



Kansas Agriculture Groups Express Concern Over FSA Realignment Plan

Eight leading producer groups in Kansas have signed off on a letter regarding the reorganization plan for Farm Service Agency offices across the state. In a letter to Bill Fuller, Kansas FSA Director, farm advocacy and commodity organizations stated concern for the lack of information on the selection, development and weighting of criteria in the formula that would allow an FSA review committee to consider whether various rural offices will continue to open their doors and offer essential government services to farmers and ranchers.

No commodity or producer group has representation on the internal review committee, which is expected to make its recommendations to the state FSA committee by August 1. This recommendation would be forwarded to the national FSA office, with approval potentially by the end of 2006. Kansas FSA plans to make a public announcement with public hearings in each of the communities where an office would be closed or consolidated in early 2007.

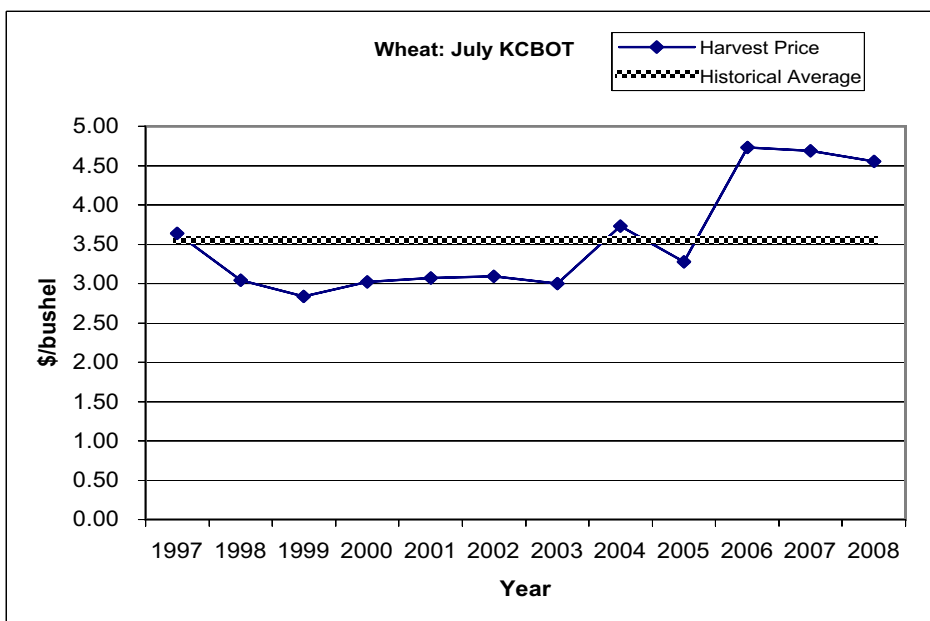
Organizations represented in the letter include Kansas Farm Bureau, Kansas Corn Growers, Kansas

Soybean Association, Kansas Grain Sorghum Producers, Kansas Cooperative Council, Kansas Grain & Feed and Kansas Agribusiness Retailers Association, Kansas Pork Producers and Kansas Wheat Growers and Kansas Wheat Commission.

The organizations requested a briefing session with association leaders and staff to address concerns and for an overview of the proposal prior to submission to national FSA. The letter was also sent to all six members of the Kansas Congressional delegation in an effort to express group concern for the FSA reorganization plan.



	2006	2007	2008
Today's Delivery Month Futures Close	\$4.73	\$4.69	\$4.55
10 Year Harvest Price Average	\$3.31	\$3.49	\$3.68



MARKET PRICES OFFER POTENTIAL

Even with fuel price and fertilizer prices sky high, agricultural producers can make it work. Without question we are experiencing historic increases in fuel and fertilizer prices. However the bottom line and net cash position is also significantly higher or enhanced. For example: Wheat (shown on the chart) shows with a \$1.40 (futures market increase per bushel), farmers can afford to pay \$3 per gallon for fuel (4 times as much) and \$650 per ton for fertilizer (3-4 times as much) and be net dollars same cash position. Current market prices allow farmers to be net cash dollars ahead if they take advantage of prices.

Emergency Grazing Approved for Kansas Counties

The Kansas Farm Service Agency has announced early emergency grazing of Conservation Reserve Program (CRP) acreage in 31 Kansas counties. This authorization is limited to grazing only and does not permit haying.

Approved counties include:

Cheyenne, Clark, Comanche, Decatur, Edwards, Ellis, Ellsworth, Finney, Gove, Graham, Grant, Gray, Greeley, Hamilton, Haskell, Kearny, Lane, Lincoln, Logan,

Meade, Morton, Ness, Osborne, Rawlins, Rush, Russell, Seward, Stanton, Stevens, Thomas and Trego.

Drought conditions are expected to persist or intensify through August. Grazing is allowed until September 11, at which time all livestock must be removed. CRP participants in approved counties should contact their FSA county office to request emergency grazing on an individual contract basis.

House Passes Moran Amendment on Cuban Trade

The House of Representatives approved an amendment offered by Rep. Jerry Moran, R-Kan., that would increase the ability of U.S. agriculture producers to market their products to Cuba.

In 2005, against the will of Congress, the Department of Treasury changed its interpretation of the cash payment in advance rule causing payments to be made before the ships leave the ports

rather than making payment upon delivery. Agriculture exports to Cuba were on the rise from 2001 to 2005 but the change resulted in decreases in agricultural trade between the two countries. Moran's amendment prohibits Department of Treasury funds from being used to administer, implement or enforce its change of the payment of cash in advance rule.

KFB No-till Workshop Set for July in Hays

Farm Bureau will once again offer an educational opportunity for farmers during this year's KFB No-till Workshop set for July 25, in Hays. The event will begin at the K-State Ag Research Center and includes a morning tour of local fields and a comparison of soil structures in no-till fields versus conventional till fields. The afternoon session will offer presentations on the economics of no-till farming including reduced input costs.

No-till farming, a conservation-oriented farming method, on the rise in

Kansas as currently 30 percent of the state's ground is in no-till production.

"The high costs of inputs are causing people to really look at the bottom line of growing crops," says KFB Director of Natural Resources Steve Swaffar. "We think that no-till is an option for most people in Kansas."

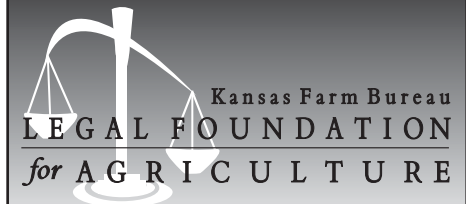
Lunch will be provided at no charge and pre-registration is required for meal counts. The KFB No-till Workshop is open to any interested person. Registration is available online at kfb.org or call Sarah Hammond at (785) 234-4535.

EPA Announces Partnerships in the Heartland

The Environmental Protection Agency (EPA) has announced a new national strategy for agriculture. EPA will use watershed improvement grants to support its Region 7 priorities of agriculture, critical ecosystems and sensitive populations.

One example of water quality collaboration will include a Tuttle Creek Lake Interstate Project to address multi-jurisdictional water quality problems involving excessive

runoff of sediment, nutrients, herbicides and bacteria. Some of the air quality partnerships include the Blue Skyways Collaborative, which would develop projects to reduce air pollution emissions along major transportation corridors. Another area of focus will be renewable energy and fuels. A Blue Skyways task force has been organized around this effort that includes the Kansas Soybean Association, John Deere and USDA.



Senate Bill 365: New Kansas Estate Tax

Kansas will have a new stand-alone estate tax effective January 1, 2007. This dramatically changes the estate tax law in Kansas and is a big improvement from current law. Tax rates have been substantially reduced and the new Kansas estate tax will sunset on December 31, 2009. Unless the legislature amends the new law, Kansas will no longer have an estate or inheritance tax after January 1, 2010.

The new law is very similar to the current Kansas estate tax in administration but also has three major differences. For decedents who are residents of Kansas, all agricultural land is valued by using agriculture use value established by the county treasurer for property tax purposes. This is based on production value, not fair market value, so the values used for agricultural land are substantially less than fair market value. The second change is that this law is not dependent on the calculation of the federal estate tax and stands alone in its application of rates to an estate. The third difference is the rates of tax are substantially reduced as well. For 2007, the tax rates are as follows:

- ✓ Less than \$1,000,000 – Zero
- ✓ \$1,000,001 to \$2,000,000 – 3% of excess of \$1,000,000
- ✓ \$2,000,001 to \$5,000,000 – \$30,000, plus 6% over \$2,000,000
- ✓ \$5,000,001 to \$10,000,000 – \$210,000, plus 8% over \$5,000,000
- ✓ \$10,000,001 – \$610,000, plus 10% over \$10,000,000

The rates are reduced dramatically for 2008 and 2009 from those set out above.

Under the current federal estate tax law, amounts paid for Kansas estate tax are a deduction on the federal estate tax return. Prior to 2005, a portion of the Kansas estate tax was a direct credit against the federal estate tax in the form of a "state death tax credit." Taking the tax as a deduction is not as helpful as a direct credit against the federal estate tax.

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

FARM FLASHES . . .

AFBF President Stallman to Headline Annual Meeting

■ At this year's annual meeting, Kansas Farm Bureau will look around the corner to see what's coming in the next decade, help FB members prepare for industry changes and ultimately place farmers and ranchers in a position of profitability.

The theme "Leading Agriculture's Future," will carry farmers and ranchers through the two-day annual meeting venue, Friday and Saturday, Nov. 17-18 in Manhattan. Members will hear from American Farm Bureau Federation President Bob Stallman and KFB President Steve Baccus on the importance of looking to the future in agriculture. Activities have been enhanced as Young Farmer & Rancher events will be held at KFB headquarters and district caucuses are back into Friday's annual meeting schedule. Friday's schedule continues to offer educational workshops, the opening session of annual meeting and the traditional recognition and awards banquet. Saturday's activities include the all-important business session where members vote on Farm Bureau policies that will guide the organization for the year in Topeka and in Washington, D.C.

Members Play Host to New Zealand Embassy Guest

■ Farm Bureau members in the 4th District took time out of their busy summer schedules to host a special guest from New Zealand. On June 15, Alastair Polson, New Zealand's Special Agricultural



Trade Envoy, toured farms in the Wichita area to discuss agriculture trade and reform. Tour stops included Bob and Janet Hay, Haysville; Pat Varner, Towanda; Damian and Dallas Korte, Latham; Gene Woodard, Maize and Dan Kerschen, Garden Plain. Discussion and tours at the various farms focused on hay businesses and the wheat and dairy industry in Kansas. Special thanks to these producers who opened up their farms and to 4th District Administrator Sandy Rogers for coordinating Polson's tour.

KFB President to Address KS Community Bankers

■ Your farm organization's president has been invited to keynote the Annual Meeting of the Community Bankers Association of Kansas in July. KFB President Steve Baccus will share his unique perspective about the intricacies of the relationship between production agriculture and the U.S. federal government and offer thoughts on how that relationship can evolve to benefit those who have made the conscious decision to live in rural Kansas.

Baccus serves on the American Farm Bureau Trade Advisory Committee and will speak on the potential for opening new markets for American farm commodities.

Excellence in Teaching Grants for Kansas Educators

■ The Kansas Farm Bureau Foundation is offering the 2006 *Excellence in Teaching Grants* to exemplary teachers who integrate agriculture into their curriculum. Ten mini-grants of \$200 each will be provided to Kansas certified educators of Grades K-6 who are integrating agriculture into their classroom lessons. Grant monies can be used to purchase supplies related to agricultural lessons or projects including garden equipment, materials for hands-on activities, books and lab supplies. A printable copy of the application can be downloaded at kfb.org/foundation.

Applications must be postmarked by June 30. For additional information, contact John Shostak at (785) 587-6608 or shostakj@kfb.org.

Insurance, Financial Services Available for FB Members

■ Farm Bureau Financial Services has Kansas covered with life, annuities, health, vehicle, property, farm/ranch, crop and business insurance. As a Farm Bureau member, you can be assured of personal and professional service, with an array of competitive products to help meet your specific needs. You can also expect responsive and fair claims service when needed. Farm Bureau Financial Services can assist you through all stages of your life. Contact your agent today for more information.

FB Members: Apply to Attend AFBF Annual Meeting

■ Two leaders in Farm Bureau's even numbered districts will have the opportunity to attend the American Farm Bureau Federation annual meeting, January 7-10, 2007 in Salt Lake City, Utah. Applications will be accepted until August 1 and two FB members will be selected to have their expenses paid during the trip. Delegates will be expected to attend the women's sessions during AFBF annual meeting. FB members from uneven-numbered Farm Bureau districts will be selected for the 2008 AFBF annual meeting. For an application, go to kfb.org/women.

KASB Presenting Public Forums Across State

■ Do you want input on public education in your community? Make plans to attend the meeting nearest you as the Kansas Association of School Boards offers forums about public education issues. The forum is open to the general public as well as candidates for office.

- ✓ June 26, DeSoto High School, DeSoto, 7 p.m.
- ✓ June 27, Ottawa Middle School, Ottawa, 7 p.m.
- ✓ June 28, Allison Middle School, Wichita, 5:30 p.m.
- ✓ June 28, KCK Education Center, Kansas City, 7 p.m.
- ✓ June 29, Administrative Building Commission Chambers, Garden City, 7 p.m.
- ✓ June 29, Memorial Building Alliance Room, Chanute, 7 p.m.
- ✓ June 30, Winfield High School, Winfield, 7 p.m.

Kansas Farm Bureau CALENDAR

July 1

Master's Program application due

July 17-18

Resolutions Committee Meeting, Manhattan

July 25

KFB No-till Workshop, Hays

KFB Signs Bioscience Letter

In a letter signed by the state's agriculture producer associations, Kansas Farm Bureau helped to offer support to the Kansas Bioscience Authority for Ventria Bioscience. The letter stated strong support for the growth of plant-made pharmaceuticals in Kansas and that agriculture and commodity organizations recognize the future of bioscience in the sunflower state.

Ventria Bioscience produces biotech rice varieties that represent a class of products called plant-made pharmaceuticals and result from a breakthrough application of biotechnology to enable plants to produce therapeutic proteins to combat life-threatening illnesses. Ventria's research is an important step in the continued development of new biotech products for human health.

With private firms in both the agricultural and life science fields and research at Kansas State University and the University of Kansas, Kansas is one of the few states that can boast both a vibrant agricultural and life sciences research community.



WE SUPPORT 4-H. Kansas Farm Bureau received recognition as a friend of 4-H at the annual Emerald Circle 4-H banquet held recently in Manhattan. Pictured is KFB Vice President Edie Dahlsten (right) accepting an appreciation gift for Farm Bureau's continued sponsorship of Emerald Circle from Kansas 4-H Foundation Chair Bill New.

FB Member Input is Needed on Wind Energy

As a member of the state's largest agriculture advocacy organization, KFB's farm and ranch members should take a few minutes to offer input on public policy that affects their bottom lines. Right now, Farm Bureau members in Kansas can go to *kfb.org*, and fill out an electronic policy development questionnaire (PDQ).

KFB is currently requesting member input on wind energy. This PDQ offers a research paper and a brief questionnaire. Members are asked to log onto the "members only" Web site to fill out the PDQs. Detailed directions for entering the site are available on *kfb.org/members*.

Hard copies are also available from your county FB office. Responses to the PDQ can be sent electronically through the KFB Web site or mailed to the KFB Governmental Relations Division, 2627 KFB Plaza, Manhattan, KS 66503. KFB requests member input on all policy issues by October 1.

Find this icon at kfb.org
 Get spam free "must know" info
 Send us your E-mail address

Farm Leader Letter is a publication of Kansas Farm Bureau and is published twice each month.

Kansas Farm Bureau represents grassroots agriculture. Established in 1919, this non-profit advocacy organization supports farm families who earn their living in a changing industry.

Editor: Rhonda McCurry E-mail: mccurryr@kfb.org

Kansas Agriculture Groups Express Concern Over FSA Realignment Plan

NON-PROFIT ORG
 U.S. POSTAGE PAID
 MANHATTAN KS 66502
 PERMIT NO. 103

Kansas Farm Bureau
 P.O. Box 3500
 Manhattan, KS 66505