



From the Desk of the State Executive Director

Colorado Farmers and Ranchers:

Please take the time to read the information in the Colorado Farm Service Agency (FSA) state newsletter. It is published twice each year to provide information and resources you may need to help you manage your farm operation, and to help you expedite the application process for FSA programs.

The County Committee nomination period has ended and ballots will be mailed to eligible voters on November 2. Committee members are a critical component of the day-to-day operations of FSA and I encourage you to be part of the election process and return voted ballots to your local USDA Service Center by December 3, 2007.

On May 25, President Bush signed into law the "U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007" (2007 Act). The 2007 Act provides funds for agricultural disaster aid program assistance for America's farmers and ranchers. USDA is charged with implementing the programs and FSA is promulgating regulations to govern the programs for publication in the Federal Register. In addition, FSA is designing/developing software for sign-up and payment processes. More information about the 2007 Act is online at www.fsa.usda.gov.

Finally, I encourage you to visit our website at www.fsa.usda.gov/co to access the most up-to-date Agency and program news about FSA in Colorado. FSA customers can readily access information about programs and services, read and download State and County newsletters and learn about information and initiatives specific to Colorado farmers and ranchers.



Lewis Frank
State Executive Director

Colorado State Committee

Reggie Wyckoff, Chair
Washington County

Chann Fogg
Delta County

Landis Porter
Montezuma County

John Schweizer
Otero County

Leon Silkman
Kit Carson County

State committees are responsible for the general oversight of FSA state operations. They oversee implementation of domestic farm programs, provide policy direction to the State Executive Director and oversee FSA county committees. In addition, they hear program appeals and keep producers and ranchers informed of FSA policies.

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Beginning, Small and Limited Resource Farmers & Ranchers

Do You Require Financial Assistance to Fund Conservation Program Initiatives?

USDA's Natural Resources Conservation Service (NRCS) and Farm Service Agency (FSA) have worked together to make conservation programs more available to beginning, small and limited resource farmers. As producers move from initial contract development into the implementation stage under NRCS' Environmental Quality Incentives Program, many face the inability to acquire the initial capital investment for their cost-

share portion needed for contract implementation.

To help producers implement conservation measures, FSA has several loan programs available to assist with up-front costs. FSA makes direct and guaranteed farm ownership and operating loans to family-size farmers and ranchers who cannot obtain commercial credit otherwise. A primary objective of FSA's farm loan programs is to assist small, beginning and socially disadvantaged (minority

and female) producers. In fact, a portion of FSA's loan funds are reserved for beginning and socially disadvantaged producers. These loan programs are not new and have been used successfully in conjunction with conservation programs throughout the US.

Additional program information, loan applications and other materials are available at your local USDA Service Center. You may also visit www.fsa.usda.gov and www.nrcs.usda.gov ♦

DCP
DIRECT & COUNTER-CYCLICAL PAYMENT PROGRAM

The sign-up period for fiscal year 2007 ended August 3.

Late filers, who will be assessed a \$100 late-file fee, have until September 30, 2007 to enroll for the 2007 contract period.

More information on Page 5

Marketing Assistance Loans and Loan Deficiency Payments

The 2002 Farm Bill provides for nonrecourse marketing assistance loans and LDPs through the 2007 crop year for wheat, corn, grain sorghum, barley, oats, soybeans, other oilseeds, pulse crops, wool, mohair, and honey.

Nonrecourse marketing assistance loans are nine-month loans that provide eligible producers with interim financing on their production. Instead of selling the crop immediately, the loan allows a producer to store the production in approved farm storage structures or USDA Commodity Credit Corporation (CCC) approved warehouses, pledging the crop as collateral.

Producers may obtain loans or receive LDPs on all or part of their eligible production anytime during the loan availability period. The loan availability period runs from when the commodity is normally harvested (or sheared for wool and mohair) until specified dates in the following calendar year. See the table below for final loan/LDP availability dates for the respective commodities.

To be eligible for a marketing assistance loan or an LDP, producers must (1) comply with conservation and wetland protection requirements; (2) report how they use their cropland acreage on the farm; (3) ensure that the commodities meet CCC minimum grade and quality standards; (4) share in the risk of producing the

crop; and (5) have beneficial interest in the commodity. A producer retains beneficial interest when he/she maintains control of and title to the commodity.

Producers are reminded that they are responsible for any loss in quantity or quality of the farm-stored loan collateral.

A producer who is eligible to obtain a loan, but who agrees to forgo the loan, may obtain LDP. The LDP rate equals the amount by which the applicable loan rate where the commodity is stored exceeds the alternative loan repayment rate for the respective commodity.

Contact your local USDA Service Center for additional information ♦

Final Loan/LDP Availability Date	Commodity
January 31	mohair and wool
March 31	barley, canola, crambe, flaxseed, honey, oats, rapeseed, sesame and wheat
May 31	corn, dry peas, grain sorghum, lentils, mustard seed, safflower, small chickpeas, soybeans and sunflower seed



FSA County Committee members are a direct link between the farm community and USDA. They help deliver FSA farm programs at the local level. The election of responsible agricultural producers to serve on FSA county committees is important to ALL farmers and ranchers with small and large operations.

IMPORTANT DATES

November 2, 2007
Ballots mailed to eligible voters

December 3, 2007
Last day for voted ballots to be returned or postmarked

January 1, 2008
Elected members and alternates take office



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 your local USDA Service Center ♦

Ensure FSA has your proper signature authorization on file!

Don't risk losing your Farm Service Agency benefits because your contract was not properly signed. An individual can only sign documents on behalf of another individual or entity if acceptable evidence of authority is on file with FSA. If a document is signed by an individual without signature authority, any payments or benefits resulting from the improper signature may have to be refunded.

FSA Signature Requirements			
Operation Type	Authorized Signatory	Acceptable Evidence of Authority	Acceptable Signature Examples
Individual	Individual	None needed	<i>Joe Smith</i>
	Spouse (unless written notification denying this authority has been provided)	None needed. Note: Spouses shall sign on behalf of each other as an authorized signatory for partnerships, joint ventures, corporations or other similar entities. Spouses may only sign on behalf of each other's individual interest.	<ul style="list-style-type: none"> • <i>by Mary Smith</i> • <i>Joe Smith by Mary Smith</i> • <i>by Mary Smith, spouse</i> • <i>Mary Smith for Joe Smith</i>
	Attorney-in-Fact or Agent	FSA-211	<ul style="list-style-type: none"> • <i>by Linda Rose</i> • <i>by Linda Rose, POA (or Agent)</i> • <i>Linda Rose, POA for Joe Smith</i>
General Partnership	Partnership Member named in Agreement or IRS Form 1065 and Schedule K-1 for each member	<ul style="list-style-type: none"> • Partnership agreement (articles of partnership) • Amended partnership agreement • IRS Form 1065 and Schedule K-1 for each member • FSA-211 signed by all members <i>In cases in which the partnership agreement does not designate or restrict signature authority, FSA will allow any partner to sign documents as permitted by State Law.</i> Note: Each member must sign CCC-502.	<ul style="list-style-type: none"> • <i>by Ed Forrest</i> • <i>by Ed Forrest, Partner</i> • <i>3F Farms, by Ed Forrest</i> • <i>by Jonathon Johnson, Agent</i> • <i>3F Farms by Jonathon Johnson, Agent</i> • <i>Jonathon Johnson, Agent for 3F Farms</i>
	Agent	<ul style="list-style-type: none"> • FSA-211 signed by all members • FSA-211 signed by a member authorized to sign for the partnership, unless redelegation is prohibited. 	
Joint Venture (JV)	IRS Form 1065 and Schedule K-1 for each member	JV's with a Tax ID Number: IRS Form 1065 and Schedule K-1 for each member. Note: Each member must sign CCC-502.	<i>by Liza Mills, POA, for Hurricane Farms Joint Venture</i>
	Agent or Attorney-in-Fact	After receipt of IRS Form 1065 and Schedule K-1 for each member, FSA -211 signed by all members may be used to designate Agent.	
	All members must sign FSA document	JV's without a Tax ID Number: Each member must sign for their individual interest. An agent for the JV, as granted by an FSA-211 signed by all members, may sign only for the JV's interests. Note: Each member must sign CCC-502.	<ul style="list-style-type: none"> • <i>Ken Oaks, member</i> • <i>Mae Oaks, member</i> • <i>Ken Oaks</i> • <i>Mae Oaks by Ken Oaks, spouse</i> • <i>Oaks JV, by Ken Oaks, agent</i>
Corporation, Limited Partnership, Limited Liability Company & Other Similar Entities	Authorized Officer or member	<ul style="list-style-type: none"> • The corporate charter, bylaws or partnership agreement • A resolution by a Corporation's board of directors • A properly executed affidavit filed prior to July 20, 2004 • FSA-211 signed by all officers/members 	<ul style="list-style-type: none"> • <i>Sleepy Hollow Farms Inc. by Leigh White</i> • <i>By Leigh White, President</i> • <i>By Leigh White</i>
	Attorney-in-Fact or Agent	<ul style="list-style-type: none"> • FSA-211 signed by all officers/members • FSA-211 signed by an officer/member with authorization to redelegate • Resolution by a Corporation's board of directors designating the agent 	<ul style="list-style-type: none"> • <i>Jeff Woods, Agent, for Sleepy Hollow Farms, Inc.</i> • <i>by Jeff Woods, Agent</i>
Estate Trust, Conservatorship or Guardianship	Administrator, executor, trustee, guardian, receiver or conservator Note: These positions do not require specific signature authority designation	<ul style="list-style-type: none"> • Documents signed or certified by an officer of the issuing court that the evidence is in full force and effect: <ul style="list-style-type: none"> • orders of appointment • court-approved certificate or letter of administration • Trust agreement or will and testament that established the trust • Similar document approved by OGC 	<ul style="list-style-type: none"> • <i>Estate of Jason Buford by Tom Taylor, Administrator</i> • <i>by Anne Grant, Trustee</i>
	Attorney-in-Fact or Agent	FSA-211 signed by authorized individual	
Other types	Contact your local FSA Office		

This information does not supersede national operating procedure or regulations provided in 7 CFR 718



Land For Sale

Producers and investors are encouraged to bookmark this Website, <http://www.resales.usda.gov>.

The site provides a national list of all inventory farms that are available for sale by FSA. The properties were acquired by the Agency through mortgage defaults and oftentimes represent a good value. They also represent an opportunity for beginning farmers to obtain a parcel of real estate and are initially targeted to beginning farmers for financing by FSA.

CONSERVATION RESERVE PROGRAM REMINDERS

Cover Maintenance

CRP cover maintenance is the participant's responsibility. Participants shall maintain practices according to the Conservation Plan of Operation (CPO). Participants are reminded to ensure that undesirable vegetation, weeds (including noxious weeds), insects, rodents, etc. that pose a threat to acreage under CRP-1 contract or adversely impact other landowners in the area are controlled. Participants need to ensure that adequate approved vegetative cover is maintained to control erosion for the CRP-1 period. If problems with your grass cover or tree practice become apparent to you, you may wish to contact FSA/NRCS to seek advice on how to correct the problem. Please be aware that any corrective measures that may be required must be completed outside of the primary nesting season (March 15 - July 15) and be included in the CPO. Failure to stay in compliance with the terms and conditions of your contract may result in a payment reduction with evidence of a good faith effort to comply, or may result in termination of your contract if a good faith effort to comply is not found. Keep in mind that when CRP contracts are terminated, participants are required to refund all payments received (annual rental payments, cost share payments and any incentive payments) plus interest and must pay liquidated damages.

Managed Haying and Grazing

All Conservation Reserve Program (CRP) participants are eligible for managed haying and grazing on contract acreage 12 months after the cover is fully established. For contracts approved before September 26, 2006 and where managed haying and grazing was authorized in a Conservation Plan of Operation (CPO), managed haying and grazing may occur one out of every three years. New provisions apply for contracts, re-enrollments, and extensions approved after September 25, 2006. These new provisions are that managed haying is permitted only once in 10 years and managed grazing once in 5 years. This new provision also applies to older contracts where managed haying and grazing was NOT authorized in a CPO before September 26, 2006. Managed haying and grazing is permitted only when it is consistent with the conservation of soil, water quality, and wildlife habitat. CRP participants must obtain a modified plan to include haying and grazing as determined by NRCS or a Technical Service Provider (TSP). Participants will need to receive notification of approval to hay or graze in writing from your applicable FSA County Committee. Maximum acreage for haying will not exceed 50% of the contract acreage in any year. Participants will have to wait 5 years to hay the other half. In Colorado, maximum acreage for grazing in any year is limited to 75 percent of a field or contiguous fields. Participants will be assessed a payment reduction for managed haying and grazing based on the number of acres hayed or grazed times the CRP annual rental payment times 25 percent. Beginning date for both managed haying and grazing is July 16. Ending dates are October 13 for managed haying and November 12 for managed grazing ♦

ELIGIBILITY RECORDS

By official mandate, FSA Offices have been directed to review all program participant eligibility records for accuracy and completeness before any 2007 payments can be issued. This is a result of recent audits nationally, that found form blocks incomplete. Participants who receive documentation to complete in order to verify eligibility, should return corrected forms to their servicing office as soon as possible to avoid any delay in FSA program payments.

FSA's 2007 National Compliance and Spot Check Review

FSA is committed to delivering accurate program payments to America's agricultural producers. The accuracy of payments not only benefits farmers and ranchers, but also maximizes taxpayer dollars and government efficiency.

As part of the 2007 National Compliance Review, FSA's national office is requiring local FSA county offices to conduct compliance reviews and spot checks of certain producers selected by the national office through a statistical sampling method. A statistical sample of FSA employees, County Committee (COC) and State Committee (STC) members have also been selected for review using this same process.

FSA may review a producer's operations in multiple states and counties, depending on the scope of the producer's operations. FSA will review both the accuracy of the representations made by the selected producers in connection with participation in FSA programs as well as the producer's compliance with applicable program requirements. The reviews may need to be conducted at various times throughout the year depending on the FSA programs in which the producer is participating. FSA appreciates the cooperation of its customers as the agency continues to enhance its operations.

FSA's goal is to ensure that program dollars are delivered effectively and efficiently so America's farmers and ranchers can provide safe and abundant food, fiber and fuel for consumers at home and abroad ♦

Milk Income Loss Contract Program (MILCX)

The MILCX program is available to producers on dairy operations throughout the U.S. if the dairy operation produces and commercially markets milk during the period of October 1, 2005 through September 30, 2007

Starting with the dairy operation's selected month, FSA will issue MILCX payments on a monthly basis, based on the month's production, when the Boston Class I milk price falls below \$16.94/per hundred

weight. Payments will continue until the earlier of (1) the operation reaches the maximum payment quantity of 2.4 million pounds; or (2) September 30, 2007.

Final production evidence for MILCX program payments must be received in the applicable county office by close of business November 1, 2007.

Contact your local county office for more information ♦

Wetlands Point Symbology

Over the past few years, FSA's GIS (Geographic Information Systems) wetland information has been recorded in a database and a blue dot has been printed on the maps to show the general location of the wetland determinations made by NRCS.

FSA County offices are now utilizing a new maintenance tool that will group the different wetland types in the following three categories:

• **Restricted Use** (represented by a red octagon)

• **Limited Restrictions** (represented by an upside-down yellow triangle)

• **Exempt from Conservation Compliance Provisions** (represented by a green square)

These identifiers do not represent the size, shape, or specific determination of the area. For the exact wetland boundaries, you should refer to your original wetland determination (NRCS form CPA-26 and attached maps) or contact your local NRCS office ♦

Direct & Counter-Cyclical Payment Program

Sign-up for the 2007 Direct & Counter-cyclical Program (DCP) ended on August 3, this year. Any farm not enrolled by August 3, will now be assessed a \$100 per farm late fee in order to participate in the program. Producers on farms with DCP base acres have until September 30, for late-filed enrollment in DCP. For the 2007 contract period, all signatures for producers sharing in DCP base acreage must be obtained by September 30, 2007. For more information about DCP visit your local FSA County Office.

Non-insured Crop Disaster Assistance Program (NAP) Provisions

Producer Eligibility: A producer that shares in the risk of producing a crop or would have shared in the risk had the crop been planted.

Eligible Crops: Any commercial agricultural crop (excluding livestock and their by-products), commodity, or acreage of a commodity grown for food or fiber for which CAT level crop insurance is not available. Some exceptions apply, such as experimental crops and alfalfa, so please check with your local FSA Office.

Filing Notice of Losses: A written notice of loss must be provided within 15 calendar days after the latter of the occurrence of prevented planting or end of the planting period or disaster occurrence or date damage to the specific crop acreage is apparent to the producer. For NAP purposes, notice of loss must be filed timely on a CCC-576 form for each weather related event

or natural occurrence that causes damage to or loss of the specific crop commodity. The requirement applies to both the NAP and DCP programs.

Acreage Reporting Requirements: All unit acreage of the eligible NAP crop and each crop in the event of multiple planting must be timely reported by the producer. Producers who fail to timely certify unit acreage and production risk ineligibility for NAP assistance. Check with your local FSA Office for specific crop reporting dates.

Production Reporting Requirement: Producers are responsible for reporting total amount of unit production for the covered NAP crop by no later than the subsequent crop year acreage reporting date for the crop following the year in which the loss occurred. Producers must keep records from acreage intended for forage separate from those acres in-

tended for grazing but were actually mechanically harvested. To identify forage and grazing acres separately, a FSA measurement can be initiated.

Disposition of NAP Crop Acreage: Producers who have reported crop acreage for NAP purposes who choose not to harvest the specific crop acreage must leave intact all eligible acreage and crop units for which the producer intends to make an application for payment until all units have been appraised or released by a loss adjuster or fully certified FSA employee. During any year that a notice of loss is filed because of loss, an appraisal of remaining production must be completed by a loss adjuster. Acres destroyed without inspection and consent will not be eligible for NAP assistance.

Contact your local FSA Office for sales closing dates and other applicable deadlines ♦



The United States Department of Agriculture is an equal opportunity provider and employer.

Foreign Investment Disclosure Act

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. The Farm Service Agency administers this program for USDA. Foreign persons who have purchased or sold agricultural land in the country are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25% of the fair market value of the property. County government offices, realtors, attorneys, and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, or marital or family status. (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 USDA, Director, Office of Civil Rights, Room 326W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call 202.720.5964 (voice and TDD).