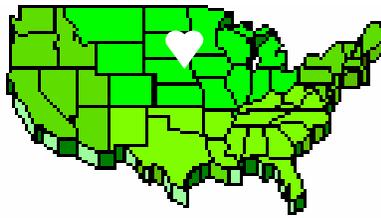




FARM SERVICE FOCUS

FARM
SERVICE
AGENCY



Smith County FSA Office
319 School Avenue
Smith Center, KS 66967

COUNTY COMMITTEE:
Robert Koops CHAIRPERSON
Mary Arment, VICE-CHAIRPERSON
Darin Hawkins, MEMBER

Cary J. Tucker
County Executive Director

REGULAR MEETING DATE SECOND
THURSDAY OF EACH MONTH, 8:00 A.M.

FROM THE HEART OF THE USA

OFFICE HOURS 8 a.m. - 4:30 p.m.
TELE: 785-282-3832 FAX 785-282-6830

October 30, 2006

2007 DIRECT AND COUNTER-CYCLICAL PROGRAM (DCP)

Signup for the 2007 DCP program will start soon. Advance DCP payments will be reduced to 22 % of the total annual payment and will not be available until December 2006. All ownership, operator, sales, trust and other changes must be reported before requesting advance payments. Under the DCP, you must designate shares and sign a new DCP contract each year. There is a \$40,000 payment limitation for direct payments and \$65,000 for counter-cyclical payments. Advance CC (counter cyclical) payments are to be issued in October and February following the crop year, if determined eligible. Farms that are involved with a reconstitution can not be enrolled until the reconstitution is completed. Producers may sign-up online for DCP at http://www.fsa.usda.gov/egov/edcp_default.htm providing there are no changes to the farm. The local FSA office would need to process changes prior to signing up over the web.

EMERGENCY LOAN AVAILABLE FROM FARM SERVICE AGENCY (FSA)

“Farmers in Smith, Jewell, and Republic Counties, who suffered crop or livestock losses because of natural disasters, may now apply for Farm Service Agency (FSA) emergency loans. Applications for assistance will be accepted by FSA until 06/12/2007.

“Loans covering physical and/or production losses may be made at a 3.75 percent interest rate, and are scheduled for repayment as rapidly as feasible, consistent with the applicant’s reasonable ability to pay. FSA loans covering physical losses may be used to replace installations, equipment, livestock, or buildings (including homes), lost through this disaster.

FSA loans covering production losses may be used to buy feed, seed, fertilizer, livestock, or to make payments on real estate and chattel debts. “Funds can also be used for other essential operating and living expenses. To be eligible for an emergency disaster loan, an applicant must be operating a family size farm or ranch, must be unable to get credit elsewhere, and must have suffered a qualifying physical and/or production loss from the disaster.

Farmers, who suffered at least a 30 percent reduction to at least one cropping enterprise, may have a qualifying production loss. Emergency disaster production loss loans cover 100 percent of qualifying losses. Loan availability is limited to \$500,000.00, less the outstanding principal balance of any and all prior emergency loans. Farmers needing farm credit as a result of freeze, drought, heat and high wind conditions which occurred 01/01/06 and continuing, and who think they are eligible for FSA assistance, should make their applications at the FSA County Office, Smith Center, Kansas, between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday.

2006 Commodity Loans

Nine month nonrecourse loans are available for warehouse and farm stored grain. The loan can be repaid at the PCP (Posted County Price) or principal plus interest.

Marketing Authorizations (CCC-681-1) – Producers may request that a commodity pledged as collateral for a CCC farm stored loan be released for delivery to a buyer before repayment of the loan. The entire loan quantity will be released and the delivery period is normally for 15 or 30 calendar days. At the time of the request, the producer must inform the office where the grain will be delivered. The repayment of the loan purchased by the buyer must be received from the buyer; otherwise, the buyer is violating the clear title provisions.

You must have authorization before moving any farm stored grain under loan.

LOCK-IN Rate (CCC-697) – Once a CCC loan is issued, producers have the option to lock-in the daily PCP as the amount for repayment. This lock-in rate is effective through the earlier of 14 calendar days before the loan maturity date, or 60 days from the date of approval of the rate. A producer may repay the loan any time during the 60 days at the locked-in rate. At the end of 60 days or 14 days prior to loan maturity, the producer may repay the loan at the current PCP. A producer has a *one-time* opportunity to “lock-in” a rate for 60 days. *Only one initial 60 day lock-in rate is allowed on the same bushels.*

USING E-FILE TO SIGNUP

Producers may now signup for the DCP program and file for LDP’s online through *E-File*. We encourage producers who feel comfortable in using online access to use the E-file process. Advancements have been made to make this process a painless method of signing into farm programs. It also entitles you to timely access your farm program benefits. With programs such as LDP’s, when numerous applications are filed in an FSA office on a single day, filing your application on line through **e-FILE for DCP & LDP** e-FILE may be an advantage.

To be able to E-file a producer must obtain an 18 question customer profile. Access **Signup** an *e-Authentication Level 2 Account* by completing <http://www.eauth.egov.usda.gov/> and “click” on *Create An Account Page*. Complete the profile, which includes setting a user ID and password, and submit online. A confirmation Email is received and must be responded to within 7 days. Then take your state or federal photo ID to a FSA Office to be identity proofed. After FSA updates your account you will have access to USDA online applications and forms within one hour. **Additional online services** are available at: <http://www.sc.egov.usda.gov/> or for FSA information <http://www.fsa.usda.gov/dafp/psd/>.

REPORT FSA FARM RECORD CHANGES

Direct and counter cyclical payments (DCP) are paid in advance at the producer's request for all crops on a farm unit. Failure to report record changes such as the sale of any acreage, operator change for either fall or spring crops, estate or other entity formation or dissolution will require a repayment of all DCP advances. That means that the county office must know of operator or owner changes prior to paying the DCP payment. If you anticipate selling acreage or will change operators during the farm program year do not take advance payments and inform the Farm Service Agency (FSA) staff of your intentions. All changes must be reported to the county office within 30 days of the change. Failure to report changes may cause the loss of program benefits.



FARM STORED FACILITY LOANS AVAILABLE

Farm Stored Facility Loans (FSFL) are loans to build new grain storage structures, make certain safety improvements to existing bins and in limited cases add capacity to existing bins. The interest rate for Farm Stored Facility Loans (FSFL) approved in the month of October is 4.75 percent. The interest rate in effect on the month the FSFL is approved will remain in effect for the 7 years of the repayment period. Call or visit the office for loan requirements.

NON-INSURED ASSISTANCE PROGRAM (NAP) INFORMATION

Following are the final dates to purchase NAP: September 1, Seeded small grains for pasture, December 1: Alfalfa, grass for hay and/or grazing, oats for forage; March 15: Sorghum cane for forage and all other spring planted forage crops. Keep your production diary for three years and the current year for spot check purposes. You must provide bale weights for each type of hay every year. Make plans now to weigh a representative number of 2006 bales for each hay type. Losses must be reported within 15 days.

SODBUSTING, PURCHASED LAND AND FARM PLANS

Prior to breaking any acreage including expired Conservation Reserve Program (CRP) acres and before planting a crop on newly purchased or rented acreage, check the Conservation Plan of Operation (CPO). Planting a crop on sodbusted acreage or on newly acquired land that does not have a completed CPO will cause the loss of all USDA benefits on all acreage owned and operated. Form AD-1026 must be approved by the Natural Resource Conservation Service prior to breaking any acreage or planting a crop on acreage that does not have a completed CPO.

Changing Accounts, Banks?

Almost all Farm Service Agency payments are made electronically these days, using Direct Deposit. The switch has cut down on the number of missing and late payments.

To keep the system running smoothly, it's critical to keep the county office staff up to date on changes you might make in your financial institutions. If you've made any changes in accounts or institutions that might affect the direct deposit of your FSA payments, contact us so we can update our files.

Sheep, Wool and Mohair Producers

Wool and mohair are eligible for loans or LDP's. CCC-633 EZ, page 1 is needed before the shearing takes place. This also applies to slaughtered unshorn lambs, a CCC-633 EZ, page 1 is needed before the sale of the lambs for the unshorn lamb pelt LDP. Producers will need to file page 2 after the wool is shorn or after the unshorn lambs are sold to receive the LDP.



Non-Discrimination Statement

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs 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.