program (NAP) or Federal Crop Insurance. Two exceptions to this rule are forage crops with a value less than \$3636 and forage crops with a value of less than 5 percent of the total value of all crops raised on the farm. Call now for an appointment to determine your farm's SURE eligibility.

FARM SERVICE AGENCY (FSA) FARM LOAN PROGRAMS YOUTH LOANS

FSA makes loans to individual rural youths to finance a modest, income-producing, agriculture-related, educational project while participating in 4-H, FFA, or similar organization. The maximum loan amount for a youth loan is \$5,000.

A youth loan provides an opportunity for rural youth to acquire experience and education in agriculture-related skills. The approved project must be related to the business of agriculture.

The youth must be participating in an established organization that supports agricultural projects, such as 4-H, FFA, or similar organization. The organization provides the structure, the adult supervision, and the expertise to help the youth plan and complete the project. To qualify for a loan, an applicant must:

- be a citizen of the U.S., United States non-citizen national or a qualified alien under applicable Federal immigration laws,
- live in a town of less than 50,000 people,
- be between 10 and 20 years old,
- be unable to obtain a loan from other sources;
- and conduct a modest income-producing project in a supervised program of work, as outlined above.

The applicant must be recommended and continuously supervised by a project advisor, such as a 4-H Club advisor, vocational teacher, county extension agent, or other agriculture-related organizational sponsor.

The applicant must also obtain a written recommendation and consent from a parent or guardian if the applicant has not reached the age of majority under state law.

GENERAL CONSERVATION RESERVE PROGRAM (CRP) SIGNUP LIKELY IN JULY

Producers will have an opportunity to offer highly erodible acreage for a CRP contract in a competitive general signup sometime in July. CRP contracts that expire September 30, 2010 will be allowed to make an offer to re-enroll this acreage. Eligibility rules have changed and only about 70 percent of expiring 2010 contracts will be eligible to submit an offer. Acreage converted from the original grass cover including "Early Preparation" acres will not be eligible to place an offer.

SPECIAL ACCOMMODATIONS

Reasonable accommodations will be made, upon request, for individuals with disabilities, vision impairment, or hearing impairment to attend or participate in meetings or events sponsored by the Farm Service Agency. If you require special accommodations to attend or participate in one of our events, please call the FSA county office and we will be happy to make any needed arrangements.

FARM STORED FACILITY LOANS

Farm Stored Facility Loans (FSFL) are available for new grain storage and in some cases added safety features and increased capacity of existing storage. These 7-12 year fixed rate loans can be made up to \$500,000. Hay and renewable biomass storage structures loans are also now available.

MAY 2010 Approved FSFL Loan Interest Rates		
7-year up to \$50,000	10-year up to \$250,000	12-year up to \$500,000
3.25 % Interest Rate	3.875 % Interest Rate	4.125 % Interest rate

"The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (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, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer."

AVERAGE CROP REVENUE ELECTION (ACRE) DEADLINE JUNE 1

ACRE is a revenue program that is not difficult to understand but does have lots of moving parts. Participation in ACRE requires a 20 percent reduction in the farm's direct payment and a 30 percent reduction in the loan rate. Once ACRE enrollment is complete then participation is irrevocable for the remainder of the farm bill. You may start your enrollment any year from 2010 through 2012 but the decision is irrevocable after the initial enrollment year through 2012. All signatories must agree to participate on any given farm. ACRE benefits are paid on the planted acreage of the crop not base acres. June 1 is the deadline to have all signatures returned to the FSA County Office to participate in the ACRE Program for crop year 2010. The ACRE enrollment designation will follow this farm number for the remainder of the farm bill.

CROP	IRR BENCH MARK STATE YIELD	DRY BENCHM ARK STATE YIELD	IRR/DRY BLEND STATE YIELD
CORN	188	96	
WHEAT			37.2
MILO			77.0
SOYBEANS			35.0
SUNFLOWER	1737	1124	

ACRE is a revenue program that pays producers when two triggers are met. The first trigger is called the **State Trigger**. The **State Trigger** is met when the "**State ACRE Guarantee**" exceeds the "**Actual State Revenue**". The second trigger is called the **Farm Trigger**. The **Farm Trigger** is met when the "**Farm ACRE Benchmark Revenue**" exceeds the "**Actual Farm Revenue**".

Following are explanations of the prices and yields that make up the parts of the **State Trigger** calculations: The "**Benchmark State Yield**" for each crop is listed in the table to the left. This is the Kansas "Olympic Yield", which is the 2005-2009 Kansas Agriculture Statistics Service yield, dropping the high and low yield years and averaging the remaining three years.

PRELIMINARY ACRE GUARANTEE PRICES FOR 2010

Crop	2008/09	2009/10	Preliminary ACRE 2010 Guarantee Price
Wheat	\$6.78	\$4.90	\$5.97
Corn	\$4.06	\$3.60	\$3.83
Milo	\$3.20	\$3.20	\$3.28
Soybeans	\$9.97	\$9.45	\$9.71
Sunflower	\$0.2180	\$0.1490	\$0.1958

The "**ACRE Program Guarantee Price**" is the simple average of the 2008 and 2009 cash price for the marketing year for the crop. The marketing year ends May 31 for wheat and August 31 for all other crops. The final "**ACRE Program Guarantee Price**" for wheat will be announced July 1. All other crop's final "**ACRE Program Guarantee Price**" will be announced October 1. The chart to the left gives the "**ACRE Program Guarantee Price**" through April 9, 2010. The "**ACRE Program Guarantee Price**" cannot change more than 10 percent of the previous year's guarantee. The "**Actual State Planted Yield**" is the Kansas yield for the crop for the 2010 crop year. You will not know the final "**Actual State Final Yield**" when enrolling. All of the above bolded and underlined definitions explain the prices and yields

that determine the **State Trigger**. Following is the explanation of the prices and yields that make up the **Farm Trigger**.

ESTIMATED SMITH COUNTY YIELD PLUGS

Crop	Type	2005	2006	2007	2008	2009
Corn	Irr	145.2	134.2	161.0	173.7	*202
Corn	Dry	93.1	62.1	91.6	109.3	*130
Milo	All Yield	99.6	90.1	99.1	112.7	107
Soybeans	All Yield	38.1	33.4	41.6	43.1	45.0
Sunflower	Dry	1,303	1,303	1,303	1,303	*1610
Wheat	All Yield	40.8	42.8	28.4	40.5	49.0

The "**Farms Expected Yield**" is the farm's "Olympic Yield" or the actual yields from 2005-2009, dropping the high and low year yields and averaging the remaining three year's yields. You may certify your "**Farms Expected Yield**" but will be required to provide production evidence at some point during the ACRE program years. You may use Federal Crop Insurance yields but remember those yields are probably on a "Unit" basis. That means you should not use the "Unit" yield but you can use the total acres and total bushels to derive the "**Farms Expected Yield**". Your farm's yields

may only be used from the most recent break in continuity excluding zero planted acres years. This means that if you have, for example, production evidence for 2009 and 2008 and you planted the crop for 2007 but do not have acceptable production evidence you must use "Plug Yields" for 2007, 2006 and 2005. The table above has the "Plug Yields" for Smith County. Plug yields are used in years with zero planted acres, missing or incomplete production evidence years or the years prior to a break in continuity. You may also use the "Plug Yields" exclusively if your farm's actual yield is less than the Olympic "Plug Yield" calculation. *=North Central District Kansas Average Yields (Smith County not available as of May 11, 2010).

Producers who purchase Federal Crop Insurance receive a bonus and you must know the premium price per acre to complete your farms' ACRE calculations. Your "**Farms Actual Yield**" is the 2010 actual yield. You must also know the DCP base acres for each crop. ACRE payments are based on the smaller of 83.3 percent of the planted acres or the total (all crops) of all base acres on the farm. A simple spreadsheet is available from the county office by e-mail. A manual calculation copy of the spreadsheet can also be provided by the county office if you do not have computer access or have problems managing the spreadsheet. Production evidence for every year the farm is enrolled in ACRE must be provided to the county office. The Payment Limitation for the ACRE program is the amount of the 20 percent reduction plus \$65,000. ACRE participation reduces the Direct and Counter Cyclical Program (DCP) Payment Limitation to \$40,000 minus the 20 percent DCP payment reduction.