



# McPherson County FSA News

Farm Service Agency

JULY 2006

## McPherson County FSA

200 S Centennial Drive  
McPherson, Kansas 67460-4012  
TEL: (620) 241-1836  
FAX: (620) 241-6311

### Service Center Hours

Monday – Friday  
8:00 AM – 4:30 PM

### County Committee

Bruce Otte, Chairperson  
Michael Patrick, Vice-Chairperson  
Dixie Mattas, Member

*COC meets the 2nd Wed. of the month @ 8:30 a.m.*

### Office Staff

Michael Westerman, CED  
Kathy Meacham, Program Technician  
Jan Hake, Program Technician  
Pat Regier, Program Technician  
Bev Kavouras, Program Technician  
Suzi Patrick, Temporary PT  
Jennifer Oertel, Temporary PT  
Dan Mason, Field Assistant

### Internet web sites

USDA-[www.usda.gov](http://www.usda.gov)  
FSA-[www.fsa.usda.gov](http://www.fsa.usda.gov)  
NRCS-[www.nrcs.usda.gov](http://www.nrcs.usda.gov)

## LOAN RATES

COMMODITY	2006
Wheat	\$2.87/bu
Corn	\$1.98/bu
Soybeans	\$4.93/bu
Oats	\$1.34/bu
Gr. Sorghum	\$3.37/cwt
Sunflowers	\$8.95/cwt

The July interest rate is 6.125%.

## RECORD CHANGES

If you have **bought, sold, or renting different land**, make sure you report the changes to the FSA Office as soon as possible after the change occurs. 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 could lead to possible ineligibility for USDA benefits.

## DATES TO REMEMBER

### AUGUST 1

Deadline to report corn, milo, soybeans, CRP, and all other land uses.

**SEPTEMBER 4** - Labor Day – Office Closed

### SEPTEMBER 30

Deadline to enroll into the 2006 DCP Program to remain eligible for Direct and Counter-Cyclical payments (with late-filing fee of \$100 since June 1 deadline has passed).

## COUNTY COMMITTEE ELECTION

This fall, producers in LAA-3, the southern portion of the county, will hold its election. LAA-3 consists of **Groveland, King City, Lonetree, Spring Valley, Little Valley, Superior, Turkey Creek, Mound, and Meridian townships.**

Each County Committee (COC) member is elected by the eligible producers in their area. They are responsible for administering several FSA programs at the county level and determining producer eligibility for many of them, including DCP, price support and farm loan programs, and conservation and disaster programs.

Nomination petitions were mailed in May by State newsletter and nominations are now being accepted for any eligible voter to be a candidate for the COC from LAA-3. FSA is required to ensure diversity on the County Committee and solicit and accept nominations from all eligible producers in the election area, including women and minority nominees. Election guidelines and other election information are available on the internet at:

<http://www.fsa.usda.gov/pas/publications/elections/>

Nominating Petitions must be returned to this office by August 1, 2006. Voters in LAA-3 are then mailed a ballot this fall and will elect a County Committee member and alternates.

## ACREAGE REPORTING DEADLINE AUGUST 1<sup>st</sup>

Reporting of your crop acres is required on farms that are enrolled in DCP, contain CRP acreages, insured NAP crops, fruits and vegetables, or produce a crop for which a loan or LDP may later be requested.



The deadline to report your 2006-crop corn, milo, soybeans, sunflowers, CRP and other land uses is **August 1.**

If you are not sure of your acreage, you can request a measurement service. The cost of a measurement service is \$25.00 for the first hour and \$10.00 for each additional ½ hour or any portion thereof.

Contact our office for an appointment to report acres.

## CRP EXTENSIONS (REX PROGRAM)

Producers with CRP Contracts expiring in October of 2007 were notified the final date to sign to extend or reenroll the CRP Contract was **April 14, 2006.**

Producers with CRP Contracts expiring in October of 2008, 2009, and 2010 were notified of their REX extension or reenrollment options and had until **June 30, 2006.**

Acceptance of the CRP offer is through payment of a compliance service fee for spot-check. FSA will be inspecting each field to see that the CRP practice is eligible for extension or reenrollment. The following are some items that would cause a CRP Contract to be in noncompliance:

- ✓ *Noxious weeds not being controlled*
- ✓ *Presence of trees on a practice of grass mix only*
- ✓ *Roads or driving lanes made on the CRP acreage*
- ✓ *Hay bales, machinery, etc. stored on the CRP*
- ✓ *Wildlife food plots not planted or maintained*

When completing the compliance reviews we have found CRP Contracts that are not meeting these compliance provisions. FSA is working with producers wanting to gain compliance but **immediate** attention by the producer must be taken by the deadlines outlined in the letter. If you have a problem area contact our office and keep the line of communications open as to your intentions. FSA will complete a final inspection on the CRP Contract after the producer has notified our office that corrective action has been completed.

We have no idea what provisions, if any, will be provided for CRP acreage, including these extended or reenrolled contracts (REX), after the end of this authorized CRP program.

## REMINDERS

### FOREIGN INVESTORS

Foreign investors who buy, sell, or hold a direct interest in U.S. agricultural land must report their holdings to the FSA office in the county where the land is located. Those buying or selling must report the transaction within 90 days of the date of the transaction.

### RECONSTITUTIONS

To be effective for 2006, farm combinations and divisions must be requested no later than **August 1, 2006**. A request for a reconstitution after 2006 DCP payments have been issued will NOT be processed for 2006 unless all payments disbursed by FSA for the farm or farms have been refunded.

### 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 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.

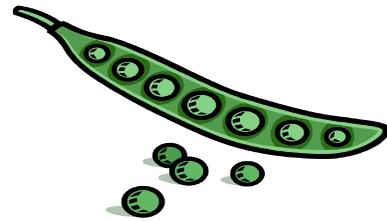
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## FRUIT AND VEGETABLE (FAV) RESTRICTIONS

Farms enrolled into the DCP program are subject to certain restrictions on planting fruits and vegetables. The basic rule to remember is you can't plant FAV's on "base acres". Planting watermelons, sweet corn and other similar crops could cause a DCP violation. *The only FAV exception is if the farm, or the producer, has a documented history of planting FAV's.*

Planting a PERENNIAL FAV on DCP base acres is a violation at the time the FAV is planted even if the FAV is destroyed without benefit before harvest. Further, planting a NON-PERENNIAL FAV on base acres is not a violation if it is destroyed without benefits before harvest. Verification of the destruction must be made by a producer-paid FSA farm visit. **Home gardens** of 2 acres or less containing fruits and vegetables, planted for self use and/or consumption will not be considered as a FAV. However, if the garden acreage is greater than 2 acres, the entire garden acreage shall be considered as a FAV and could be subject to a DCP violation.

As with any program, producers are encouraged to contact their local FSA office for guidance and clarification.



## 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. The producer 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.

The loan can be repaid at the PCP (Posted County Price) or principal plus interest (whichever is applicable).

**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. A producer 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, the producer may repay the loan at the current PCP. A producer has 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)** – Producers 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, the producer must inform the 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.

