



**SOUTHWEST KANSAS --** Finney, Grant, Greeley, Hamilton, Haskell, Kearny, Lane, Meade, Morton, Seward, Scott, Stanton, Stevens and Wichita

*September 2006*

### **CRP Extensions & Re-enrolled Contracts**

Conservation Reserve Program (CRP) contracts expiring on Sept 30, 2007 represent the majority of CRP in Kansas. Many of these contracts were re-enrolled for a 10-year contract or accepted an opportunity to extend the existing contract from 2 to 5 years. Producers who intend to extend their contracts that expire in 2007 must **immediately return** all contract participant signatures to FSA on the CRP-1-F addendum.

### **Mowing CRP Contracts**

Remember that your **CRP contract PROHIBITS**: 1) mowing CRP around irrigated circles on corners in CRP; 2) mowing hunting lanes; 3) any mowing for cosmetic purposes; 4) annual mowing for CRP weed control; 5) mowing of CRP to park machinery/equipment. You must always contact your local FSA office before mowing any CRP to ensure you will stay within the maintenance requirements for your contract.

You may request that FSA authorize a firebreak in high risk areas such as near a farmstead. At your request NRCS would develop a modification to the Conservation Plan (CPO) for your CRP to include a firebreak. You must request to install a firebreak in advance and that modification to your conservation plan must be approved by the FSA county committee before you mow the fuel break. These are considered by the county committee on a case-by-case basis.

### **DCP Signup Deadline September 30**

*It's Not Too Late...* You may still sign-up for the 2006 Direct and Counter-cyclical Payment Program, but having missed the June 1 deadline will cost you a late-filing fee of \$100 per farm. You have until September 30, 2006, to sign-up for the 2006 DCP.

The first 2006-crop CC advance payment, if CC payments are projected, will be issued in October 2006. The second advance would be issued in February 2007 and the final 2006 CC payment will be issued in October 2007. All producers will receive the entire CC payment earned with the final payment issued in Oct 2007 if advance payments were not requested.

Annual signup for the 2007 Direct & Counter Cyclical program (DCP) begins in October 2006. Appointments will be scheduled at most FSA offices. Please call for an appointment time.

### **Direct Deposit**

Remember to promptly inform FSA of closed financial accounts or other changes affecting your direct deposit (electronic funds transfer).

### **Farm Storage Facility Loans**

Seven-year Farm Storage Facility Loans are available to purchase and install eligible storage facilities, to permanently affix drying or handling equipment, safety equipment or to remodel existing facilities. Real estate liens are required for loans that exceed \$50,000. Loans are secured with a promissory note and security agreement. The maximum amount that may be borrowed is 85% of the net cost, up to \$100,000 for each borrower. A 15% down payment is also required.

### **LDP Reminders**

Last year, FSA launched the CCC-633 EZ form. This is a two-part loan deficiency request that allows producers to (1) indicate their intentions to receive LDP benefits before losing beneficial interest in the eligible commodity, and (2) submit a request for an LDP payment at any time during the loan/LDP availability period, which may be done before or after losing beneficial interest.

By signing the first page of the EZ form, you indicate your intentions to receive LDP benefits. This one page covers all counties and all eligible harvested commodities for the entire crop year for the producer. Once the first page of the form has been signed and submitted, you can submit an LDP request for payment by completing page 2 for all harvested commodities. The LDP request can be submitted at any time during the loan availability period, before or after losing beneficial interest.

Page 1 of the EZ form must be submitted for each producer with a share of the crop and signed by the producer before beneficial interest in the commodity is lost. Once beneficial interest is lost, the commodity is ineligible for an LDP even if beneficial interest is regained. Many producers signed the CCC-633 EZ Page 1 during DCP signup or acreage certification. Please ensure this has been completed prior to the onset of fall harvest. And verify that your commodity is delivered to the warehouse or other buyer in the same name as the farm records are enrolled at FSA.

New for 2007: Ledger sheets from licensed warehouses must be applied as production evidence on LDP within 7 days of issue. If you present a ledger sheet older than 7 days you may be asked by the FSA to get a current ledger sheet. Ledgers must also provide a special statement certifying that the producer maintained beneficial interest and signed by the warehouse representative.

### **Conducting USDA Business On-line**

Producers can obtain an eAuthentication level 2 account and conduct USDA business on-line 24 hours a day, 7 days a week from home. This access requires filling out an online registration form at <http://www.eauth.egov.usda.gov>, followed by a visit to a USDA Service Center for identity verification. You must have an e-mail address. On-line FSA business can include e-DCP, e-LDP, Financial Inquiry, Customer Statement, and e-Representative.

### **2006 Commodity Loans**

Nine-month commodity loans may be obtained by placing the eligible commodity in approved:

- Farm storage, and either requesting a measurement service or certifying the loan quantity on CCC-666.
- Warehouse storage, and obtain a loan on 100 percent of the net quantity on the warehouse receipt.

A lien search, including Federal and State tax liens, will be performed in the Secretary of State's office for all loans after the loan request is filed and before the loan can be approved. You must obtain all necessary lien waivers (CCC-679) before the loan can be disbursed.

The **county loan rate** will be:

- If farm stored, the rate applicable in the county where the commodity is stored, adjusted for applicable discounts.
- If warehouse stored, the rate applicable in the county where the commodity is stored, adjusted for premiums and discounts. For warehouse receipts under merged warehouse code agreements the receipt must show location and county where the commodity was originally delivered, and the loan rate in the county where the commodity was delivered will apply.

Non-recourse loans can be repaid at the PCP (Posted County Price) or principal plus interest (whichever is applicable).

**(Continued on page 2)**

**(2006 Commodity Loans continued from page 1)**

**LOCK-IN Rate (CCC-697)** – Once a CCC loan is issued, producers have the option to lock-in the daily PCP as the amount for repayment. This lock-in rate is effective through the earlier of 14 calendar days before the loan maturity date, or 60 days from the date of approval of the rate. You may repay the loan any time during the 60 days at the locked-in rate. At the end of 60 days or 14 days prior to loan maturity, you may repay the loan at the current PCP. You will have a one-time opportunity to “lock-in” a rate for 60 days. Only one initial 60 day lock-in rate is allowed on the same bushels.

**Marketing Authorizations (CCC-681-1)** – You may request that a commodity pledged as collateral for a CCC farm stored loan be released for delivery to a buyer before repayment of the loan. The entire loan quantity will be released and the delivery period is normally for 15 or 30 calendar days. At the time of the request, you must inform the FSA office where the grain will be delivered. The repayment of the loan purchased by the buyer must be received from the buyer; otherwise, the buyer is violating the clear title provisions. Production evidence is always required when using a CCC-681-1 or repaying a loan at the PCP.

**NONINSURED ASSISTANCE PROGRAM DEADLINES**

In the event that a loss is suffered on a NAP crop on which you have a policy you must file a **Notice of Loss** at the FSA office within 15 calendar days after the disaster or the date the loss becomes apparent. Once the Notice of Loss has been approved and production evidence collected, you must file an Application for Payment at the FSA office.

You are responsible for providing accurate and complete information. This includes timely certification of the planted acres and production. Generally, **acreage reporting deadlines** are May 31 for small grains, and the earlier of August 1 or 15 days prior to harvest or grazing for all other crops. Production reporting deadlines are no later than the subsequent crop year acreage reporting date for the crop. Please check with your FSA office to determine what the reporting deadlines are for your specific crop.

**Hard White Wheat Incentive Payments for 2005 Production**

2005-crop hard white wheat production and \$2 seed incentive payments were issued in full with no reduction in payments. This was the final year for the 3-year program.

**2006 County Committee Elections Held Soon**

Each county in Kansas is divided into 3 voting areas for the Farm Service Agency called Local Administrative Areas (LAA). Generally only one LAA holds an election for a county committee member position, unless a special election is required for an unexpired term. Election ballots will be mailed to voters in the applicable LAA voting area early in November for the 2006 election. Ballots must be returned by eligible voters to FSA or postmarked no later than Monday, December 4. Remember that **VOTING by PROXY is PROHIBITED**. Read the ballot instructions carefully and sign the label as this is the voter registration. Unsigned ballots are not tabulated in the election as these are invalid ballots.

**SPECIAL ACCOMODATIONS**

Will be made upon request for individuals with disabilities, vision impairment, or hearing impairment. If special accommodations are required please call your local FSA office and they will be happy to make any arrangements that are needed.

**FSA Farm Loans**

The Farm Service Agency makes both direct and guaranteed farm ownership and operating loans to family-size farmers and ranchers who cannot obtain commercial credit from a bank, Farm Credit System institution or other lender. FSA loans can be used to purchase land, livestock, equipment, feed, seed and supplies. The loans can also be used to construct buildings or make farm improvements.

If you are having trouble getting commercial credit, check with the county office staff about eligibility, as well as maximum loan amounts, rates, term and use of proceeds.

<b>Selected Interest Rates for September 2006</b>	
Farm Operating - Direct	5.625%
Farm Ownership - Direct	5.750%
Emergency	3.750%
Farm Storage Facility	4.875%
9-month Commodity Loans	6.125%



<b>DATES TO REMEMBER</b>	
Sept. 4	Closed for Labor Day
Immediately in September	Return signatures on CRP-1-F addendums '07 CRP-extensions
Sept. 30	Final date for 2006 DCP contract revisions.
Sept 30	Deadline to swath Emergency CRP Hay; to remove livestock for Graze
October 2006	Signup starts for 2007 DCP
Oct. 9	Closed for Columbus Day
Oct 18	Deadline to Return <b>DF-25</b> form on all Emergency CRP hay/graze
Oct 31	Deadline to remove Bales/hay from Emergency CRP acres
On-Going	Direct and Guaranteed Operating and Farm Ownership Loans; Rural Youth Loans; Farm Storage Facility Loans; Continuous CRP; and Milk Income Loss Contract Extensions.
Nov 10	Closed for Veteran's Day
Nov 23	Closed for Thanksgiving Day
December 4	Return County Committee Ballots

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