



*DISTRICT 6 - Allen - Bourbon - Cherokee - Crawford - Greenwood/Elk - Labette
Montgomery/Chautauqua - Neosho - Wilson/Woodson*

November 2007

Livestock Compensation Program (LCP)

The sign-up for the Livestock Compensation Program (LCP) began September 10, 2007. LCP compensates livestock producers for feed losses resulting from natural disasters occurring between Jan. 1, 2005, and Feb. 28, 2007.

Area producers are eligible due to a drought designation in 2006. Eligible livestock must be owned and physically located on a farm in the administrative county as of January 1, 2006 to allow the livestock and any grazing/feed losses to be eligible for payment. Producers will need to be able to identify pastures on a map, provide a percent grazing loss for each, and if needed provide evidence of ownership, feed records and other supporting documents. The payment rates vary for livestock type and weight. Producers may receive a maximum of \$80,000 in LCP benefits. Additional information is available at your local FSA office.

FSA Farm Loan Programs

USDA's Farm Service Agency (FSA) makes and guarantees loans to farm operators. These may be made to beginning farmers or established farmers. Special funding is set aside for females and members of certain minority groups. These loans are tailored to a producer's needs and may be used to buy farmland, machinery, livestock, or finance agricultural production.

FSA offers several types of loan programs. Under the Guaranteed Loan Program, FSA guarantees loans made by conventional agricultural lenders. All loans must meet certain qualifying criteria to be eligible for guarantees. Farmers interested in Guaranteed Loans apply directly with a conventional lender who then arranges for the guarantee.

FSA additionally offers Direct Loans. To qualify for a Direct Farm Ownership or Operating Loan, the applicant 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. As of November 2007 the direct Operating loan interest rate is 4.750% and the direct Farm Ownership interest rate is 5.375%. Farm Ownership loans utilizing a combination of Direct and commercial financing are available at 4% or 5% interest rates. To apply for a direct loan, contact the Farm Loan Program staff in Girard, Kansas at 620-724-6227, Ext. 229. The Farm Loan Program staff will work with you to analyze your situation, provide technical assistance, and tailor loans to meet your needs. Funding is limited, so it is suggested that inquiries be made as soon as an applicant's credit needs are identified.



Foreign Land Ownership Requirements

FSA is required by the Agricultural Foreign Investment Disclosure Act to keep record of land purchased by persons who are not citizens of the United States. Foreign owners of agricultural land are required to visit an FSA office and report their land on a FSA-153 form. Any foreign person who holds, acquires or transfers an interest in agricultural land and does not submit a FSA-153 is subject to a civil penalty of 25 percent of the fair market value of the land on the date the penalty is assessed. Contact your local office for additional information.

Farm Storage Loans Available

FSA has a Farm-Stored Facility Loan (FSFL) Program available to eligible producers. Producers can borrow up to 85% of the cost, not to exceed \$100,000, to build new or remodel existing permanent storage facilities or drying or handling equipment for up to 7 years. A minimum down payment of the difference is required. The interest rate is equivalent to the rate charged on U.S. Treasury securities of comparable maturity loan amount and is fixed for the life of the loan. November interest rate is 4.375%.

Office Locator

With the consolidation of some county FSA offices, an updated list of office locations and contact numbers is provided:

County Name	Location	Telephone
Allen	202 Miller Rd. Iola 66749	620-365-2901
Bourbon	1515 S. Judson Ft. Scott 66716	620-223-1880
Cherokee	300 E Country Rd, Columbus 66725	620-429-3360
Crawford	207 S. Summit Girard 66743	620-724-6227
Greenwood/E lk	1819 E River Eureka 67045	620-583-5544
Labette	115 W 4th St Altamont 67330	620-784-5431
Montgomery /Chautauqua	410 Peter Pan Independence 67301	620-331-4860
Neosho	124 W. State Erie 66733	620-244-3491
Wilson/ Woodson	930 N. 2nd St Fredonia 66736	620-378-2128

NAP

The Non-Insured Crop Disaster Assistance Program (NAP) was designed to reduce financial losses that occur when natural disasters cause a catastrophic loss of production or prevented planting of an eligible crop by providing coverage equivalent to catastrophic (CAT) insurance. Statute limits NAP to each commercial crop or agricultural commodity, except livestock, for which CAT is not available. This coverage entitles eligible producers to a payment of 55 percent of an average market price for the commodity if a natural disaster caused a 50 percent production loss or greater of an eligible crop. The administrative service fee is \$100 per crop per administrative county not to exceed \$300 per producer per administrative county and a \$900 maximum fee for multi-county producers. Interested producers must pay the fee and file form CCC-471, Application for Coverage, by the application closing deadline. The application deadline date for the 2008 NAP coverage is.

- December 1 for all Grasses including Alfalfa, Apricots, Asparagus, Blueberries, Caneberries (Blackberries and Raspberries), Cherries, Clover, Grapes, Oats, Lespedeza, Honey, Mixed Forage, Nectarines, Plums, Peaches, Strawberries, and Vetch.
- January 1 for Apples and Pears.
- March 15 for coarse grains, vegetable and melon crops, Amaranth, Chestnuts, Cotton, Pecans, Squash, Pumpkins, Safflower, Sesame, and Walnuts.

Wool Price Support

The Farm Security and Rural Investment Act of 2002 provides for 2007 crop year marketing assistance loan and loan deficiency payments (LDPs) for wool and mohair to eligible producers who produce and shear wool and mohair from live sheep and goats. The LDP program is also available to eligible producers on non-graded wool in the form of unshorn pelts.

The two options for wool producers are: 1) request a nine-month marketing assistance loan; or 2) agree to forgo the loan and request an LDP if market prices are below the loan rate and a loan is not desired.

The national loan rates are as follows: Graded Wool, \$1.00 per pound; Ungraded Wool, \$.40 per pound; and Mohair, \$4.20 per pound. All loans and LDPs must be requested before beneficial interest is lost. The final availability date for wool loans and LDPs is January 31, 2008. Interested wool producers should contact their local FSA office for details!

County Committee Elections

Each year voters elect a member to their local FSA county committees. The election of agricultural producers to county committees is important to ALL farmers and ranchers whether they represent large or small operations. It is crucial that every eligible producer participate in these elections because FSA county committees are a link between the agricultural community and the U.S. Department of Agriculture. Members of groups such as women and minorities that have sometimes been underrepresented on county committees in the past are especially encouraged to become involved in the election process as voters and candidates.

Farmers and ranchers who serve on committees make decisions on disaster and conservation programs, emergency programs, commodity price support loan programs and other important agricultural issues. They work to make FSA agricultural programs serve the needs of local producers. Nationwide, there are more than 7,800 farmers and ranchers serving on FSA county committees.

In all counties except those just consolidated, ballots to select a member to the county committee were mailed to all known eligible voters by November 2, 2007. If a producer believes he or she is eligible to vote and didn't receive a ballot, the producer should contact the local county office. Producers who receive ballots are asked to carefully read and follow voting instructions. The last day to return voted ballots is December 3.

This year deadline dates for consolidated committee elections are different than those of surrounding counties. Producers in these counties are reminded that the offices into which these counties were consolidated (Chautauqua with Montgomery, Elk with Greenwood, and Woodson with Wilson) are accepting nominations for the county committee election until December 7, 2007. Eligible voters will cast their ballots from December 10, 2007 through January 11, 2008. Anyone with questions about the election process is asked to contact their newly consolidated FSA offices.

Livestock Indemnity Program (LIP)

Livestock Indemnity Program 2005-2007 (LIP) provides benefits to livestock producers for livestock deaths caused by natural disasters that occurred between Jan. 1, 2005, and Feb. 28, 2007.. Contact your local FSA office for more information, or to request an application packet.

County Office Consolidations

Three county FSA offices in this administrative district were included in the Kansas County Office Restructuring Plan approved earlier by USDA Secretary Mike Johanns.

The consolidation of Chautauqua County with Montgomery County was officially completed as of October 30, 2007. Chautauqua County producers will conduct their FSA business at the Montgomery County FSA Office at 410 Peter Pan Rd., Independence. Producers can contact the office by phone at 620-331-4860.

The consolidation of Elk County with Greenwood County was officially completed as of October 30, 2007. Elk County producers will conduct their FSA business at the Greenwood County FSA Office at 1819 E River, Eureka. Producers can contact the office by phone at 620-583-5544.

The consolidation of Woodson County with Wilson County was officially completed as of October 26, 2007. Woodson County producers will conduct their FSA business at the Wilson County FSA Office at 930 N 2nd St., Fredonia. Producers can contact the office by phone at 620-378-2128.

On behalf of the Kansas Farm Service Agency, thank you for your patience and understanding during this transition.

Commodity Loan Availability

Unlike some other harvest times in recent memory, commodity prices are currently relatively strong. The traditional harvest time slump in prices has not been evident for some commodities recently. Selecting the most opportune times to market a year's production has always been arduous, but this year offers some different and exciting challenges.

The USDA commodity loan program has always offered an alternative to immediate sale of a crop at harvest time allowing the producer to meet cash flow needs while maintaining ownership of the commodity for more advantageous marketing later. Will that be a factor this year? This, of course, is not known. What we do know is that the program remains in place and is available for use by area producers.

Commodity loans are available on either farm stored or warehouse stored production. An established rate can be loaned using the stored commodity as collateral to provide cash to the borrower for meeting those cash flow needs always there at harvest time – fertilizer bill, fuel, seed, repairs, rent, operating loan repayment, etc. The 2007 loan rates for the Southeast Kansas counties vary some between counties, but fall into the following range for each crop: soybeans, \$4.91-4.99 per bushel; corn, \$2.02-2.08 per bushel; and grain sorghum, \$3.34-3.53 per hundredweight.

Interest rates are based on the cost of funds that Commodity Credit Corporation (CCC) must pay the treasury. Rates are updated monthly; the November rate is 5.125 percent. This makes interest costs, then, less than \$.01 per bushel per month for corn and approximately \$.025 per bushel per month for soybeans. Once a loan is disbursed, the interest rate is adjusted only one time during the loan term – January 1.

To get the loan process started, a producer must retain ownership of the commodity and have it stored in an acceptable place – an approved warehouse or suitable farm storage bin. Loans quantities may be either certified or measured.

Once the quantity is determined, the FSA office staff will then continue the needed steps to achieve loan disbursement by filing a lien record with the Kansas Secretary of State's office as well as requesting waivers from other identified lien holders. The loan documents can then be completed.

Once the loan is disbursed, it can be repaid without penalty any time during the 9-month loan term. The mortgaged commodity can be released on request to provide the needed cash for repayment of the loan when the market will provide the greatest advantage during the marketing period.

If market prices go below the loan rate or loan rate plus interest, the loan can be repaid at the posted county price (PCP) on the repayment date. Another option for loan liquidation is forfeiture of the commodity to Commodity Credit Corporation following loan maturity for settlement of the loan.

Anyone interested in an FSA commodity loan should contact their local office for details.

