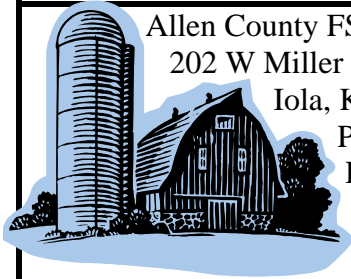


ALLEN COUNTY FSA AG REPORT



Allen County FSA Office
202 W Miller Road
Iola, KS 66749
Phone: (620) 365-2901
Fax: (620) 365-5785

Hours: Monday – Friday
8:00 a.m. – 4:30 p.m.

MARCH 2007

Office Staff: Doug Peine, CED

County Committee Members

Gary Coltrane, Chairperson
Marjorie Mentzer, Vice Chairperson
Marvin Sander, Member

*The Committee meets the 2nd
Thursday of each month*

Marthena Spainhoward, PT
Jandy Wiltse, PT
Lindsey Hammond, PT
Janet Mattox, TPT

2007 Direct and Counter-Cyclical Program

Please remember the Direct and Counter-Cyclical Program (DCP) requires contracts to be signed **EVERY** year to verify payment shares and to select advance payment options. If you have not completed this process, **NOW** is the time to schedule an appointment to do so. At this time it will be very important for you to review the contracts for accuracy and inform our office of any changes to your farm operation for the 2007 crop year. Farm operators will be given copies of the 2007 contracts to be forwarded on to the land owners for completion.

All producers on the farm must sign and return the 2007 DCP contract **BEFORE** it can be approved and advance payments are issued. If you have a valid Power Of Attorney (POA) on file and will be signing on behalf of that person, please find out if and when they would like their 2007 advance payment. Please ensure you sign the contract correctly using either “for” or “by” if signing as POA.

Advance payments can only be issued for **22%** of the direct payment which is less than half of the normal 50% advance of recent years. We will **NOT** be mass mailing appointment cards, so **contact us immediately** to schedule an appointment.

Wheat Acreage Reports

Please remember that acreage reporting is required in order for you to be eligible for payments under the Direct and Counter-Cyclical Program (DCP), as well as for loans and LDP's. The final date to report your planted acres of wheat, oats, and barley is **May 31, 2007**. We would like to complete this activity at the time you enroll in the 2007 DCP program. **You are also reminded that planting dates will need to be provided at the time you report.** Please contact our office to schedule an appointment prior to **May 31st**.

Foreign Investors 90-Day Reporting Rule

Foreign owners of U.S. agricultural land are required by law to report their land holdings, acquisitions, leases of 10 years or more, and land use changes within 90 days to the local FSA office. Failure to report these changes can result in civil penalty of up to 25 percent of the fair market value of their interest in the agricultural land.

CRP Items

CP-33 Quail Buffer acres are gone! The CP-33 (Habitat Buffers for Upland Birds) acreage allotment for the state is gone. We are still taking requests so we are prepared if we receive an additional allocation of acres. If you have an interest, visit us and NRCS so we can determine eligibility and start the sign-up process.

No General CRP Sign-up in 2007 or 2008: We have received a National CRP Notice that indicates no general CRP sign-ups are scheduled for the 2007 or 2008 fiscal years.

Seeding dates: If you have started a new CRP contract and are going to be seeding a new stand of native grass, remember the dates to do so are December 1, 2006 to May 15, 2007. Also, if you did not receive your seeding sheet in the mail, stop in and see NRCS for a new one. NRCS would like to remind you to use a good quality grass seed when trying to establish a CRP stand of grass.

Non-Insured Assistance Program (NAP)

March 15, 2007, is the sales closing date to purchase 2007 crop insurance for corn, grain sorghum, or soybeans. It is also the final date to purchase a Non-insured Assistance Program (NAP) policy for crops in which multi-peril coverage is NOT available. The NAP sales closing date includes crops such as double-cropped soybeans or milo, sunflowers, and some fruits, vegetables, and nut crops. NAP policies are much like catastrophic coverage under the standard crop insurance program. The NAP program will provide coverage for losses exceeding 50% of your Actual Production History (APH) for the crop and benefits are calculated on 55% of the price for the crop. Contact our office prior to March 15th if you are interested in a 2007 NAP policy.

Sodbuster - Swampbuster

Most Farm Service Agency programs require compliance with sodbuster and swampbuster provisions. These provisions require producers to follow an approved conservation plan on all highly erodible land planted to an annual crop as determined by the Natural Resources Conservation Service.

Be sure to have determinations made on any new land you plan to plant to annual crops. If you plan to plant a different crop on your current cropland, check with NRCS to assure the new crop will qualify under your conservation system.

Swampbuster provisions state that converting a wetland to make possible the planting of a crop will result in the loss of all USDA benefits. To avoid this possibility it is strongly recommended that producers check with NRCS before starting any kind of dirt work.

Loan and LDP Reminders

The last day to request a 2006 Loan or Loan Deficiency Payment (LDP) for wheat, oats, and barley is **March 30, 2007**, and **May 31, 2007**, for corn, milo, sunflowers, or soybeans. The dates mentioned above, will be the final day to request a loan, timely file a CCC-633 EZ page 2. If you sold some corn or soybeans as they were delivered early last fall, there may have been an LDP rate in effect. To be eligible for this payment you must provide your settlement sheet and you must file the CCC-633 EZ page 2. Some of you had the elevator fax your settlement sheet; however no LDP page 2 was submitted. If you feel you have another LDP payment due, contact our office **BEFORE** the applicable dates mentioned above.

New Faces in the Office

If you have been in the office lately, you have probably noticed a couple of new office staff members. Janet Mattox joined our staff in December to fill a temporary office position. Janet and her family live on a farm near Savonburg. Lindsey Hammond (Vaughn) is our newest staff member. Lindsey spent a few years in our office as a temporary program technician. Last summer she took a permanent position in the Woodson County FSA Office. She has recently filled a vacant permanent program technician position in our office. We are very fortunate to have two very qualified additions to our team in Allen County. The next time you are in the office, give them both a big welcome.

Farm Reconstitutions

When changes in farm ownership or operation take place, a farm reconstitution is required. The reconstitution — or recon — is the process of combining or dividing farms or tracts of land based on the farming operation. Estate, Designation of Landowner, DCP Cropland, and Default are the different methods used when doing a farm recon. Remember, to be effective for the current year, recons must be requested by Aug. 1 for farms enrolled in the Direct and Counter-Cyclical Program. The final date to request a 2007 reconstitution is Aug. 1, 2007. If 2007 DCP direct payments have already been issued on the farm, the reconstitution will be effective for 2008, unless the payments are refunded.

Reasonable Accommodations

Reasonable accommodations will be made, upon request, for individuals with disabilities, vision impairment, or hearing impairment to attend or participate in meetings or events sponsored by the Farm Service Agency. If you require special accommodations to attend or participate in one of our events, please call the FSA county office and we will be happy to make any needed arrangements.

Signature Authority for Spouses

Spouses can sign FSA program documents on behalf of each other for most FSA farm programs in which either has an interest, without signing special forms. This signature authority for spouses to sign for each other will be in effect unless notification denying either spouse this authority has been provided to FSA. For crop loans, an FSA-211 power of attorney must be on file for spouses to sign for each other.

Payment Eligibility and Payment Limitation Requirements

Producers should be aware of payment limitation and payment eligibility requirements to be eligible for most United States Department of Agriculture (USDA) benefits. Program payments that require eligibility determinations prior to payment include the Direct and Counter-Cyclical Program, Conservation Reserve Program, Loan Deficiency, Marketing Loan Gains, Environmental Quality Incentive, and Disaster Assistance Programs.

No program benefits can be afforded any producer until form CCC-502, Farm Operating Plan for Payment Eligibility Review and supporting documentation has been provided and County Committee determinations made. The Farm Operating Plan does not need to be filed annually. However, producers are required to notify the County Office of any changes in the farming operation which would affect a “person,” actively engaged in farming,” cash-rent tenant, or foreign person determination. Changes that may affect a determination include, but are not limited to the following:

- Contract shares that may reflect a change of land lease from cash rent to share rent or a change from share rent to cash rent, modification of a variable/fixed bushel rent arrangement.
- The size of a producer’s farming operation by the addition or deletion of a farm that may affect the application of a cropland factor.

- The structure of a farming operation, including any change in the member’s share.
- Contributions of farm inputs of capital, equipment, active personal labor, or active personal management.
- The acquisition of farming interests not previously disclosed on CCC-502 or update, including the farming interests of a spouse or minor child.
- An increase in income that may affect the 3-year average for the determination of average adjusted gross income or other change that affects eligibility under the average adjusted income limitation.

By statute, entities earning program benefits subject to a payment limitation must provide to the county committee the names, addresses, and ID numbers of the entities’ members. The entity is also required to inform its members of the requirements to designate “permitted entities.” Signature authority is required for all entities.

Form **AD-1026**, Highly Erodible Land Conservation (HELIC) and Wetland Certification (WC), must also be on file and a County Committee determination made prior to receiving benefits for most programs.

A “person” or entity can earn \$40,000 per year in Direct payments, \$65,000 in Counter-Cyclical payments, \$50,000 under the Conservation Reserve Program, \$450,000 under the Environmental Quality Incentive Program, and \$100,000 under the Noninsured Crop Disaster Assistance Program. Other programs also have payment limits, such as Loan Deficiency Payments and Marketing Loan gains of up to \$75,000, a separate marketing loan gain, or LDP limitation of \$75,000 exists for honey, peanuts, mohair, and wool. Spouses, if certain conditions are met, may be considered a separate person for payment limitation purposes if they request to be. An individual or entity cannot be eligible to receive certain payments and benefits if the average adjusted gross income (AGI) exceeds \$2.5 million unless at least 75 percent of the average AGI was derived from farming, ranching, or forestry operations.

Payment limitation and payment eligibility determinations may be initiated by the County Committee or requested by the producer. All payment limitations and eligibility determinations, as well as AGI certifications, are subject to spot check. A “not actively engaged in farming” determination may result in the loss or denial of all program benefits and request for repayment of USDA payments or loans.

Noncompliance with the adjusted gross income provisions, either by exceeding the \$2.5 million limitation or by failure to submit the applicable certification statement, will result in the determination, or joint operation that receives benefits subject to the average adjusted gross income limitation.



The U.S. Department of Agriculture (USDA) prohibits discrimination in all programs and activities on the basis of race color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status (Not all bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (braille, large print, audiotapes, etc.) should contact the USDA TARGET Center at (202) 720-2600 (voice or TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326W, Whitten Building, 14th and Independence Avenue SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.