



STEVENS COUNTY FARM LOAN PROGRAMS

Serving Grant, Haskell, Morton, Seward, Stanton, and Stevens Counties

Farm Service Agency
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Staff

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Hours

Monday - Friday
8:00 a.m. - 4:30 p.m

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FSA NOW LOANS FOR A VARIETY OF CONSERVATION PRACTICES

USDA announced a new Conservation Loan Program to promote conservation on farms and ranches throughout the US to conserve our natural resources. CL funds can be used to implement conservation practices approved by the Natural Resources Conservation Service (NRCS), such as the installation of conservation structures; water conservation measures; waste management systems; establishment or improvement of permanent pastures; and the adaptation of other emerging or existing conservation practices, techniques or technologies. New or existing conservation plans must be NRCS approved before FSA can provide financing.

General Information:

- Fixed Rate
- No limits on size of operation
- \$300,000 direct loan limit
- \$1,119,000 guaranteed loan limit
- Streamline Option available with reduced paperwork for those that qualify
- Project must be identified on NRCS Conservation Plan

Maximum Loan Terms

- 20 years if secured by real estate
- 7 years if secured by chattels

Security

- Real Estate if available, then
- Chattels, if acceptable

For those interested in this new loan, please stop by and visit with the FLP loan personnel about what you need to do to apply.

WOMEN MANAGING THE FARM CONFERENCE 2011

“A comprehensive program for farm owners, partners & rookies.”

Workshops, Networking, and Keynote Speakers.... To aid women who are helping to grow the nation's food supply.

When: February 11-12, 2011

Where: Hyatt Regency Wichita
400 West Waterman
Wichita, KS 67202
1-888-421-1442

Convention Rates available
Make reservations by Jan 23

Cost: \$125 Registration Fee (before Jan 28)
Day rates also available

Registration and other details available at:
www.togpartners.com/wmf

FSA

“The Lender of First Opportunity”

The Farm Service Agency is committed to providing family farmers with loans to meet their farm credit needs. If you are having trouble getting the credit you need for your farm, or regularly borrow from FSA, direct and guaranteed loans are currently available.

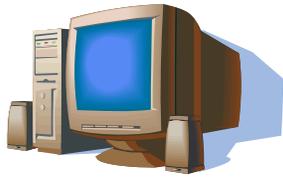
Types of FSA Loans

- Farm Real Estate
 - 100% direct financing or joint financing with your bank
 - Purchase
 - Make improvements
 - Develop land to promote soil and water conservation
- Farm Operating Loans
 - 1-7 years repayment
 - Fixed Rate
 - Finance all types of intermediate-term capital loans
- Emergency Farm Loans
 - Provide assistance to help producers recover from production and physical losses caused by natural disasters or quarantine
- Rural Youth Loans
 - \$5,000 limit
 - 1-7 year repayment
 - Help Rural youths 10-20 years old to establish and operate income producing projects
- Guarantee Loans
 - You deal with your bank
 - LOC (5 year term)
 - Term Operating Loans
 - Real Estate
 - \$1,119,000 maximum loan

GET YOUR APPLICATIONS IN EARLY

Applications for FSA Farm Loan Assistance

Farmers and ranchers that intend to apply to the Farm Service Agency for loan assistance for the upcoming crop year are encouraged to file their applications as early as possible. Filing early will help ensure that your loan is processed and approved as early as possible so that planting decisions can be made. Failure to apply early can result in a delays in processing loans due to the volume of applications that must be processed in date order. Contact your local FSA Farm Loan Manager or Officer for more details and assistance in applying.



END OF 2010 – TIME TO GET YOUR FINANCIAL RECORDS IN ORDER

With the end of the fiscal year just passed, now is the time to start to get your financial information in order. This is a good time to do this while the 2010 year is still fresh in your mind and tax season is just around the corner.

Another reason to get this information ready is that the FSA Farm Loan Program is required by law to do a Year End Analysis at the end of the first year of your new loans and do a classification on your loans every two years. In order to do this, we need the following information:

- A current balance sheet
- A 2010 income statement or copy of your 2010 taxes
- A 2011 projected cash flow

The information can be from your bank, your own computer record keeping system, or we can provide forms for you to use to provide the information. Not only do we require this, but it is an excellent opportunity for you to review your operations financial situation and see if there are changes that need to be made to make your operation more successful.

FSA will send out letters informing you if you need to send in the information or not. If you are unsure just how to provide the information, feel free to contact one of your local Farm Loan staff and they will be more than happy to meet with you and help you fill out this information and go over it with you.

FSA 2011 Farm & Ranch Planning Prices for your cash flow

Wheat - \$5.00/bu	Sunflowers (oil) - \$16.00/lb
Corn - \$3.90/bu	Sunflowers (conf) - \$18.00/lb
Milo - \$3.55/bu	450# Calves - \$116.00/cwt
Soybeans - \$8.85/bu	750# Calves - \$105.00/cwt
Alfalfa - \$95.00/ton	Fat Cattle - \$91.00/cwt

FSA JANUARY INTEREST RATES*

Direct Operating Loans - **1.75%**
 Direct Farm Ownership Loans - **4.5%**
 Youth Loans - **1.75%**

*Rates change monthly, please contact your FLP representative to get the current rates.



FINANCIAL RATIOS IT MAKES GOOD BUSINESS SENSE

With the size of farming operations increasing each year and the use of credit increasing, financial management is becoming more and more important to your operation's success. But how can you evaluate all the information that you have? This is where financial ratios come in. A financial ratio is a comparison of two measurements of a business. The objective is to evaluate the condition of the farm business as a unit. There are several useful ratios that are good indicators of your farm's financial progress. These ratios can be put into five categories:

1. Liquidity Ratios

- Measure the ability to meet financial obligations as they come due
- Include the Current Ratio and the Working Capital Ratio

2. Solvency Ratios

- Measure the amount of debt & other expenses used in the business relative to the amount of owner equity invested
- Include the Debt/Asset Ratio, Equity/Asset Ratio, & the Debt/Equity Ratio

3. Profitability Ratios

- Measure the extent to which a farm business generates profit from land, labor, management, and capital
- Include the Rate of Return on Farm Assets, Rate of Return on Farm Equity, Operating Profit Margin Ratio, & Net Income from Operations

4. Financial Efficiency Ratios

- Measure the intensity with which a farm business uses its assets to generate value of farm production
- Include Asset Turnover Ratio, Operating Expense Ratio, Depreciation Expense Ratio, Total Expense Ratio, and the Net Farm Income Ratio

5. Repayment Capacity Ratios

- Measure to determine whether a farm has the ability to cover principal and interest payments, and the ability to acquire capital and service additional debt
- Include Income Available for Capital Replacement and Term Debt Repayment Ratio

In upcoming newsletters, we will be going over some of the more common ratios, how to find them, and what they tell you about your farming operation. If you have any questions about these ratios or just want to go over your operations ratios and what they mean please feel free to contact Will or Jim at the Stevens County FSA Office anytime.