



January 2010

**Reno County FSA**  
18 East 7th  
South Hutchinson, KS 67505  
(620) 669-8161- Phone  
(620) 669-5496 – Fax

**Hours**  
Monday – Friday  
8:00 AM – 4:30 PM

**County Committee**  
Myron Miller, Chairperson  
Ed Thayer, Vice Chair  
MaryAnn Strohl, Member

Committee meets 2<sup>nd</sup> Wednesday of Month

**Staff:**

**Farm Programs**

Gwen Brown – PT  
Terri Gomes - TPT  
Jeannea Kaufman - PT  
Bobbie Koontz - PT  
Shirley Nelson – PT  
Katy Sotomayor –PT  
Clara Yoder – PT  
Aaron Fall - CED

**Farm Loans**

Katie Johnson – PT  
Sheri Grinstead - FLO  
Ray Bartholomew – FLM

**Internet Web Sites**

USDA – [www.usda.gov](http://www.usda.gov)  
FSA – [www.fsa.usda.gov](http://www.fsa.usda.gov)  
NRCS – [www.nrcs.usda.gov](http://www.nrcs.usda.gov)

**County Committee Election Results**

The Reno County Committee Election ballots were counted on December 9, 2009. Edward Thayer won the election with a total of 168 votes. Danielle Geesling is the first alternate with a total of 116 votes. Dwight Allsup and Alan Cole each received one vote. Alan Cole was elected the second alternate by lot.

**Acresage Reports**

The Reno County Farm Service Agency is currently taking appointments for wheat and small grain acresage reports. In addition to wheat and small grain, producers will also need to report all acresage that they have an interest in, this includes hay and grazing lands for SURE purposes. Producers are encouraged to schedule an appointment early!

**Foreign Investors**

Foreign investors who buy, sell, or hold a direct interest in U.S. agricultural land must report their holdings to the FSA office in the county where the land is located. Those buying or selling must report the transaction within 90 days of the date of the transaction.



# *Reno County FSA News*

**2010 DCP Signup**

Sign-up for the Direct and Counter-Cyclical Program is underway. The deadline to sign-up for DCP is **JUNE 1, 2010**. All contracts must be returned to the FSA office with correct signatures on or before June 1, 2010 in order to receive payment. Contracts not received timely will be considered withdrawn and will not be approved for payment.

It will also be important for producers to timely report changes and file a revised CCC-509. These changes include but are not limited to: a change in contract shares, a change in ownership or operator. Failure to report these changes may result in the loss of benefits for all producers on the farm for the crop year.

Farms with 10 acres of base or less, generally, will not be eligible to receive a DCP payment. However, the prohibition does not apply to farms that are owned by a socially disadvantaged or limited resource producer.

Payments for 2009 will be calculated 83.3% of the covered commodity's base acreage. An advance payment of 22% may be requested at the time of sign-up.

The Reno County office will be mailing the 2010 contracts to the operator's. Please carefully review the contracts to ensure all the information is accurate and correct. If a change is needed, please contact our office. Producers also have the option to select ACRE. Producers may cancel the DCP contract prior to June 1 and enter into the ACRE program.

**The ACRE Option**

The optional ACRE Program provides a safety net based on state revenue losses and acts in place of the price-based safety net of counter-cyclical payments under DCP. A farm's payment is based on a revenue guarantee calculated using a 5-year average state yield and the most recent 2-year national price for each eligible commodity. For 2010, the 2-year price average will be based on the 2008 and 2009 crop years.

An ACRE payment is issued when both the state and the farm have incurred a revenue loss. The payment is based on 83.3 percent (85 percent in 2012) of the farm's planted acres times the difference between the State ACRE guarantee and the state revenue times the ratio of the farm's yield divided by the state expected yield. The total number of planted acres for which a producer may receive ACRE payments may not exceed the total base on the farm. In exchange for participating in ACRE, in addition to not receiving counter-cyclical payments, a farm's direct payment is reduced by 20 percent, and marketing assistance loan rates are reduced by 30 percent.

The decision to enroll in the ACRE Program is irrevocable. The owner of the farm and all producers on the farm must agree to enroll in ACRE. Once enrolled, the farm shall be enrolled for that initial crop year and will remain in ACRE through the 2012 crop year.

The June 1, 2010, deadline is mandatory for all participants. USDA will not accept any late-filed applications.

**Supplemental Revenue Assistance (SURE)**

Signup for the 2008 SURE Program for **2008 crop losses** will begin **January 4, 2010**. SURE provides benefits for farm revenue losses due to natural disasters. For SURE purposes, a "FARM" refers to all crop acresage in all counties that is planted or intended to be planted to crops that will be sold by the producer. This includes hay crops and crops raised for livestock feed. To qualify for SURE the county must have a Secretarial Disaster Designation (or be contiguous to a county that does) or a producer will qualify if there is greater than 50% production losses on their FARM. In order to receive payments, the FARM must suffer at least a 10% loss on at least one crop of economic significance.

Producers with qualifying losses are eligible to receive 60% of the difference between the SURE Program Guarantee and the actual Farm Revenue. The SURE Program Guarantee is calculated by totaling the guarantee for each crop. The guarantee cannot exceed 90% of the expected revenue. Total Farm Revenue is calculated based on the estimated crop value, MPCl indemnities, NAP payments, MAL proceeds, other disaster payments, and 15% of the DCP payment.

The 2009 Stimulus Bill increased SURE benefits and expanded coverage by providing an additional "buy-in" period and by increasing the guarantee calculation for both insurable crops and crops eligible for NAP coverage. Producers who participated in the "buy-in" must purchase crop insurance or NAP in the next available year.

In order to expedite payments FSA is making "interim" payments that will be based on temporary rule modifications. Once the application process is finalized additional payments may be issued or refunds may be required. Producers are not required to apply under the interim process to be eligible.

### Protecting FSA Customer Privacy

Section 1619 of the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill), which took effect on May 22, 2008, prohibits release of information provided to FSA by an agricultural producer or owner of agricultural land in order to participate in a FSA program. In addition, it also prohibits release of information concerning the agricultural operation and marketing of farming or conservation practices, or the land itself. Program participants who intend for their personal records or information to be released to a third-party must consent to release of the specific information, in writing.

### Reasonable Accommodations

Special accommodations will be made for individuals with disabilities, vision impairment, or hearing impairment. Please contact the office and we will be happy to make any arrangements you may need.

### Biomass Crop Assistance Program (BCAP)

BCAP assists agriculture and forest land owners and operators with matching payments for the amount paid for the collection, harvest, storage, and transportation (CHST) of eligible materials by a qualified Biomass Conversion Facility (BCF); and supports establishing and producing eligible crops for the conversion to bioenergy through project areas.

The program provides matching payments for the sale and delivery of eligible material to a qualified BCF. Payments to eligible materials owners will be at the rate of \$1 for each \$1 per dry ton paid by the qualified BCF., limited to a maximum \$45 per dry ton not to exceed a 2 year payment duration.

To become an eligible BCF, facilities must submit an agreement and other documentation to the Kansas FSA State Office, 3600 Anderson Avenue, Manhattan, KS 66503 for approval. Obtain a list of eligible materials and BCF agreement at [www.fsa.usda.gov](http://www.fsa.usda.gov) then click on 'Energy Programs' in the left column.

### Farm Storage Facility Loans

The Farm Storage Facility Loan (FSFL) program allows producers of eligible commodities to obtain low-interest financing to build or upgrade farm storage and handling facilities.

The new maximum principal amount of a loan through FSFL is \$500,000. Participants are required to provide a down payment of 15 percent, with CCC providing a loan for the remaining 85 percent of the net cost of the eligible storage facility and permanent drying and handling equipment. New loan terms of 7, 10 or 12 years are available depending on the amount of the loan. Interest rates for each term rate may be different and are based on the rate which CCC borrows from the Treasury Department.

Payments are available in the form of a partial disbursement and the remaining final disbursement. The partial disbursement will be available after a portion of the construction has been completed. The final fund disbursement will be made when all construction is completed. The maximum amount of the partial disbursement will be 50 percent of the projected and approved total loan amount.

Applications for FSFL must be submitted to the FSA county office that maintains the farm's records. An FSFL must be approved before any site preparation or construction can begin.

The following commodities are eligible for farm storage facility loans:

- Corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley or minor oilseeds harvested as whole grain
- Corn, grain sorghum, wheat, oats or barley harvested as other-than-whole grain
- Pulse crops - lentils, small chickpeas and dry peas
- Hay
- Renewable biomass
- Fruits (including nuts) and vegetables - cold storage facilities

### FSA Loan Program Opportunities:

**Guaranteed Loans:** Guaranteed loans require a commercial lender to take ownership in loan making and servicing activities. Under a guaranteed loan, a commercial lender makes and services the loan, and FSA guarantees the loan against loss up to a maximum of 90%, in most cases. Commercial rates and terms, cop insurant with those incurred by the average farm customer, will be charged. Guaranteed loans are made for a number of reasons, one of which may be to provide lenders with an alternative for a customer who carries large loan amounts and may be adversely affected by the bank's lending limit cap. For those not yet meeting the qualifications for a loan guarantee from a commercial lender, FSA also makes direct loans, which are made and serviced by the FSA office responsible for your county.

### Direct Farm Loan Programs:

**Farm Ownership Loans:** FSA provides a myriad of loan possibilities ranging from commercial lender involved loans to FSA 100% financing. Purposes include land purchase, construction and improvement financing and land development to promote soil and water conservation.

**Farm Operating Loans:** Annual operating credit may be provided to assist with input costs and purchases which will be repaid within a 12-18 month timeframe. Term loans (typically 7 year financing) are available to purchase machinery and equipment, purchase foundation livestock and refinance operating debt.

**Downpayment Program:** Used to purchase farm and/or pasture land, this program requires the applicant to make a cash down payment of at least 5% of the purchase price. In addition, the downpayment program requires participation from a commercial lender or private party to finance a portion of the purchase.