

KANSAS *Overview*

November 2007



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Message from the State Executive Director...

Opportunity!

Many events occurring today are resulting in CHANGE! Implementing a new farm bill, responding to disasters, restructuring the Agency, and implementing new processes and procedures are a few examples of change.

Some consider changes as CHALLENGES! Challenges are sometimes viewed as threats, criticisms, or dissatisfaction. I suggest we view changes as OPPORTUNITIES! Opportunities provide a chance to do better, provide new information, update procedures, and modernize systems. In Kansas FSA, that means doing an even better job of serving our farm and ranch customers.

The 2007 Farm Bill is expected to be considerably different than the 2002 Farm Bill. There will be changes in the programs that are available to our farm and ranch customers. Changes in procedure and regulations will cause the Agency to make changes in how the new legislation is delivered. The one thing that will not change is the great teamwork and mutual respect between Kansas FSA staff and the farmers and ranchers of Kansas.

This relationship is the basis for delivering more than 1 billion dollars annually in recent years in program payments, conservation practices, disaster assistance, and farm loans. In addition to directly assisting farmers and ranchers, this infusion of dollars helps preserve and enhance rural communities. In fact, the Kansas economy and the entire Nation benefit from FSA programs.

Kansans have been forced to respond to tornadoes, floods, late-spring freezes, damaging winds, hail storms, excessive rains, ice storms, winter blizzards, and even drought in some areas. In 2007, a disaster designation was awarded to every county in Kansas, most receiving multiple disaster designations --- a record all Kansans hope never occurs again.

Emergency Loans, Crop Disaster, Emergency Conservation, Livestock Compensation, and Livestock Indemnity are programs being delivered to impacted producers to assist in their recovery. Even though not all disaster damages qualify and some programs are under-funded at this time, we are thankful for the assistance that is available. Disaster assistance provided by Kansas FSA during the four-year period of 2003 to 2006 totaled more than \$512 million.

Restructuring a network of county offices in existence since the 1930's understandably caused concerns among some customers and staff. Office consolidations are the result of years of declining staffing and budget.

After an open process that began 19 months ago, Kansas FSA has consolidated 7 County Offices. Another is delayed until a suitable building becomes available. Public involvement began with a series of stakeholder meetings across the state and concluded with 1,456 people attending public meetings in the eleven counties initially proposed to be consolidated. The public spoke and made recommendations. Management listened and the final plan was modified and scaled back.

The many programs Kansas FSA delivers provide vital support to Kansas farmers and ranchers, preserve rural communities, and have a positive impact on the economy. The great teamwork between Kansas producers and FSA staff makes this happen. Keep up the great work!

Bill R. Fuller

Meet The Interns



Summer Intern

Derick McGhee was the 2007 USDA Summer Intern for the Kansas State FSA office, working with Farm Programs/Compliance and Conservation/Emergency Programs Divisions. He attends Kansas State University majoring in Agriculture Technology Management and achieving a minor in Agriculture Economics. He grew up on a family farm in Westphalia, Kansas (Southeast Kansas) where his father and grandfather have a cropping and ranching operation.



Student Career Experience Program

Meagan Beeman works in the State Office as a Student Career Enhancement Program intern, but started with FSA in May 2006 as a Summer Intern. While working with the agency, she attends Kansas State University and will graduate in May 2008 with a bachelor's degree in Agricultural Business with a minor in Business. Following graduation she plans to continue with the agency and get married in June!



Frances Ayala was born on December 1st, 1984 in the beautiful island of Puerto Rico, the oldest of three sisters. Last year, she graduated with honors (Magna Cum Laude) from the University of Puerto Rico (UPRRP), Rio Piedras Campus, obtaining her Bachelor Degree in Economics and a minor in Finance. Currently Frances is pursuing a Master degree in Finance at UPRRP. This summer she worked with FSA in Hugoton, Kansas through the Hispanic Association of Colleges and Universities (HACU). The internship gave her the opportunity to learn about southwest Kansas agriculture. As part of her job she completed collateral inspections with area farmers and environmental inspections. She also participated in the county committee meetings and lender visits.

HACU

Interns

Hispanic Association of Colleges and Universities (HACU)



Sandra Blas Rivera was born in October 25, 1983 in Mayaguez, Puerto Rico. She has lived in Aguadilla, Puerto Rico her whole life with her parents and two older brothers. She started her bachelor degree in August, 2001 in the University of Puerto Rico at Aguadilla Campus. She finished the bachelor degree in Business Administration with two majors: Accounting and Human Resources in May 2006 and graduated as Magna Cum Laude.

She is working on a master's degree in Agricultural Economics in the University of Puerto Rico at Mayaguez Campus. The internship in the Farm Loan Office in Seneca helped her to know more about agriculture in a different culture, society, and place. Also, it reinforced her financial and accounting knowledge, her interpersonal skills, and English communications. Some of her duties in the office were financial analysis, farm visit inspection, and building some spreadsheets to facilitate the data process.



New Administrative Technician at the State Office

Noelia “Westy” Westmeyer started her career with FSA on June 11, 2007. She is assigned to the Administrative Division and some of her duties include: T&As, STAR-Web, travel authorizations and vouchers, back-up receptionist, Fed Traveler, Bank of America charge cards, Notices and Directives.

She transferred to us from APHIS, Citrus Canker Eradication Program, in Florida where she was the primary operator for the Pest Incident Control System. (Pest control may come in handy with her current duties!) She is a former Manhattan resident, living here from 1990 to 2001. Her husband Mark, retired from the military and is employed by the Post Office. They have two children, Mark and Mike, both graduates of K-State and both have children of their own. This one fact makes “Westy” the proud grandmother of two, Joshua 18 months, and Leah 13 months.

Meet the Farm Loan Officer Trainees (FLOTs)



Brandon Baugh, Rick Bush and Josh Hagenmaier

Meet the County Operations Trainees (COTs)



Jennifer Sensley, Brenda Moomaw, Rachel Hendrickson, Amanda Ahrens, Jim Adams, and Braden Stueve



Annette Ramsey, T.C. Dawson, Amanda Whitehurst, and Carla Jackson



Brian Lueker and Laura Kessler

**FSA Vacancy Announcements at:
www.usajobs.opm.gov**

County Executive Director Changes

Donna Sifers, Neosho
Valerie Cortinovis, Clark
Sarah Falk, Coffey
CZ Thompson, Gray
Norma McConkey, Jefferson/LV/WY
Sean Rafferty, Sedgwick
Lance Thompson, Shawnee
Linda Ellis, Cowley

Tamie Buckley, Riley/Geary
Brad Sherman, Harper
Aaron Fall, Reno
David McAfee, Jackson
Monte Johnson, Acting Pottawatomie
Allan Schamberger, Lyon/Chase
Michael Martin, Ellsworth

Garden City Farm Loan Changes



Robert (Bob) Dean was recently promoted to the Farm Loan Manager (FLM) position in Garden City after several years working in the Norton Office. Bob also worked in the Emporia, Marysville and Washington offices. He grew up on a farm near Smith Center and has over twenty years experience working with farm loan customers. His hobbies include gardening, golf and farming with his father.

Elliot Laib recently joined the Garden City staff as a Farm Loan Officer. Elliot comes from Rugby, North Dakota with over 20 years of experience working for FSA; of which, 18 are as a Farm Loan Officer. He grew up on a farm near McClusky, North Dakota. Elliot graduated from NDSU with a degree in Ag econ. He has two daughters, Jessica who is a junior at the Rugby High School, and Kristen, who is married, and enrolled to be a sophomore at Blinn College in College Station, TX. Elliot enjoys fishing, traveling, ATVing, auto races and other outdoor activities.

Administrator's Award for Service to Agriculture

Three Kansas FSA employees were honored for their outstanding performance and accomplishments. The Administrator's Award for Service to Agriculture, the highest honorary award that FSA can bestow, recognizes employees for their extra efforts. The awards were presented to:

- Bill R. Fuller, State Executive Director, Manhattan: Excellence in Leadership and Management Award, "For leadership in restructuring the Farm Service Agency's program delivery system in the Kansas State FSA Office resulting in the improvement of operational efficiency and productivity of employees."
- John D. Drach, State Office Division Chief, Manhattan: Outstanding Team Accomplishment Award, "For invaluable assistance, effort and dedication in conducting field reviews for the Designated Marketing Associations during 2006."
- Linda Hughes, Farm Loan Program Technician, Salina: Outstanding Team Accomplishment Award, "For dedication and exemplary performance while detailed to the USDA National Office Consent Decree Action Team."



(l to r) Bill R. Fuller, Administrator
Teresa Lasseter, and John Drach.





County Committee Elections

2007 Farm Service Agency (FSA) county committee elections started November 2, 2007. The deadline for eligible voters to return ballots to their local FSA offices is December 3, 2007.

Committee members apply their knowledge and judgment to make decisions on disaster and conservation payments, establishment of allotments and yields, producer appeals, employing FSA county executive directors and other local issues. FSA committees operate within official regulations designed to carry out federal laws.

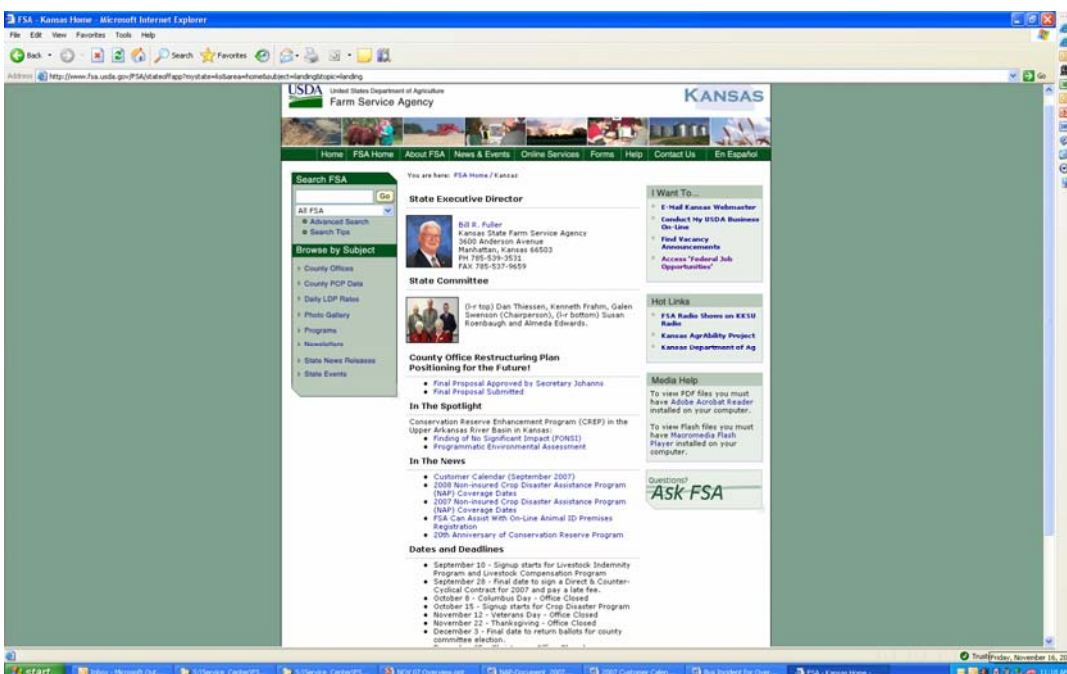
To be an eligible voter, farmers and ranchers must participate or cooperate in FSA programs. A person who is not of legal voting age, but supervises and conducts the farming operations of an entire farm, can also vote. Agricultural producers in each county submitted candidate names during the nomination period held last summer.

Eligible voters who did not receive ballots can obtain ballots at their local USDA Service Center FSA office. December 3, 2007, is the last day for voters to submit ballots in person to local USDA Service Centers. Ballots returned by mail must be postmarked no later than December 3. Newly elected committee members and alternates take office January 1, 2008.

Close to 8,000 FSA county committee members meet monthly at more than 2,300 FSA offices nationwide. Each committee consists of three to five members who serve three-year terms. Approximately one-third of county committee seats are up for election annually.

Consolidated FSA county offices are conducting special elections. Nominations are currently being accepted in those counties until December 7, 2007. Eligible voters will be casting their ballots from December 10, 2007 through January 11, 2008. For more information about FSA county committees and FSA programs, visit: <http://www.fsa.usda.gov>.

[Kansas FSA Website – www.fsa.usda.gov/ks](http://www.fsa.usda.gov/ks)



Access the Kansas FSA website to obtain county/state newsletters, state news releases, state FSA events, Customer Calendar, 2008 NAP coverage dates, program deadlines, daily LDP rates, on-line forms and services, etc.

Farm Loans



Direct Loans Guaranteed Loans

Funding

The state is currently running under a Continuing Resolution. We currently have waiting lists of loans approved waiting funding of approximately \$13.1 million Direct FO Non-Beginning Farmer and \$315 thousand Direct FO Beginning Farmer..

Delinquency

In spite of weather related disasters; our loan delinquency rate is low. As of October 31, 2007 the delinquency rate for the state was 2.6 percent.

General Items

For the fiscal year, 2007, Kansas FSA personnel have processed 987 loans for a total of \$101.5 million dollars. The totals for fiscal year 2006 were 907 loans totaling \$89.0 million dollars.

Freedom of Information

The Freedom of Information Act (FOIA) is found in Title 5 of the United States Code, Section 552. This Act gives any person the right to request access to almost any federal agency record, except those protected from disclosure by legal exemptions and exclusions (e.g., classified national security, business proprietary, personal privacy, investigative documents, etc.) FOIA requests must be in writing. For more information on FOIA requests visit this website:

<http://www.fsa.usda.gov/pas/EFOIA/efoiamain.htm>

Annual Lender Training

Arlyn Stiebe, Farm Loan Chief and Shelly Wolf, Guaranteed Loan Specialist recently completed annual guaranteed lender meetings across the state. This year training was provided in the morning for new lenders or those needing a refresher course on the basics of the guaranteed loan program and how to submit a guaranteed loan package to FSA. The afternoon training expanded with the addition of "veteran" lenders to the guaranteed loan program. We continued with introductory type training and a refresher addressing guaranteed loan servicing, liquidation and loss claims along with the new interest assistance program changes and the addition of online status reporting for lenders through the LINC program. Attendance at this year's meetings was substantially greater than the past several years as noted below.

	2007	2006	2005
Colby or Oakley	39	24	25
Hays	35	17	28
Salina	47	41	42
Garden City	35	29	15
Pratt	48	20	17
Chanute or Iola	30	12	17
Lawrence or Topeka	33	21	19
TOTALS	267	164	163

Minority and Socially Disadvantaged Farmer Assistance

The Farm Service Agency has a Minority and Socially Disadvantaged Farmer Assistance (MSDA) Office in Washington D.C. If you have a question about a particular program or service which we provide, send an e-mail to: msda@wdc.usda.gov. The MSDA Office will operate Monday to Friday, 8 to 5 p.m. Eastern Time. To contact the MSDA Office by telephone or FAX:

Phone: 1-866-538-2610 (toll-free) or 202-720-1584 (local)

FAX: 1-866-302-1760 (toll-free) or 202-720-5398 (local)

TTY: 1-866-480-2824 (toll-free) or 202-720-5132 (local)

Resources for Small Farmers and Ranchers can be found at: www.usda.gov/oce/smallfarm/



Disaster Activity

Weather-wise, 2007 will be a year to remember! A Statewide freeze, tornadoes that destroyed most of Greensburg, Kansas, record precipitation, and flooding, never witnessed before, in south east Kansas has occurred. Each of these disasters affected crop yields and/or caused physical damage to the point where three Presidential Declarations, three Secretarial Designations, and two FSA Administrator Designations have been approved. These designations have affected every Kansas County as each county is named as either a primary or contiguous county to at least one designation. Most counties are affected by multiple designations.

These designations make farm operators in both primary and contiguous counties eligible to be considered for low-interest loans, provided eligibility requirements are met. Other FSA emergency programs do not generally require a declaration of a major emergency by the President or a designation by the Secretary before they may be activated. However, adequate funding is usually an issue before the programs can be implemented. Concerning disaster reporting, the National Office has implemented a new system called Systematic Tracking for Optimal Risk Management (STORM). This is a web-based application which enables County Offices to enter Flash Reports and Damage Assessment Reports (DAR) in an automated environment. This replaces the manual process for collecting disaster related data.

Although counties have received the national procedure to use STORM, we ask that counties continue with the manual reporting of disaster events using the FSA-157 and DAR until the State Office can provide disaster information needed for STORM data entry. Counties will be advised when the system can be implemented.

2007 Emergency Conservation Program (ECP)

Based on disaster events in 2007, (see related article) nine counties in south west Kansas are approved for ECP implementation. A signup period was scheduled and FSA onsite visits conducted.

Thirteen counties in the south east area of the State have also been approved for ECP due to a record setting flood where in instances 25 inches or more of rain was recorded over a 4 – 5 day period. Funding may be a problem for these counties as the appropriated funding for ECP is far less than needed considering all natural disaster activity across the nation.

Approving producer applications for land subject to frequent damage has always been an item of concern in ECP administration. For the 2007 approved ECP counties a slightly different approach will be taken regarding land subject to frequent damage. Instead of using Flood Plain Maps, Kansas policy has been established using a soils flooding frequency classification from the NRCS National Soil Survey Handbook. Soils classified as flooding “Very Frequent” and “Frequent” are ineligible for program participation.

Soils classified as flooding “Occasional” would also be ineligible. However, because of the range of flooding that can occur under this definition, the soil survey boundaries are not always definitive. Therefore, these soils may need further site assessment and possible NRCS input for County Committees in determining land eligibility. These determinations must be fully documented.

This method of determining ECP land eligibility can be defended based on soil survey data and should provide a consistent and uniform basis for handling applications. It is supported by NRCS.

The objective of the ECP is to provide cost share assistance to agricultural producers who have suffered severe damage to their farmland as a result of a natural disaster. The damage must be of such magnitude that it would be too costly for the producer to rehabilitate without Federal assistance.

CRP Managed Hay and Graze Provisions

In September, 2006, USDA announced the settlement with the National Wildlife Federation (NWF) on regulations governing implementation of mid-contract management practices of managed haying and grazing on CRP acreage. This settlement dramatically changed the policy for application of these practices effective with the settlement date of September 26, 2006.

Although the announcement and new rules have been released for nearly ten months, program participants and USDA employees continue to struggle with understanding the applicability of the new provisions and frequency requirements to individual contracts. The following is an overview in applying the different rules to specific contracts and a brief comparison of the changes.

As program participants and USDA grapple with applying the two sets of rules to new, existing, extended and re-enrolled CRP contracts, it is clear an important first step in working with any contract is determining which set of rules apply to the contract.

The NWF settlement agreement policy applies to:

- All new CRP contracts including re-enrolled contracts under the Re-enrollments and Extensions (REX) process approved on or after the settlement date, and
- Existing contracts including REX extensions where managed hay or graze is now being authorized in the Conservation Plan for the first time after the settlement date.

The old rule continues to apply to all existing contracts including REX re-enrolled and extended contracts approved prior to September 26, 2006 where managed hay or graze was authorized in the Conservation Plan before the settlement date. This determination is by contract, therefore contract acreage cannot be split between the old and new provisions. Once the determination is made, the applicable rules apply to the entire contract acreage.

The new rules under the NWF settlement changed the frequency upon which managed haying and grazing can occur. For Kansas, the significant policies that changed for both are provided in the table below. Keep in mind, these are the significant changes made in the frequency policies in the settlement. The other provisions for managed haying and grazing as provided for in Part 13 of the CRP manual, except for the prior frequency rules, are still applicable.

Keep in mind, emergency authorization to hay or graze in a year prior to a scheduled management practice will count toward the frequency and prevent the scheduled management practice from being eligible.

	Managed Haying	Managed Grazing
NWF Settlement Rules	Once in every 10 years -limit 50% of each field -wait 5 years between halves	Once in every 5 years
Old Rules	Once in every 3 years	Once in every 3 years

Farm Programs & Compliance

Direct and Counter-Cyclical Program

The current Direct and Counter-Cyclical program which was passed in 2002 came to an end September 30, 2007. Producers had until August 3 to timely enroll for 2007 without paying a late filing fee. This date was extended for 2007. The final date to enroll was September 30, however, a late fee applied if enrolled after August 3.

The program allows producers to participate, plant crops of their choosing with the exception of fruit and vegetables in certain situations, provide an acreage report, and maintain base acres free of weeds and erosion. In return, producers earned a direct subsidy payment which was paid in two payments or one depending on the selection made by the producer. Producers received 22% of their calculated payment in the month of their choosing. The final payments were made in October.

The counter-cyclical portion of the payment is made when market prices are low. With the current higher market prices, counter-cyclical payments will most likely not be issued. An advance payment can be made if determined to do so by the Secretary.

In 2007, producers in Kansas enrolled 104,674 farms. This is approximately 96% of the farms in Kansas. Producers will earn approximately \$310,055,872 in total payments for FY 2007.

Acreage Reporting Deadlines

- Small Grains – May 31
- Small Grains Hayed or Grazed – 15 days prior to haying or grazing.
- Feedgrains, Cotton, Oilseeds, CRP – August 1

Obtain FSA Fact Sheets On-Line at www.fsa.usda.gov, then click on *Find FSA Fact Sheets* under 'I Want To'.

Crop Disaster Program

Eligible farmers who suffered quantity losses to their crops in recent years can enroll in the Crop Disaster Program 2005-2007 (CDP). FSA will announce and conduct sign-up for quantity losses under CDP as soon as possible.

Subject to final rules for the program, CDP provides benefits to farmers who suffered losses to the 2005-2007 crops from natural disasters and related conditions so long as the actual crop lost was planted or prevented from being planted before February 28, 2007. Producers who incurred qualifying losses in 2005, 2006 or 2007 must choose only one year to receive benefits. Producers may apply for benefits for losses to multiple crops as long as the losses occurred in the same crop year.

Only producers who obtained crop insurance coverage or coverage under the Noninsured Crop Disaster Assistance Program (NAP) for the year of loss will be eligible for CDP benefits. Producers must have suffered quantity losses in excess of 35 percent to be eligible for CDP. The payment rate is set at 42 percent of the established price. Assistance, together with any crop insurance or NAP payment received for the same crop and including the value of the crop production not lost, must not exceed 95 percent of the total value of the crop absent the disaster.

On-going Program Signups

- Livestock Compensation Program and Livestock Indemnity Program (no signup deadline announced yet)
- Crop Disaster Program for Quantity Losses (no signup deadline announced yet)
- Farm Storage Facility Loans
- Continuous CRP
- Direct & Guaranteed Farm Loans
- Rural Youth Loans (10-20 year olds)
- Beginning Farmer & Socially Disadvantaged (SDA) Farm Loans
- December 3 – Final Date To Return County Committee Election Ballots
- December 1 – NAP Application Closing Date (see details in this issue)

Non-Insured Crop Disaster Assistance Program

The non-insured crop disaster assistance program or commonly known as (NAP) is an insurance program which provides financial assistance to producers for crops which the catastrophic level of crop insurance is unavailable. The NAP program affords a producer the opportunity to purchase crop protection against natural disasters for crops that are not insurable through private insurance companies or multi peril crop insurance. Eligible crops include commercial crops and other agricultural commodities produced for food (including livestock feed) or fiber. Examples of these crops would be fruit and vegetables, orchards, nuts, grasses, and forage crops for livestock feed.

Participation in this program remains popular among our livestock producers and our fruit and vegetable growers. For crop year 2006 Kansas producers received in excess of \$810,860.00 in NAP benefits and that figure will most certainly be higher for the 2007 crop year taking into consideration the April freeze damage, violent storms that swept the state in May, and flooding that occurred in Southeast Kansas in June. For the 2007 crop year, 1,878 Kansas producers have purchased 3,836 NAP crop policies. This represents 50 different crops not to mention different types or practices within each specific crop.

Within the NAP program there are several deadlines producers need to be aware of in order to maintain their eligibility for NAP benefits. First is the acreage reporting deadlines. NAP crops being mechanically harvested generally have either a May 31st or an August 1st acreage reporting deadline. For NAP crops that are being grazed or crops not specified by a specific acreage reporting date, producers must report acreage for coverage 15 days prior to the onset of harvest.

Another deadline producers need to remember is their responsibility to timely notify FSA when a loss condition has occurred and file an application for payment. A notice of loss must be filed within 15 days of either the disaster event or when the loss becomes apparent to the producer in order to be considered timely filed. At a minimum a notice of loss shall be filed prior to the destruction of a crop if the producer does not intend to take the crop to harvest, or within 15 days of harvest if the entire crop was harvested for its reported intended use.

Last of all it is the producer's responsibility to provide verifiable records of production for each NAP unit and crop by practice, type and variety no later than the immediate subsequent crop year acreage reporting date for a specific crop, which is also the final date to request payment in disaster loss situations. If producers have further questions regarding the NAP program they may contact their local FSA office for further program details.

NAP Application Closing Dates:

September 1 - aquaculture, barley, canola, Christmas trees, nursery crops, rye, spelts, triticale, turf grass sod, and wheat.

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

January 1 - apples and pears.

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

2008 Nap Coverage Dates can be accessed
at www.fsa.usda.gov/ks, under 'In The News'



Access Daily LDP Rates and PCP Rates at www.fsa.usda.gov, then click under 'I Want To'.

Farm Storage Facility Loans

The Farm Storage Facility Loan Program has been a popular program for producers who are constructing new on-farm storage structures. Kansas County and State Committees have approved 185 new facility loans for a principal amount of \$5,973,645.42 since this program was reopened in the 2000 fiscal year. An increased interest has occurred in this program in the last six months as producers are planning for the needed storage of the 2007 produced crops.

The Farm Facility Loan Program offers loans for the construction of storage facilities for commodities stored as whole grain or silage. Loans can include permanently affixed handling and drying equipment, site preparation and installation. The storage structures must have inside and outside ladders together with floors of concrete or metal. Hay storage structures are not eligible under this program nor are any commercial storage facilities. Any temporary structures are not eligible for loan nor are any portable equipment.

An applicant's storage need is calculated based upon a two years planting average with any existing storage space deducted. The loan application fee of \$45 is to be paid at the time of filing the application and the application is to be filed and the loan approved before beginning construction. The applicant must provide a cash flow statement and balance sheet which must reflect the applicant's ability to pay the down payment plus the annual installments.

Facility loans are available for 85 percent of the net eligible cost. The interest rate applicable to the loan is the rate in effect on the month of loan approval. County Committees have the authority to approve all loan requests of \$50,000 or less while all loan requests over \$50,000 require a County Committee recommendation and State Committee approval. The same dollar amount authority exists when applicants have multiple outstanding facility loan requests. Individual loans over \$50,000 or an aggregate outstanding balance of over \$50,000 require a real estate mortgage and title insurance as additional security. The maximum loan amount that can be outstanding to any individual or entity is \$100,000. Facility loans are scheduled to be repaid in seven yearly installments based upon the loan disbursement date.

Commodity Loans and LDPs

Nine-month commodity loans and Loan Deficiency Payments (LDPs) are available on eligible 2007-crop wheat, oats, barley, and honey until March 31, 2008; and on corn, cotton, grain sorghum and minor oilseeds until May 31, 2008.

Wool and Mohair

The final date to obtain loans or LDPs on 2007 wool, mohair or unshorn pelts is January 31, 2008.

Market Gains Reported

Beginning with the 2007 calendar year, FSA/CCC will report producer market gains associated with the repayment of a CCC loan, whether the producer repays the loan with cash or uses commodity certificate exchange. The market gain will be reported on IRS Form 1099-G. IRS Bulletin 2007-33, Notice 2007-63, dated August 13, 2007, provides answers to frequently asked questions about the tax treatment of market gains associated with the repayment of CCC loans.

Livestock Compensation Program

The 2005-2007 Livestock Compensation Program (LCP) provides benefits to livestock producers who suffered feed losses or incurred additional feed costs directly resulting from natural disasters occurring between January 1, 2005 and February 28, 2007.

Eligible livestock must have been owned on the start date of the disaster designation and physically located in the disaster county. Livestock owners must have suffered an eligible feed loss from produced or purchased forage or feedstuffs, or incurred additional feed costs as a result of the disaster event.

Eligible livestock include beef, buffalo, dairy, deer, elk, equine, goats, reindeer, poultry, sheep, and swine that are used as part of a farming operation and not for recreational purposes.

Documentation must be provided with the FSA-901 application to prove the feed loss or any additional feed costs occurring as a direct result of an eligible disaster event. Supporting documentation can include verifiable purchase records, vet records, bank or other loan papers, rendering truck receipts, FEMA records, National Guard records, written contracts, production records, IRS records, property tax records, private insurance documents, sales records, and similar documents.

Livestock producers incurring feed losses in more than one of the 2005, 2006 and 2007 calendar years may only receive assistance for one year.

LCP benefits may not exceed the smaller of the calculated payment rate or the value of the feed loss as determined by FSA. LCP has a payment limitation of \$80,000. Also, an individual or entity whose average adjusted gross income (AGI) exceeds \$2.5 million for three years immediately preceding the calendar year for which benefits are requested is ineligible unless 75 percent or more of the income is from agriculture.

Payment rates for each eligible livestock can be found on the LCP Fact Sheet at www.fsa.usda.gov, and then click on Disaster Assistance Programs. Payments are reduced by amounts received under previous 2005 Feed Indemnity Programs, 2005 Hurricanes LCP, or the 2006 Livestock Assistance Grant Program.

Livestock Indemnity Program

The 2005-2007 Livestock Indemnity Program (LIP) provides monetary assistance to eligible livestock owners and livestock contract growers, for livestock deaths that occurred between January 1, 2005 and February 28, 2007, in eligible disaster designated counties as a result of an eligible disaster event. Drought is not an eligible disaster event under LIP.

Eligible owners must have owned the livestock on the day they died in an eligible county as a direct result of the disaster event. The livestock must have died no later than 60 days from the disaster event ending date, but before February 28, 2007. Eligible livestock include beef, buffalo, dairy, catfish, chickens, crawfish, deer, ducks, equine, geese, goats, reindeer, sheep, swine, and turkeys that are used as part of a farming operation and not for recreational purposes. Eligible livestock for contract growers includes poultry and swine.

Documentation must be provided with the FSA-900 application to prove kind, type, weight and number of livestock that died, and evidence that supports date, location and cause of death. Supporting documentation can include purchase records, vet records, bank or other loan papers, rendering truck receipts, FEMA records, National Guard records, written contracts, production records, IRS records, property tax records, private insurance documents, and similar documents. Third party certifications will be accepted in certain conditions.

Livestock producers incurring losses in more than one of the 2005, 2006 and 2007 calendar years may only receive assistance for one year.

LIP has a payment limitation of \$80,000. Also, an individual or entity whose average adjusted gross income (AGI) exceeds \$2.5 million for three years immediately preceding the calendar year for which benefits are requested is ineligible unless 75 percent or more of the income is from agriculture.

Payment rates for each eligible livestock can be found on the LIP Fact Sheet at www.fsa.usda.gov, and then click on Disaster Assistance Programs. Payments are reduced by any amount received in recent years under similar USDA livestock disaster programs; or for contract growers the payment will be reduced by the amount of monetary compensation received from the contractor for the loss of income suffered from livestock deaths.

Heroism Award

Written By Lisa Theunissen



Lisa Theunissen is known to FSA employees as the backroom guru of printing, mailing, and supplies in the FSA State Office. But she has a second job.....

May 11, 2007 is a historic day in my life. As you may or may not know, for the past 10 years I have been working a part time job with the USD 383 school district in Manhattan, KS. Over these past 10 years there have been "bus malfunctions" but nothing serious enough to have to evacuate the bus, not until May 11, 2007.

On May 11, one of our activity buses, bus 86, had a major problem. The day started out as usual. I did the usual pre-trip to check fluids, tires, belts, lights, etc, everything was normal. Well, as normal as bus 86 ever got. I went to the Manhattan High School West, to pick up the varsity and junior varsity boys baseball teams and in a short time we were on our way to Topeka. Still all was well.

We started home around 8:45pm after the games (each won a game and lost a game) and all was well until we exited I70 onto Hwy 177 north to Manhattan. Around 9:45pm I noticed some odd looking lights behind and off to the passenger side of the bus. The lights sort of looked like police lights but not quite because when I looked out the drivers' side mirror I didn't see any such lights. When I checked the passenger mirror again I discovered flames shooting from the engine compartment in the back of the bus. I immediately pulled the bus over to the shoulder and while pulling over informed the students and coaches that we would be evacuating the bus. Someone had already called 911 by the time I exited the bus so I called our emergency number for transportation to let them know what was going on and where we were.

I stopped about a mile and a half north of I70 on Hwy 177 north. As soon as the bus was stopped the kids and coaches started to evacuate and we were off the bus in about 1 minute. Everybody got off the bus without getting hurt.

As it turned out the engine caught fire because a rod was thrown through the engine block, taking the fuel pump with it and damaging hoses along the way. The charred spot and glass from the bus can still be seen on the side of the road.

Your probably wondering where this is leading. Someone from USD 383 nominated me for the KSPTA Heroism Award for 2007. It feels strange to win an award for just doing my job but still I'm very proud of it. However, I feel like the real heroes are the kids. They evacuated the bus like it was an every day occurrence. Nobody panicked. They did as they were instructed. The engine of this bus was in the back, so the boys in the back seats were getting the worst of the heat and smoke and still they didn't panic. I feel fortunate that all we lost were things that could be replaced.

Bus 86 was towed away and laid to rest at Manhattan Wrecker.



Lisa with award.



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