

Approved January 27, 1987  
Date

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE AND SMALL BUSINESS

The meeting was called to order by Representative Clifford V. Campbell at  
Chairperson

9:04 a.m./~~p.m.~~ on January 21, 1987 in room 423-S of the Capitol.

All members were present except: Representative Freeman, Representative Solbach and Representative Dean, who were excused.

Committee staff present: Raney Gilliland, Legislative Research Department  
Pat Brunton, Committee Secretary

Conferees appearing before the committee: Frank Mosher, State Director, Agricultural Stabilization and Conservation Service, U.S. Department of Agriculture

The House Agriculture and Small Business Committee was called to order by Representative Clifford Campbell, Chairman.

Representative Roenbaugh made a motion to approve the committee minutes of January 14 and January 21. Representative Crumbaker seconded the motion. The Committee voted unanimously to approve the minutes.

Representative Campbell introduced Frank Mosher, State Director, Agricultural Stabilization and Conservation Service, U. S. Department of Agriculture.

Mr. Mosher briefed the Committee on various crop producing programs with target prices, national average loan rates, and projected deficiency rates for 1987, Attachment I.

A question and answer period followed Mr. Mosher's briefing.

Representative Campbell thanked Mr. Mosher for his presentation and adjourned the Committee at 9:51 a.m.



NOTICE TO FARMERS  
1987 WHEAT, FEED GRAIN, UPLAND COTTON, AND RICE PROGRAMS

Producers who plant one or more program crops (wheat, corn, grain sorghum, barley, oats, upland cotton, and rice) and participate in and comply with the acreage reduction program for such crop will be eligible for applicable program benefits (commodity loans, target price protection) for the crop. Target prices, national average loan rates, and projected deficiency rates are as follows:

	Wheat (bu.)	Corn (bu.)	Grain Sorghum (bu.)	Barley (bu.)	Oats (bu.)	Upland Cotton (lbs.)	Rice (lbs.)
<u>Target Price</u>	\$4.38	\$3.03	\$2.88	\$2.60	\$1.60	\$0.794	\$0.1166
<u>National Loan Rates</u>	\$2.28	\$1.82	\$1.74	\$1.49	\$0.94	\$5.225	\$0.0684
<u>Deficiency Rates</u>							
Projected	\$2.10	\$1.21	\$1.14	\$1.11	\$0.55	\$0.2715	\$0.0482
Maximum "SL" <sup>1/</sup>	\$1.53	\$0.75	\$0.70	\$0.74	\$0.42	\$5.225	\$0.0684
Maximum "NL" <sup>1/</sup>	\$0.57	\$0.46	\$0.44	\$0.37	\$0.13		
Advance	\$0.84	\$0.484	\$0.456	\$0.444	\$0.22	\$0.0815	\$0.0145
<u>Acreage Reduction factors</u>							
Maximum Permitted Acreage (Percent of Base)	72.5%	80% 65% <sup>2/</sup>	80% 65% <sup>2/</sup>	80% 65% <sup>2/</sup>	80% 65% <sup>2/</sup>	75%	65%
Acreage Reduction (Percent of Planted)	37.93%	25.0% 30.77% <sup>2/</sup>	25.0% 30.77% <sup>2/</sup>	25.0% 30.77% <sup>2/</sup>	25.0% 30.77% <sup>2/</sup>	33.33%	53.85%
Diversion (Percent of Base)	NA	15%	15%	15%	15%	NA	NA
<u>Liquidated Damages</u>	\$0.876	\$0.606	\$0.576	\$0.520	\$0.320	\$0.1588	\$0.0233

<sup>1/</sup> "SL" payments are subject to both the \$50,000 payment limitation and the \$250,000 payment limitation. "NL" payments are subject to only the \$250,000 payment limitation.

<sup>2/</sup> For crops participating in the optional paid land diversion.

Combined Crop Acreage Bases

Corn/Grain Sorghum and Barley/Oats are combined for participation in 1987.

Crop Acreage Bases

The 1987 wheat and feed grains crop acreage bases are computed as the average of the 1982 through 1986 acreage that was planted or considered to be planted (P&CP) to the crop. The 1987 upland cotton and rice crop acreage bases are computed as the average of the 1982 through 1986 P&CP for the crop, however if the P&CP for one or more years was zero, the crop acreage base will be computed as the smaller of the average of the 1982 through 1986 P&CP dropping any years with zero P&CP, or the average of the 1985 and 1986 P&CP including any years with zero P&CP. For crops with a history of rotation, the crop acreage base is computed as the average of the 3 most recent corresponding years in the rotation cycle.

Yields

The 1987 farm program payment yield is computed as the average of the 1981 through 1985 farm program payment yields, dropping the highest and lowest yield. If the 1987 payment yield is reduced more than 5 percent below the 1985 farm program payment yield, an additional payment will be computed based on the difference between the 1987 payment yield and 95 percent of the 1985 farm program payment yield. The additional yield payment will be issued in commodity certificates.

Program Contracts

Program contracts (CCC-477) signed by participants will be binding. The contract will provide for assessment of liquidated damages for failure to comply with program requirements (acreage reduction program or diverted acreage), as well as repayment of any unearned payments with interest.

Acres for Payment

The acreage for deficiency payment will be the smaller of the permitted acreage or the actual acreage of the crop planted for harvest on the farm. If the planted program crop acreage is greater than 50 percent and less than 92 percent of the permitted acreage, acreages devoted to conserving uses in excess of 8 percent of the permitted acreage may be considered planted to the program crop and eligible for deficiency payment.

Advance Payments

Producers on a farm enrolled in the acreage reduction program are eligible for advance deficiency and diversion payments for feed grains. Producers may request these advance deficiency and diversion payments at the time they sign the CCC-477.

*Attachment I*

#### Cross Compliance

Limited cross compliance requirements will be in effect for wheat, feed grains, upland cotton, and rice. Under the limited cross compliance provision, as a condition of eligibility for loans, purchase or payments for a wheat, feed grain, upland cotton, or rice crop, the acreage planted for harvest on a farm to one of these commodities may not exceed the crop acreage bases of such commodity.

#### Acreage Conservation Reserve (ACR)

The acreage designated as ACR must equal the sum of the applicable cash diversion plus the result of multiplying the acreage reduction percentage times the total of the planted acreage plus the conserving use acres designated for payment.

Acreages devoted to ACR must be protected from wind and water erosion, weeds and rodents, in a manner approved for the county.

Except for home gardens, no crops, including hay or silage, may be harvested from ACR during the calendar year. Haying of ACR will not be permitted. If approved by the State ASC Committee, the acreage may be grazed except during the 5 consecutive months set for the county. In the event of a natural disaster, emergency haying and grazing privileges may be permitted as needed on a county-by-county basis.

To be eligible for designation as ACR, the land must be cropland that meets the requirements of paragraph 3 of the Appendix to Form CCC-477.

#### Loan Program

Price support loans are available to eligible producers based on the loan rate for the county. Requests for loans must be filed before the final availability date for the commodity.

#### Disaster Affected Acreage

Producers that were prevented from planting a crop or had failed acreage should file an application for disaster credit with the County Committee. Approved prevented planted or failed acreage will receive considered planted history credit for 1987.

Crops planted on the SAME ACREAGE on which crops were prevented planted or failed will not be considered planted for any purpose, such as planted and considered planted history credit, deficiency payments, or price support loans. Exceptions may be made for crops that are considered the second crop in a double cropping practice.

#### Shares of Deficiency and Diversion Payments

Deficiency payments shall be divided among producers in the same relationship that each producer shares in the total crop acreage on the farm. However, consideration may be given to the producer's contribution to the ACR or conserving uses acres for payment in determining producer payment shares.

#### Diversion Payments

If both irrigated and nonirrigated yields are shown on the 1987 contract, the nonirrigated yield will be used for advance payment. The final diversion payment shall be computed using the yield that may be increased from the nonirrigated yield to the extent that the County Committee determines the land designated as diverted acreage for ACR was irrigated in two of the last three years and could and would have been irrigated in the current year in the absence of the program.

#### Considered Planted Credit (P&CP)

P&CP credit, not to exceed the crop acreage base, may be given for acreages of conserving uses for participating crops. Nonparticipating crops that have not planted the commodity nor received prevented planted credit, may receive P&CP credit for acreages of conserving uses if the planted acreage of any other crop on the farm does not exceed the acreage base for such planted crop.

#### Payment Limitation

The total amount of diversion payments and deficiency payments computed based on the "SL" payment rates shown on the front may not exceed \$50,000 per "person". In addition an overall \$250,000 payment limitation per "person" is in effect that will include the dollars received under the \$50,000 payment limitation; deficiency payments computed based on the "NL" payment rate shown on the front; any disaster payment received under the annual programs; any gain realized by the "person" from repaying a loan at a level lower than the original loan level by any means other than a CCC-6; and any loan deficiency payment received for upland cotton.

"Persons" subject to the payment limitations may request that the required amount of ACR be adjusted to reflect such reduction in payment based on the projected deficiency and diversion payments.

#### Sodbuster/Swampbuster Provisions

Each producer must not produce any agricultural commodity on converted wetland or on a field in which highly erodible land is predominant, except as provided in regulations.

#### Appeal Rights

Producers may appeal to the County Committee for reconsideration of any decision that the Committee makes concerning participation in the program. The appeal must be in writing and be timely filed.

IN ORDER FOR ASCS TO PROVIDE THE SERVICE TO WHICH YOU ARE ENTITLED, IT IS EXTREMELY IMPORTANT THAT ALL COUNTY OFFICE RECORDS WITH RESPECT TO YOUR FARM BE KEPT CURRENT. If there has been a change in ownership, operator, tenancy, size of farm, or other factors which may affect your operation, please visit your county ASCS Office at your earliest convenience for the purpose of updating records for your farm.

PARTICIPATION IN PROGRAMS ADMINISTERED BY ASCS IS OPEN TO ALL ELIGIBLE FARMERS WITHOUT REGARD TO RACE, COLOR, RELIGION, NATIONAL ORIGIN, AGE, SEX, PHYSICAL OR MENTAL HANDICAP.

# FACT SHEET

## Sodbuster



United States  
Department of  
Agriculture

December 1986

### Introduction

In the past, relatively high commodity prices have led to the plowing out of thousands of acres of grassland and clearing of woodland for crop production in the U.S. After two years of production on those fields, farmers then qualified for a base acreage for price support programs -- in effect, the government encouraged farmers to plow out highly erodible land. This has contributed to both excessive soil erosion and overproduction of many commodities. Most highly erodible land cannot be cropped productively year after year without special care.

The sodbuster provision of the Food Security Act 1985 is aimed at discouraging the conversion of highly erodible land for agricultural production. If you plant annually tilled crops on highly erodible land that was grassland or woodland, you may lose your eligibility for numerous U.S. Department of Agriculture (USDA) program benefits. The sodbuster provision applies to highly erodible land that was not planted to annually tilled crops during the period 1981-85.

### What is Highly Erodible Land?

Any soil with an erosion index of 8 or greater is considered highly erodible (i.e. inherent potential to erode at 8 times its tolerable erosion rate). To be considered a highly erodible field, the highly erodible area must be at least one-third or more of the field or 50 acres, whichever is less.

### How to Determine Erodibility

Employees of the Soil Conservation Service (SCS) determine if a field is highly erodible by consulting soil maps and/or visiting the site.

### Effective Date

The Sodbuster provision is effective as of December 23, 1985, the date the Food Security Act was signed. If you break out a highly erodible field and plant it to an agricultural commodity without an approved conservation system, you become ineligible for certain USDA program benefits -- not just on the sodbusted part, but on all the land you farm.

### USDA Programs Affected

- \* Farmers Home Administration (FmHA) loans and guarantees
- \* Federal Crop Insurance including reinsured companies
- \* Wheat, cotton, and feed grain payments
- \* Commodity price supports
- \* Commodity Credit Corporation storage payments

- \* Farm storage facility loans
- \* Conservation Reserve Program annual payments
- \* Other programs under which USDA makes commodity-related payments

### Certification Requirement

When you apply for any of the USDA farm programs listed above, you must certify that you have not sodbusted highly erodible land since December 23, 1985, in order to produce crops -- unless you have done so under a locally approved conservation system.

### Your Options

If you intend to break out highly erodible grassland or woodland to plant crops -- or if you aren't sure if your land is highly erodible -- you can:

- \* Contact your local Agricultural Stabilization and Conservation Service (ASCS) office to fill out an AD-1026 form in order to initiate highly erodible field determinations.
- \* Develop and apply, in cooperation with SCS and the local conservation district, a conservation plan for your highly erodible fields. The plan will help you reduce soil loss to levels that are technically and economically achievable. And you will retain eligibility for USDA program benefits.
- \* Break out the land without using a locally approved conservation system, but you will not be eligible for USDA program benefits.

### Regaining Eligibility

If you break out highly erodible grassland or woodland and plant it to an agricultural commodity without using a locally approved conservation system, you are ineligible for USDA farm program benefits for that crop year. To regain eligibility, you must produce the next crop under an approved conservation system.

### If You Need Help

ASCS, FCIC, and FmHA have information about the effects of sodbuster and other conservation provisions on their respective USDA farm assistance programs. SCS conservationists can tell you if you have highly erodible fields, and they will help you prepare a conservation plan. Local conservation districts approve all plans. All of the USDA staffs would like to help you continue to qualify for USDA farm program benefits.

# FACT SHEET

## Swampbuster



United States  
Department of  
Agriculture

December 1986

### Introduction

Wetlands are some of our most diverse and productive habitat for fish and wildlife. In addition, they help recharge aquifers, improve water quality, and provide many recreational opportunities. Some wetlands also are potentially productive cropland. More than half of the wetlands that existed when America was first settled are gone. Many farmers have drained and planted them to crops, under incentives offered through various commodity support programs.

The swampbuster provision of the Food Security Act of 1985 is aimed at discouraging the conversion of wetland for agricultural purposes. Conversion of wetlands occurs when you drain, dredge, level, or fill wet areas after December 23, 1985. If you convert wetlands, you may lose your eligibility for numerous U.S. Department of Agriculture (USDA) program benefits.

### What are Wetlands?

Wetlands consist of soils that are saturated, flooded, or ponded long enough to develop conditions that support mostly water-loving plants. Wetland areas may include depressional areas such as prairie potholes, playas, and similar depressional areas. The Soil Conservation Service (SCS) maintains lists of the kinds and combinations of soils and plants that define wetland areas.

### Do You Have Wetlands?

Employees of the SCS determine if an area is a wetland by consulting maps and/or by visiting your farm or ranch.

### Effective Date

Swampbuster was effective December 23, 1985, the date the Food Security Act was signed. With some exceptions, if you convert a wetland area and plant an annually planted crop you lose eligibility for certain USDA program benefits -- not just on the converted wetland area, but on all the land you farm.

### USDA Programs Affected

- \* Farmers Home Administration (FmHA) loans and guarantees
- \* Federal Crop Insurance including reinsured companies
- \* Wheat, cotton, and feed grain payments
- \* Commodity price supports
- \* Commodity Credit Corporation storage payments

- \* Farm storage facility loans
- \* Conservation Reserve Program annual payments
- \* Other programs under which USDA makes commodity-related payments

### Certification Requirement

When you apply for any of the USDA farm programs listed above, you must certify that you are not producing annually planted crops on land that has been converted from wetlands since December 23, 1985.

### Exceptions

- You are not subject to the swampbuster provision if you:
- Began the conversion of wetlands before December 23, 1985;
  - \* Converted wetlands that had been created artificially or through irrigation;
  - \* Produced crops on wetlands that became dry through natural conditions such as drought (other restrictions may apply);
  - \* Converted wetlands where SCS has determined that the conversion has minimal effect on wetland values.

### Regaining Eligibility

You are ineligible for USDA farm program benefits in any year that you produce an agricultural commodity on a converted wetland. To regain eligibility in any year, you must not produce annually tilled crops on the converted wetland area.

### If You Need Help

For more information on swampbuster or for conservation planning assistance, contact the local office of the SCS or Agricultural Stabilization and Conservation Service (ASCS). ASCS, FCIC, and FmHA can provide information about the effects of swampbuster and other provisions on their respective USDA farm assistance programs. You should also fill out an AD-1026 form at the ASCS office to initiate a wetland determination. SCS conservationists can tell you if you have wetlands and help you prepare a conservation plan. Local conservation districts approve all plans. All of the USDA staffs would like to help you continue to qualify for USDA farm program benefits.

# FACT SHEET

## Conservation provisions of the 1985 Farm Bill



United States  
Department of  
Agriculture

December 1986

### Introduction

Several provisions of the Food Security Act of 1985 -- the 1985 farm bill -- make the goals of U.S. Department of Agriculture (USDA) farm and conservation programs more consistent. These new provisions encourage the reduction of soil erosion and the retention of wetlands, and will reduce production of surplus commodities. The provisions are known as the Conservation Reserve, conservation compliance, sodbuster, and swampbuster.

### The Conservation Provisions

**Conservation Reserve:** The Conservation Reserve offers producers help in retiring highly erodible cropland. The Agricultural Stabilization and Conservation Service (ASCS) will share up to half of the cost of establishing permanent grasses, legumes, trees, windbreaks, or wildlife plantings on your highly erodible cropland. ASCS will make annual rental payments to landowners and operators under 10-year contracts as long as the terms and conditions of the contract are met.

**Conservation Compliance:** Conservation compliance applies if you continue planting annually tilled crops on highly erodible fields. To remain eligible for certain USDA program benefits, you must develop and be actively applying a locally approved conservation plan for those highly erodible fields by January 1, 1990. You must have the plan fully implemented by January 1, 1995.

**Sodbuster:** Sodbuster applies if you plant annually tilled crops on a highly erodible field after December 23, 1985 (the date the farm bill was signed) that was not used for crop production during the period 1981-85. If you break out such a highly erodible field, you must do so under a conservation system approved by the local conservation district in order to remain eligible for USDA program benefits.

**Swampbuster:** Swampbuster applies if you drain, dredge level, or fill naturally occurring wetlands to produce annually tilled crops after December 23, 1985. With some exceptions, to remain eligible for certain USDA farm program benefits you must discontinue production of annually tilled crops on newly converted wetlands.

### USDA Programs Affected

- \* Farmers Home Administration (FmHA) loans and guarantees
- \* Federal Crop Insurance including reinsured companies
- \* Wheat, cotton, and feed grain payment
- \* Commodity price supports
- \* Commodity Credit Corporation storage payments
- \* Farm storage facility loans
- \* Conservation Reserve Program annual payments
- \* Other programs under which USDA makes commodity-related payments.

### Your Options

As an agricultural producer, you may:

- \* Develop and apply a conservation plan for your highly erodible fields, in cooperation with the Soil Conservation Service (SCS) and the local conservation district. The plan will help you reduce soil loss to levels that are technically and economically achievable. You will retain eligibility for USDA farm program benefits.
- \* Plant permanent cover on land where annually tilled crops cannot be grown because of excessive erosion. If you choose this option, you may want to consider entering the land into the Conservation Reserve and planting permanent grasses, legumes, trees, windbreaks, or wildlife cover. You still would have other USDA programs open to you.
- \* Produce crops on a highly erodible field without using a locally approved conservation system, but you would lose eligibility for USDA program benefits.  
Produce annually tilled crops on newly converted wetlands, but lose eligibility for USDA program benefits.

### If You Need Help

ASCS, FCIC, and FmHA have information about the effects of various conservation provisions on their respective USDA farm assistance programs. Producers should contact their local ASCS office to fill out an AD-1026 form in order to initiate highly erodible field and wetland determinations for their cropland. SCS conservationists will determine if you have wetlands or highly erodible fields, and they will help you prepare a conservation plan. Local conservation districts approve all plans. All of the USDA staffs would like to help you continue to qualify for USDA farm program benefits.

# FACT SHEET

## Conservation Compliance



United States  
Department of  
Agriculture

December 1986

### Introduction

More than one in every three of Kansas's cropland acres is highly erodible. Some USDA farm programs have, in effect, promoted soil erosion and overproduction of surplus commodities by allowing farmers to include this highly erodible cropland in their base acreage without requiring soil protection.

The conservation compliance provision of the Food Security Act of 1985 discourages the production of crops on highly erodible cropland where the land is not adequately protected from erosion. If you produce crops on such fields without an approved conservation system, you may lose your eligibility for certain U.S. Department of Agriculture (USDA) program benefits. Conservation compliance applies to land where annually tilled crops were grown at least once during the period 1981-85, and will apply to all highly erodible land in annual crop production by 1990.

### What is Highly Erodible Land?

Any soil with an erosion index of 8 or greater is considered highly erodible (i.e. inherent potential to erode at 8 times its tolerable erosion rate). To be considered a highly erodible field, the highly erodible area must be at least one-third or more of the field or 50 acres, whichever is less.

### How to Determine Erodibility

Employees of the Soil Conservation Service (SCS) determine if a field is highly erodible by consulting soil maps and/or by visiting the site.

### Effective Dates

You have until January 1, 1990, to develop and begin actively applying a conservation plan on highly erodible cropland. You have until January 1, 1995, to have that conservation plan fully operational. However, if soil maps of your farm or ranch are not available, you will have until two years after mapping to develop and begin actively applying a locally approved conservation plan.

### USDA Programs Affected

- \* Farmers Home Administration loans and guarantees
- \* Federal Crop Insurance including reinsured companies
- \* Wheat, cotton, and wheat grain payments
- \* Commodity price supports
- \* Commodity Credit Corporation storage payments
- \* Farm storage facility loans
- \* Conservation Reserve Program annual payments
- \* Other programs under which USDA makes commodity-related payments.

### Your Options

- If you are farming highly erodible cropland -- or if you aren't sure if your land is highly erodible -- you may:
- \* Contact your local Agricultural Stabilization and Conservation Service (ASCS) office to fill out at AD-1028 form in order to initiate highly erodible field determinations.
  - \* Develop and apply a conservation plan on your highly erodible fields, in cooperation with SCS and the local conservation district. The plan will help you reduce soil loss to levels that are technically and economically achievable. You will regain eligibility for USDA farm program benefits.
  - \* Plant permanent cover on fields where annually tilled crops cannot be grown without excessive erosion. If you choose this option, you may want to consider entering the land into the Conservation Reserve and planting permanent grasses, legumes, trees, or wildlife cover. You will continue to have other USDA programs open to you.
  - \* Farm highly erodible fields without using a locally approved conservation plan. You will lose your eligibility for certain USDA farm program benefits.

### If You Need Help

The ASCS, FCIC, and FmHA have information about the effects of conservation compliance and other provisions on their respective USDA farm assistance programs. SCS conservationists will determine if you have highly erodible fields and they will help you prepare a conservation plan. Local conservation districts approve all plans. All of the USDA staffs would like to help you continue to qualify for USDA farm program benefits.

---

All programs and services of the USDA are available to anyone, without regard to race, color, religion, sex, national origin, age, or handicap.