



Osborne County Farm Service Agency

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Phone: 785-346-2128 Fax: 785-346-2057 July 2009



E-mail: Karen.mccune@ks.usda.gov Hours: Monday - Friday 8:00 A.M. - 4:30 P.M.

County Committee meets 2nd Thursday of the month @ 12:30 P.M. November through May and @ 8:30 A.M. June through October. Members are: Alan Beisner, James Nichols, Kenneth Lee and Imogene Thornburg, Advisor.

ACRE

The Average Crop Revenue Election (ACRE) is a new program authorized by the 2008 Farm Bill. ACRE provides producers a state-level revenue guarantee, based on the 5-year state Olympic average yield and the 2-year national average price.

Producers who elect the ACRE program for a farm agree to a 20-percent reduction of direct payments; a 30-percent reduction in loan rates for all commodities produced on the farm; and no counter-cyclical payments.

The ACRE program was created to give producers an option in lieu of traditional counter-cyclical payments. Producers may elect and enroll in ACRE for the 2009 crop year even if they have already accepted advance direct payments under the Direct and Counter-cyclical Program. Producers can enroll a farm any year from 2009 to 2012. Once the enrollment is complete, it is irrevocable through 2012.

To elect ACRE for a farm, all persons on the farm must complete a one time election form, CCC-509 ACRE. Form CCC-509, the contract to participate in ACRE, must then be completed each year the producer intends to participate and receive benefits. The final date to complete these forms for 2009 is August 14. There are no late filed provisions.

ACRE benefits are paid on the planted acreage of the crop rather than base acres. The sum of the potential payment acreage for all crops cannot exceed the sum of the base acres on the farm. Producers can choose the priority order for the crops on their farm each year. If no priority order is selected, the payment acreage will be prorated for each crop.

There are two triggers that must be met before ACRE benefits are earned. The first trigger is the State Trigger, which is met when the State ACRE Guarantee is greater than the Actual State Revenue.

The State ACRE Guarantee is calculated by taking 90% times the Benchmark State Yield times the ACRE Guarantee Price. The Benchmark State Yield is a 5 year Olympic average, which is an average of the 2004 – 2008 Kansas Agriculture Statistics Service yields, dropping the high and low and averaging the remaining three years.

Here are the Benchmark State Yields for Kansas for 2009: Here are the ACRE Guarantee Prices as of June 29:

Wheat	35.3	final
Barley	35	final
Oats	48	final
Corn	96/188	preliminary
Milo	76	preliminary
Soybeans	36	preliminary
Sunflowers	1067/1714	preliminary

Wheat	\$6.63/bu	final
Barley	\$4.09/bu	final
Oats	\$2.89/bu	final
Corn	\$4.20/bu	preliminary
Milo	\$3.69/bu	preliminary
Soybeans	\$10.05/bu	preliminary
Sunflowers	\$0.221/lb	preliminary

The ACRE guarantee price for wheat, barley, and oats are announced July 1st each year and October 1st for the remaining crops. The guarantee price can not change more than 10% of the previous year's guarantee.

The Actual State Revenue is the higher of the national average market price or 70% of the national loan rate.

As of June 29, the 2009/2010 preliminary and forecast prices according to the National Ag Statistics Services were: Wheat - \$5.40; Barley - \$3.80; Oats - \$2.70; Corn - \$4.30; Milo - \$3.65; Soybeans - \$10.00; Sunflowers - \$0.1760

The second trigger is the Farm Trigger, which is met when the Farm ACRE Guarantee is greater than the Actual Farm Revenue.

The Farm ACRE Guarantee is calculated by taking the Benchmark Farm Yield times the ACRE Guarantee Price plus the crop insurance premium/acre paid by the producer.

The Actual Farm Revenue is calculated by multiplying the Actual Farm Yield by the ACRE Price.

The Benchmark Farm Yield (also referred to as the farms expected yield), is the farms Olympic yield based on actual yields from 2004 – 2008, dropping the high and the low yield and averaging the remaining three years.

The Osborne County Plug Yields for 2009 are:

Crop	Unit	Type	2004	2005	2006	2007	2008
Barley	Bu	All	26.7	46.7	28.9	53.3	40
Beans	Bu	All	25.4	38.5	24.3	34.2	42.8
Corn	Bu	NI	103.9	70.1	32.7	99.9	109.3
Corn	Bu	IR	172.2	169.2	119.1	163.1	173.7
Milo	Bu	All	75.7	89.2	61.8	90.4	100.8
Oats	Bu	All	43.1	55	30	49.7	66.5
Sunflowers	Lb	NI	945	945	945	945	945
Sunflowers	Lb	IR	1518	1518	1518	1518	1518
Wheat	Bu	All	36.3	37.1	37.1	32.2	42.7

Plug yields are used in years with zero planted acres, missing or incomplete production evidence years or the years prior to a break in continuity. You can also use the plug yields if your farm's actual yield is less than the Olympic plug yield calculation.

FSA has a spreadsheet on their website that is a useful tool to utilize in determining your options. The office also has a handout available that you can use. Visit the website

at: http://www.fsa.usda.gov/Internet/FSA_File/acre_calculator_v1_2.xls.

FARM LOANS AVAILABLE

BEGINNING FARMER DOWNPAYMENT R/E LOAN OPTIONS:

1. Beginning Farmers - 3 to 10 years experience & own limited number of acres.
2. Minimum down payment of 5%.
3. FSA loan - 45% of cost, not to exceed \$225,000 at 1.5% fixed for 20 years.
4. Commercial lender provides remaining funds & is allowed 1st lien on the RE.

REAL ESTATE LOAN OPTIONS:

1. 50% of cost, not to exceed \$300,000 at 5% fixed interest rate for 40 years.
2. 100% of cost, not to exceed \$300,000 at 4.625% fixed interest rate for 40 years.
3. Guaranteed loans, not to exceed \$1,094,000 at commercial lending rates and terms.

PRODUCTION LOAN OPTIONS:

1. 2.5% fixed rate direct loan, not to exceed \$300,000 to finance machinery, equipment, livestock, production expenses, real estate improvements, etc.
2. Guaranteed loans, not to exceed \$1,094,000 at commercial lending rates and terms.
 - Interest Assistance is available for those in need. FSA pays 4% of the interest expense on eligible guaranteed loans, not to exceed \$400,000 for up to 5 years.
 - Guaranteed Line of Credit Loans are available to finance production expenses.
3. Repayment terms depend on the purpose of the loan and the type of collateral available. Repayment period may not exceed 7 years.

Interest rates are applicable to July 2009 & are

Dates to Remember

August 1, 2009	Final date to request reconstitution.
August 3, 2009	Final date to submit nomination for COC Election.
August 14, 2009	Final date to certify spring-seeded crops, CRP, and NAP acreages.
August 14, 2009	Final date to signup and return all signatures for DCP and ACRE
On-going	Direct and Guaranteed Farm Operating and Farm Ownershi8p Loans
On-going	Farm Storage Facility Loans
On-going	Continuous CRP Signup

subject to change each month.

CERTIFY YOUR ACRES

The final date to certify spring seeded crops has been extended to August 14, 2009. Please contact the FSA office to schedule an appointment to complete this task.

DCP & ACRE PROGRAM DEADLINE

Signup for the 2009 Direct and Counter-cyclical Payment (DCP) Program has been extended until August 14, 2009. Signup in the ACRE option is also available through August 14, 2009. FSA will not accept any late-filed applications. ALL signatures must be returned by August 14 or the farm will not receive any payments for 2009.

COUNTY COMMITTEE ELECTION

Candidate nominations for the FSA county committee election are being accepted through August 3, 2009.

For election purposes, counties are divided into *local administrative areas*, or LAAs. Each LAA selects one producer to serve a three-year term on the Farm Service Agency county committee. Each year, an election is held in an LAA to replace the committee member whose three-year term is expiring. In counties with three LAAs, one seat is up for election.

Producers who are residents in the LAA holding the election and who participate or cooperate in an FSA program and are of legal voting age may be nominated to serve on the county committee.

This year's election will be held in LAA 2, which includes the following townships: Mt. Ayr, Kill Creek, Independence, Round Mound, Victor, Covert, Winfield, Natoma, Liberty, Valley, and Jackson.

Individuals may nominate themselves or others as candidates. The nomination form, FSA-669A, is available at the county office or may be downloaded from

<http://www.fsa.usda.gov/FSA/webapp?area=newsroom&subject=landing&topic=cce>.

The Osborne County Loan Rates for 2009:

Wheat - \$2.62 Corn - \$2.00 Milo - \$3.24/cwt
 Beans - \$4.85 Sunflowers - \$9.73/cwt
 Barley - \$1.75 Oats - \$1.37

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