



United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

MAR 10 2005

The Honorable Robert Goodlatte
Chairman
Committee on Agriculture
U.S. House of Representatives
2240 Rayburn House Office Building
Washington, D.C. 20515

Dear Mr. Chairman:

Section 1613 of the Farm Security and Rural Investment Act of 2002 (the 2002 Farm Bill) requires that the Secretary of Agriculture submit a report by February 1st of each year to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition and Forestry. That report describes the number of requests for equitable relief that producers filed pursuant to sections 1613(b) and (e) of the 2002 Farm Bill and section 278(d) of the Department of Agriculture Reorganization Act of 1994 (Reorganization Act) during the previous calendar year and their disposition.

Three subordinate officials are responsible for oversight of responses to requests for equitable relief, and I have asked them to supply that information to me. The Administrator of the Farm Service Agency and the Chief of the Natural Resources Conservation Service have provided me with the enclosed information, which shows the number of equitable relief requests processed by their respective agencies under section 1613 of the 2002 Farm Bill during 2004. Also, the Director of the National Appeals Division has provided the enclosed information for requests filed under section 278(d) of the Reorganization Act. The enclosure is a consolidated report of the numbers provided by all three officials.

I trust this information will be useful to the Committee. If you have questions, please ask your staff to contact Mr. Roger Klurfeld, Director of the National Appeals Division, at 703-305-2708.

A similar letter is being sent to Senators Chambliss and Harkin and to Congressman Peterson.

Sincerely,

A handwritten signature in black ink that reads "Mike Johanns".

Mike Johanns
Secretary

Enclosure

Section 1613 of the Farm Security and Rural Investment Act of 2002 (the 2002 Farm Bill) grants the Farm Service Agency (FSA) State Director and the Natural Resources Conservation Service (NRCS) State Conservationist the authority to provide equitable relief to participants in price, income support, production, or loss assistance programs of FSA, and Conservation Programs of NRCS, respectively, in amounts less than \$ 20,000 subject to certain other financial threshold limitations. Section 1613 also grants this authority to the Secretary, without any financial limitation, and the Secretary has delegated this statutory authority to the Administrator of FSA and the Chief of NRCS. To qualify for relief, a participant must demonstrate that he or she acted in good faith to comply with program requirements. Forms of relief include the retention of benefits received under the program, continuity of benefits, reenrollment of land to be conserved, or any other appropriate relief.

Section 278(d) of the Department of Agriculture Reorganization Act of 1994 grants the Director of the National Appeals Division the same authority to provide equitable relief to program participants as provided to the Secretary.

Section 1613 of the 2002 Farm Bill requires the Secretary of Agriculture to report on a yearly basis the number of requests for equitable relief received, and their disposition, under both section 1613 and section 278(d). The following table reflects that information for calendar year 2004:

Farm Service Agency

Number of Requests for Equitable Relief:	1857
Amount of Program Benefit Relief Requested:	\$ 4,885,358.26
Amount of Program Benefit Relief Granted:	\$ 4,475,356.49

Natural Resources Conservation Service

Number of Requests for Equitable Relief:	0
Amount of Program Benefit Relief Requested:	\$ 0
Amount of Program Benefit Relief Granted:	\$ 0

National Appeals Division

Number of Requests for Equitable Relief:	122
Equitable Relief Denied:	83
Equitable Relief Granted:	33
(including 21 cases involving money and 12 involving extension of time)	
No Authority to Grant Relief	6