



District 7 - Butler, Cowley, Harper, Kingman, McPherson, Marion, Reno, Rice, Sedgwick & Sumner Co.

September 2007

DISASTER BILL UPDATE

On May 25, 2007, President Bush signed into law the "US Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007" (2007 Act). The 2007 Act provides approximately \$3 billion in agricultural disaster aid for America's farmers and ranchers. Specifically, the 2007 Act provided funds for a Crop Disaster Program (CDP), Livestock Compensation Program (LCP), Livestock Indemnity Program (LIP), and other Disaster-related assistance programs.

CDP provides benefits to farmers who suffered quantity and quality losses from natural disasters and related conditions that occurred in 2005, 2006, and for 2007 crops if the crop was planted before February 28, 2007, or in the case of prevented plantings that would have been planted before February 28, 2007. Producers who incurred qualifying losses in 2005, 2006 or 2007 must choose only one year to receive benefits. Producers may apply for benefits for losses to multiple crops as long as the losses occurred in the same crop year. Producers must have suffered quantity losses in excess of 35 percent to be eligible for CDP.

Only producers who had crop insurance coverage or coverage under the Noninsured Crop Disaster Assistance Program (NAP) for the year of the loss will be eligible for CDP benefits.

A sign-up has not been announced as of yet. We anticipate enrollment to begin sometime in October.

NEW SPOT CHECK PROCESS

As part of the 2007 National Compliance Review, FSA's national office is requiring local FSA county offices to conduct compliance reviews and spot checks of certain producers selected by the national office through a statistical sampling method. A statistical sample of FSA employees, County Committee and State Committee members have also been selected for review using this same process.

The reviews may need to be conducted at various times throughout the year depending on the FSA programs in which the producer is participating. FSA appreciates the cooperation of its customers as the agency continues to enhance its operation.

FSA's goal is to ensure that program dollars are delivered effectively and efficiently so America's farmers and ranchers can provide safe and abundant food, fiber and fuel for customers at home and abroad.

FARM STORAGE FACILITY LOANS

Seven-year Farm storage Facility Loans (FSFL) 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. A 15% down payment is also required.

2006 COUNTY COMMITTEE ELECTIONS

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 2007 election. Ballots must be returned by eligible voters to FSA or postmarked no later than Monday, December 3. 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.**

CRP and DCP MAINTENANCE REMINDERS

Failure to maintain CRP acres can result in penalties and/or possible contract termination. Noxious weeds and trees must be controlled on contract acres. You should always contact your local FSA office before mowing any CRP to ensure you will stay within the maintenance requirements for your contract. Other items required include controlling insects, rodents and other pests that pose a threat to existing cover or adversely impact other owners in the area. Do not disturb CRP cover without prior approval from the FSA office, and roads, trails, parking or storing equipment, storing livestock feed, etc. are all prohibited on CRP. No haying and/or grazing or harvesting for seed unless you have been approved for the management practices of haying or grazing.

Producers enrolled in the Direct and Counter Cyclical Program (DCP) are reminded that acreages under contract must also be maintained for the 2007 crop year. Noxious weeds and wind and water erosion must be controlled.

Spot checks will be conducted to ensure compliance.

NONINSURED ASSISTANCE DEADLINES

The next application sales closing deadline is Sept. 4, 2007, for aquaculture, barley, canola, Christmas trees, nursery crops, rye, triticale, turf grass, sod and wheat that are uninsurable.

Also, 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.

Remember, policy holders are responsible for providing accurate and complete information. This includes timely certification of the planted acres and production. Generally, this would be May 31 for small grains, and the earlier of August 1 **or 15 days prior to harvest or grazing for all other crops.**

SALE OF GROUND - RECONSTITUTIONS

Producers are reminded of the importance of reporting to their local Farm Service Agency (FSA) Office any change to their farming operation that would affect the status of that farm so the change can be effective for the current fiscal year. A farm, as defined by FSA, is generally made up of tracts that have the same owner and the same operator. A sale of land in the farm or a tract of land within the farm would be an instance that requires notifying the local FSA office so a farm reconstitution can be initiated using the FSA-155, *Request for Farm Reconstitution*. These requests must be made by June 1 to be effective for the current program year. Further, if the farm is participating in the DCP Farm Program, all payments made to the previous owners/operators must be refunded before a reconstitution can be completed. **Now would be a good time to report changes involving the 2008 program year.**

A special provision exists that would allow contract acres to be divided in a manner agreed to by all sellers and buyers. The method of division, known as the "Designation by Landowner" provision, must be requested and requires all sellers and buyers agree to the method by signing the FSA-155, or providing a memorandum of understanding that includes signatures of all sellers and buyers.

There are limitations when this method of division can be used. If you have an ownership change, discuss these provisions with your local county FSA Office

SODBUSTING – PURCHASED / LEASED LAND

Prior to breaking any acreage and/or before planting a crop on newly purchased or rented acreage, carefully read your Conservation Plan of Operation (CPO). Planting a crop on sodbusted acreage or on newly acquired land that does not have a completed CPO will cause the loss of USDA benefits on **ALL** acreage owned and operated. You certify compliance with the highly erodible land and wetland provisions on for AD-1026. A CPO must be in place and approved by Natural Resource Conservation Service (NRCS) prior to breaking any acreage or planting a crop on acreage that does not have a completed CPO.



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, and 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, DC 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

FSA EMERGENCY LOANS AVAILABLE

Farmers and ranchers who have suffered losses due to this spring's freeze, storms or flooding may be eligible for low-interest loans from the USDA Farm Service Agency (FSA) provided eligibility criteria are met.

Emergency loans are available in the amount of your actual loss for terms from 1-7 years at 3.75% interest. Emergency loan funds may be used to repair storm or flood damage, refinance debt, purchase machinery, equipment or livestock, or for annual operating expenses.

In addition to the Emergency Loans discussed above, FSA has Direct and Guaranteed Loans available to refinance debt, purchase real estate, machinery, equipment and livestock or for annual operating expenses at rates between 5.5%-5.625%. Contact your local FSA office for additional details.

LOANS AVAILABLE FOR BEGINNING FARMERS, SOCIALLY DISADVANTAGED

The Farm Service Agency is authorized to assist beginning farmers and/or socially disadvantaged farmers and ranchers to finance agricultural enterprises. Under these programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person whom:

- Has operated a farm for more than three years but not more than 10 years.
- Will materially and substantially participate in the operation of the farm.
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA.
- Does not own a farm in excess of 30 percent of the county's average size.

Each member of an entity must meet the eligibility requirements. Loan approval is not guaranteed. Socially disadvantaged farmers or ranchers are identified as those who belong to a socially disadvantaged group.

