

OSBORNE COUNTY FARM SERVICE AGENCY



January 2006

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County Executive Director

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County Committee Meets Second Thursday of Each Month at 12:30 P.M. October – May and at 8:30 A.M. June – September at the USDA Service Center, 1117 W Hwy 24, Osborne, KS. Members are Alan Beisner, Donald Harzman, and Dean Kurtz.

DCP SIGNUP AND CERTIFICATION

Sign-up is underway for the 2006 program year. Advance direct payments of 50% can be requested any month through September 2006. The final direct payment will be made in October 2006. Advance counter-cyclical (CC) payments may also be requested.

Any changes that could affect the farming operation, such as land ownership changes, operator changes, establishing estates or other changes, need to be reported now so changes can be made prior to enrolling the farm in the DCP.

Producers are encouraged to certify their fall seeded crops during the same office visit. Please call the office for an appointment.

LOAN PROGRAMS AVAILABLE TO BEGINNING FARMERS AND RURAL YOUTHS

FSA is authorized to assist beginning farmers to finance agricultural enterprises. Under these programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. A beginning farmer or rancher is an individual or entity who (1) has not operated a farm or ranch for more than 10 years; (2) meets the loan eligibility requirements of the program to which he/she is applying; (3) substantially participates in the operation; and, (4) for Real Estate (FO) loan purposes, does not own a farm greater than 30 percent of the average size farm in the country. (Note: all applicants for direct FO loans must have participated in business operation of a farm for at least 3 years.) If the applicant is an entity, all members must be related by blood or marriage, and all stockholders in a corporation must be eligible beginning farmers.

FSA also makes operating loans to individual rural youths ages 10 through 20 to establish and operate income-producing projects. These projects must be of modest size (loan size limited to \$5,000) and be initiated, developed, and carried out by rural youths participating in 4-H clubs, FFA, or a similar organization. The youth must be recommended by a project advisor such as a county extension agent, 4-H club or project leader or vocational teacher. In addition to providing financing for the youth project, this program also gives the young person valuable experience in borrowing money, dealing with a lender, and keeping financial records.

NON-INSURED ASSISTANCE PROGRAM (NAP)

March 15, 2005 is the deadline to purchase NAP coverage for sorghum forage for hay for the 2006 crop year. NAP coverage is available at the FSA office for a \$100 administrative fee. Producers will need to contact their RMA insurance company to purchase silage coverage.

RECONSTITUTIONS

To be effective for 2006, farm combinations and divisions must be requested by August 1, 2006. A request for a reconstitution after 2006 DCP payments have been issued will be processed for 2007 unless all payments received are refunded.

FOREIGN INVESTORS

Foreign investors acquiring or transferring any interest in agricultural land exceeding 10 acres are required to report the transaction to the Farm Service Agency within 90 days. An interest of 10 acres or less does not require a report unless annual sales proceeds exceed \$1,000. Failure to disclose this interest can result in civil penalties of up to 25 percent of the land's market value.

WOOL AND MOHAIR DEADLINE

January 31, 2006 is the final day to request 2005 nonrecourse marketing assistance loans and loan deficiency payments (LDP) for wool and mohair producers. Contact the FSA office for additional information.

FARM STORAGE FACILITY LOAN PROGRAM

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.

All loans are secured by a promissory note and security agreement. The maximum amount that may be borrowed is 85 percent of the net cost, up to \$100,000 for each borrower. A 15% down payment is also required. For more information, contact the FSA office.

ADDITIONAL INCENTIVES FR FILTER STRIPS

Some changes to add extra incentives to Filter Strips thru the Continuous Conservation Security Program (CCRP) have recently come about. There has been a state of Kansas incentive on this practice that would raise your rental rate on areas that drain into the Waconda Lake Watershed, for the life of the contract by 30% (10-15 year contracts). Here is an example: Most filter strip soils in Osborne County have a rental rate paid of \$40-\$46 per acre. Filter strips receive an extra 20% added to the rental rate to raise it to \$48-\$55 per acre. The state of Kansas would now increase that payment by 30% to \$62-\$71 per acre. Finally, there would also be a \$5 per acre maintenance payment that could make rental rates as high as \$67-\$71 per acre. To add to this, there is also a one time sign up bonus of \$100-\$150 per acre (depending if you choose a 10 or 15 year contract) and approximately 90% cost share to establish the filter strip.

CRP HABITAT BUFFERS FOR UPLAND BIRDS

The Conservation Reserve Program (CRP) has implemented a new initiative, Habitat Buffers for Upland Birds, aimed at creating 250,000 acres of habitat for the northern bobwhite quail. Kansas has less than 4,000 acres remaining in their limitation. The purpose of this CRP continuous signup practice is to provide food and cover for bobwhite quail, upland birds and other species in cropland areas by planting field edges of eligible cropland to an approved cover. These buffers generally should be installed around the entire perimeter of the field or at a minimum, in areas where runoff enters or leaves the field. For more information regarding this practice and other practices available under the Continuous CRP signup, contact the Farm Service Agency at (785)346-2128.

Loan Deficiency Payments (LDP's)

Producers need to be aware there is a new Loan Deficiency Payment (LDP) form. The CCC-633EZ Page 1 and Page 2 are now used for 2005 commodities.

The CCC-633EZ Page 1 must be filed prior to losing beneficial interest in the crop. Beneficial interest is lost when the crop is sold, fed, delivered to fill a contract, delivered to a feedlot, or otherwise disposed of. A separate Page 1 must be signed by the operator and owner. Page 1 will cover all eligible commodities on all farms in all counties for one producer. This form protects your ability to receive an LDP on your commodity.

Producers will need to file page 2 after the crop is harvested to receive the LDP, either on the date it is requested or the date beneficial interest in the crop is lost. Page 2 can be filed after beneficial interest has been lost as long as there was a Page 1 on file prior to losing beneficial interest. The LDP rate will be based on the date beneficial interest was lost, or the date the Page 2 was filed if the producer still has beneficial interest in the commodity. There must be a Page 1 on file prior to losing beneficial interest in the crop to be able to file a Page 2 to request the LDP payment.

You can obtain a copy of CCC-633EZ (all pages) at <http://forms.sc.egov.usda.gov/eforms/mainservlet>
 The form can be completed in person, mail, fax, or e-Forms. For more information contact the FSA office.

Don't forget LDP's are available on crops harvested as hay or silage such as corn silage or dual purpose sorghum hay or silage.

Daily LDP rates can be heard by calling the FSA office and selecting option 7 for LDP rates. LDP rates can also be found on the web at www.fsa.usda.gov/dafp/psd/.

OSBORNE COUNTY LOAN RATES FOR 2005

WHEAT	\$2.76/ bu
BARLEY	\$1.74/bu
OATS	\$1.38/bu
CORN	\$2.01/bu
GRAIN SORGHUM	\$3.19/cwt
SOYBEANS	\$4.85/bu
SUNFLOWERS	\$9.18/cwt

HANDBOOKS AVAILABLE ON WEB

The public can now access almost 50 FSA Handbooks through the Internet. At www.fsa.usda.gov, on the left side of the screen at the bottom under 'Resources', click on 'Handbooks'.

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