



FBMIC Acquires Crop1 to Cover Farming/Ranching Needs

Farm Bureau Mutual Insurance Company has finalized its acquisition of Crop1 Insurance Direct, Inc., a Des Moines-based crop insurance provider. Crop1 Insurance has been a leader in the crop insurance industry with the introduction of the Premium Discount Plan, which allows lower premiums if the provider can deliver insurance more efficiently than the expense reimbursement established by the Federal Crop Insurance Corporation.

Since 2003, Crop1 has helped farmers save more than \$4 million in crop insurance premium without reducing their overall coverage. The acquisition will allow Farm Bureau agents to sell Crop1 insurance products in Kansas, offering yet another innovative risk management tool.

Crop1 uses unique software, called Premium Saver, and operational efficiencies to sell crop insurance while providing farmers discounts and



service. It is approved, and audited, by the Risk Management Agency (RMA) in the U.S. Department of Agriculture.

The software helps farmers establish a crop revenue floor, maximize crop sales potential and reduce overall risk exposure. It can help farmers put together a crop insurance program that fits their farm and provides a comprehensive risk management plan to take to lenders.

Farm Bureau Mutual has 1,200 agents across its eight-state territory, 250 of whom are here in Kansas. Crop1 will add 500 licensed agents, some of whom are ag professionals. Combined, Crop1 and Farm Bureau

Mutual had about 32,000 policies in force in 2005. Farm Bureau Mutual and Crop1 will sell insurance in 22 states in 2006.

Farm Bureau members can learn more at crop1insurance.com.

Attorney General Kline Defends Republican River Settlement

Attorney General Phill Kline, in an impromptu appearance before Farm Bureau members during the *Day at the Statehouse* breakfast, reiterated his belief that the Republican River water rights settlement with Nebraska and Colorado should stand as negotiated. In a letter to Attorney General Kline last week, Nebraska Congressman Tom Osborne requested that the implementation of the settlement be delayed.

“Water from the Republican River is vital to Kansas’ farmers, ranchers and other users,” Kline said. “Kansas recognizes the effects of drought and appreciates the efforts of both Colorado and Nebraska to reduce water use during this difficult period but our state’s water users are experiencing water shortages as well.”

Meanwhile, water users in the Republican River basin who are subject to minimum desirable streamflow (MDS) administration are reminded that they may benefit from regulations adopted in 2002 that allow more flexible water use.

For more info, contact the division of water resources field office in Topeka at (785) 368-8251 or Stockton at (785) 425-6787.



AGRICULTURE ADVICE. As part of Farm Bureau’s grassroots process, members of KFB’s seven ag advisory committees gathered in Manhattan to hear from industry experts on various commodity and

livestock issues. Meetings were held Feb. 6-8 at KFB headquarters, Manhattan. Pictured is Pottawatomie County FB member Michael Hall listening to discussion of crop technology, including the future potential for growing canola in Kansas.



Turn Around Deadline is Now, Eminent Domain and Ethanol Take Ag Stage

State lawmakers are working a February 25 deadline for turn around, a time where bills must be out of their house of origin.

Kansas Farm Bureau lobbyists continue to push for a constitutional amendment to provide property owners increased protections from the misuse of eminent domain. Your farm organization is part of a working group attempting to draft statutory language in the event that efforts to pass a constitutional amendment are unsuccessful. In the weeks ahead, member involvement will play a critical role in the success of this issue.

KFB recently testified in support of SB 483, a proposal that would require the Department of Wildlife and Parks to obtain legislative permission to acquire or sell land in excess of 480 acres.

of a residential property's valuation from the statewide 21.5 mill tax and a measure that provides homestead property tax credits to seniors.

Farm Bureau testified in Senate Ag in support of SB 543, a measure that would create the Kansas ethanol council, and SB 544, to lower the motor-vehicle fuel tax on E-85 ethanol. Farm Bureau also testified in support of SCR 1620, a resolution urging Congress to set a goal for 25% of our domestic energy to come from agricultural resources by the year 2025.

"Domestically produced, agricultural-based energy reduces our dependence on foreign oil and boosts market demand for Kansas crops, which is good for agriculture and the rural Kansas economy. Realistic goals as suggested in the "25% by 2025" initiative provide measurable targets that provide positive stimulus to one of Americas most important industries – production agriculture – and is far-sighted, sensible public policy."

— Brad Harrelson,
KFB State Director of Governmental Relations

"Our members have long been outspoken about intrusion and interference with private property rights by governments, especially when that action results in land being taken out of agricultural production. KFB policy clearly states our opposition to the use of tax and fee revenues for the acquisition of any private land."

— Brad Harrelson,
KFB State Director of Governmental Relations

The Senate took action on one of several proposals under consideration to strengthen incentives for school districts that choose to consolidate. SB 481 would allow consolidating districts greater flexibility in budgeting and reporting of students under the current school finance formula so that the consolidated district could maximize revenues during its first three years of existence.

The House passed HB 2619, the machinery and equipment property tax exemption, which contains a semi-hold harmless provision for local units of government where the state would make up the difference in lost revenue on new equipment on a sliding scale over five years. Two significant amendments were added during floor debate – an \$18 million expansion of the homestead property tax exemption, which exempts the first \$30,000

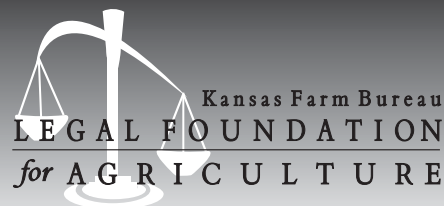
and pricing information for oil and gas royalty owners.

SB 388, the biodiesel production facility incentive, passed out of the Senate as a measure to provide incentives similar to those available for ethanol for the construction of new biodiesel plants. HB 2673 was passed by the Senate and would provide for increased transparency

and pricing information for oil and gas royalty owners.

KFB Natural Resources Director Steve Swaffar testified in the House Environment Committee on HB 2556, a measure to create a voluntary Conservation Easement Program, and in the Senate Natural Resource Committee on two separate proposals that address dam safety. KFB offered qualified support for SB 540, to require dam breach inundation zone mapping and SB 524, a measure that would alter how existing hazard classes for dams are evaluated and assessment inspection fees.

KFB also testified in the House Agriculture Committee in opposition to HB 2783, a measure regarding existing state law on the eradication of prairie dogs, and HB 2718, to limit private applicators' ability to barter for spraying or application services.



Mark Your Calendars for Transitional/Estate Planning Seminars

The Kansas Farm Bureau Legal Foundation will offer the popular transitional and estate-planning series, *Securing a Solid Future*, on the following dates. All seminars run from 9 a.m. to 2:30 p.m. with lunch provided.

- ✓ **March 2**
Finney County Fairgrounds, 400 S. 9th, Garden City
Sponsored by Finney County Farm Bureau
- ✓ **March 3**
Baden Square/Community Center, 700 Gary, Winfield
Sponsored by Cowley County Farm Bureau
Lunch sponsored by Farm Credit of Central Kansas

Business Structures

Farmers and ranchers face many important decisions, including what business structure to use for their operation. Before deciding on an ownership structure for your business, consider learning more about how each structure works. These are the most common forms of doing business:

- ✓ sole proprietorship
- ✓ partnership
- ✓ limited liability company (LLC)
- ✓ corporation

Which structure is best for your business? While there is no one answer that applies to every farming operation, some general principles may help you decide. In the next several issues of *Farm Leader Letter*, we will discuss each of the above options.

For more information, please call Terry Arthur, General Counsel at (785) 587-6614 or visit the KFB Legal Foundation Web page at kfb.org.

FARM FLASHES . . .

Kansas Senators Push for Vote on Death Tax Repeal

■ U.S. Senate Majority Leader Bill Frist, R-Tenn., is calling for permanent repeal of the death tax and is working to schedule floor action this spring. Sen. Roberts and Brownback are also encouraging a vote on S. 420, the Death Tax Repeal Permanency Act of 2005, before Memorial Day and have signed a written letter of support to Frist.

The letter states, "We understood and strongly supported your decision to postpone the vote on the repeal of the Death Tax in order to deal directly with the impact of Hurricane Katrina. However, we also congratulate and endorse your most recent statement at the recent AFBF meeting endorsing a vote "sooner than later."

First in a Series of Landowner Meetings Scheduled for March 2

■ Landowners along the Cimarron River in Kansas and Oklahoma are invited to attend a meeting on March 2 regarding the voluntary Conservation Management Plan for the Arkansas River Shiner. The meeting is being sponsored by Kansas Farm Bureau, Oklahoma Farm Bureau and the Kansas Livestock Association.

Landowners in the area designated as critical habitat are invited to listen to personnel from U.S. Fish and Wildlife Service (USFWS) and the ag associations explain the plan. KFB hopes enough landowners are interested in putting voluntary conservation in place to benefit Ark River Shiners that will eventually lead to the removal of the critical habitat designation.

KFB Members Enjoy Half-price Subscription Rates to HPJ

■ Kansas Farm Bureau is pleased to join forces with *High Plains Journal* to offer a KFB member rate for annual subscriptions to this national ag publication. As a Farm Bureau member, take advantage of half-price subscription rates by contacting your county Farm Bureau office to request a KFB member offer coupon. The discount is valid on both new and renewal one, two or five-year subscriptions.

KFB to Enhance Relationships with Campaign School

■ If the first contact an elected official has with Farm Bureau is when our lobbyist introduces himself after they've already taken office – then we as an agriculture advocacy organization have lost a tremendous opportunity. The key to building and sustaining long-term working relationships with elected leaders is to start early.

That's the driving force behind KFB's first *Campaign Management Training Seminar*, March 14-15 in Manhattan. The seminar is open to candidates, campaign managers and candidates' spouses and focuses on organization, issue management, image construction, fundraising, compliance with reporting standards, media training and identifying and targeting your specific voting demographic.

For more info, contact Tanner Lucas at (785) 587-6110 or lucast@kfb.org.

Northwest Kansas Offers Agritourism-Plus Experience

■ Northwestern Kansas partners will hold a workshop and tour in April to build a nine-county northwest Kansas consortium for agritourism. The April 4-5 event will offer technical assistance and knowledge from local, state and federal agencies and private and area organizations.

For more info, call Western Prairie RC&D at (785) 462-2602.

Step Up to the Plate for Farm Safety

■ Farm Bureaus across the nation will make safety a priority this spring by participating in Agricultural Safety Awareness Week, March 5-11. The purpose of the program is to remind producers to take the time to work in a safe manner and repair or replace safety devices that protect them, their family members and employees from injuries and fatalities on the farm and ranch.

Nolan Ryan, baseball Hall of Fame pitcher, rancher and Farm Bureau member, has joined the effort by asking all agricultural communities to make safety a part of their spring training.

For more info, contact KFB Farm Safety at (785) 587-6149 or go to agsafetynow.com.

Learn About Beef Verification Solution

■ KFB's *Beef Verification Solution* (BVS) is coming to a location near you. BVS is a private data sharing network that will capture the value of a producer's animal genetics and herd management through source verification. In addition, BVS will connect producers with the necessary information for NAIS compliance.

For more information, go to agsolusa.com.

- ✓ **February 25-27**
Western Farm Show, Great Bend
- ✓ **February 27**
7 p.m., Farm Bureau Office,
109 N. State, Yates Center
- ✓ **February 28**
WIBW Farm Profit Conference,
Community center, Cottonwood
Falls
6 a.m., Live broadcast; 7 a.m.,
Free pancake breakfast; 7:45 a.m.,
Seminar
- ✓ **March 2**
6:30 p.m., Chili Supper,
Cunningham Community Center,
104 N. Main, Cunningham
- ✓ **March 9**
10 a.m., Celebration Hall,
Fairgrounds, Ottawa
- ✓ **March 10**
WIBW Farm Profit Conference,
Kaw Valley Implement, Wamego
6 a.m., Live broadcast; 7 a.m.,
Free pancake breakfast; 7:45 a.m.,
Seminar

Kansas Farm Bureau CALENDAR

February 25-27 – Western Farm Show, Kansas City

March 5-11 – Agriculture Safety Awareness Program Week

March 12-16 – County President's Trip to Washington, DC

March 14-15 – Campaign Management Training Seminar, Manhattan



MOOVE OVER TEACHERS, the ladies of Stafford County Farm Bureau are making a difference in a St.

John elementary school by educating students about agriculture. KFB 7th District Women's Chair Debbie Suiter, Stafford County FB Coordinator Sharilyn McNickle and Stafford County Women's Chair April Cleveland make it a goal to teach agriculture lessons each month at this local elementary school. February's subject was "cattle," where the ag education leaders transformed Klayton Rodarmel into a cow (pictured above), demonstrated how ranchers insert ear tags and made ice cream in a bag during their lesson.

USDA Announces CSP Sign-up

Producers in the Lower South Fork Solomon Watershed in parts of Rooks, Osborne, Smith and Mitchell counties have until March 31 to sign-up for the 2006 Conservation Security Program (CSP). Nebraska will manage CSP sign-up for the Upper Little Blue Watershed in Republic County and Missouri will lead the CSP sign-up for the Spring Watershed in Cherokee and Crawford counties.

To be CSP eligible, the majority of a producer's operation must fall within the boundaries of the selected watershed. Producers begin the application process by filling out a self-assessment workbook to determine if they meet the basic qualifications for CSP. These workbooks and additional information are available at:

nrns.usda.gov/programs/csp



VOICE OF AGRICULTURE. Wilson County FB member Karen Russell and Rep. Forrest Knox, Fredonia, 13th District, are pictured visiting during Farm Bureau's annual legislative event, *Day at the Statehouse*, held Feb. 1-2 in Topeka. KFB Governmental Relations lobbyists and staff organize the 24-hour event, which features an issues-briefing, reception and dinner one evening, then a breakfast and speeches from key policymakers, including Governor Kathleen Sebelius, on day two.

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