



JACKSON COUNTY AG REPORT

September 2006

307 Montana Ave
Holton, KS 66436

Phone: 785-364-3329

Fax: 785-364-4891

Hours: Monday – Friday
8:00 am – 4:30 pm

County Committee:

Darrell McCrory
Henry Williams
Jo Anne Booth
Chris DeCoteau

Committee meetings are held
the first Thursday of every
month at 9:00 am.

Staff:

Aaron Fall, CED
Kathy Barnett
Marlene Westermann
Dara Conley

Reminders:

**Report intentions to up
land. Altering wetlands
or tilling highly erodible
land can result in
payment ineligibility.**

**Periodically check the
condition of farm stored
grain.**

**Producers who plan to
move grain under CCC
loan need to obtain an
authorization to remove
prior to doing so.**

Dates:

Sept. 29 – Deadline to
late file for the DCP
program.

Oct. 9 – Office Closed
in observance of
Columbus Day

Nov. 10 – Office closed
in observance of
Veteran's Day.

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2006 LOAN DEFICIENCY PAYMENTS

Fall harvest is underway and current market prices are indicating that LDP's could be in effect for fall crops.

To be eligible to obtain a LDP producers must maintain title, control, and risk of loss or beneficial interest. The CCC-633EZ Page 1 must be filed before beneficial interest is lost (prior to shearing, combining, haying, silage, ginning). Filing a timely CCC-633EZ Page 1 allows the producer to later file the CCC- 633EZ Page 2 request for LDP payment, even after beneficial interest is lost. To request the LDP payment, file the CCC-633EZ Page 2 anytime up to the final loan/LDP availability date, as long as a CCC-633EZ Page 1 was filed before beneficial interest is lost.

If the CCC-633EZ Page 2 is filed before beneficial interest is lost, then the LDP rate is the rate in effect on the date of application. If the CCC-633EZ Page 2 is filed after beneficial interest is lost, but before the final loan availability date, then the LDP rate would be the rate in effect the date beneficial interest was lost.

LDP applications may be faxed to the FSA county office. Faxed applications are considered complete when all required items are completed correctly, form is signed and dated and received in the applicable county office. The producer is responsible for ensuring the correct form is used, completed correctly, signed, dated and received by the FSA office. Producer must have proof of a successful fax transmission for any appeals. If the requirements of a faxed LDP are not met, then the LDP request will not be accepted. Producers who obtain a LDP forgo the opportunity to obtain a loan on the same quantity.

There has been a change to beneficial interest requirements this year. For 2006 and subsequent years a certification statement must be provided with the production evidence and signed by a warehouse representative. The certification must state: "Title and control remains with producer and a negotiable warehouse receipt can be issued to the producer for the quantity physically delivered to the warehouse." The statement will remain valid for 7 days after its issuance. If an LDP is not filed within the 7 days beneficial interest will have to be verified with the warehouse. Please be aware of this change, and communicate with the FSA office so we are able to better serve you during the busy time of harvest. If you have questions regarding the completion of the 633EZ form or LDP's please contact the office.

COMMODITY LOANS

Nine month commodity loans are available for 2006 grain that is stored in the warehouse or on the farm. If the grain is stored on the farm producers have the option of requesting a measurement service or certifying the quantity on a CCC-666. A loan may be obtained on warehouse stored grain for 100 percent of the net quantity on the warehouse receipt.

A lien search will be performed for all loans, once a loan request is filed. The producer must obtain all necessary lien waivers prior to loan disbursal.

Commodity loans can be repaid at any time before loan maturity at the lower of the Posted County Price or Principal plus Interest. A loan service fee of \$45 will apply and be deducted from the loan proceeds at disbursal.

FARM STORAGE FACILITY LOANS

Low cost loans for storage facilities are available for producers to build or remodel farm storage facilities for a variety of commodities, including wheat, rice, soybeans and corn. The interest rate changes each month.

The seven-year Farm Storage Facility Loans are available for the purchase and installation of eligible storage facilities, permanently affixed drying or handling equipment, or remodeling existing facilities. Eligible facilities include new conventional-type cribs or bins and new and remanufactured oxygen-limiting and other upright silo-type structures.

All farm storage facility loans are secured by a promissory note and security agreement. The maximum amount that may be borrowed is 85 percent of the net cost of the storage or handling equipment, up to \$100,000 for each borrower. A minimum down payment is also required. For details, contact the county office staff.

2006 LOAN RATES

Corn	\$1.93	Wheat	\$2.84
Soybeans	\$4.88	Oats	\$1.34
Grain Sorghum	\$3.42		

DIRECT PAYMENT CHANGE

Producers who plan on enrolling the 2007 Farm Program, the sign-up will begin in October. As before, producers may elect to receive their direct payments in two installments per year. The first payment is available in December of the calendar year before the crop is harvested. The balance of the direct payment is available in October of the calendar year in which the crop is harvested.

The amount of the advance payment was reduced from 50 percent by the Agricultural Reconciliation Act of 2005, also known as Title I of the Deficit Reduction Act of 2005. For the 2007 crop year, producers will have the option to receive an advance payment of up to 22 percent of the total direct payment. The total value of the direct payment does not change. Producers will receive the balance of the direct payment in the second installment.

COUNTER-CYCLICAL PAYMENTS

The Secretary of Agriculture recently announced that 2005 Final Counter-Cyclical Payments would be made early to assist farmers and ranchers in meeting financial challenges brought on by drought and rising input costs. Eligible producers earned \$0.27 on Grain Sorghum based on the 12 month marketing period. Final Direct Payments will be disbursed to eligible producers in the near future.

FSA COUNTY COMMITTEE ELECTION

The 2006 election for Jackson County FSA Committee will be held in Local Administrative Area (LAA 3), the southeastern portion of the county. LAA 3 includes the townships of Franklin, Garfield, Cedar, Douglas East, and Douglas West. The ballots will be mailed to eligible producers in LAA 3 by November 3. Ballots must be returned to the Jackson County FSA office by December 4. Please remember to vote for the candidate of your choice.

FOREIGN INVESTORS RULE

Foreign owners of U.S. Agricultural land are required by law to report their land holdings, acquisitions, leases of 10 years or more, and land use changes within 90 days to their local FSA office. Failure to report these changes can result in a civil penalty of up to 25 percent of the fair market value of their interest in agricultural land.

FARM RECORD CHANGES

If you have bought, sold or are renting different land, make sure you report the changes to the FSA office as soon as possible after they occur. For farm ownership changes you will need to provide a recorded deed or recorded land contract. Failure to maintain accurate records with FSA on all land you have an interest in can lead to possible program ineligibility and fines if you are participating in our programs.

