MAR 21 2006

The Honorable Robert Goodlatte
Chairman
Committee on Agriculture
U. S. House of Representatives
1301 Longworth 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 is required to describe 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 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 that shows the number of equitable relief requests processed by their respective agencies under section 1613 of the 2002 Farm Bill during 2005. 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 Congressman Peterson.

Sincerely,

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. This relief is subject to 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 for conservation, 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.

The following table reflects information for calendar year 2005 as required by section 1613 of the 2002 Farm Bill.

**Farm Service Agency**

- Number of Requests for Equitable Relief: 695
- Number of Requests Denied: 57
- Number of Requests Granted: 638
  (includes partial grants)

**Natural Resources Conservation Service**

- Number of Requests for Equitable Relief: 107
- Number of Requests Denied: 7
- Number of Requests Granted: 100

**National Appeals Division**

- Number of Requests for Equitable Relief: 144
- Number of Requests Denied: 112
- Number of Requests Granted: 23
  (including 13 cases involving money and 10 involving extensions of time)
- No Authority to Grant Relief 9
MAR 21 2006

The Honorable Saxby Chambliss  
Chairman  
Committee on Agriculture, Nutrition and Forestry  
United States Senate  
328A Russell Office Building  
Washington, D.C. 20510

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 is required to describe 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.

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A similar letter is being sent to Senator Harkin, and Congressman Peterson and Goodlatte.

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MAR 21 2006

The Honorable Tom Harkin
Ranking Democratic Member
Committee on Agriculture, Nutrition and Forestry
United States Senate
328A Russell Office Building
Washington, D.C. 20510

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