



February 2007

REPORTABLE INCOME & EXPENSES

Refunds of program payments will no longer be reported on a CCC-1099-G. Refund information is available from the *FSA Financial Inquiries* found on the FSA web. Any program participants (with Level-2 user ID's) or the county office, can access *FSA Financial Inquiries* on the web to obtain a summary of payments and refunds by year through the options "1099/Refund Reports" and "Year-to-Date Activity". The CCC-1099-G and the Year-to-Date Activity Report can be utilized by participants and their tax preparer for filing Federal and State Tax Returns.

If you have computer access, you may visit the FSA web-site at: <http://www.eauth.egov.usda.gov/eauth/WhatIsAccount.html>. From this site you will be able to get information on obtaining an "eAuthentication Level-2 user identification (ID) and password". If you don't have computer access you may contact your FSA office for assistance in obtaining a summary of payment and refunds by year.

ELIGIBILITY REVIEWS SLOW ENROLLMENT PROCESS

You should allow extra time to complete the annual signup process this spring due to a requirement to thoroughly review all payment eligibility forms. A national audit of FSA program payments found that due to inadequate documentation of signature authority \$2.8 billion in FSA subsidies were considered erroneous. Subsequently, signature policies are being strictly enforced when signing program documents. If these policies are not followed you are jeopardizing your benefits and may be required to refund all program payments.

REPORT 2007 PLANTED WHEAT

It is time to report planted small grain acreage. These reports are required annually to maintain eligibility for most FSA programs. Small grains, including wheat, barley, and oats, are required to be reported by **May 31, 2007**. When reporting crop and land uses to the FSA Office, farm producers will need to provide the field areas, the planted acreage, and the planting date of each crop. *Phone your FSA office for an appointment to certify your planted wheat acreage.*

2007 DCP SIGNUP

Annual enrollment for the 2007 Direct and Counter-cyclical Program (DCP) continues until **June 1, 2007**. Advance Direct Payments in 2007 are **22%** of the total earnings. The balance of the Direct Payment will be issued in October 2007. At this time there is no Counter-Cyclical advance payment due to a strong market. *Call your local FSA office for an appointment to enroll your 2007 DCP contract.*

2006 COMMODITY LOANS

A nine-month commodity loan is available from FSA at low interest rates. Using a 2006-crop for collateral, loans disbursed in February 2007 will have a 6.0% interest rate. Eligibility requirements include: an accurate 2006 acreage report; being in conservation compliance; having a farm operating plan for payment eligibility on file; and having no delinquencies on any Federal non-tax debt. The grain may be in approved farm storage or stored in a warehouse.

A farm-stored loan can be requested with a measurement service or you may certify as to the loan quantity. A warehouse receipt must be provided for a warehouse-stored loan. The receipt must show storage was prepaid for nine months.

Wheat, oats and barley produced in the 2006 harvest may be offered as security for a commodity loan until **April 2, 2007**. Corn, sorghum and oilseeds from 2006 are available for loan until **May 31, 2007**.

CRP Continuous Sign-up for Upland Birds Habitat

A new allocation of acreage has been extended to Western Kansas for enrollment into the *Upland Birds Habitat*. The purpose of this practice is to provide food & cover for quail and upland birds in cropland areas. Application is around field edges of eligible cropland that is suitably located for the establishment of wildlife habitat. It will include native, warm-season grass, legumes, wildflowers, forbs, and limited shrub & tree plantings. The allocation of acreage to this practice is limited so those interested should immediately contact their local USDA Service Center to enroll in the Continuous CRP under the Habitat Buffer for Upland Birds (CP-33).

Mowing CRP Contracts

Remember that your **CRP contract PROHIBITS**: 1) mowing CRP around irrigated circles on corners in CRP; 2) mowing hunting lanes; 3) any mowing for cosmetic purposes; 4) annual mowing for CRP weed control; 5) mowing of CRP to park machinery/equipment. You should always contact your local FSA office before mowing any CRP to ensure you will stay within the maintenance requirements for your contract.

You may request that FSA authorize a firebreak in high risk areas such as near a farmstead. At your request NRCS would develop a modification to the Conservation Plan (CPO) for your CRP to include a firebreak. You must request to install a firebreak in advance and that modification to your conservation plan must be approved by the FSA county committee before you mow the fuel break. These are considered by the county committee on a case-by-case basis.



LOAN DEFICIENCY PAYMENTS

Remember the **CCC-633 EZ** form? This is a two-part loan deficiency request that allows you to (1) indicate your intentions to receive LDP benefits before losing beneficial interest in the eligible commodity, and (2) submit a request for an LDP payment at any time during the loan/LDP availability period, which may be done before or after losing beneficial interest.

By signing the first page of the EZ form, you indicate your intentions to receive LDP benefits. This one page covers all counties and all eligible harvested commodities for the entire crop year for the producer. Once the first page of the form has been signed and submitted, you can submit an LDP request for payment by completing page 2 for all harvested commodities. The LDP request can be submitted at any time during the loan availability period, before or after losing beneficial interest.

Page 1 of the EZ form must be submitted for each producer with a share of the crop and signed by the producer before beneficial interest in the commodity is lost. Once beneficial interest is lost, the commodity is ineligible for an LDP even if beneficial interest is regained. Most producers sign the **CCC-633 EZ Page 1** during DCP signup or acreage certification. You must ensure this has been completed prior to the onset of harvest. **And verify that your commodity is delivered to the warehouse or other buyer in the same name as the farm records are enrolled at FSA.**

Ledger sheets from licensed warehouses must be applied as production evidence on LDP within 7 days of issue. If you present a ledger sheet older than 7 days you may be asked by the FSA to get a current ledger sheet. Ledgers must also provide a special statement certifying that the producer maintained beneficial interest and signed by the warehouse representative.

NAP COVERAGE

The deadline to purchase NAP insurance for 2007 is **March 15** for certain uninsurable crops like: blue (nonprogram) corn; dry beans; millet; sorghum forage (Cane); soybeans; sunflowers; sweet corn; amaranth grain; field peas; and many fruits and nuts. Coverage is only available under the Non-insured Assistance Program (NAP) if Federal Crop Insurance is not available for that crop in your county.

Remember that **Dual-purpose sorghum** and other sorghum crops **intended for silage** may be eligible for Federal Crop Insurance and, if so, are not eligible for NAP. * If you had a NAP policy on 2006 crops you must provide production and bale weights to update your Actual Production History. The deadline to submit this production for small grains is May 31 and for other crops is August 1, 2007.

Document Losses from Winter Storms

Western Kansas was hit hard by severe winter storms that caused widespread power loss, stalled transportation, damaged infrastructures and left livestock without feed and water. We are unsure if programs will be approved by Congress to compensate producers from losses incurred by these storms. Livestock producers who suffered livestock deaths as a direct result of these storms should maintain documentation of losses with type and weight of animal such as, but not limited to, photos, rendering receipts, insurance receipts, receipts for carcass removal, veterinary records, IRS records, financial reports, etc. In addition, dairy farmers should maintain documentation to prove production was dumped due to a direct result of the storms. This information may be helpful if funding is approved for such losses.

EMERGENCY LOANS AVAILABLE

Farmers in Finney, Kearny, Hamilton, Greeley, Scott, Lane, Wichita, Stevens, Grant, Haskell, Morton, Seward, Stanton and Meade Counties, who suffered crop or livestock losses due to a severe winter storm occurring December 28 – 31, 2006 may now apply for FSA emergency loans. Applications will be accepted until September 24, 2007.

Loans covering physical and/or production losses may be made at a 3.75 percent interest rate.

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.

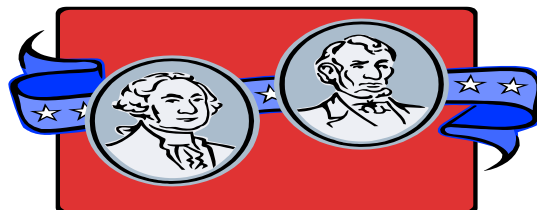
Farmers needing farm credit as a result of the severe winter storm on December 28 – 31, 2006, and who think they are eligible for FSA assistance, should inquire at their local FSA office.

FARM RECORD CHANGES

Notify your FSA office if changes for the 2007 crop year have been made to any of the farms you have an interest. Changes to report include ground that has been bought or sold, share percentage or type of arrangement (cash rent or share rent), or if one or more owners or operators should now be listed as a trust, corporation, partnership, or estate.

Doing FSA Business Online

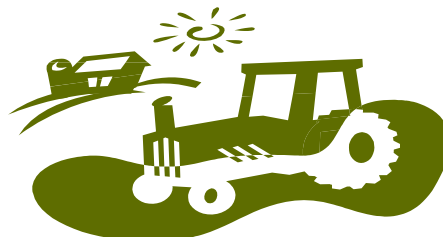
If you have computer access consider signing up for eAuthentication to acquire level 2 accounts so you can conduct USDA business on-line 24/7. This access requires filling out an online registration form at: <http://www.eauth.egov.usda.gov>, then make a visit to your local county FSA office for identification verification. Bring your photo id with you to the FSA. The only other requirement is that you have an e-mail address. Once your account is established you will have access to filing eLDP, eForms, Customer Statements, Financial Inquiry and many other programs and information will become available electronically. Visit our Kansas website at: www.fsa.usda.gov/ks/



FSA will be Closed for President's Day - February 19, 2007

Dates to Remember...

March 15	Final date to obtain 2007 NAP policy on most spring planted crops, including vegetable & nut crops
April 2	Final date to obtain loans or LDP on 2006 crop wheat, barley, oats and honey.
May 31	Final date to obtain loans or LDP on 2007 crop corn, sorghum and oilseeds
May 31	Final date to certify small grain crops
June 1	Sign-up ends for 2007 DCP program without paying late-fee
August 1	Deadline to certify spring seeded crops, CRP, and NAP (NAP is earlier of Aug 1 or 15 days prior to grazing or harvest)
Ongoing:	<ul style="list-style-type: none"> ➤ Continuous CRP signup ➤ Direct & Guar. Operating or Farm Owner Loans ➤ Rural Youth Loans ➤ Farm Storage Facility Loans ➤ File your CCC-633EA Page 1 for LDP prior to losing beneficial interest in your 2007 crop



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