



Kansas Farm Service Agency

3600 Anderson Avenue, Manhattan, KS 66503 – 785-539-3531 - www.fsa.usda.gov/ks

Adrian J. Polansky, State Executive Director

State Newsletter - October 2009

Farm Loans

FSA farm loan programs are available for beginning and younger farmers to establish new, or retain ownership of existing, small family farms. FSA wants Kansas farmers and ranchers to succeed. This is evident in FSA's consultative approach, offering low rates and identifying other resources to clients in an advisory fashion throughout the life of the loan.



FSA staff can refer customers to other public financial aid sources that can serve as a blend with the Farm Loan Programs. We specialize in:

- Loans for youth, beginning farmers, disaster recovery, operational financing, and farm ownership.
- Farm planning and counseling.
- Supervised credit and assistance through the life of the loan.
- Sustained financial planning services.

FSA Farm Loan Programs provide a variety of loan types for every need for both new and existing customers. Whether it's a beginning, socially disadvantaged, youth loan project, an existing operation or a farm business expansion, Farm Loan Programs can help its customers get on the right track with its farm planning services. FSA Farm Loan Programs staff is well-trained in both lending and farm operations, giving customers a sounding board and source of counsel. FSA staff provides supervised credit throughout the life of the loan, staying with the customer long after the loan is closed. Commercial and Farm Credit lenders' portfolios are strengthened by Farm Loan Programs' guaranteed loans. FSA offers low rates for Direct Loan customers, and we can assist customers in buying down a guaranteed loan rate.

FSA's commitment to doing things better in the industry provides you with fresh perspectives, alternatives, and creative ways of growing your business. Let FSA Be Your Lender of First Opportunity!

Biomass Crop Assistance Program

Biomass Crop Assistance Program (BCAP) assists agriculture and forest land owners and operators with matching payments for the amount paid for the collection, harvest, storage, and transportation (CHST) of eligible materials by a qualified Biomass Conversion Facility (BCF); and supports establishing and producing eligible crops for the conversion to bioenergy through project areas.

The program provides matching payments for the sale and delivery of eligible material to a qualified BCF. Payments to eligible materials owners will be at the rate of \$1 for each \$1 per dry ton paid by the qualified BCF., limited to a maximum \$45 per dry ton not to exceed a 2 year payment duration.

To become an eligible BCF, facilities must submit an agreement and other documentation to the Kansas FSA State Office, 3600 Anderson Avenue, Manhattan, KS 66503 for approval. Obtain a list of eligible materials and BCF agreement at www.fsa.usda.gov then click on 'Energy Programs' in the left column.

To date, the following facilities have been approved as qualifying Biomass Conversion Facilities for producers in Kansas counties:

- Prairie Fire BioEnergy Cooperative, 97 W Hwy 4, Healy, KS 67850, Phone (620) 398-2370.
- Show Me Energy Cooperative, 102 SW 58 Highway, Centerview, MO 64019-0177, Phone (660) 656-3780.

Producers with contracts to deliver eligible materials to an approved BCF must file an application at the local FSA county office before sale or delivery of the materials to be eligible for the CHST payments.



Women Managing the Farm Conference 2010

Another year of fantastic keynote speakers, informative breakout sessions and great networking is planned for the 2010 Women Managing the Farm Conference on Feb. 5-6, 2010 at Hyatt Regency, Wichita, Kansas. Watch for more information at www.togpartners.com/wmf. Save the Date!

Livestock Deaths

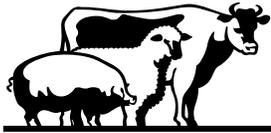
Livestock Indemnity Program (LIP) provides benefits to livestock producers for livestock deaths in excess of normal mortality caused by adverse weather that occurred on or after Jan. 1, 2008, and before Oct. 1, 2011, including losses because of hurricanes, floods, blizzards, disease, wildfires, extreme heat and extreme cold. The livestock death losses must have also occurred in the calendar year for which benefits are being requested.

A list of normal mortality rates for Kansas can be obtained at your local FSA county office.

To be eligible for LIP, a livestock producer must have legally owned the eligible livestock on the day the livestock died. An owner's livestock must have also met the following conditions. The livestock must have died as a direct result of an eligible adverse weather event:

- on or after Jan. 1, 2008, and before Oct. 1, 2011; and
- no later than 60 calendar days from the ending date of the applicable adverse weather event; and
- in the calendar year for which benefits are requested.
- have been maintained for commercial use as part of a farming operation on the day they died; and
- not have been produced for reasons other than commercial use as part of a farming operation.

Applicants must provide adequate documentation to prove that the eligible livestock deaths occurred as a direct result of an eligible adverse weather event in the calendar year for which benefits are being requested. LIP payments are calculated by multiplying the national payment rate for each livestock category by the number of eligible livestock in each category. National payment rates are found on the LIP Fact Sheet at www.fsa.usda.gov. A Notice of Loss must be filed within 30 days after the death is apparent. The final date to submit an Application for Payment is Jan. 30 of the following year.



Grazing Losses

Livestock Forage Program (LFP) provides compensation to eligible livestock producers that have suffered grazing losses because of qualified drought or fire. For drought, the losses must have occurred because of a qualifying drought during the normal grazing period for the county on land that is native or improved pastureland, forage sorghum for grazing, or is planted for small graze grazing. For fire, grazing losses must have occurred on rangeland managed by a Federal Agency and the agency prohibited grazing because of a qualifying fire. Eligible grazing losses must have occurred on or after Jan. 1, 2008 and before Oct. 1, 2011 and have occurred within the same calendar year for which benefits are being requested. There is no general signup period. Eligible producers must file an application for payment with supporting documentation no later than Jan. 30 of the following calendar year after the grazing loss occurred. Producer must have crop insurance or NAP on the grazing land or forage land for it to be eligible.

Grazing losses must be physically located in a county that is, during the normal grazing period for the specific type of grazing land, rated by the U.S. Drought Monitor as having any of the following:

- D2 intensity in any area of the county for at least 8 consecutive weeks during the normal grazing period – earn 1 payment.
- D3 intensity in any area of the county at any time during the normal grazing period – earn 2 payments.
- D3 intensity in any area of the county for at least 4 weeks during the normal grazing period – earn 3 payments.
- D4 intensity in any area of the county any time during the normal grazing period – earn 3 payments.

Finney, Grant, Greeley, Hamilton, Haskell, Kearny, Logan, Meade, Morton, Seward, Stanton, Stevens, Wallace, and Wichita counties have a D2, D3, or D4 designation in 2008 which qualifies eligible livestock producers for LFP on certain grazing land losses. For 2008 losses, the application for payment and supporting documentation must be filed by **Dec. 10, 2009**.

Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP)

ELAP Provides compensation to eligible producers of livestock, honey bees, and farm-raised fish for losses due to disease, adverse weather, or other loss conditions, including losses due to blizzards and wildfires that are not covered by LIP, LFP, or SURE. Eligible producers of livestock, honey bees, and farm-raised fish may receive assistance for losses that occur on or after Jan. 1, 2008, and before Oct. 1, 2011, during the calendar year in which the loss occurs. Eligible losses includes feed losses, physical losses and additional costs incurred in providing feed to eligible livestock.

Producers who suffered losses in calendar year 2008 must provide a notice of loss and application for payment no later than **Dec. 10, 2009**. Producers who suffered eligible losses during Jan. 1, 2009, through Sept. 13, 2009, shall provide a notice of loss no later than **Dec. 10, 2009**, and an application for payment no later than Jan. 30, 2010. Producers who suffer 2009 losses after Sept. 13, 2009 shall file a notice of loss within 30 days of when the loss is apparent to the participant, but no later than Jan. 30, 2010. An application for payment shall be filed no later than Jan. 30, 2010. Producers must obtain crop insurance or NAP coverage on all crops planted on the entire farm to be eligible for ELAP..

Privacy Act Statement

The Farm Service Agency (FSA) is authorized by the Consolidated Farm and Rural Development Act, as amended (7 USC 1921 et seq.), or other Acts, and the regulations promulgated there under, to solicit the information requested on its forms. The information requested is necessary for FSA to determine eligibility for credit or other financial assistance, service loans, and/or conduct statistical analyses. Disclosure of the information requested is voluntary. However, failure to disclose certain items of information requested, including Social Security Number or Federal Tax Identification Number, may result in a delay in the processing of an application or its rejection. The information collected as a result of FSA's forms may be released to USDA employees, USDA contractors, or authorized USDA cooperators who are bound to safeguard the information under Section 1619 of the Food, Conservation and Energy Act, the Privacy Act of 1974, the E-Government Act of 2002, and related authorities. If the information is not covered by Section 1619 of the Food, Conservation and Energy Act, it may be released according to FSA's routine uses published in the Federal Register. In such case, supplied information may be furnished to the Internal Revenue Service, the Department of Justice or other law enforcement agencies, the Department of Defense, the Department of Housing and Urban Development, the Department of Labor, the United States Postal Service, or other Federal, State, or local agencies as required or permitted by law.

Farm Storage Facility Loans

The Food, Conservation, and Energy Act of 2008 included these changes for the Farm Storage Facility Loan program:

- Loan terms of 7, 10 and 12 years.
- Increased the maximum loan amount to \$500,000 per loan.
- \$100 application fee per borrower.
- Loans for cold storage facilities for fruits and vegetables.
- Loans for hay storage facilities.
- Loans for biomass storage facilities.
- Must obtain crop insurance or Non-insured Crop Disaster Assistance Program (NAP) coverage on all crops of economic significance that the borrower has an interest for the loan term.



Loans are also available for grain and silage farm storage facilities. A real estate mortgage is required for loans over \$50,000. Portable and used equipment are not eligible. Loan must be approved by the FSA county committee before any site preparation and/or construction can be started. Facilities must have an useful life of 15 years.

Supplemental Revenue Assistance Payments (SURE)

Supplemental Revenue Assistance payments (SURE) provides benefits for farm revenue losses due to natural disaster. This program replaces the Crop Disaster Program. For SURE program purposes, a "farm" refers to all acreage in all counties that is planted or intended to be planted to crops that are for sale by the producer, and all hay crops. SURE payments are available to producers on farms that are located in a county receiving a USDA Secretarial Declaration, or the actual production is less than 50% of the normal production. SURE will cover losses for 2008 through 2011. **There is no sign-up date announced at this time.**

In order to receive payments, the farm must suffer at least a 10% eligible production loss on at least one crop of economic significance. Producers with qualifying losses are eligible to receive 60% of the difference between the SURE Disaster Program Guarantee and the actual Farm Revenue. The guarantee is determined by totaling the calculated guarantee for each crop. For insured crops, the guarantee is based on the level of coverage the producer has elected. Higher levels of coverage will result in higher crop guarantees. For NAP crops, the guarantee is based on a formula that includes the yield, acreage, and price factors.

For a producer to be eligible for SURE, all of the farming operation's commodities that are of economic significance must be covered by either Federal Crop Insurance (CI) or FSA's Noninsurable Crop Disaster Assistance Program (NAP) coverage. Included in the Total Farm Revenue calculation are estimated crop value, CI indemnities, NAP payments, Market Assistance Loan proceeds, other disaster payments, DCP payments (15% of direct payments, plus cc payments and ACRE payments.)

Payment Limitation

No person may receive more than \$100,000 total in payments under Livestock Indemnity Program, Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program (ELAP), Livestock Forage Program, and the Supplemental Revenue Assistance Payments Program (SURE), combined.

County Committee Election

Vote and make a difference! The election of agricultural producers to FSA county committees is important to all farmers and ranchers. It is crucial that every eligible producer participate in these elections because FSA county committees are a direct link between the agriculture community and the USDA. Ballots will be mailed on Nov. 6 to eligible voters in the local administrative area conducting the election. Ballots must be returned by Dec. 7.

Average Crop Revenue Election

The Average Crop Revenue Election (ACRE) program signup for 2010 continues from Oct. 1, 2009 to June 1, 2010. ACRE payments are revenue-based and are tied to crop production and the National Average Market Price. ACRE payment acreage is limited to the total amount of base acres on the farm, and can only be issued for a crop if two triggers are met for the covered commodity crop:

- State Trigger: The Actual State Revenue for the program year must be less than the State ACRE Guarantee.
- Farm Trigger: The participating farm's Actual Farm Revenue for the program year must be less the Farm ACRE Guarantee.

Producers who elect the ACRE program for a farm agree to:

- forgo counter-cyclical payments;
- accept a 20-percent reduction of the direct payments; and
- accept a 30-percent reduction in loan rates for all commodities produced on the farm.

Noninsured Coverage

For Noninsured Crop Disaster Assistance Program (NAP) coverage, eligible producers must apply and pay the applicable service fees by the application closing date. NAP Service Fees are \$250 per crop; \$750 per county; \$1,875 per producer for all counties.

Sept. 1 - aquaculture, canola, Christmas trees, nursery crops, speltz, turf grass sod, and all small grain crops, except oats and barley for grain. For 2010, Continuous Crop Wheat planted with the intention of harvesting as grain is not eligible for NAP.

Dec. 1 - all grasses, alfalfa, apricots, asparagus, blueberries, caneberries, cherries, clover, grapes, lespedeza, honey, mixed forage, nectarines, oats, peaches, plums, strawberries, and vetch.

Jan. 1 - apples and pears.

March 15 - coarse grains, vegetable and melon crops, amaranth, chestnuts, cotton, pecans, pumpkins, safflower, sesame, squash, and walnuts.

Direct and Counter-Cyclical Program

Signup for the 2010 Direct and Counter-cyclical Payment (DCP) Program continues from Oct. 1, 2009 to June 1, 2010. FSA will not accept any late-filed applications. FSA computes DCP Program payments using base acres and payment yields established for each farm. Eligible producers receive direct payments at rates established by statute regardless of market prices. Counter-cyclical payment rates vary depending on market prices and are issued only when the effective price for a commodity is statutorily set below its target price. Farms with bases of 10.0 acres or less are not eligible for DCP or ACRE unless at least 50% of farm is owned by producers who meet the FSA definition of a socially disadvantaged applicant (SDA) or a limited resource producer.

If you are receiving this newsletter in error, please contact 785-539-3531 or trish.halstead@ks.usda.gov with the exact name on the newsletter and county of your farming interest.

REMINDERS

Oct. 1 through June 1 – Signup for 2010 Direct and Counter-Cyclical Program and Average Crop Revenue Election Program.

Dec. 7 – Final date to return ballot for County Committee election.

Dec. 1 – NAP application closing date for certain crops.

Dec. 10 – Final date to apply for 2008 losses and some 2009 losses under the livestock disaster programs.

Jan. 1 – NAP application closing date for certain crops.

Jan. 30 - Final date to file notice of loss and application for payment for livestock losses after July 14, 2009. Final date to file an application for payment for 2008 or 2009 eligible grazing losses.

Feb. 5-6 – Women Managing the Farm Conference, Wichita