



Farm Service Agency

A Message from Ben Brancel, State Executive Director

December 2007

As I write this, we are all awaiting final passage of a farm bill that will set agricultural policy for the next few years. Many of you are trying to gather details on the farm programs so you can start to make decisions about the upcoming crop year.

While many of the details are still in the air, it does seem likely that the new farm bill will carry an added focus on beginning farmers. Both the House and the Senate versions of the farm bill provide for expanded farm operating and ownership loans for beginning farmers.

That's good news for agriculture. If agriculture is to have a future, we must make it possible for the next generation of farmers to get their start by working their own land. I hope the new farm bill provisions are a step in the right direction and that more can see that dream come to life.

If you have friends, neighbors, or relatives who are considering starting their own operation, I encourage you to recommend the Farm Service Agency as a first stop for information on credit. We'd also be happy to discuss our loan programs with those of you with established operations. FSA has a variety of lending options that can be tailored to meet today's credit needs.

All the employees of the Farm Service Agency wish each and every one of you a happy, successful, and productive year.

Wisconsin FSA lends to Beginner Farmers

Wisconsin was again a leader in the country in providing financial assistance to beginner farmers approving over \$62 million in loans and loan guarantees over the 2007 fiscal year ending September 30, 2007.

FSA is committed to assisting the next generation of producers get a strong start to their farming operation. We expect to see some improvements to our Down Payment program as proposed in the Farm Bill to make it easier for Beginner Farmers to purchase real estate. We expect funding this fiscal year to remain consistent with past years. We are again committed to reaching out to women and minorities who wish to start a farming operation. Funds are targeted for beginning farmers, women, and socially disadvantage applicants.

If you or someone you know is interested in starting their farming business or is in the first ten years of operation, they may be eligible for financial assistance through a direct or guaranteed loan by FSA. Please contact your local FSA Office for more information.

Focus on Youth

FSA offers loans to youth ages 10 to 20 to start an agriculturally related income producing project. It is never too early to learn about "PROFIT." Contact your 4-H leader, FFA Advisor, and/or your local FSA office for more information on "FSAs Youth Project Program."

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From The
Wisconsin Farm
Service Agency

Snowmobiles on CRP Acreage



It is up to the local FSA county committee to determine whether or not snowmobile trails are allowed to cross acreage enrolled in the Conservation Reserve Program.

If this affects any of your CRP acreage, contact your local FSA office to request this particular use prior to allowing a trail on your CRP land.

Report Damage

Please notify FSA of any structural damage to your facilities resulting from snow loads. Reporting damage aids county offices in completing damage assessment reports that help to secure low-interest emergency loan funds.

FSA Online - For those customers and financial institution who have e-Auth user ID(s) and perform on-line business activities with the USDA through eFile/Forms, eLDP and other web based applications, a new mandatory policy has been put into effect. This policy is that every 180 calendar days the owner of the e-Auth user credentials is now required to change their e-Auth password.

For further assistance please contact the e-Auth Help Desk at 800-457-3642 or via email at eAuthHelpDesk@ftc.usda.gov

FSA County Committees are now actively seeking 2008 Advisors.

County Committee Advisors are appointed to county committees in counties or multi-county jurisdictions that have significant numbers of minority or women producers and lack such members on FSA county committees. Advisors play an important role by providing diverse viewpoints and by representing the interests of minorities and women in decisions made by county committees.

FSA State Committee officially appoints advisors who are recommended by county committees or community-based organizations.

For more information about FSA county committees, visit <http://www.fsa.usda.gov> on the World Wide Web or your local USDA Service Center.

Operating Cost Expected to Rise

It is estimated that crop input costs for seed and fertilizer and other inputs could be 30-50% higher this spring. FSA offers guaranteed lines of credit which could help producers better manage their purchases and help reduce the price risk volatility. Contact your local lender or FSA office about FSA's guaranteed line of credit or other financing options to help manage the extreme volatility presently occurring in agriculture.

LDPs and 9-Month Loan Deadlines

Market prices continue to be higher than county loan rates on most crops, so there currently is not an LDP. However, marketing assistance loans may be a good alternative for short-term financing and are available. Marketing assistance loans on commodity crops provide short term operating funds at a comparably low interest rate. Repayment is usually made at the loan rate plus interest.



However, if the daily price drops below the loan rate for the commodity crop at the time repayment is made, repayment may be made at the lower posted county price without interest, which is considered a market gain.

The deadline to apply for 9-month loans and LDPs for unshorn pelts, wool, and mohair produced in crop year 2007 is January 31, 2008.

The deadline to put 2007 crop wheat, small grains, many minor oilseeds, and honey under a 9-month loan or to apply for an LDP is March 31, 2008.

The last day to request a 9-month loan or LDP on 2007 corn or soybean crops is May 31, 2008.

Interest Rates Effective as of December 1, 2007	
Program	Interest Rate
Farm Operating - Direct	4.75%
Farm Ownership - Direct	5.375%
Farm Ownership - Direct, Joint Financing	5.00%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	4.00%
Emergency Loans - Amount of Actual Loss	3.75%

Dairy Disaster Aid Program Signup

Eligible dairy producers can sign up for the Dairy Disaster Assistance Program (DDAP-III) at local FSA service centers as of December 3, 2007.

DDAP-III will help dairy producers recover production losses resulting from a variety of adverse weather conditions in the last few years. The program provides \$16 million in benefits to dairy producers for production losses that occurred between January 1, 2005, and February 28, 2007, because of qualifying natural disasters. It compensates producers for production losses that resulted from lost herds or dumped milk when dairy plants closed or the natural disaster damaged containment equipment. Additionally, power outages, fuel shortages, and infrastructure damage may have temporarily interrupted the flow of dairy products to markets.



To be eligible for DDAP-III, dairy producers must have suffered losses in primary and contiguous counties declared or designated a natural disaster. Also, producers in counties receiving an FSA Administrator's Physical Loss Notice determination are eligible. To signup and receive more information about the program, please contact your local FSA office.

FSA Crop Disaster Program Signup Underway



Sign up for the U.S. Department of Agriculture's Crop Disaster Program is underway at the local USDA Farm Service Agency offices. CDP reimburses insured producers for qualifying crop production losses to crops insured through Federal crop insurance or the Non insured Assistance Program (NAP) for either the 2005 or 2006 crop years, or for crops planted prior to February 28, 2007. The program also can reimburse producers for losses due to prevented planting of insured crops. Losses must have occurred due to eligible natural disasters. Crops not covered by Federal crop insurance or NAP are not eligible to receive benefits under this Crop Disaster Program per Federal statutes.

To be eligible, damages must be in excess of 35 percent of the higher of the county established yield, or the crop insurance/NAP yield established for the producer and crop. The payment rate for CDP is 42 percent of the established commodity price for insured crops. Producers will have a

choice of receiving payments for 2005, 2006, or 2007 crops, in an administrative county. Payments are limited to \$80,000 per producer or entity.

Quality losses that occurred to insured crops, due to eligible disaster conditions, may also be eligible for benefits under the CDP program. USDA/FSA will announce a signup for quality losses at a later date.

For additional information on the CDP contact your local FSA county office or visit the FSA website at www.fsa.usda.gov. Go to the "Browse by Subject" area and search "Disaster Assistance Programs."

Ag Census Begins in December

The National Agricultural Statistics Service (NASS) will begin distributing the 2007 Census of Agriculture later this month, thereby allowing America's farmers and ranchers the opportunity to participate in shaping the future of agriculture.

Conducted every five years by the U.S. Department of Agriculture, the Census is a complete count of the nation's farms and ranches and the people who operate them. According to NASS, the Census of Agriculture provides information that is not available elsewhere. The last Ag Census was conducted in 2002.

NASS will mail out Census forms on December 28, 2007 to collect data for the 2007 calendar year. Completed forms are due by February 4, 2008. Producers can return their forms by mail or, for the first time, they have the convenient option of filling out the Census online via a secure web site at <http://www.agcensus.usda.gov/>.

The Census looks at land use and ownership, operator characteristics, production practices, income and expenditures and other topics. It provides the only source of uniform, comprehensive agricultural data for every county in the nation.

Policy-makers use Census data for decisions concerning agricultural and rural programs. Community planners use Census information to target delivery of local services. Companies rely on Census data when determining where to locate their operations. And farmers themselves look at Census data when deciding to make changes in their production strategies.

Signup Continues for USDA's Livestock Disaster Programs

Wisconsin livestock producers that suffered grazing losses, increased feed costs or livestock deaths in 2005 and 2006, due to natural disasters, are encouraged to contact their local FSA office regarding the Livestock Compensation Program (LCP) and Livestock Indemnity Programs (LIP). The signup for these programs are on now.



Livestock Compensation Program 2005-2007

LCP compensates livestock producers for feed losses and increased feed cost resulting from natural disasters occurring between January 1, 2005, and February 28, 2007. Producers who suffered losses resulting from blizzards that started in 2006 and continued into 2007 are eligible.

Producers in primary or contiguous counties declared secretarial disaster areas or counties declared presidential disaster areas between January 1, 2005, and February 28, 2007, are eligible. Wisconsin had these declarations for the majority of the counties in 2005 and 2006. Producers suffering losses should check with their local offices to see if the county qualified for assistance under the LCP and LIP programs. Producers incurring a loss in more than one year are only allowed to receive benefits in one of the years per federal regulations.

Eligible livestock under LCP:

- must be dairy cattle, beef cattle, buffalo, beefalo, equine, poultry (chickens, turkey, ducks, and geese), elk, reindeer, sheep, goats, swine or deer that; have been physically located in an eligible county on the beginning date of the applicable disaster period;
- have been maintained for commercial use as part of a farming operation on the beginning date of the disaster period; and
- not have been produced and maintained for reasons other than commercial use as part of a farming operation. Excluded uses include, but are not limited to, wild free roaming animals or animals used for recreational purposes such as pleasure, hunting, pets, roping, or for show.

To be eligible for LCP, producers must have either owned or cash-leased eligible livestock (but not both for the same livestock) on the beginning date of the applicable disaster period(s); suffered an eligible feed loss from produced or purchased forage or feedstuffs, or incurred additional feed costs as a result of an eligible disaster event(s) during the applicable disaster period(s) and the feed lost or additional incurred feed costs were intended for use with eligible livestock.

LCP payments are based on the lesser of: the number of livestock multiplied by the rates established under the program, or the total of calculated grazing losses on eligible pastures and/or additional feed cost due to disaster related feed losses.

Producers may not receive duplicate benefits under LCP for the same loss or any similar loss if they previously received payments under a program such as the 2006 Livestock Assistance Grant Program (LAGP). In Wisconsin, some producer received payments under the 2006 Livestock Assistance Grant Program (LAGP). The amounts received under this program will have to be reduced from any 2006 LCP payments. Producers may receive no more than \$80,000 under LCP. An individual or entity whose average adjusted gross income exceeds \$2.5 million for the three years immediately preceding the calendar year for which benefits are requested is ineligible for LCP benefits unless 75 percent or more of their income is from agriculture.

Livestock Indemnity Program (LIP)

LIP compensates livestock producers for livestock losses between Jan. 1, 2005, and Feb. 28, 2007, that resulted from natural disasters, including losses due to blizzards that started in 2006 and continued into 2007. The following are among the eligible livestock under LIP: dairy cattle, beef cattle, buffalo, beefalo, catfish, crawfish, equine, sheep, goats, swine, poultry, or deer.

Primary or contiguous counties declared secretarial disaster areas or counties declared presidential disaster areas between January 1, 2005, and February 28, 2007, are eligible.

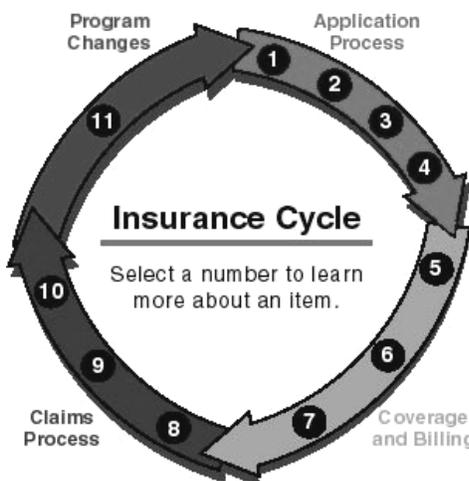
Payment rate will be 26 percent or above the market value of the livestock on the day before the date of death, as determined by the U.S. Secretary of Agriculture. These rates will be available in local FSA Service Centers during the signup period. Producers may receive a maximum of \$80,000 in LIP benefits.

Risk Management Agency (RMA)
Serving America's agricultural producers

Yearly Insurance Cycle

RMA and insurance industry activities follow a timetable known as the insurance cycle. The cycle begins when RMA releases information about insurance products for the next crop year, and end with changes to the program for the following year.

For more information about the insurance cycle, see: http://www.rma.usda.gov/policies/cycle/insurance_cycle_g.html.



2008 Crop Insurance

2008 Crop Insurance deadline for most spring seeded crops is March 15, 2008. Producers interested in obtaining crop insurance or have questions should contract a private crop insurance agent or the link to R M A website is www.rma.usda.gov.

“What can I do if crop insurance is not available in my county for a crop I grow?”

You may request insurance coverage through a Written Agreement for an insurable crop that is not available in your county by completing a Request for Actuarial Change Form through your crop insurance agent. For a list of agents in your area, please visit RMA's online agent locator at <http://www.rma.usda.gov/tools/agent>.

This opportunity to request insurance coverage is available to producers in all counties nationwide. Requests for coverage on crops without actuarial documents in a county (request type XC) must be submitted to an insurance provider on or before the sales closing/cancellation date listed in the specific crop policy.

For a complete list of crops covered nationwide, see: <http://www.rma.usda.gov/policies/07croplist.html>.

“I read something about AGR-lite, what kind of crop insurance is that?”

Wisconsin has a new kind of crop insurance available that includes crops not traditionally insured. Adjusted Gross Revenue-Lite (AGR-Lite) is a whole-farm revenue protection plan of insurance. This plan provides protection against low revenue due to unavoidable natural disasters and market fluctuations that affect income during the insurance year. Most farm-raised crops, animals, and animal products are eligible for protection.

AGR-Lite can stand alone or be used in conjunction with other Federal crop insurance plans except Adjusted Gross Revenue (AGR) and the NAP program. When producer purchases both AGR-Lite and other Federal crop insurance the AGR-Lite premium will be reduced.

The Sales Closing Date for AGR-Lite is March 15, so be sure to talk to your crop insurance agent before then to see if this coverage is right for you.

USDA Works to Protect Personally Identifiable Information (PII)

USDA has formally launched a Department-wide campaign to make certain that producers' "Personally Identifiable Information" or PII, is being protected. The PII generally refers to information which is maintained by a USDA agency about an individual, including USDA customers and USDA employees. Information may include details of financial transactions between a customer and the Department; such unique information as a Social Security number and a date or place of birth which could be used to trace an individual's identity; and other personal information, including medical or criminal history, which is linkable to a particular individual.

As part of USDA's official policy on Social Security numbers, USDA will collect, use, maintain, and/or disseminate Social Security numbers only when required by statute or when specifically authorized to do so. USDA agencies will not use the number as an identity number. Agencies must mask or encrypt Social Security numbers so that they cannot be viewed on computer screens, reports, or other products. Agencies will not use Social Security numbers to access customer records.



Annual Notification

Report Record Changes

If you have bought, sold, or are renting different land, make sure you report the changes to FSA as soon as possible after the changes occur. For farm ownership changes you will need to provide a recorded deed or recorded land contract. Failure to maintain accurate records on all land you have an interest in can lead to possible program ineligibility and fines.

Spot Checks by FSA

All CCC-501 Members Information forms, CCC-502 forms, and CCC 526 Adjusted Gross Income Certification forms, are subject to spot check through FSA's end-of-year review process. If selected for a spot check, producers will be required to submit proof of their contribution to the operation such as: capital input, seed, fertilizer and chemical bills, land lease agreements, land contracts or property tax payments, equipment lists, cancelled checks for paid labor or hired management, and any other items the FSA county committee determines necessary. The producer is required to provide the above items for the spot check so that the FSA county committee can verify that the farming operation operated as certified by the producer on the applicable CCC-502.

Producers are encouraged to contact their local FSA office with any questions regarding these requirements or to make sure all payment limitation requirements are being met. These rules apply to every farming operation, regardless of the amount the operation receives in program benefits.

Foreign Landowner Notification

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. FSA administers this program for the USDA. Foreign persons who have purchased or sold agricultural land in the United States are required to report the transaction to FSA within 90 days of the closing. Failure to submit an FSA-129 Internal Review Checklist for AFIDA form could result in civil penalties up to 25 percent of the fair market value of the property. County government offices, realtors, attorneys, and others involved in real estate transactions are reminded to notify foreign investors of this reporting requirement. It is the foreign person's responsibility to report the land transaction.

Controlled Substance

Any person who is convicted under federal or state law of a controlled substance violation could be ineligible for USDA payments or benefits. Violations include planting, harvesting, distributing, or growing a prohibited plant. Prohibited plants include marijuana, opium poppies, and other drug producing plants.

Conservation Compliance

All USDA program participants are required to have a conservation system in place on all the highly erodible land (HEL) that you operate. Several areas where problems can arise with complying with a conservation system are; renting new cropland, purchasing new land, breaking out additional cropland, planting different crops such as soybeans, and changing or removing existing conservation practices. It is very important that you contact your FSA county office BEFORE doing any of the above. Also, it is very important that you contact FSA before modifying, tiling, draining, dredging, filling, or leveling any wetland or drainage ditches. Failure to obtain advance approval for any of these situations can result in loss of all Federal payments and program eligibility.

Farm Division Options

For FSA purposes, when cropland is sold, DCP contract acres can be divided between farms in a manner agreed to by the farm owner, the purchaser or transferee, and mortgage holder if applicable. This division option is referred to as Landowner Designation. The owner of the farm and purchaser or transferee must file a written memorandum of understanding designating contract acres before the farm division is approved by the FSA county Committee and before subsequent transfer of ownership. Other program requirement must also be met, so contact the FSA office before land changes hand to check out the various options available to you when dividing land. Other division options available are: divisions of contract or base acres according to cropland; default methods where the base is divided as previously established at the tract level and the estate method. The estate method is the division of bases among the heirs in settling an estate.

Direct Deposit

As of January 1, 1999, all payments issued by the county FSA office are by direct deposit (electronic funds transfer) to a pre-designated checking or savings account with your financial institution. Forms are available at FSA offices. If you have already signed up, it is extremely important that FSA be notified anytime there is a change in your account number or financial institution. Failure to notify FSA could result in delays of future payments or lost of payment benefits for a period of time.

Special Accommodations

Special accommodations will be made upon request, for individuals with disabilities, vision impairment, or hearing impairment. If special accommodations are required, contact your local FSA office so that the necessary arrangements can be made.

Annual Notification

Program and Payment Limits

The following FSA programs are subject to payment limitation and eligibility provisions.

- DCP/Direct Payment** - \$40,000
- DCP/Counter-Cyclical Payment** - \$65,000
- LDPs and Market Gains** - \$75,000
- Conservation Reserve Program (CRP)** - \$50,000
- Emergency Conservation Program (ECP)** - \$200,000
- Noninsured Assistance Program (NAP)** - \$100,000

Providing Information

Statutory provisions require that all entities, individuals, partnerships, joint operations, corporations, trusts, etc., provide the names, addresses, and ID numbers of the entity's members to local FSA county committees. Also, entities must inform their members of the requirement to designate which operations they want to receive payments on.

Spouses may be considered separate "persons" for payment limitation purposes as a member of a joint operation. If this determination is requested, all the applicable requirements to be determined a "separate person" must be met.

Producers are reminded that no program benefits will be made until FSA has made all the necessary payment limitation and eligibility determinations. Producers will be considered ineligible until all the required forms, including entity or partnership papers, pertaining to their farming operations are provided to FSA.

FSA county committees or the producer may initiate the payment limitation and payment eligibility determinations. If the producer requests the determination, the request may be filed anytime before the final date for submitting a CCC-502 Farm Operating Plan for Payment Eligibility Review form.

Not-Actively Engaged Determinations

Any producer who is determined "Not Actively Engaged in Farming" may be ineligible for USDA payments under some programs. This includes DCP, market gains from marketing assistance loans and loan deficiency payments, CRP annual rental payments, and any payment or benefit requiring a determination of "actively engaged in farming".

Any farming operation that cash-rents land is considered a cash-rent tenant. In order to remain eligible for USDA benefits on cash-rented land, very specific rules must be met. A cash-rent tenant must either make a significant contribution of active personal labor OR a significant contribution of BOTH active personal management and equipment to the farming operation. There are also very specific requirements if the equipment is leased to operate the farm.

Reporting Farm Operation Changes

It is the producer's responsibility to notify FSA of ANY changes in their farming operation or entity status. Changes that may affect a determination include, but are not limited to: a change in contract shares, which may reflect change of land lease from cash rent to share rent or from share rent to cash rent; modification of a variable/fixed bushel rent arrangement; a change in the size of the farming operation by the addition or deletion of a farm; a change in the structure of the farming operation, including any change in the member's shares; a change in the contributions of farm inputs of capital, equipment, active personal labor, or active personal management; and a change of farming interest not previously disclosed on a CCC-502, including the farming interests of a spouse or

Leased Land or Equipment

Payment for leased land or equipment that is leased from an individual, joint operation or entity that has interest in the farming operation, must be made by the agreement due date, or if not specified by contract, by *December 31 of the applicable crop year or the date established by the local county committee if more restrictive.

Signature Authority

County offices are required to verify that signature authority is on file in the county office before accepting a signature on any program or related documents on behalf of another. Producers can present evidence of signature authority such as corporate charter, bylaws, court orders of appointment, operating agreement, trust agreement, last will and testament, or articles of partnership.

The FSA-211 Power-of-Attorney form can also be completed to grant signature authority to another individual or entity.

Spouses may sign documents on behalf of each other for FSA and CCC programs in which either has an interest, unless written notification denying a spouse this authority has been provided to the county office. Spouses may not sign FSA-211 on behalf of the other. Spouses may also not sign on behalf of the other as an authorized signatory for partnerships, joint ventures, corporations, or other similar entities.

Please contact your local county office for more information on the specific signature authority documentation your entity must provide.



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<i>Dates to Remember</i>	
December 24	Offices will be closed for the Christmas Holiday
December 25	Offices will be closed for the Christmas Holiday
January 1	Offices will be closed for New Year's Day
January 21	Offices will be closed for Martin Luther King, Jr. Holiday
January 31	Deadline to apply for 9-month loans and LDPs for unshorn pelts, wool, and mohair
February 18	Offices will be closed for President's Day
March 15	Deadline to obtain 2008 crop insurance for most spring seeded crops
March 31	Deadline to obtain 9-month loans and LDPs for wheat, small grains, and honey
May 31	Deadline to request 9-month loans and LDPs on corn and soybean crops

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, D.C., 20250-9410, or call 800-795-3272 or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

