



## **South Dakota Farm Service Agency SED and STC Plan**

**REVISED (July 12, 2007)**

\*--On March 7, 2007, details of the SED/STC Plan were released to the public in a press release and posted to the WEB on the SD FSA public website. Copies of the plan were provided to all Congressional offices as well as to all employees of FSA in South Dakota. Many producers and community representatives immediately began contacting the State Office with questions, comments and concerns. All of the affected communities formally asked the SED to hold an immediate public meeting in their town to answer questions and allow an opportunity for public input. The SED then participated in public meetings in the affected communities as shown below:

1. Dewey County - Timber Lake - March 27, 2007 - 1:00 p.m., MST
2. Ziebach County - Dupree - March 27, 2007 - 11:00 p.m., MST
3. Mellette County - Rosebud Reservation - March 30, 2007 - 1:00 p.m., MST
4. Jackson County - Kadoka - April 2, 2007 - 7:00 p.m., MST
5. Campbell County - Mound City - April 3, 2007 - 7:00 p.m., CST
6. Sanborn County - Woonsocket - April 12, 2007 - 1:00 p.m., CST
7. Hyde County - Highmore - April 12, 2007 - 6:30 p.m., CST

At all of these public meetings, the SED gave a short presentation on the research and planning that occurred prior to the development of the SED/STC State Plan. Following the presentation, the SED received many written and verbal comments regarding the State Plan, listened to suggestions on possible future action, and answered questions regarding the Plan and its implementation. All written comments, concerns, and suggestions were subsequently provided to the State Committee (STC) at the June 19-20 STC meeting in Huron, South Dakota. With ample opportunity for public input at the seven community meetings, much substantive information was received and reviewed by the SED and the State Committee. Following this review, the SED and State Committee were unanimous in their decision to revise the South Dakota SED/STC Plan.

The revised SED/STC Plan will include consolidation of 4 county offices rather than the 7 originally submitted. In addition, the revised proposal consolidates the farm loan presence in 3 offices rather than the 6 originally submitted.

## South Dakota SED/STC Plan

The following South Dakota County FSA Offices submitted for consolidation in the original plan remain on the closure list in this revised plan:

- (1) Campbell County to be consolidated with Walworth County
- (2) Hyde County to be consolidated with Hand County
- (3) Sanborn County to be consolidated with Jerauld County
- (4) Jackson County to be consolidated with Haakon County

Originally submitted for office consolidation, the following counties are instead recommended for shared management to reduce management positions. The headquarters county is shown in bold.

- (1) Dewey County and **Ziebach** County
- (2) Jones County and **Mellette**/Todd Counties (Todd is consolidated with Mellette)

The following counties originally submitted for farm loan program (FLP) file consolidation remain in the revised plan with their files being relocated as shown:

- (1) Grant County FLP files to Codington County
- (2) Turner County FLP files to McCook County
- (3) Campbell County and Walworth County FLP files to Edmunds County

Originally submitted for farm loan program (FLP) file consolidation, the following county offices will retain their FLP files:

- (1) Mellette County
- (2) Todd County (FLP files in Mellette County and served by Mellette Co. Office)
- (3) Dewey County
- (4) Ziebach County

Continuing changes in the farm loan portfolio could result in future changes to the presence of farm loan program positions and files in all counties in South Dakota.

## South Dakota SED/STC Plan

Changes in this revised plan are documented using the following identifiers. Asterisks will be used to identify significant changes and additions throughout the text and exhibits. Additional verbiage added to the original Plan will be shown between two asterisks, such as \*--and--\*; everything between the two asterisks is new.

Cost savings from sources other than rent/utilities/telephone have been included with the revised plan. While there are considerable cost savings of \$686,432 per year documented in this revised plan, county office consolidation is much more a customer service/employee resource issue than a budgetary issue. The quality and quantity of service that can be offered to producers in all counties is very important. The following issues support the concept of fewer offices with more program technicians per office:

- (1) Complexity of programs requires more employee preparation
- (2) Adequate technician time is needed to service walk-in customers
- (3) Too many managers and not enough technicians
- (4) Some employees are presently required to handle too many programs
- (5) County Offices must have employees available to serve the public when employees take annual leave and sick leave
- (6) In 5 years,  $\frac{1}{4}$  of South Dakota FSA employees are eligible to retire, creating another employee drain. With every retirement FSA loses expertise and enough personnel in each office to adequately serve the public.

Therefore, considering all available information and public input, the SED and STC submit this revised plan for consideration.--\*

## South Dakota SED/STC Plan

In a memo dated January 13, 2006, Farm Service Agency Administrator Teresa Lasseter asked all State Executive Directors to conduct an independent local-led review of the efficiency and effectiveness of FSA offices in their states. To seek input for this review, the State Executive Director (SED) for South Dakota and the State Committee (STC) held several meetings and established a process for the public to provide information by means of email, comments at public meetings, standard mail and use of the telephone. The SD State Committee members and SED Steve Cutler used several methods to seek input from the public as well as the employees of FSA in South Dakota. They included the following:

- (1) An invitation to all SD permanent FSA employees to join the SED for a presentation on the “Future of FSA” in South Dakota. Three meetings were held with South Dakota employees to encourage their participation and comments regarding the structure of FSA. Verbal comments made by employees at these meetings were recorded and provided to the SED/STC Review Panel. **Exhibit 1**
- (2) Establishment of a separate email account for the purpose of receiving comments and suggestions from employees and the public regarding the structure of FSA in South Dakota. **Exhibit 2**
- (3) A press release was sent to all state media, including print, radio and TV announcing that FSA was hosting six “Future of FSA” forums across the state. The press release also included an invitation for comments and suggestions via the newly established email address. **Exhibit 3**
- (4) A media alert was sent to all SD media; including print, radio and TV, inviting them to attend any of the 6 public forums scheduled to gather input for the purpose of preparing a state plan to identify the optimum network of SD FSA staffing and facilities. **Exhibit 4**
- (5) An email message was sent to all SD FSA employees including the SD State Committee to provide them with the press release, media alert and poster to advertise the six forums and to invite them to submit comments to the email address set up specifically for this purpose as shown in item 2 above. **Exhibit 5 Email, Exhibit 6 Poster**
- (6) A personal letter was sent to each County Committee Person and County Committee Advisor with an invitation to join the SED at one of the public Forums. **Exhibit 7**
- (7) An email message was sent to all SD FSA employees including the SD State Committee notifying them that all COC members, including advisors, were sent a letter of notification for the forums and provided with the State Review email address for providing comments and suggestions. **Exhibit 8**

## South Dakota SED/STC Plan

(8) Six public forums were held by the SED that included a power point presentation on the “Future of FSA” in South Dakota. These forums were held at the major county fairs, major agricultural expositions, and the SD State Fair. A frank discussion of possible office consolidations was included in the presentation. Verbal comments made at these meetings were recorded and provided to the SED/STC Review Panel.

(9) The major agricultural organizations in South Dakota were contacted for a personal meeting with the SED to discuss the Future of FSA. Eighteen meetings were held with organizations seeking input on consolidation issues. **Exhibit 9**

(10) A State Newsletter was sent to all South Dakota owners and operators. The newsletter included an invitation to attend any of the public forms and invited comments via email, phone calls, or letters. **Exhibit 10**

(11) The three SD FSA employee organizations were contacted and meetings were held to discuss reorganization and additional issues. Board representatives from SDASCOE, SDACS, and SDASE were all present for these meetings. Methods of providing input to the SED/STC Review Panel were discussed.

(12) Congressional staffers from all three offices (Senator Tim Johnson, Senator John Thune and Representative Stephanie Herseth) were contacted and present for a meeting with the SED. The “Future of FSA” power point was reviewed. Methods of providing input to the SED/STC Review Panel were provided.

(13) State Directors for South Dakota NRCS and Rural Development were invited to the public forums and they did attend.

Over a period of 8 months, comments and suggestions were sent to the SED/STC regarding the Future of FSA. All comments were compiled and documented for future reference by the SED/STC Review Panel.

## South Dakota SED/STC Plan

The SED appointed a review panel consisting of employees from all levels of South Dakota FSA, county committee persons, and the State Committee. **(Exhibit 11)** The SED/STC Review Panel met on November 14-15, 2006 with an extensive agenda. **(Exhibit 12)** Following extensive analysis and discussion, the Review Panel recommended the following criteria be used for county office comparison:

1. FSA workload numbers per county office
2. Road miles between offices
3. Number of producers per county office
4. Administrative costs per county office
5. Number of Farm Loan borrowers per county office

The Review Panel recommended using the following management tools to maximize efficiency using present resources and staffing:

1. Use of temporary staff for emergency county office allocation
2. Temporary detailing of FSA employees from adequately staffed offices to understaffed offices
3. Directed reassignment of employees
4. Use of shared management if feasible
5. Out-sourcing of workload to neighboring counties
6. Farm Loan File consolidation
7. County Office consolidation
8. Employee incentives to relocate
9. Upper management consolidation

The Review Panel reached consensus that South Dakota FSA needed more program technicians and fewer managers to ensure efficiency within the present staffing allocation. The Review Panel acknowledged that the three ways to accomplish this goal were shared management, farm loan file consolidation, and county office consolidation. The panel recommended using a combination of these 3 options depending on the specifics of the counties involved.

The complete Review Panel minutes are included as **Exhibit 13**.

## South Dakota SED/STC Plan

The SED and STC held a meeting on December 13, 2006 to analyze the organizational structure of FSA in South Dakota. Based upon recommendations from the SED/STC Review Panel, the SED and STC selected the following criteria to be used when comparing county offices to determine maximum efficiency of resources.

1. FSA workload numbers. Workload numbers translate into the number of county employees needed in each county to complete the FSA work related to the 2002 Farm Bill.
2. Distance in road miles to the next closest FSA office.
3. Number of producers in each county measured by the “actively engaged determination” at FSA as well as the census data collected by NASS.
4. Statistical point system assigned to each county with 2/3 of importance given to road miles and 1/3 importance given to workload.
5. Statistical point system assigned to each county with 2/3 of importance given to workload and 1/3 importance given to road miles.
6. Statistical point system assigned to each county with 1/2 of importance given to road miles and 1/2 importance given to workload.
7. Statistical point system assigned to each county with 1/4 of importance given to road miles, 1/4 of importance to workload, 1/4 of importance given to census data and 1/4 importance given to FSA “actively engaged” data.
8. County administrative costs.

A spreadsheet was developed to show all the criteria factors in one table. (\*--Corrected--\* **Exhibit 14**) Any county that scored in the bottom 13 counties for any of the criteria is listed in the spreadsheet. Of South Dakota’s 59 county offices, 8 offices scored in the bottom 13 list on 7 or more of the 9 criteria. Of South Dakota’s 59 county offices, 10 offices scored in the bottom 13 list on 5 or more of the 9 criteria. This spreadsheet confirms the statistical consistency of the 10 counties when using the criteria supported by the Review Panel, STC and SED.

### **South Dakota County Office Consolidation Recommendations**

#### **1. Campbell County (Mound City) to Walworth County (Selby)**

- Currently a shared management county with 3 Program Technicians
- Met the criteria on 8 of 9 items in the referenced spreadsheet
- Small workload county
- Only 16 miles to Walworth County Office
- Relatively small number of producers
- Walworth County can absorb the workforce with no additional leasing costs
- Savings from Campbell County is \$18,687.96 per year
- For the Campbell County producers, the new maximum mileage to their nearest remaining FSA office is 28.61 miles. The new average mileage for a Campbell County producer is 19.25 miles
- Selby (Walworth County) is considered the larger trading center.

**2. Hyde County (Highmore) to Hand County (Miller)**

- Currently a shared management county with 2 Program Technicians
- Met the criteria on 7 of 9 items in the referenced spreadsheet
- Smallest workload in the entire State
- Only 23 miles to Hand County Office
- Small number of producers
- Neighboring counties will absorb the workforce with no additional leasing costs
- Savings from Hyde County is \$15,694.64 per year
- For the Hyde County producers, the new maximum mileage to their nearest remaining FSA office is 31.23 miles. The new average mileage is 23.74 miles
- Miller (Hand County) is considered the larger trading center.

**3. Sanborn County (Woonsocket) to Jerauld County (Wessington Springs)**

- Current staff is a CED with 3 Program Technicians
- Met the criteria on \*--7--\* of 9 items in the referenced spreadsheet
- Relatively small workload
- Only 15.9 miles to Jerauld County Office
- Small number of producers
- High administrative costs
- Neighboring counties will absorb the workforce with no additional building costs
- Savings from Sanborn County is \$27,661.00 per year
- For the Sanborn County producers, the new maximum mileage to their nearest remaining FSA office is 23.55 miles. The new average mileage is 17.46 miles.
- \*--Savings of 1 management position is \$70,000 per year.--\*

**4. Jackson County (Kadoka) to Haakon County (Philip)**

- Current staff is a CED with 2 Program Technicians
- Met the criteria in all 9 items in the referenced spreadsheet
- Small workload
- Only 22.0 miles to Haakon County Office
- Small number of producers
- High administrative costs
- Although Haakon County will need some additional space to accommodate the staff, there will still be a savings of \$14,388.80 per year with the consolidation.
- For the Jackson County producers, the new maximum mileage to their nearest remaining FSA office is 37.93 miles. The new average mileage is 24.48 miles.
- \*--Savings of 1 management position is \$70,000 per year.--\*

**\*--South Dakota Shared Management**

The SED and STC agree that Shared Management is not the preferred management arrangement for several reasons. However, in isolated circumstances, it can be a valuable tool. The SED and STC are recommending that shared management be implemented in the following locations:

- (1) **Aurora** County and Douglas County
- (2) **Ziebach** County and Dewey County
- (3) **Mellette**/Todd Counties with Jones County

**Note:** Headquarters County is in bold.

Total savings for the 3 management positions is \$210,000 per year.

With the consolidation of the 4 counties, and using shared management in others, there is considerable savings in real rental costs as well as saving several employee positions. These positions include both management positions and technician positions. The benefits of these consolidations include:

- (1) Total savings in rent and utilities of \$76,432.4 per year.
- (2) South Dakota has potential to save 5 management positions that could be used in the future for technician positions.
- (3) Total savings for the 5 management positions of \$350,000 per year.
- (4) Consolidating offices saves computer software costs of \$20,000 per office for a total savings of \$80,000 per year.
- (5) Additional savings are created with reduced employee travel, fewer maintenance agreements, fewer servers, fewer GSA vehicles, and reduced training costs.
- (6) Existing program technician positions could potentially help staffing problems in 7 neighboring offices.
- (7) The plan will equalize workload among many county office employees and enable employees to specialize in fewer programs offering improved service to producers in these counties.
- (8) Administrative costs per employee per producer decreases to a large extent. Current costs, analyzed for a county employee per producer per day, range from \$0.53 to \$0.11. In all cases of consolidation, these costs are reduced.
- (9) Exhibits - maps that show:
  - Current County Office Structure (**Exhibit 15**)
  - Original Plan Proposed Consolidations (**Exhibit 16**)
  - Original Plan Results after Consolidations (**Exhibit 17**)

**Revised Plan – maps that show:**

- Revised Plan Proposed Consolidations (**Revised Exhibit 16**)
- Revised Plan Results after Consolidations (**Revised Exhibit 17**)--\*

**\*--South Dakota Farm Loan Program (FLP) File Consolidation Recommendations**

Changes in the FLP portfolio will necessitate the consolidation of farm loan files in South Dakota. After public input at the seven community meetings and the SED/STC Review Panel's extensive review of the farm loan workload in each county (**Exhibit 18**), the SED and STC are recommending the following FLP file consolidations in South Dakota.

- (1) Grant County FLP files to Codington County
- (2) Turner County FLP files to McCook County
- (3) Campbell and Walworth County FLP files to Edmunds County

It should be noted that some of the benefits with this FLP file consolidation include:

- (1) Savings of 3 Farm Loan Officer (FLO) positions that could be used for Program Technician (PT) positions.
- (2) Total savings for the 3 management positions of \$180,000 per year.
- (3) A move in the direction of consolidating FLP farm loan files so all locations have a minimum of a Farm Loan Manager (FLM), Farm Loan Officer (FLO) and a Farm Loan Technician.
- (4) A more equalized FLP farm loan workload for many farm loan officers in the state.
- (5) Of the consolidated offices, 3 farm loan technicians could be re-assigned to do farm program work. This is entirely justified by the FLP workload in the counties listed above.
- (6) Exhibits - maps that show:
  - Current SD FLP Structure (**Exhibit 19**)
  - Original Plan Proposed SD FLP Consolidations (**Exhibit 20**)
  - Original Plan Results after SD FLP Consolidations (**Exhibit 21**)

**Revised Plan – maps that show:**

- Revised Plan Proposed SD FLP Consolidations (**Revised Exhibit 20**)
- Revised Plan Results after SD FLP Consolidations (**Revised Exhibit 21**)

**FLP Succession Plans involving CED's with loan approval authority delivering FLP:** FLP currently relies on CED's with loan approval authority to deliver FLP in 9 separate county office locations. Consideration will be given to the continued delivery of FLP in these locations upon the departure of the CED. This will be done on a case by case basis. All factors will be reviewed to determine if the FLP caseload will continue to be serviced in that location and, if so, the necessary personnel will be assigned to effectively deliver FLP. However, priority consideration will be given to maintain a full time FLP presence in the county if all factors involved, including caseload, dictate the need for full time FLP presence.--\*

**Summary**

The decisions listed above for county consolidation, farm loan file consolidation and shared management will position South Dakota for the delivery of the farm bill at the present time and in the near future. Considerable cost savings \*--of \$686,432 per year--\* will occur to the benefit of the American taxpayer without sacrificing prompt and professional administration of farm programs. Indeed, prompt and professional service to South Dakota producers is most important as we move forward in FSA.



United States  
Department of  
Agriculture

Farm Service  
Agency

SD State FSA Office  
Fed. Bldg. Rm 308  
200 4<sup>th</sup> St SW  
Huron, SD 57350

Phone: 605-352-  
1160  
Fax: 605-352-1195

**To:** All SD FSA Permanent Employees

**From:** Steven Cutler  
State Executive Director

**Date:** July 13, 2006

**Subject:** Invitation to Future of FSA All Employee Meetings

All permanent employees that have not already seen my Power Point presentation on the 'Future of FSA' are invited to attend one of three meetings I am hosting the last week in July. I already showed the power point to the District Directors, 2 CEDs and Chiefs at the last DD Conference and to the State Office employees.

**Meeting Information:**

- No per diem or overnight expenses are authorized.
- All meetings will begin at 10:30 am and conclude by noon.
- All permanent employees are invited and encouraged to attend.
- Offices are to remain open using a DD, or a field man, or a sister agency employee to answer phones and direct traffic.
- Offices can post signage listing the time frame they will be out of the office for the meeting.
- Any appointments already scheduled should be rescheduled for a different day.
- Counties are advised not to schedule any appointments during the time expected to be out of the office for their meeting.
- Employees shall car pool and shall travel in a government vehicle where available.

**Note:** The meetings are set up so that all permanent employees can travel to their designated location and back on the same day within an 8/9 hour schedule.

Please see the table on page 2 for meeting dates, locations, and counties scheduled to attend:

Page 2

Memo Subject: Invitation to Future of FSA All Employee Meetings

Counties Attending	Meeting Date and Location
Brule/Buffalo, Campbell, Corson, Dewey, Edmunds, Faulk, Gregory, Hughes/Stanley, Hyde, Jones, Lyman, McPherson, Mellette/Todd, Potter, Sully, Tripp, Walworth, Ziebach	<b>Tuesday, July 25</b> Best Western Ramkota, Pierre 920 West Sioux Amphitheater Room #2
Bennett/Shannon, Butte/Lawrence, Fall River/Custer, Haakon, Harding, Jackson, Meade, Pennington, Perkins	<b>Wednesday, July 26</b> Rushmore Plaza Holiday Inn, Rapid City 505 North 5 <sup>th</sup> St Hammons Room
Aurora, Beadle, Bon Homme, Brookings, Brown, Charles Mix, Clark, Clay, Codington, Davison/Hanson, Day, Deuel, Douglas, Grant, Hamlin, Hand, Hutchinson, Jerauld, Kingsbury, Lake, Lincoln, Marshall, McCook, Miner, Minnehaha, Moody, Roberts, Sanborn, Spink, Turner, Union, Yankton	<b>Thursday, July 27</b> Crossroads Event Center, Huron 100 4 <sup>th</sup> St SW New Ballroom

Please direct attendance questions to Executive Officer Tom Kostel at 352-1170.

**Lindquist, Kathy - Huron, SD**

---

**From:** Lindquist, Kathy - Huron, SD  
**Sent:** Thursday, June 08, 2006 3:10 PM  
**To:** Decker, Corey - Huron, SD  
**Cc:** Cutler, Steven - Huron, SD  
**Subject:** RA and DLs Request Formfor State Review email address.doc  
**Attachments:** RA and DLs Request Formfor State Review email address.doc

Corey:

Attached is the form you provided me with to request the new email account.

My plan is to post the email address to our SD FSA Website and also provide the email address at the various meetings and forums Mr. Cutler is hosting to gather input, comments and suggestions he will review before preparing the SD plan.

My vision is that the email address will be: [state\\_review@sd.usda.gov](mailto:state_review@sd.usda.gov) and that both Steve Cutler and myself (Kathy Lindquist) would have access to the emails that are sent to that address.

Please let me know if I didn't complete the form properly or if there is anything else I need to do.

How long will this take to set up?

Thank you.

Kathy Lindquist  
SD State FSA Office  
Public Affairs Specialist

NEWS- Farm Service Agency  
Public Affairs Staff  
Rm 308  
200 4<sup>th</sup> St SW Fed Bldg  
Huron, SD 57350

Release 2006.12

For immediate release

Kathy Lindquist (605) 352-1163  
[kathy.lindquist@sd.usda.gov](mailto:kathy.lindquist@sd.usda.gov)

### **SD Farm Service Agency Hosting Six “Future of FSA” Forums**

HURON, SD, August 1, 2006 – Farm Service Agency State Executive Director Steve Cutler announced today that he will host six “Future of FSA” public forums during the month of August. Producers, Farm Organizations, Commodity Groups, Policy Makers, and Community Leaders are all invited to attend.

Each state is required to prepare a State Plan to identify the optimum network of FSA office staffing and facilities. Public comments and suggestions gathered at the forums, submitted over the internet, and in writing, will all be considered when the Review Team begins developing the State Plan.

Cutler said, “These forums will give all stakeholders an opportunity to join me in a candid, thorough, and realistic review of the SD Farm Service Agency delivery system. FSA must prepare for the future in this era of diminishing resources. Declining staffing levels, shrinking budget allocations and increasing program responsibilities are challenges we must deal with today.”

The forums are being held at various fairs taking place across the state. They include:

<b>Date</b>	<b>Event</b>	<b>Forum Location</b>	<b>Time</b>
August 9	Sioux Empire Fair, Sioux Falls, SD	Front Porch	12:30 – 1:30 pm
August 15	Turner County Fair, Parker, SD	Freedom Stage	3:00 – 4:00 pm
August 16	Dakotafest, Mitchell, SD	Forum Tent	3:00 – 4:00 pm
August 17	Brown County Fair, Aberdeen, SD	Kesslers Tent	1:15 – 2:15 pm
August 22	Central States Fair, Rapid City, SD	Sale Ring	11:00 am - noon
August 31	SD State Fair, Huron, SD	Dakotaland Stage	3:00 – 4:30 pm

SED Cutler will give an overview of the SD FSA as it operates today and ask for comments and suggestions from the attendees. Interested parties can also provide comments to the email address of: [sdstate.review@sd.usda.gov](mailto:sdstate.review@sd.usda.gov).

#

For more information contact: SED, Steve Cutler 605-352-1160 or online at: [www.fsa.usda.gov/sd/](http://www.fsa.usda.gov/sd/)

USDA is an equal opportunity provider and employer.



**United States Department of Agriculture  
SD State Farm Service Agency  
Steve Cutler, State Executive Director**

200 4<sup>th</sup> St SW, Federal Building •Room 308•Huron, SD 57350  
(605) 352-1160•Fax: (605) 352-1195  
Email: [steven.cutler@sd.usda.gov](mailto:steven.cutler@sd.usda.gov)

**Contact:** Kathy Lindquist, (605) 352-1163

Email: [kathy.lindquist@sd.usda.gov](mailto:kathy.lindquist@sd.usda.gov)

## **Media Alert – Future of FSA Forums being hosted by SED Steve Cutler**

July 24, 2006 - Farm Service Agency State Executive Director Steve Cutler is hosting six 'Future of FSA Forums' during the month of August. **All media is invited to attend.**

The forums are an opportunity for the public and all interested parties to provide comments and recommendations to Farm Service Agency SED Cutler. FSA must prepare for the future in this era of diminishing resources and gathering input from the public is an important part of the process.

Public comments and suggestions gathered at the forums, submitted over the internet, and in writing, will all be considered when the Review Team begins developing the State Plan.

Following are the forum dates, locations and time frames. The attached PDF file is an event poster.

<b>Date</b>	<b>Location</b>	<b>Time</b>
August 9	Sioux Empire Fair, Sioux Falls, SD, Front Porch	12:30 – 1:30 pm
August 15	Turner County Fair, Parker, SD, Freedom Stage	3:00 – 4:00 pm
August 16	Dakotafest, Mitchell, SD, Forum Tent	3:00 – 4:00 pm
August 17	Brown County Fair, Aberdeen, SD, Kesslers Tent	1:15 – 2:15 pm
August 22	Central States Fair, Rapid City, SD, Sale Ring	11:00 am - noon
August 31	SD State Fair, Huron, SD, Dakotaland Stage	3:00 – 4:30 pm

If you have any questions regarding the events contact Kathy Lindquist at 605-352-1163.

**Lindquist, Kathy - Huron, SD**

---

**From:** Lindquist, Kathy - Huron, SD  
**Sent:** Tuesday, August 01, 2006 9:38 AM  
**To:** All FSA Employees  
**Cc:** Dennis Batteen (batteen@nvc.net); John C Gross (sdgross@rapidnet.com); Marietta Lakness; Stanley Porch (Sporch@gwtc.net); Tom Olsen (tolsen@venturecomm.net)  
**Subject:** PI #55 Press Release, Future of FSA Forums  
**Attachments:** SD FSA Forums.doc; Media Alert.doc; State Meeting Dates Flyer.pdf

PI Message 2006.55

To: All Employees  
Date: 8-1-06  
Subject: SD FSA Press Release- SD Farm Service Agency Hosting Six "Future of FSA" Forums

The attached press release and media alert was provided to state media today and posted to our SD FSA website.

Also attached is a poster which counties can print and post at appropriate locations within the counties to publicize the forums.

At these events, SED Cutler will be going through the same information he shared with employees at the meetings last week held in Pierre, Rapid City and Huron. Employees can attend these meetings at their own expense and on their own time. We are also in the process of preparing a State Office Newsletter that will be sent to all producers with information on the forums. This newsletter will be prepared and printed by the State Office with no county office action required. A final copy will be provided to all counties. SED Cutler is also sending a notification letter to all County Committee Members and Advisors. Their letter will include the forum schedule and invite them to attend on their own time and expense.

As provided at the employee meetings, you are invited to submit comments to the email address of: [sdstate.review@sd.usda.gov](mailto:sdstate.review@sd.usda.gov).

Thank you.

**Kathy Lindquist**  
**Public Affairs Specialist, and**  
**SD eGov Coordinator**  
**USDA-Farm Service Agency**  
**SD State FSA Office**  
**605-352-1163**  
**email: [kathy.lindquist@sd.usda.gov](mailto:kathy.lindquist@sd.usda.gov)**



# Future of FSA Forums

**Attention: Producers, Farm Organizations,  
 Commodity Groups, Policy Makers,  
 and Community Leaders!**

South Dakota **Farm Service Agency** (FSA) State Executive Director **Steve Cutler** is holding public forums to gather input for the purpose of preparing a State Plan to identify the optimum network of SD FSA staffing and facilities. FSA must prepare for the future in this era of diminishing resources.

You are invited to attend the forums and provide comments and recommendations. This is an opportunity for the public to express their expectations on the structure of FSA Offices.

Recommendations can also be sent by:  
 Regular mail to:  
 Atten: State Review  
 SD State FSA Office  
 Rm 308, Fed. Bldg  
 200 4<sup>th</sup> St SW  
 Huron, SD 57350  
 E-mail to: [sdstate.review@sd.usda.gov](mailto:sdstate.review@sd.usda.gov)

**August 9**  
 12:30 – 1:30 p.m.  
**Sioux Falls**  
**Sioux Empire Fair**  
 On the Front Porch

**August 15**  
 3:00 – 4:00 p.m.  
**Parker**  
**Turner County Fair**  
 Open Class Ex. Hall

**August 16**  
 3:00 – 4:00 p.m.  
**Mitchell**  
**Dakotafest**  
 Forum Tent

**August 17**  
 1:15 – 2:15 p.m.  
**Aberdeen**  
**Brown County Fair**  
 Kesslers Tent

**August 22**  
 11:00 a.m. - Noon  
**Rapid City**  
**Central States Fair**  
 Sale Ring

**August 31**  
 3:00 – 4:30 p.m.  
**Huron**  
**SD State Fair**  
 Dakotaland Stage



United States  
Department of  
Agriculture

Farm Service  
Agency

South Dakota State  
FSA Office  
200 4<sup>th</sup> St SW,  
Fed. Bldg. Rm 308  
Huron, SD 57350

Phone: 605-352-1160  
Fax: 605-352-1195  
[www.fsa.usda.gov/sd/](http://www.fsa.usda.gov/sd/)  
steven.cutler@sd.usda.  
gov

August 2, 2006

«AddressBlock»

Dear «F3» «F1»:

I am hosting public forums to gather input for the purpose of preparing a State Plan to identify the optimum network of SD FSA staffing and facilities. I am also sending a State Office Newsletter to all SD farmers and ranchers this week. This newsletter includes information on the six forums.

The enclosed flyer lists the date, time and location information for each of the six forums. I provided all offices with this flyer and asked them to post the flyers in the community.

I invite you and your neighbors to attend one of the forums as your schedule permits. No per diem or travel is authorized. I will be sharing some of the same information that I shared with all FSA employees at the meetings I held last week in Pierre, Rapid City and Huron.

If you cannot attend any of the forums, you can provide comments by:

**E-mail to:** [sdstate.review@sd.usda.gov](mailto:sdstate.review@sd.usda.gov) , or

**Regular mail to:**

Attn: State Review  
SD State FSA Office,  
Rm 308 Fed. Bldg  
200 4<sup>th</sup> St SW  
Huron, SD 57350

This is an opportunity for you and your fellow farmers and ranchers to get an update on FSA operations and then to respond with comments or suggestions.

I look forward to seeing you at one of the forums.

Sincerely,

Steven K Cutler  
State Executive Director

**Lindquist, Kathy - Huron, SD**

---

**From:** Lindquist, Kathy - Huron, SD  
**Sent:** Monday, August 07, 2006 2:51 PM  
**To:** 'All FSA Employees'  
**Cc:** Dennis Batteen (batteen@nvc.net); John C Gross (sdgross@rapidnet.com); Marietta Lakness; Stanley Porch (Sporch@gwtc.net); Tom Olsen (tolsen@venturecomm.net)  
**Subject:** PI #57 Future of FSA STO Newsletter & COC Letter  
**Attachments:** COC Invitationb.pdf

PI Message 2006.57

To: All Employees  
Date: 8-7-06  
Subject: Future of FSA STO Newsletter and COC Letter

The attached letter was sent to all COC members including advisors. The State Office Newsletter was sent to all owners, operators and facilities and is posted on the [SD FSA web](#).

As SED Cutler indicated at the employees meetings held in Pierre, Rapid City and Huron; COC members are invited to attend the "Future of FSA Forums" but will not be paid salary, per diem or travel. \*\*\*PI #55 included employee attendance information.

**Kathy Lindquist**  
**Public Affairs Specialist, and**  
**SD eGov Coordinator**  
**USDA-Farm Service Agency**  
**SD State FSA Office**  
**605-352-1163**  
**email: [kathy.lindquist@sd.usda.gov](mailto:kathy.lindquist@sd.usda.gov)**

Organization	Meeting Date	Day	Time	Location
SD Dairy Assoc.				No Response
SD Ethanol Industry	N/A			Responded with No
SD Pork Producers				No Response
Ag Unity 2006 - Native Americans	June 13	Tues	1:00 pm	Holiday Inn, Spearfish, All 9 Native American Reservations invited
SD Ag Bankers Assoc.	June 15	Thurs	1:00 pm	Deadwood Gulch Resort
SD Farm Bureau	June 22	Thurs	Noon	Chamberlain, Luncheon at Cedar Shore Resort
SD Wheat Growers Assoc.	June 29	Thurs	1:00 pm	Pierre
KSFY & Governors Office Panel on Drought/Disaster	July 24	Mon	7-8 pm	Highmore Sale Barn, Mark Johnston of Governor's office contacted SED
Future of FSA for FSA Employees	July 25	Tues	10:30 - noon	Ramkota in Pierre
Future of FSA for FSA Employees	July 26	Wed	10:30 - noon	Rushmore Holiday Inn Plaza in Rapid City
Future of FSA for FSA Employees	July 27	Thurs	10:30 - noon	Crossroads Hotel & Convention Center in Huron
Herseth & Rep. Jerry Moran (R-KS) Farm Bill Hearing	July 31	Mon	9:30 am	Wall High school Auditorium 401 South Boulevard West
Governors Drought Panel	July 31	Mon	7:30 pm	Mobridge, Governor, SED, and Sec. Gabriel
SD FFA	Aug 08	Tues	2:00 pm	State Conference of Ag, Brookings
Sioux Empire Fair	Aug 09	Wed	11:00 am	Ag Appreciation Day & Capital for a Day
SD Farmers Union	Aug 10	Thurs	10:00 am	FU Bldg in Huron
SD Corn Growers	Aug 11	Fri	1:00 pm	Sioux Falls, 5109 S. Crossing Place, Ste 1 Contact person: Katrina
Turner County Fair Parker, SD	Aug 15	Tues	3:00-4:15 pm	Open Class Exhibit Hall Contact: Larry Kindopp
Dakotafest, Mitchell	Aug 16	Wed	3:00 pm	Forum Tent
Brown County Fair	Aug 17	Thurs	1:15 to 2:30 pm	Brown County Fair Kesslers South Tent
Central States Fair	Aug 22	Tues	11:30 am	Arena (Outdoor Arena following sale)
SD Cattlemen's Assoc.	Aug 28	Mon	3:00 pm.	Pierre, Matthews Training Center, same as DENR, meeting begins at 1:00 pm
SD State Fair	Aug 31	Thurs	3:00 pm	Value Added Day (Follows Dairy)
SD Soybean Growers	Sept 12	Tues	1:30 pm	Board Meeting in Sioux Falls, Ramkota
SD Stockgrowers	Sept 14	Thurs	11:15 am	Spearfish, Holiday Inn, Willow Room
SD Assoc of Conservation Districts	Sept. 18	Mon	1:10 pm	(Angela Ehlers) Fall Meeting, Sept. 17-19, Pierre-Ramkota, Mon. Sept. 18
SD Congressionals	Sept. 25	Mon	2:00 pm	At Johnson's Sioux Falls Office, others can video conference in.
Tribal Relations Committee for Standing Rock Sioux and Cheyenne River Sioux Tribes	Sept. 27	Wed	2:00 pm	Pierre
SD Ag Unity	Sept. 28	Thurs	10:00 pm	Pierre (Rescheduled from August 29)
SD Assoc. of County Supervisors	Sept. 28	Thurs	3:00 pm	SDACS and SDASE employees
SDASCOE	Sept. 29	Fri	7:00 pm	SDASCOE-Fall Board Meeting, Mobridge
SD Ag Statistics Service, Carter Anderson	Oct. 19	Thurs	6:00 pm	Annual meeting of phone enumerators.



United States Department of Agriculture

# FSA State Office News

**SD State FSA Office**

Federal Building  
Room 308  
200 4<sup>th</sup> St SW  
Huron, SD 57350

**Phone:** 605-352-1160

**Fax:** 605-352-1195

[www.fsa.usda.gov/sd](http://www.fsa.usda.gov/sd)

**State Executive Director**

Steven K. Cutler  
steven.cutler@sd.usda.gov

**State Committee**

Dennis Batteen-Chairman  
John Gross  
Marietta Lakness  
Tom Olsen  
Stanley Porch

**State Executive Director (SED)  
Hosting Public Forums**

SED Steve Cutler is hosting public forums to gather input for the purpose of preparing a State Plan to identify the optimum network of SD FSA staffing and facilities.

FSA must prepare for the future in this era of diminishing resources.

You are invited to attend the forums and provide comments and recommendations. This is an opportunity for everyone to express their expectations on the structure of FSA Offices.

**Recommendations may also be sent by:**

**Regular mail to:**

Atten: State Review  
SD State FSA Office  
Rm 308 Fed Bldg  
200 4<sup>th</sup> St SW  
Huron, SD 57350

**E-mail to:**

[sdstate.review@sd.usda.gov](mailto:sdstate.review@sd.usda.gov)

Public comments and suggestions gathered at the forums, submitted over the internet and in writing, will all be considered when the Review Team begins developing the State Plan that will outline the Future of FSA in South Dakota.

<p><b>August 9</b> 12:30 – 1:30 p.m. <b>Sioux Falls</b> Sioux Empire Fair On the Front Porch</p>
<p><b>August 15</b> 3:00 – 4:00 p.m. <b>Parker</b> Turner County Fair Open Class Exhibit Hall</p>
<p><b>August 16</b> 3:00 – 4:00 p.m. <b>Mitchell</b> Dakotafest Forum Tent</p>
<p><b>August 17</b> 1:15 – 2:15 p.m. <b>Aberdeen</b> Brown County Fair Kesslers Tent</p>
<p><b>August 22</b> 11:00 a.m. – Noon <b>Rapid City</b> Central States Fair Sale Ring</p>
<p><b>August 31</b> 3:00 – 4:30 p.m. <b>Huron</b> SD State Fair Dakotaland Stage</p>



## Producers Offered Opportunity to Select Administrative County

Producers who feel they have been inconvenienced because of reduced office staff may request a transfer of their farm program records to a contiguous county office. This option to transfer farm program records is being offered to ensure that SD farmers and ranchers are not adversely affected if they are currently doing business in an understaffed office. All applications for transfer of files will be acted on by the State FSA Committee.

Producers interested in this option must complete and submit form FSA-179, Transfer of Farm Records Between Counties, directly to the South Dakota State FSA Office at: Room 308, 200 4<sup>th</sup> St SW, Huron, SD 57350. The form is available at any county office, at the State Office in Huron and on the internet. All land owners and operators involved in the farm must sign the FSA-179 transfer application.

## End-of-Year Reviews for Payment Limitation and Payment Eligibility

End-of-Year Reviews are conducted annually to verify that farming operations were carried out as represented on the CCC-502 Farm Operating Plan when the initial eligibility determinations were made.

If your operation is selected for review, you will be required to provide information to substantiate specific contributions of capital, equipment, land, labor and management. These contributions are reviewed and evaluated to determine if they meet requirements for "actively engaged in farming" and "cash-rent tenant" provisions of payment limitation. Failure to meet these requirements requires refund of program benefits that are subject to payment limitation provisions for the program year(s) for which the determination is made.

## Direct and Counter-Cyclical Program (DCP) Payments

**Counter-cyclical (CC) payments** are calculated by taking the target price for a crop minus the effective price. The final 2005 CC payment rates for wheat and oats are zero because their effective price exceeds their respective target prices. Offices are now authorized to make the final CC payments for barley of \$.025 per bushel.

The CC payments for Corn, Grain Sorghum and Soybeans will be calculated following the 2005 marketing year that ends August 31, 2006. If a final 2005

CC payment is earned for these crops, payments will be issued in October.

The advance CC payments for the 2006 crop can be issued in October. The first advance issued in October will be 35 percent of the calculated CC rate. A second advance could be issued in February.

**Direct payments** are made to eligible producers on farms with approved DCP contracts. The payment rates are set for each year and are multiplied by the established yield times 85%. The **2007** payment rates are:

Crop	Direct Rate
Wheat (bu)	\$0.52
Barley (bu)	\$0.24
Oats (bu)	\$0.024
Corn (bu)	\$0.28
Grain Sorghum (bu)	\$0.35
Other Oilseeds (lb)	\$0.008
Soybeans (bu)	\$0.44

Starting December 1, 2006, counties can issue advance direct payments for the 2007 DCP program. Producers select the month they want to receive the 22% advance.

## Emergency Conservation Program (ECP)

Several South Dakota counties are experiencing severe drought conditions for the 5<sup>th</sup> year in a row. As of August 1, 2006, there are 31 counties approved for the program and 6 counties pending approval from the National Office.

Approved Counties are: Bennett, Brule, Buffalo, Campbell, Corson, Dewey, Edmunds, Fall River, Faulk, Haakon, Hand, Harding, Hughes, Hyde, Jackson, Jerauld, Jones, McPherson, Meade, Mellette, Pennington, Perkins, Potter, Sanborn, Shannon, Stanley, Sully, Todd, Walworth and Ziebach

Pending approval are: Aurora, Beadle, Davison, Douglas, Hanson and Lyman,

Over 5 million dollars have been requested. South Dakota was allocated \$1.9 million, which was sent to 23 counties.

## Emergency Haying and Grazing of CRP Acres

As of August 1, 2006, forty (40) South Dakota counties have been approved for 2006 Emergency Haying/Grazing of CRP acres. Those counties are Aurora, Beadle, Brown(partial), Brule, Buffalo, Butte,

Campbell, Clark, Codington, Corson, Davison, Dewey, Douglas, Edmunds, Faulk, Gregory, Haakon, Hamlin, Hand, Hughes, Hyde, Jackson, Jerauld, Jones, Kingsbury, Lyman, McPherson, Meade, Mellette, Miner, Pennington, Perkins, Potter, Sanborn, Spink, Stanley, Sully, Tripp, Walworth and Ziebach. A link to the current counties released for emergency haying and grazing can be found on the SD FSA Homepage at [www.fsa.usda.gov/sd](http://www.fsa.usda.gov/sd).

To emergency hay or graze on CRP, participants must:

- request approval from the local County FSA Office to hay or graze eligible acres
- obtain a modified conservation plan which includes haying or grazing requirements
- leave at least 25% of each field or contiguous field ungrazed for wildlife or graze at not more than 75% of the stocking rate
- leave at least 50% of each field or contiguous field unhayed for wildlife
- be assessed a 10% payment reduction based on the number of acres actually hayed or grazed, times the rental payment.

## Hay and Feed Finder Resources

Two websites linked on the SD FSA Homepage at [www.fsa.usda.gov/sd](http://www.fsa.usda.gov/sd) provide a way for producers to list hay/feed available to others and to search for hay/feed for themselves.

1. **SDSU's Feed Finder** is located at <http://feedfinder.sdstate.edu:8080/>. Producers without computer access should contact their local Extension Agent for assistance.
2. **USDA/FSA Have Hay** is located at <http://www.fsa.usda.gov/haynet/>. FSA employees can assist producers who do not have computer access.

## What is NAP?

The Noninsured Crop Disaster Assistance Program (NAP) is a federally funded program that helps producers reduce their risk when growing food and fiber crops, specialty crops and crops for livestock feed. Benefits are only available for crops for which the catastrophic level of crop insurance is not available. NAP offers:

- risk protection during the time when your crops are most vulnerable
- individualized risk protection based on your ability to produce the crop
- guaranteed benefits when catastrophic loss occurs due to natural disaster, at minimal cost

- opportunity for reduced risk when diversifying your farming operation
- disaster relief that does not require special legislation or funding
- up to \$100,000 in benefits per crop year for each participating "person."

## Reporting Losses for NAP Benefits

To report a loss you must notify your local FSA office by completing Part B, Notice of Loss, on Form CCC-576, Application for Payment. This notice must be made within 15 calendar days of the:

- natural disaster occurrence, or
- final planting date, if prevented from planting due to natural disaster, or
- date of damage to crop or loss of production becomes apparent to you, or
- normal harvest date.

FSA will send a certified loss adjuster to inspect the crop. FSA must inspect the damage before any other use is made of the land; such as destroying and replanting or grazing.

## Beneficial Interest Clarified

The FSA national office clarified its policy on open storage. Producers who deliver and place grain in open storage to a Commodity Credit Corporation approved, federally or state-licensed warehouse must be able to receive a negotiable warehouse receipt or other form of acceptable production evidence, if requested.

Contact your local county office for more information.

## FSA Emergency Loans Available in Disaster Designated Counties

Farmers and ranchers in both primary and contiguous counties are eligible to be considered for low interest emergency loans at 3.75% interest through the FSA provided eligibility requirements are met.

Applicants have eight months after the designation to apply for Emergency Loans and must own or operate land in a designated county, be an established family farm operation, have suffered at least a 30% loss in crop production or a physical loss to livestock. Applicants must have an acceptable credit history, be unable to obtain credit from commercial sources and have security and repayment ability for the proposed loan.

Contact your local FSA office for county specific disaster designation and program information.

## **County Committee (COC) Election Update**

The period to nominate candidates for the upcoming county committee election closed Tuesday, August 1. County committee elections give farmers and ranchers an important opportunity to ensure that their FSA county committees represent them.

Farmers and ranchers serving on local COC's make decisions on agricultural issues such as commodity price support loans and payments, conservation programs, disaster payments and employing county executive directors.

- Nov 3, Ballots mailed to eligible voters
- Dec 4, Last day to return voted ballots
- Jan 1, 2007, Newly elected COC members take office.

More COC Election information online at:

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

<b>Dates to Remember</b>	
August 1	Deadline to submit COC nomination forms
August 1	Final date to request farm reconstitution for current fiscal year
Sept. 4	Labor Day - Federal Holiday. All FSA offices closed
Sept. 30	Final date for 2006 DCP contract revisions
Oct. 2006	Final '05 Counter-Cyclical Final '06 Direct Advance '06 Counter-Cyclical
Nov. 3	County committee election ballots mailed
Dec. 2006	Advance '07 Direct Payment
Dec. 4	Last day to return voted ballots in COC election

**Visit Our Web site at:**

<http://www.fsa.usda.gov/sd>



The U.S. Department of Agriculture (USDA) prohibits discrimination in all its program and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (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 to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

## SED/STC REVIEW PANEL

Meeting Location: Chamberlain, SD  
 Meeting Date: November 14-15, 2006

The following persons are members of the 2006 SED/STC Review Panel:

	<b>Name</b>	<b>Title, Location</b>
1.	Steve Cutler	SED
2.	Dennis Batteen	STC Chairman
3.	Tom Olsen	STC
4.	Marietta Lakness	STC
5.	John Gross	STC
6.	Stanley Porch	STC
7.	Tom Kostel	EO, STO
8.	Kathy Lindquist	PAS, STO
9.	Arnie Claeys	FLC, STO
10.	Kevin Steckelberg	DD, Yankton
11.	Mark Taylor	DD, Pierre
12.	Joe Schultz	CED, Charles Mix County
13.	Joe Knippling	CED, Moody County
14.	Mark Stearns	FLM, Lake County
15.	Scott Nielsen	FLM, Butte/Lawrence County
16.	Mary Held	FLO, Brookings County
17.	Christie Borgers	PT, Miner County
18.	Arla Kopren	PT, Perkins County
19.	Deb Krull	PT, Hughes/Stanley County
20.	Sara Holland	PT, Marshall County
21.	Barbara Weidenbach	PT, Hutchinson County
22.	Steve Graber	COC, Turner County
23.	Arlan Hagen	COC, Lincoln County

Also Attending: Deb Olerud, SED Secretary

**Key:**

SED-State Executive Director  
 STC-State Committee  
 STO-State Office  
 EO-Executive Officer  
 PAS-Public Affairs Specialist  
 FLC-Farm Loan Program Chief  
 DD-District Director  
 CED-County Executive Director  
 FLM-Farm Loan Manager  
 FLO-Farm Loan Officer  
 PT-Program Technician  
 COC-County Committee

**AGENDA**  
**SED/STC REVIEW PANEL**  
**November 14-15, 2006**

**Tuesday, November 14, 2006**

1:00 – 1:15 SED welcome and introductions  
1:15 – 1:30 SED opening comments, setting parameters, reaching consensus  
1:30 – 1:45 STC welcome and opening comments, Dennis Batteen-Chairman  
1:45 – 2:30 SED “Future of FSA Presentation”

**2:30 – 2:45 BREAK**

2:45 – 3:45 Background Information

- Administrator’s Direction, FSA and NRCS
- DAFO Ceiling Memo 2003/2004/2007
- SED Presentation Schedule through 2006
- News Articles and Letters to Review Panel
- Public Comments from Producers, Employees and others
- General Information about FSA

**3:45 – 4:00 BREAK**

4:00 – 4:30 Review Panel Brainstorming-Criteria to Consider  
4:30 – 5:30 Specific County FSA Information

- Farm Loan Statistics
- Farm Program Statistics

**Wednesday, November 15, 2006**

7:30 – 8:30 Further Discussion on Farm Loan and Farm Program Statistics  
8:30 – 9:00 Management Problems Created by Budget/Staffing Shortages

**9:00 – 9:15 BREAK**

9:15 – 10:00 Management Options and Solutions – Short Term

- Present Tools Being Used
- Review Panel Suggestions

10:00 – 11:00 Management Options and Solutions – Long Term

- Review Panel Suggestions

**11:00 – 11:15 BREAK**

11:15 – 12:00 Summary

**SED/STC REVIEW PANEL MEETING MINUTES**

November 14-15, 2006  
Chamberlain, South Dakota

Steve Cutler, SED, convened a meeting of the SED/STC Review Panel at 1:00 PM on November 14, 2006 at the Comfort Inn in Chamberlain, South Dakota. All members of the Review Panel were present. Attachment A is a list of the members. SED Cutler opened the meeting with a welcome and introductions of all members. SED opening comments included the objectives and goals of the Review Panel. The goal is to establish criteria for an equitable comparison of county workload and county attributes, and to establish consensus on strategies and suggested management tools recommended for future use by the SED and State Committee. All present agreed that FSA needs to maintain a high degree of professionalism with continued great service to the producers of South Dakota.

Dennis Batteen, STC Chairman, welcomed the Review Panel members and thanked them for their service on this committee. Chairman Batteen explained that the STC was seeking input and recommendation on strategies to efficiently utilize available resources in FSA.

In preparation for the process of preparing a state plan, SED Cutler prepared a power point presentation that was given publicly at several county fairs, the State Fair, Dakota Fest, and major commodity organization meetings during the months of June through October. These presentations provided stakeholders with an opportunity for input. All input gathered as a result of these presentations was provided to all panel members in a manual with additional background information. This power point presentation was reviewed with the panel members and included general FSA information on programs, resources, budget limitations and currently used management tools.

Each panel member received a manual with background information. Along with the SED power point presentation, additional background information included memos from FSA Administrator Teresa Lassiter and former NRCS Chief Bruce Knight. Other information included South Dakota staff ceiling memos, newspaper articles on office consolidation, public comments regarding the power point presentation, and FSA employee comments regarding the power point presentation. All comments received by the State Office concerning the public appearances by the SED and/or the power point presentation, were given to the Review Panel. These comments were received via e-mails, letters, and phone calls.

After the background information was discussed, the Review Panel held a "brainstorming session" to discuss criteria that could be considered to equitably compare county workload and available resources. By common consent, the Review Panel agreed that the following criteria be used as a resource for county office comparisons:

## SED/STC Review Panel Minutes Continued

1. Three-year average of FSA workload numbers showing employees needed per office.
2. Road miles between offices as well as geography issues.
3. Number of producers per county measured by the following methods.
  - a. Number of actively engaged producers
  - b. Number of farms
  - c. Number of producers using NASS census data
  - d. Number of DCP contracts
4. Administrative Costs per county.
5. Number of FLP borrowers per county weighted according to the complexity of the types of loans.

Additional recommendations from the panel included the following considerations.

1. Individual staff capabilities.
2. Work that could be out-sourced to another county office such as:
  - a. Administrative duties
  - b. Travel authorizations and reimbursement
  - c. GIS responsibilities
  - d. FSA programs fully available on the WEB.
3. Possibility of splitting counties along recognizable boundaries for service in neighboring counties.
4. Re-assignment of producers to neighboring counties.
5. More producer education needed on the number of county office visits actually needed to complete FSA business.
6. Potential of closing county offices to the public during designated or announced hours or days.

Farm Loan Chief, Arnie Claeys, presented farm loan statistical information showing farm loan workload in each county office. Farm loan information presented to the Review Panel included:

1. FLP staff in each county office
2. Number of farm loan officers in each county office
3. Number of direct borrowers in each county office
4. Number of guaranteed borrowers in each county office
5. Number of new loan applications (3 year average)
6. Composite score for each county office weighted for complexity

The Review Panel held a second “brainstorming session” to consider all possible management tools available to maximize efficiency using present resources and staffing. Management options that were considered included:

1. Use of temporary staffing positions for emergency county office allocation.
2. Temporary detailing of county office employees from adequately staffed offices to understaffed offices.

## SED/STC Review Panel Minutes Continued

3. Directed reassignment of employee duty station from one county office to another.
4. Use of shared management (1 CED, more than 1 county office) where feasible considering workload and distance. Grow into this through attrition.
5. Out-sourcing of employee workload to neighboring counties if possible.
6. Farm loan file consolidation to fewer county offices.
7. Satellite Offices. (Offices without permanent staff that are open for business 1 day/week using neighboring county employees who would travel to the satellite office.)
8. Closing of the county office to the public during designated days/week or hours/day to allow employees to “catch up” on their work.
9. Reduced flexibility for FSA employees. (No maxi-flex or compressed days.)
10. County Office consolidation.
11. Employee incentives to re-locate such as cash bonus and/or moving costs.
12. Upper management consolidation such as DDs, CORs, and STO personnel.

Of these 12 management tools, the Review Panel chose NOT to recommend item number 7 (Satellite Offices), item number 8 (Closing of county office on some days), and item number 9 (Reduced flexibility for employees). All other management tools were recommended for possible use by the SED/STC.

The Review Panel had a lengthy discussion on how county office consolidation and farm loan file consolidation affects FSA employees with respect to the following questions:

1. What employee positions are assigned to another county office?
2. What employees are expected to relocate?
3. Do any employees lose their jobs?
4. Do any employee position descriptions change?
5. Do displaced managers have re-employment rights?

The Review Panel reached a consensus that South Dakota FSA needs more program technicians and fewer managers to ensure efficiency within the present staffing allocation. The Review Panel acknowledged that the three ways to accomplish this goal are (1) shared management, (2) farm loan file consolidation, and (3) county office consolidation. The panel recommended using a combination of these 3 options depending on the specifics of the counties involved.

The Review Panel concluded at 11:30 a.m. on November 15, 2006.

Steven K. Cutler, SED  
SD State FSA Office

## SED/STC Review Panel Minutes Continued

### Attachment A

#### SED/STC REVIEW PANEL

The following persons are members of the 2006 SED/STC Review Panel:

1. Steve Cutler, SED, STO
2. Dennis Batteen, STC
3. Tom Olsen, STC
4. Marietta Lakness, STC
5. John Gross, STC
6. Stanley Porph, STC
7. Tom Kostel, EO, STO
8. Kathy Lindquist, PAS, STO
9. Arnie Claeys, FLC, STO
10. Kevin Steckelberg, DD
11. Mark Taylor, DD
12. Joe Schultz, CED, Charles Mix Co.
13. Joe Knippling, CED, Moody Co.
14. Mark Stearns, FLM, Lake Co.
15. Scott Nielsen, FLM, Butte/Lawrence Co.
16. Mary Held, FLO, Brookings Co.
17. Christi Borgers, PT, Miner Co.
18. Arla Kopren, PT, Perkins Co.
19. Deb Krull, PT, Hughes/Stanley Co.
20. Sara Holland, PT, Marshall Co.
21. Barb Weidenbach, PT, Hutchinson Co.
22. Steve Graber, Turner Co. Committee
23. Arlan Hagen, Lincoln Co. Committee



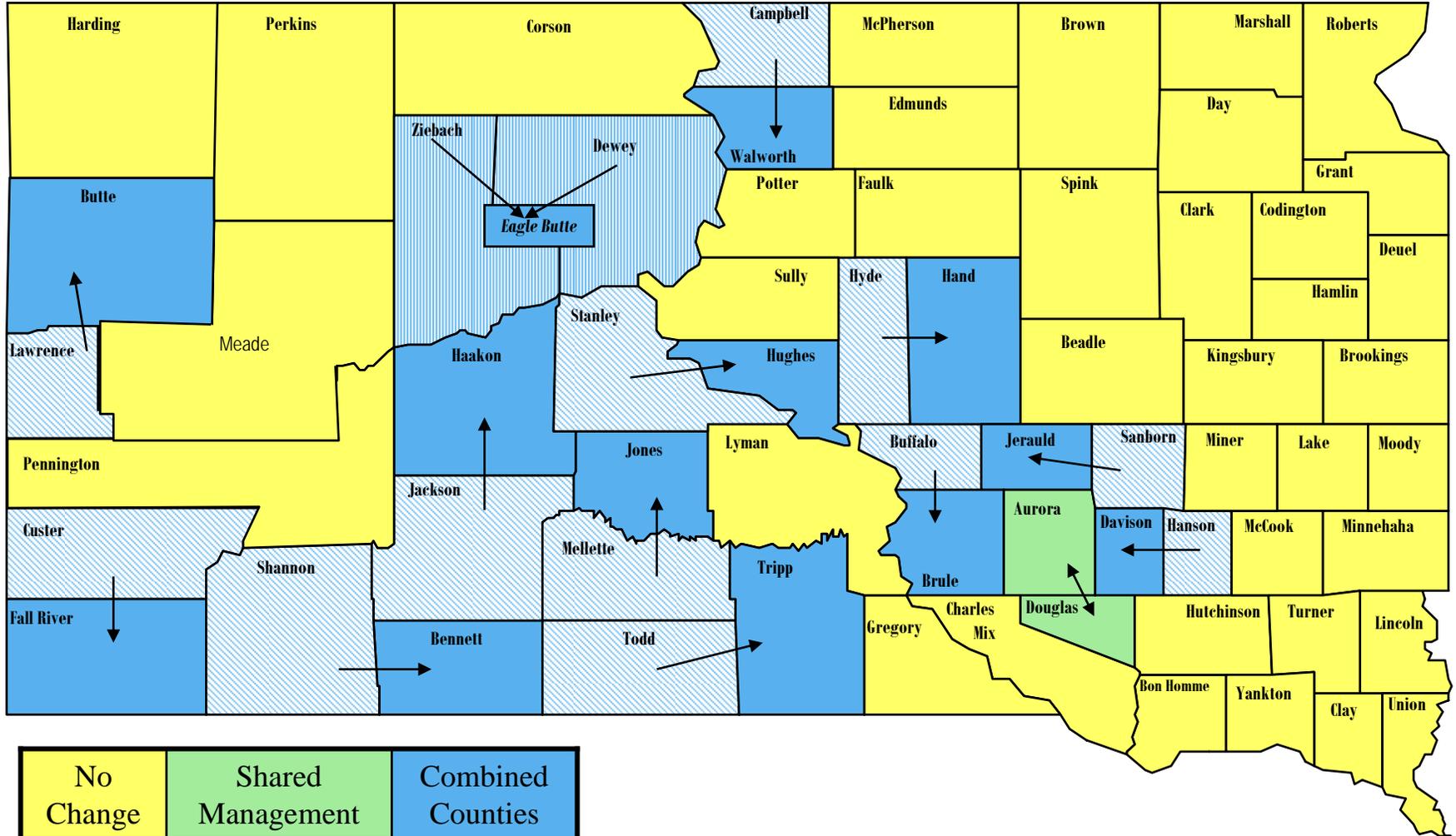




# All County Farm Programs Consolidations

Exhibit 17

*Includes Shared Management & Combined Counties*

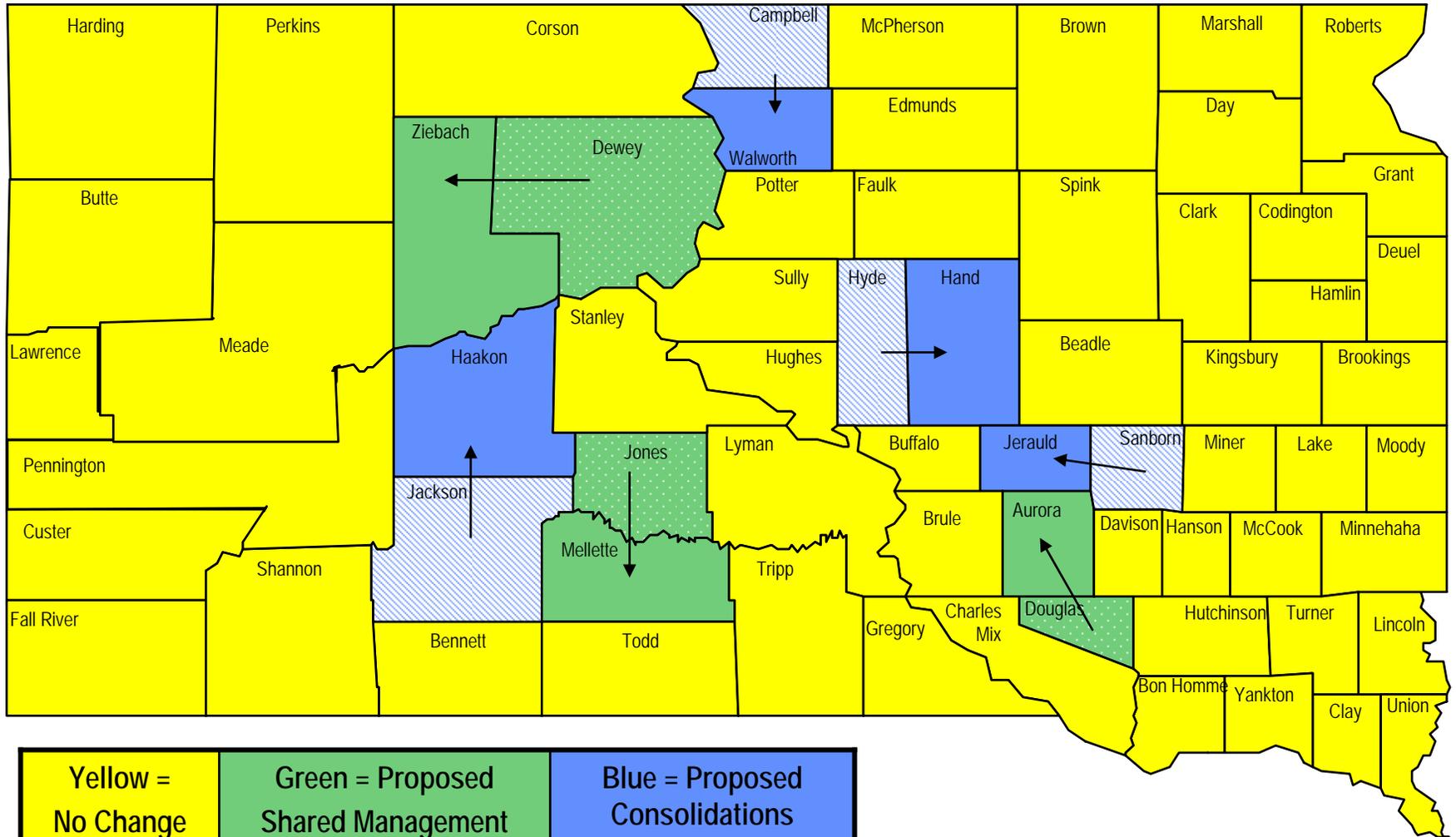


SD State Plan Exhibit 17

No Change	Shared Management	Combined Counties
38	1	13

# Proposed - County Consolidations & Shared Management (Farm Programs Only)

Exhibit 16-Revised



Revised SD State Plan Exhibit 16

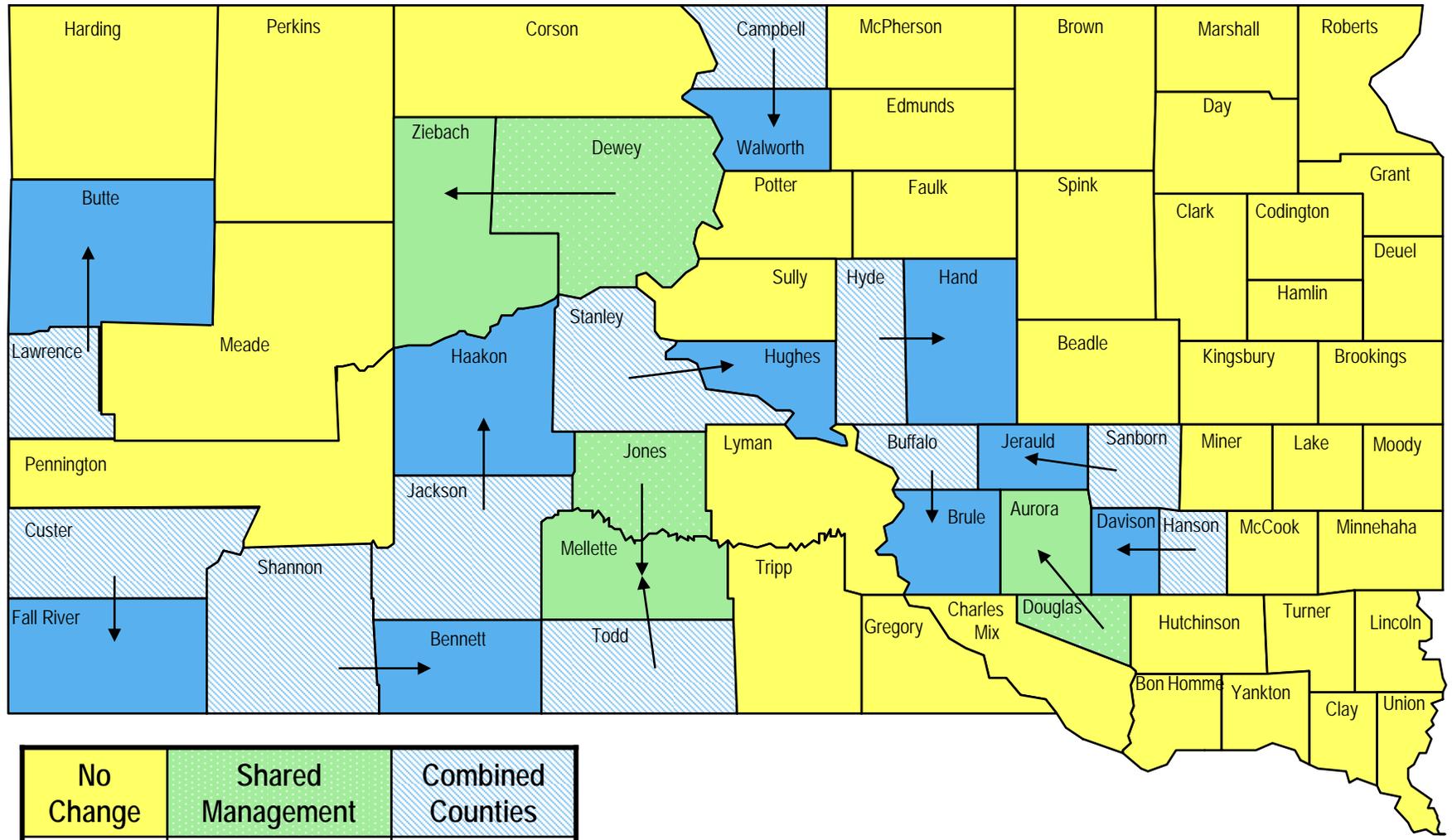
<b>Yellow = No Change</b>	<b>Green = Proposed Shared Management</b>	<b>Blue = Proposed Consolidations</b>
	3	4

Revised July 12, 2007

# Final - Farm Programs Only

## Shared Management & Combined Counties

Exhibit 17-Revised



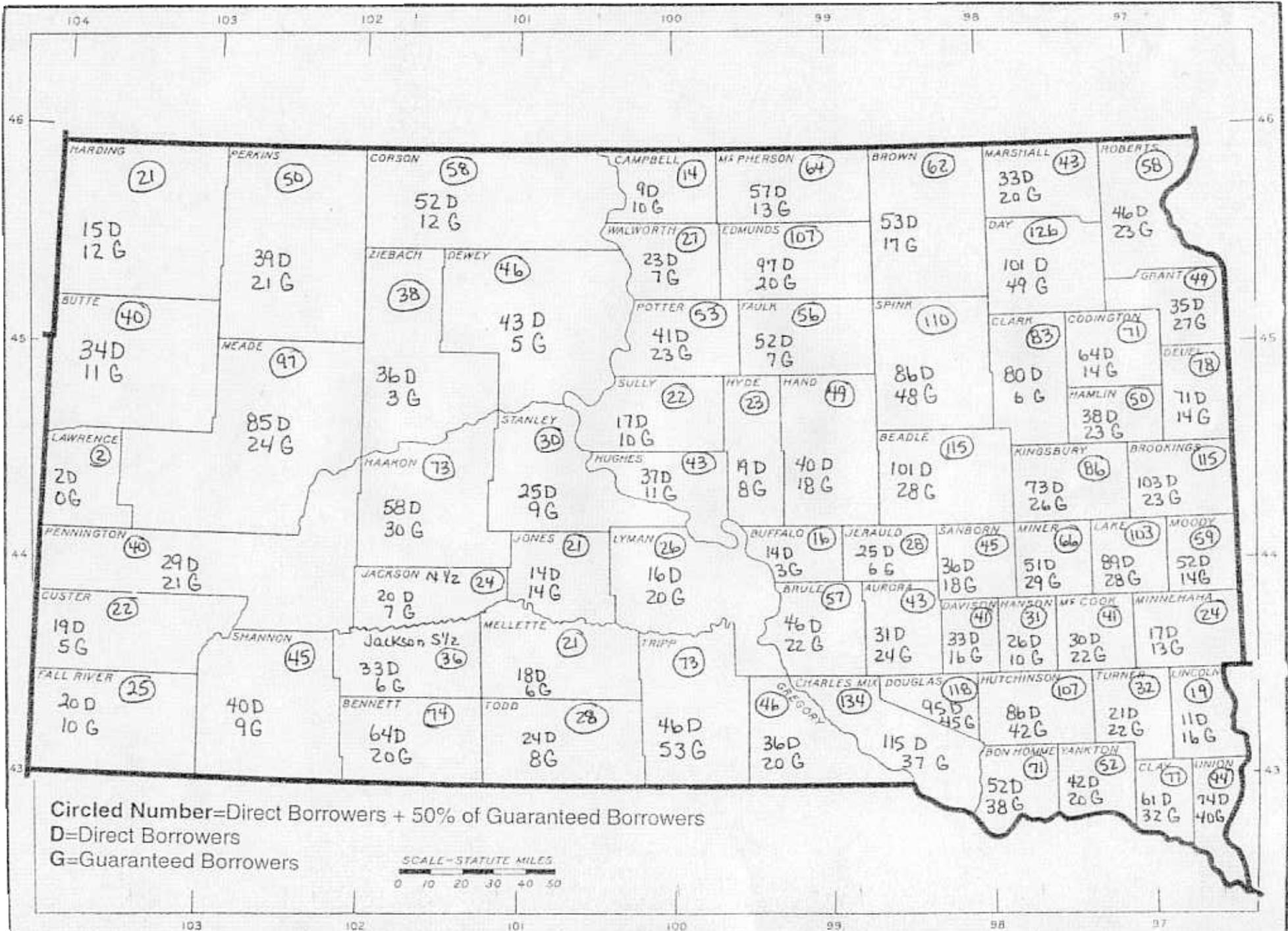
Revised SD State Plan Exhibit 17

No Change	Shared Management	Combined Counties
39	3	11

Revised July 12, 2007

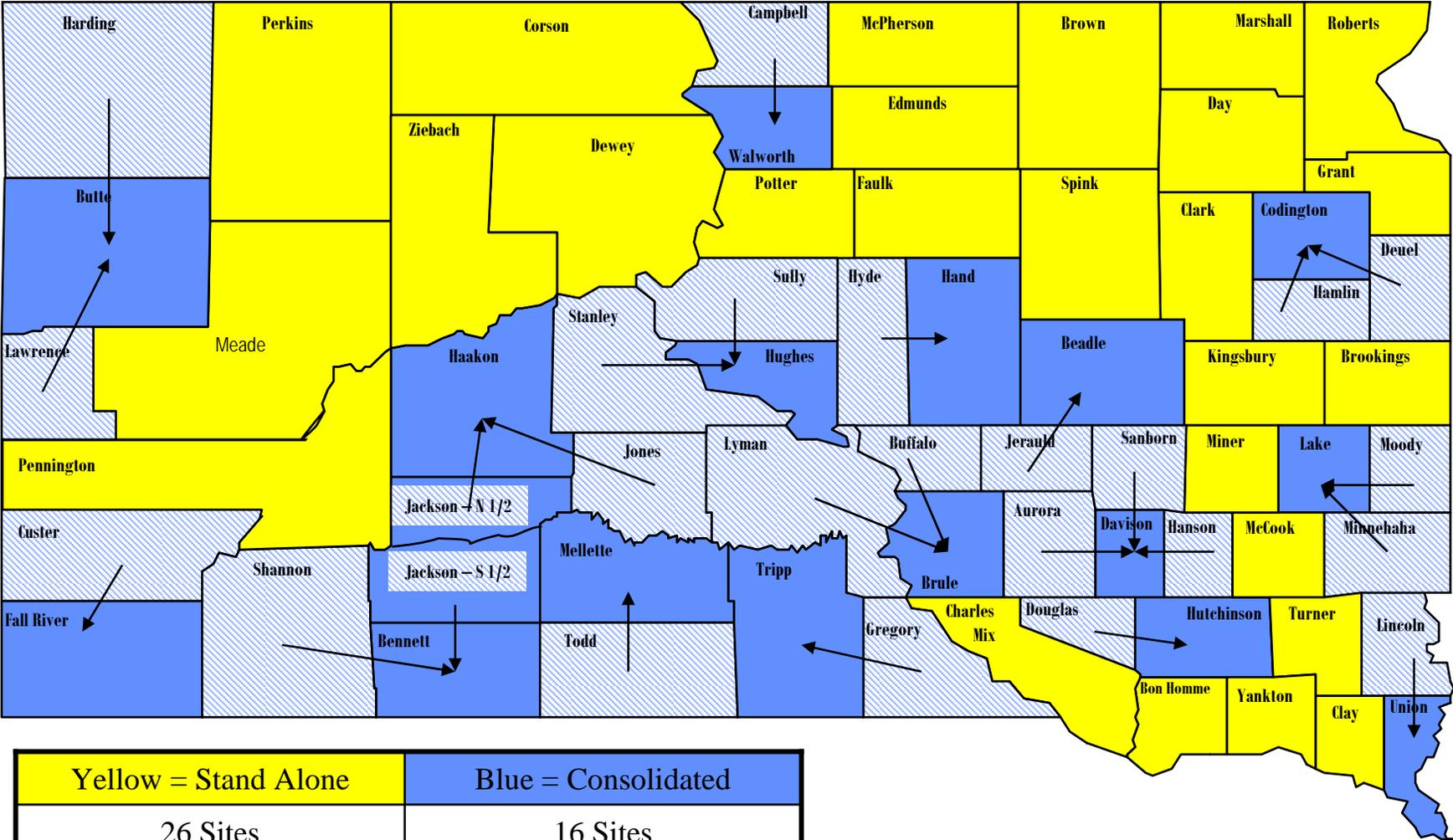
**South Dakota State Plan  
South Dakota FSA  
FLP Borrower Caseload 9-30-06**

**Exhibit 18**



# Current Farm Loan Program (FLP) Sites

Exhibit 19

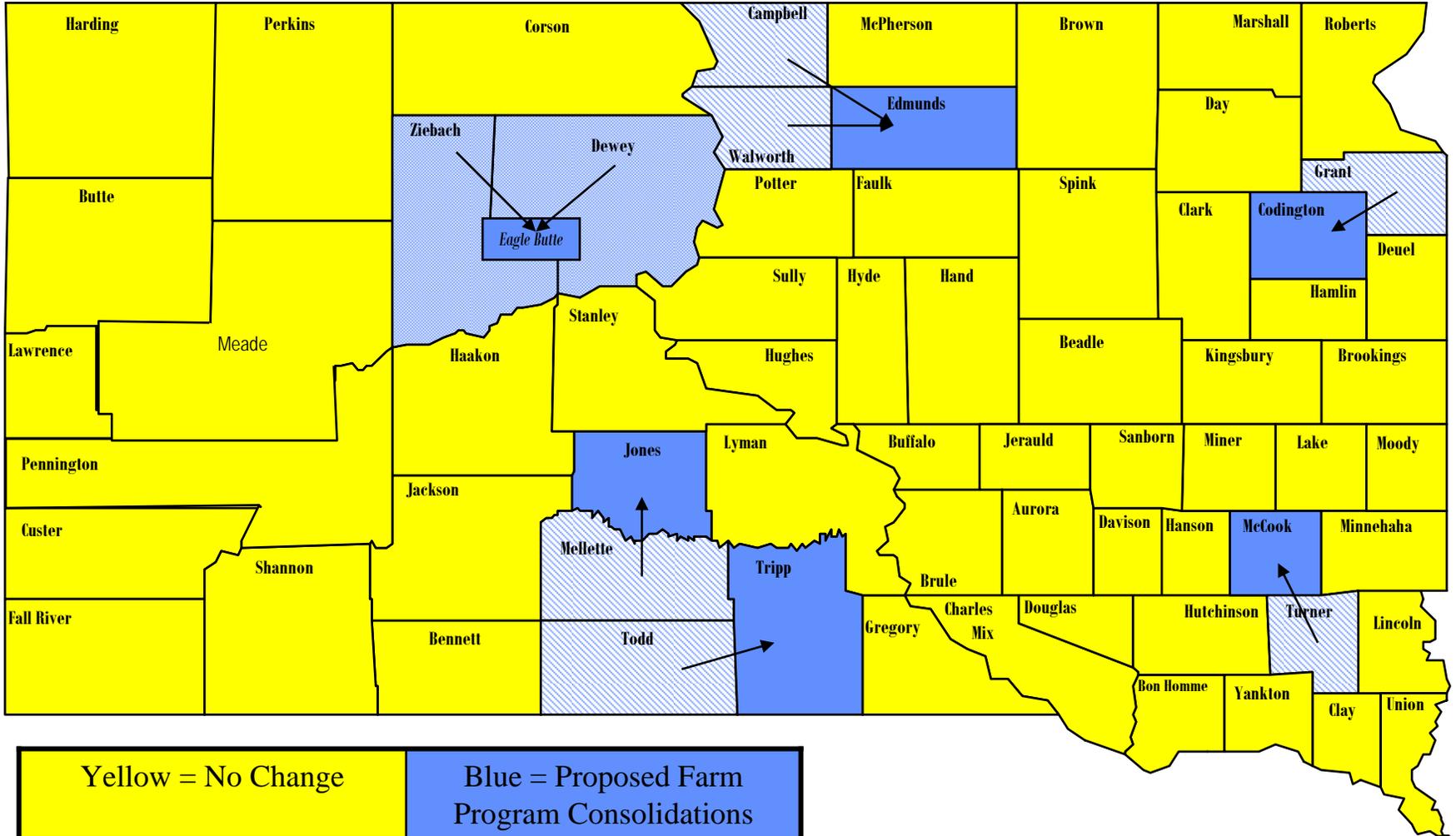


SD State Plan Exhibit 19

# Proposed County Consolidations

## [Farm Loan Program (FLP) Files]

Exhibit 20



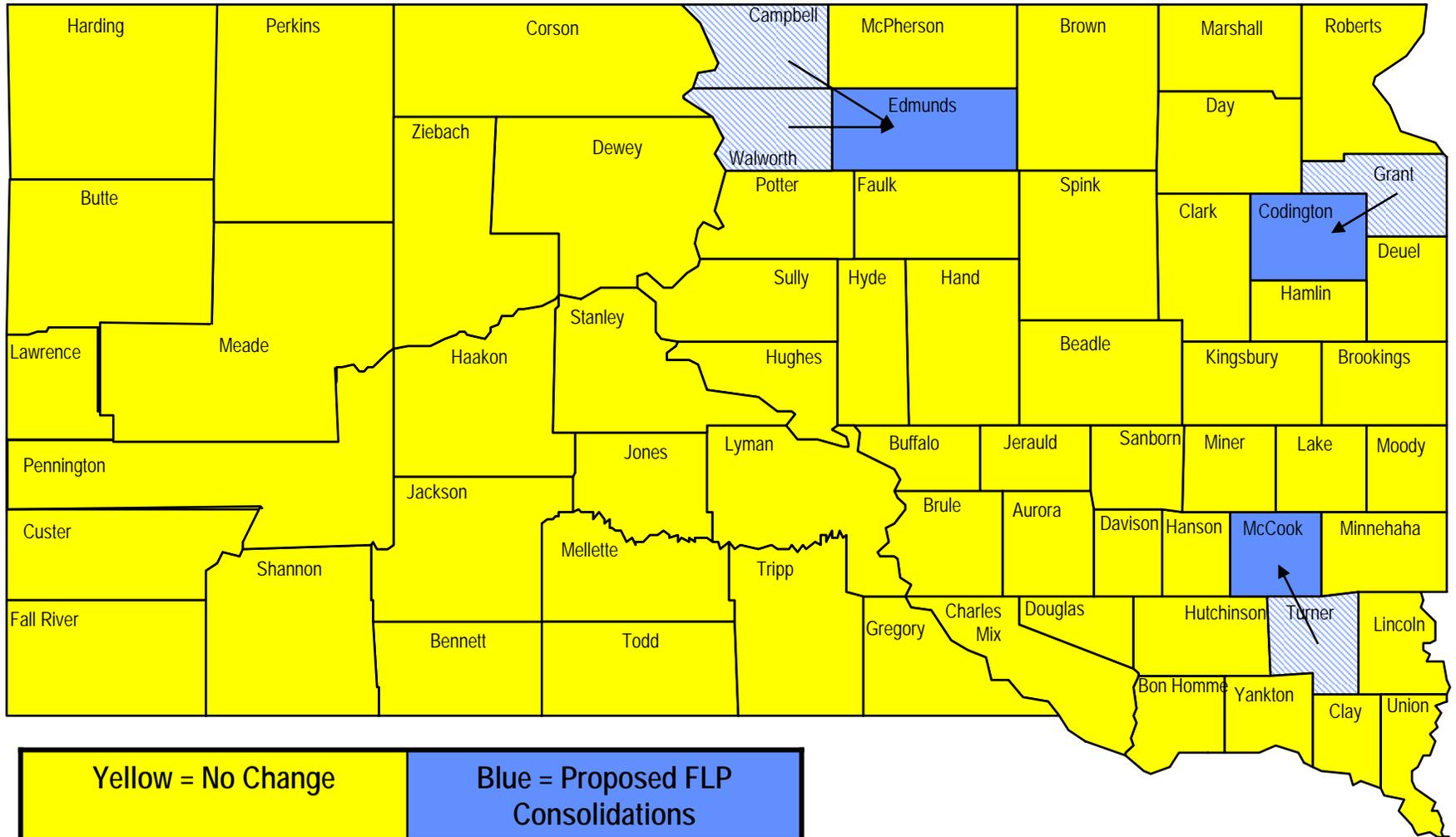
SD State Plan Exhibit 20

Yellow = No Change	Blue = Proposed Farm Program Consolidations
	Six



# Proposed Farm Loan Program (FLP) File Consolidations

Exhibit 20-Revised



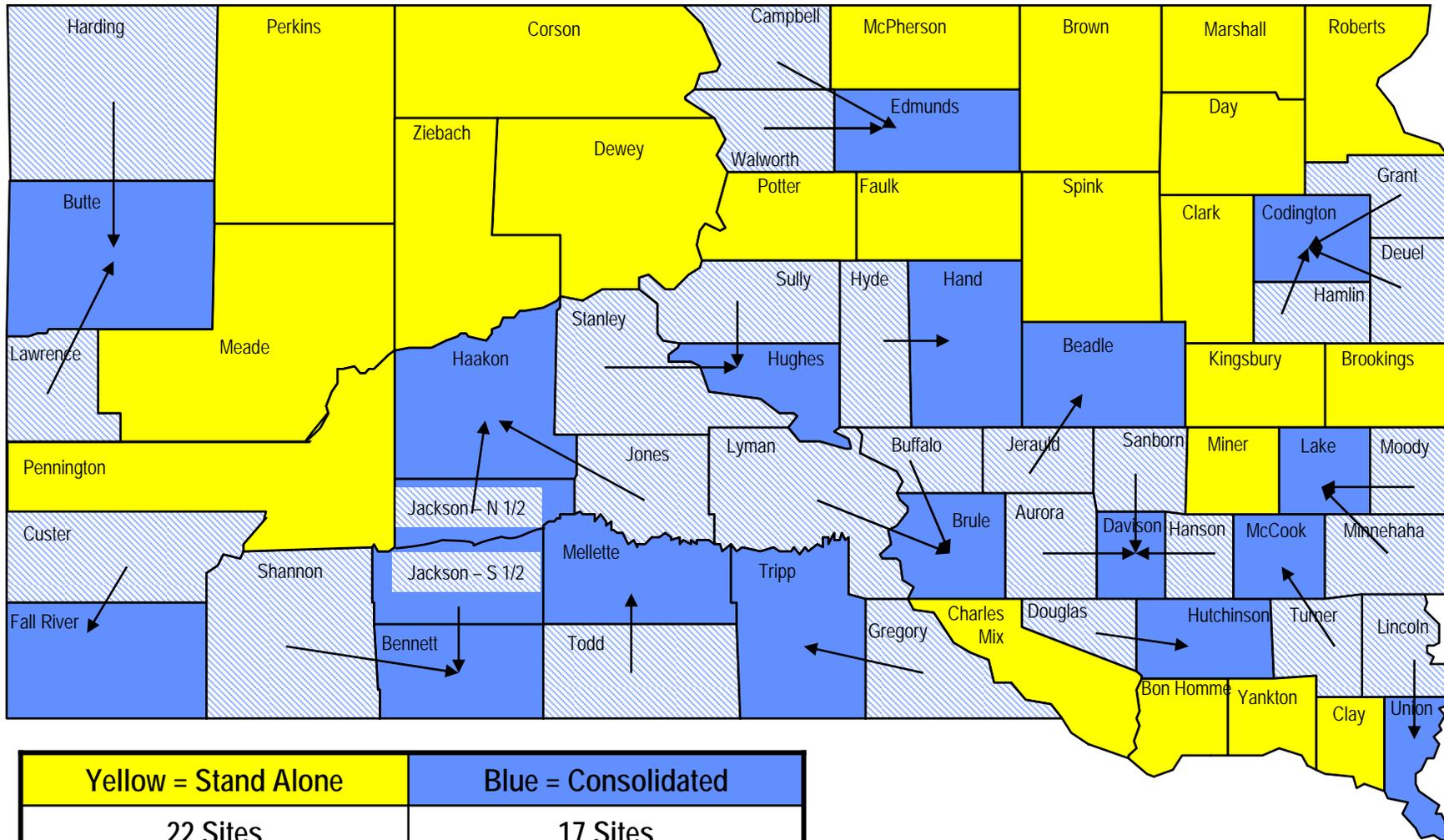
Revised SD State Plan Exhibit 20

Yellow = No Change	Blue = Proposed FLP Consolidations
	3

Revised July 12, 2007

# Final - All Proposed FLP Sites

Exhibit 21-Revised



Revised SD State Plan Exhibit 21

<b>Yellow = Stand Alone</b>	<b>Blue = Consolidated</b>
22 Sites	17 Sites

Revised July 12, 2007