



United States Department of Agriculture

Office of the Secretary  
Washington, D.C. 20250

MAR 19 2007

The Honorable Collin C. Peterson  
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 1 of each year to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition and Forestry. This 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.

Enclosed is the Department's report. The report shows the number of equitable relief decisions that the Farm Service Agency and the Natural Resources Conservation Service made in calendar year 2006 under section 1613 of the 2002 Farm Bill. The report also shows the number of equitable relief decisions made by the National Appeals Division in the same year under section 278(d) of the Reorganization Act.

If you have questions about the enclosed report, 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 Harkin and Chambliss, and Congressman Goodlatte.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Johanns".

Mike Johanns  
Secretary

Enclosure

US Department of Agriculture  
National Appeals Division (NAD)  
Report to Congress on Equitable Relief to Farmers During 2006  
February 2007

Section 1613 of the Farm Security and Rural Investment Act of 2002 (the 2002 Farm Bill) grants the Farm Service Agency (FSA) State Directors and the Natural Resources Conservation Service (NRCS) State Conservationists the authority to provide equitable relief to participants in price, income support, production, or loss assistance programs of the FSA, and conservation programs of NRCS. This relief is subject to financial 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 2006 as required by section 1613 of the 2002 Farm Bill.

Farm Service Agency

Number of Requests for Equitable Relief:	694
Number of Requests Denied:	113
Number of Requests Approved: (Includes partial approvals)	581

Natural Resources Conservation Service

Number of Requests for Equitable Relief:	139
Number of Requests Denied:	5
Number of Requests Granted:	134

National Appeals Division

Number of Requests for Equitable Relief:	139
Number of Requests Denied:	74
Number of Requests Granted: (including 24 cases involving money and 7 involving extensions of time)	31
Number of Requests Mooted by Favorable Outcome in Appeal	26
No Authority to Grant Relief	8