



From the Desk of the State Executive Director

Colorado Farmers and Ranchers:

The year 2007 is already proving to be a challenging one for Colorado's farmers and ranchers. Assessment continues of the livestock losses and feed issues associated with the back-to-back snowstorms that hit the State in late 2006. And although all the snow we've been getting may give us hope that we're emerging from the severe drought conditions of recent years, the spring planting season is fast approaching and that's the time when water quantity issues in Colorado can more accurately be assessed.

The 2007 Farm Bill is expected to be passed this year and we are providing Colorado agricultural facts and program statistics to be considered in developing this legislation. We have also conducted a review of the efficiency and effectiveness of FSA County Offices to identify the optimum network of facilities and staffing to manage our workload, while operating within existing budgetary resources.

The Colorado Farm Service Agency is prepared to provide assistance to producers in every way we can. Twenty-four counties were named either primary or contiguous disaster areas after the snowstorms, and FSA County Office staff are helping producers complete applications for emergency loans. In addition, we're processing payments for commodity programs; farm ownership and operating loans; and conservation and environmental programs.

Please take the time to read the information in this newsletter. It is designed to provide you with information and resources you may need to help you manage your farm operation, and to help you expedite the application process for FSA programs.



Lewis Frank
State Executive Director

Colorado State Committee

Reggie Wyckoff, Chair
Washington County

Chann Fogg
Delta County

Landis Porter
Montezuma County

John Schweizer
Otero County

Leon Silkman
Kit Carson County

State committees are responsible for the general oversight of FSA state operations. They oversee implementation of domestic farm programs, provide policy direction to the State Executive Director and oversee FSA county committees. In addition, they hear program appeals and keep producers and ranchers informed of FSA policies.

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Emergency Loans Available in 24 Colorado Counties

Low-interest emergency loans are available in twenty-four counties impacted by the back-to-back snowstorms in December 2006. The loans are authorized by Presidential declaration and an Administrator Loss Notification. Eligible family farm and ranch operators with a qualifying loss may apply through September 24, 2007.

FSA emergency loans authorized by Presidential declaration can be used to help producers recover from both production and physical agricultural losses due to a natural disaster. The President's major disaster declarations in Kansas and Nebraska name

Baca, Cheyenne, Kiowa, Kit Carson, Prowers, Yuma, Phillips, and Sedgwick counties as contiguous disaster areas.

Emergency loans authorized by FSA Administrator Teresa C. Lasseter's Loss Notification limits funding to applicants who suffered physical agricultural losses. The notification names Baca, Bent, Crowley, El Paso, Huerfano, Kiowa, Las Animas, Otero, Prowers, and Pueblo counties as primary disaster areas; and Alamosa, Cheyenne, Costilla, Custer, Douglas, Elbert, Fremont, Lincoln, Saguache, and Teller counties as contiguous disaster areas.

"These funds will provide critical assistance to Colorado producers with qualifying losses," said FSA State Executive Director Lewis Frank. "It will help producers of livestock and different crops start the process of rehabilitation and recovery from the damage these major snow storms caused to their agricultural operations."

Owners and operators of family-sized operations can apply for an emergency loan at their local USDA Service Center. FSA considers each loan application on its own merits, taking into account the extent of losses, security available, and repayment ability. ♦

Funds Reserved for Socially Disadvantaged Farmers

FSA reserves a portion of its direct and guaranteed operating and farm ownership loan funds for socially disadvantaged applicants (SDA). SDA members are defined as those who are part of a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of the group and include women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian

Americans, and Pacific Islanders. Both ownership and operating loans are available, and funds can also be used to refinance debt.

SDA producers primarily and directly engaged in farming and ranching on family-size operations may apply; however, loan approval is not guaranteed. Applicants must meet all requirements for FSA's regular farm loan program assistance, including: have a satisfactory history of meeting

credit obligations; have sufficient education, training, or at least 1-year's experience in managing or operating a farm or ranch; be a U.S. citizen; be unable to obtain credit elsewhere at reasonable rates and terms; and possess the legal capacity to incur loan obligations. For more information, call on an FSA staffer at your local USDA Service Center or visit our website at <http://www.fsa.usda.gov/co> ♦



New Colorado FSA Website

Our new website is designed to improve the delivery of information and services to our customers. FSA customers can now readily access information about programs and services, read and download State and County newsletters, and learn about news and information specific to Colorado farmers and ranchers.

Visit www.fsa.usda.gov/co

THE BALLOTS ARE IN!

The 2007 County Committee election process is complete and elected committee members and alternates took office on January 1. This annual election of agricultural producers to county committees is important to ALL farmers and ranchers with large or small operations.

Committee members are a critical component of the day-to-day operations of FSA. They help deliver FSA farm programs at the local level and help decide the kind of programs their counties will offer. They work to make FSA agricultural programs serve the needs of local producers.

Visit www.fsa.usda.gov/co to download or view a complete list of Colorado's County Committee members.

Conduct FSA Business Online -- 24/7

USDA eAuthentication is the system used by USDA agencies to allow customers to access Web applications and services via the Internet. This includes submitting forms electronically and checking the status of your USDA accounts. The following services are available online; several do not require an ID and password.

eForms -- Why go down to your local service center - go here to find the forms you need and submit them electronically.

Electronic Loan Deficiency Payments -- eLDP allows producers to request LDPs online and provides greater flexibility to producers who conduct business online.

Electronic Direct and Counter-Cyclical Payment Program Service -- eDCP allows producers to choose payment options, assign crop shares, and sign and submit their contracts online. Producers can view and print out submitted contract options at any time.

Electronic Field Office Technical Guide -- eFOTG contains technical information about the conservation of soil, water, air, and related plant and animal resources.

Financial Inquiries for FSA Producers -- Need to inquire about a particular electronic deposit, program payment, debt, or 1099G - go here to view financial information.

USDA Customer Statement -- the customer statement will put a whole range of USDA services and programs into a single report including participation, application and payment status in various commodity and conservation programs, information on farm loans, and conservation plan and land unit information.

For online services that require an ID and password, you must obtain a USDA eAuthentication Level 2 Account. This process is easy and starts by creating a user ID and password and confirming your email in a secure, confidential computer environment. The final step requires visiting your local FSA county office to complete the eAuthentication process. To start the process for a Level 2 Account, go to <http://www.eauth.egov.usda.gov/eauthCreateAccount.html> ♦

Program Dates and Deadlines

January 31 - Final date to request LDP on 2006 wool, mohair & unshorn pelts

March 15 - Final date to sign-up for NAP (contact a local county office for a list of eligible crops)

March 31 - Final date for loans and LDPs on 2006 wheat, oats, barley, honey

May 1 - Final date to sign-up for NAP (parsnips)

May 31 - Final date for loans and LDP on 2006 corn, grain sorghum, sunflowers and other oilseeds

June 1 - Final date to sign a 2007 Direct & Counter-Cyclical Contract without paying late fee

July 15 - Final date to report all 2007 crop acres

July 15 - Final date to certify small grain acreages

August 1 - Final date to request farm reconstitutions

Ongoing Programs

- Direct and Guaranteed Farm Ownership/Operating Loans
- Beginning Farmer/SDA Loans
- Rural Youth Loans
- Farm Storage Facility Loans
- Continuous CRP
- Milk Income Contract Program

Signature Authority Requirement

County offices are required to verify that program participants have a signature authority on file before someone other than the participant signs FSA contracts, applications, and forms on behalf of the participant.

Examples of acceptable evidence of signature authority include trust agreements, corporate charters or resolutions, partnership agreements, and court orders of appointment. In addition, an [FSA-211 Power-of-Attorney](#) form may be filed in the county office to delegate signature authority.

Spouses can sign for one another on most program documents unless written notification denying a spouse this authority has been provided to the county office staff.

To avoid the risk of losing benefits, make sure FSA has your proper signature authorization on file. Contact your local FSA County Office for more information ♦

ELIGIBILITY RECORDS

By official mandate, FSA Offices have been directed to review all program participant eligibility records for accuracy and completeness before any 2007 payments can be issued. This is a result of recent audits nationally, that found form blocks incomplete. Participants who receive documentation to complete in order to verify eligibility, should return corrected forms to their servicing office as soon as possible to avoid any delay in FSA program payments.

2007 DCP SIGNUP UNDERWAY

Signup for the Direct & Counter-Cyclical Program (DCP) must be completed each year and the 2007 signup is now underway. Producers on farms with DCP base acres have until June 1 to sign up for DCP and designate payment shares without being assessed a late fee of \$100 per farm. Participants can signup at an FSA County office or online at <http://www.fsa.usda>.

[gov/egov/edcp_default.htm](http://www.fsa.usda.gov/egov/edcp_default.htm).

DCP was authorized under the 2002 Farm Bill. Payments to eligible producers are computed using the base acres and payment yields established for each farm. Producers receive direct payments at per bushel rates established by statute regardless of market price. Counter-cyclical payments, however, are earned only if the average market

price for the commodity over its entire marketing year falls below that commodity's target price.

Producers choosing to electronically submit a contract can choose payment options, assign crop shares, sign and submit their contracts from any computer with Internet access, and can view and print out submitted contract options at any time ♦

Marketing Assistance Loans & Loan Deficiency Payments

The 2002 Farm Bill provides for nonrecourse marketing assistance loans and LDPs through the 2007 crop year for wheat, corn, grain sorghum, barley, oats, soybeans, other oilseeds, pulse crops, wool, mohair, and honey.

Nonrecourse marketing assistance loans are nine-month loans that provide eligible producers with interim financing on their production. Instead of selling the crop immediately, the loan allows a producer to store the production in approved farm storage structures or USDA Commodity Credit Corporation (CCC) approved warehouses, pledging the crop as collateral.

Producers may obtain loans or receive LDPs on all or part of their eligible production anytime during the loan availability period. The loan availability period runs from when the commodity is normally harvested (or sheared for wool and mohair) until specified dates in the following calendar year. See the table below for final loan/LDP availability dates for the respective commodities.

To be eligible for a marketing assistance loan or an LDP, producers must (1) comply with conservation and wetland protection requirements; (2) report how they use their cropland acreage on the farm; (3) ensure that the commodities meet CCC minimum grade and quality standards; (4)

share in the risk of producing the crop; and (5) have beneficial interest in the commodity. A producer retains beneficial interest when he/she maintains control of and title to the commodity. For a marketing assistance loan, the producer must retain beneficial interest in the commodity from the time of planting through either the date the loan is redeemed or the date CCC takes title to the commodity.

Producers are reminded that they are responsible for any loss in quantity or quality of the farm-stored loan collateral. When a producer obtains a commodity loan or requests an LDP, the producer agrees to the terms and conditions of the applicable loan or LDP forms that they will not (1) provide an incorrect certification of the quantity or make any fraudulent representation, including misrepresentation of the eligibility of a commodity for loan or LDP; and (2) remove or dispose of a quantity of a commodity pledged as collateral for a CCC commodity farm-stored loan without prior approval of CCC. Producers who violate the terms and conditions of the loan or LDP are subject to (1) assessment of liquidated damages and other administrative actions and shall be liable for monetary amounts as applicable; and (2) criminal prosecution under Federal law.

A producer may settle an outstanding nonrecourse loan (1)

during the loan period by repaying the loan at principal plus accrued interest, or under certain circumstances, at an alternative loan repayment rate; or (2) upon maturity by forfeiting the commodity to CCC.

A producer who is eligible to obtain a loan, but who agrees to forgo the loan, may obtain an LDP. The LDP rate equals the amount by which the applicable loan rate where the commodity is stored exceeds the alternative loan repayment rate for the respective commodity. For an LDP, the producer must retain beneficial interest in the commodity from the time of planting through the date the producer files Form CCC-633EZ (page 1) in the FSA county office. CCC-633EZ, page 2 or 4, must be completed to request payment on a specific quantity of a commodity ♦

Final Loan/LDP Availability Date	Commodity
January 31	mohair and wool
March 31	barley, canola, crambe, flaxseed, honey, oats, rapeseed, sesame, and wheat
May 31	corn, dry peas, grain sorghum, lentils, mustard seed, safflower, small chickpeas, soybeans, and sunflower seed

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. The Farm Service Agency administers this program for USDA. Foreign persons who have purchased or sold agricultural land in the country are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25% of the fair market value of the property. County government offices, realtors, attorneys, and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

FSA Measurement Service

Farmers who would like a guarantee for their crop and land use acreages will be ahead of the game using FSA's measurement service. Measurement service guarantees compliance with a program, if the planting is limited to the measured area. Incorrect acreage

certification could result in reduced program payments or marketing quota penalty or loss of price support for the crop. Measurement fees increased in October 2006. To schedule measurement service, contact FSA at your local USDA Service Center.

FSA Measurement Service Fees

Basic Farm Fee	\$30
Plus Hourly Rate (1 hour minimum)	\$16
Total Minimum Fee	\$46
Each 30 minutes after 1st hour	\$8

CRP: Managed Haying and Grazing Provision Amended

As of September 26, 2006, the frequency in which participants may utilize managed haying and grazing on CRP acres has changed. Previously, managed haying and grazing was permitted one out of every three years. Under the new provisions, managed grazing is permitted only once in five years, and managed haying only once in ten

years. The change applies to both new and re-enrolled contracts. The change does not apply to contracts approved by a COC before September 26, 2006, and in which managed haying and grazing was included in the conservation plan of operations.

Conditions of the amended provision include limitations on the percentage of CRP acres which can

be hayed and/or grazed at one time, as well as the frequency between the application of the practice.

CRP participants should contact an FSA staff person at their local USDA Service Center as soon as possible to learn how the new provisions may affect the maintenance and/or management of their CRP acres♦

Pre-Harvest Security Guidelines

The USDA has developed a pre-harvest security resource of voluntary guidelines to help agricultural producers reduce security risks on their operations. The *Pre-Harvest Security Guidelines and Checklist 2006* offers basic and practical security measures and is designed to help the agricultural producer reduce security risks at the farm level.

Each producer should review the guidelines and checklist to determine the recommendations most appropriate for his or her operations. Due to the unique nature of the industry, not all recommendations may be appropriate for all operations. To download the guidelines and for additional helpful information, visit the Website at <http://www.usda.gov/homelandsecurity>♦

Direct Loan Borrowers Call Toll-Free for Account Info

FSA direct loan borrowers can check the status of their accounts at our new toll-free number, **1-888-518-4983**. Accessible twenty-four hours a day, seven days a week, borrowers can access loan information in English or Spanish including unpaid principal, due date and amount of next scheduled installment, date last payment was received and interest paid♦

Noninsured Crop Disaster Assistance Program (NAP)

NAP provides financial assistance to eligible producers affected by an eligible cause of loss such as damaging weather, adverse natural occurrences, or a condition related to damaging weather or adverse natural occurrence. Eligible crops include commercial crops and other agricultural commodities produced for food (including livestock feed) or fiber for which the catastrophic level of crop insurance is not available. NAP covers losses greater than 50% of your expected production at 55% of the average market price.

How to apply:

Eligible producers must file CCC-471 (Non-Insured Crop Disaster Assistance Application for Cover-

age) in the FSA administrative office serving the county or counties where their acreage is located no later than the application closing date established by the State.

What does it cost:

Producers pay a nonrefundable service fee in the amount of \$100 per crop per administrative county; or \$300 per producer per administrative county not to exceed a total of \$900 per producer.

Deadline:

The application and service fee must be filed by the application closing date for the crop. There are various application closing dates. See Program Dates and Deadlines on page 3 of this newsletter.

Crop Reporting:

To remain eligible for NAP, you must annually report the crop including: type and variety, crop location, producer shares, date the crop was planted, type of practice used, and intended use (fresh, processed, etc.). Once harvested, the production must be reported.

What if the crop fails:

When a covered crop is affected by a disaster, you must notify your local FSA office by completing a CCC-576 (Notice of Loss) within 15 calendar days after the natural disaster occurrence or the date the damage becomes apparent.

For more information about NAP, contact an FSA staff member at your local USDA Service Center♦



The United States Department of Agriculture is an equal opportunity provider and employer.

Are you a Farm Loan Program Borrower on Active Duty?

FSA is committed to providing service above and beyond the normal scope of daily servicing to Farm Loan Program borrowers who are impacted by military deployments. This includes regular military personnel, and National Guard and Reservist borrowers who are called to active duty. These individuals may be entitled to additional servicing options under the Service Members Act and the National Defense Act. In brief, the National Defense Act provides for non-accrual of interest and deferral of payments for borrowers who are on active duty during war or a national emergency. Borrowers who may be impacted by these provisions are encouraged to contact your local FSA Farm Loan Manager for additional details.

The 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, or 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 326W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call 202.720.5964 (voice and TDD).