



# *Buchanan County News*

**September 2009**

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**Buchanan County  
USDA Service Center**

**Buchanan County FSA**  
3915 Oakland Ave.  
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816-364-3927 (phone)  
816-232-0370 (fax)  
[www.fsa.usda.gov/mo](http://www.fsa.usda.gov/mo)

**Hours**  
Monday - Friday  
7:30 a.m. - 4:30 p.m.

**County Committee**  
Gayle Delaney  
Travis Klein  
Doug Shepherd

**Staff**  
Debbie Johnson  
Beck Kelly  
Gina Smith

**Field Assistant**  
Nate Parry

**Farm Loan Manager**  
Charlotte Holeman

**County Director**  
Craig Everly

## ***Farm Storage Facility Loan Program Changes***

The Farm Storage Facility Loan (FSFL) program allows producers of eligible commodities to obtain low-interest financing to build or upgrade farm storage and handling facilities.

The new maximum principal amount of a loan through FSFL is \$500,000. Participants are now required to provide a down payment of 15 percent, with CCC providing a loan for the remaining 85 percent of the net cost of the eligible storage facility and permanent drying and handling equipment. New loan terms of 7, 10 or 12 years are available depending on the amount of the loan. Interest rates for each term rate may be different and are based on the rate which CCC borrows from the Treasury Department.

Applications for FSFL must be submitted to the FSA county office that maintains the farm's records. An FSFL must be approved before any site preparation or construction can begin.

The following commodities are eligible for farm storage facility loans:

- Corn, grain sorghum, soybeans, oats, wheat, barley or minor oilseeds harvested as whole grain
- Corn, grain sorghum, wheat, oats or barley harvested as other-than-whole grain.
- Renewable biomass
- Fruits (including nuts) and vegetables - cold storage facilities

For more information about FSFL please visit your FSA county office or [www.fsa.usda.gov](http://www.fsa.usda.gov).

## ***Marketing Assistance Loans***

A Marketing Assistance Loan (MAL) is available for producers who share in the risk of producing the crop. To be eligible, a producer must maintain continual beneficial interest in the crop from harvest through the earlier of the date the loan is repaid or CCC takes title to the commodity. Beneficial interest means retaining the ability to make decisions about the commodity; responsibility for loss or damage to the commodity; and title to the commodity. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan — even if the producer regains beneficial interest. Commodity loan eligibility also requires compliance with conservation and wetland protection requirements; beneficial interest requirements, acreage reporting and ensuring that the commodity meets Commodity Credit Corporation minimum grade and quality standards. For commodities to be eligible they must have been produced by an eligible producer, be in existence and in a storable condition and be merchantable for food, feed or other uses as determined by CCC. The quality of the commodity in farm storage must be maintained throughout the term of the loan. Producers do not have to participate in the Direct and Counter-Cyclical and/or ACRE Programs to be eligible for commodity loans.

Buchanan County loan rates for 2009 crops are:

- Corn \$1.99 bu.
- Soybeans \$5.15 bu.
- Grain Sorghum \$3.39 bu.

The interest rate for loans disbursed in September is 1.5%. The rate is subject to change each month.

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## ***Continuous CRP***

The Continuous Conservation Reserve Program is a private lands environmental improvement program that allows participants the opportunity to enroll environmentally sensitive acreages in conservation practices that will reduce soil erosion, improve water and soil quality and provide wildlife habitat and food sources.

The Continuous CRP program is a voluntary enrollment program. Eligible landowners enter into contracts that range from 10 to 15 years in length. In return, the landowners will receive annual rental and maintenance payments, incentive payments for certain activities, and cost share for establishment.

To be eligible for enrollment in the Continuous CRP, participants and acreage must meet certain requirements. Provided the eligibility requirements are met, FSA will automatically accept enrollments of acreage into Continuous CRP. Landowners may enroll in the program at any time during the year.

For more information on Continuous CRP enrollments, please contact your local FSA office.

## ***Sodbuster, Swampbuster***

Most Farm Service Agency programs require compliance with sodbuster and swampbuster provisions. These provisions require producers to follow an approved conservation system on all highly erodible land planted to an annual crop as determined by the Natural Resources Conservation Service.

Be sure to have determinations made on any new land you plan to plant to annual crops. If you plan to plant a different crop on your current cropland, check with NRCS to assure the new crop will qualify under your conservation system.

Swampbuster provisions state that converting a wetland to make possible the planting of a crop will result in the loss of all USDA benefits. To avoid this possibility it is strongly recommended that producers check with NRCS before starting work in your fields

## ***FSA Farm Loans***

The Farm Service Agency (FSA) offers loans for farmers and ranchers to purchase farmland and finance agricultural operations. FSA loan programs are designed to help producers who are temporarily unable to obtain private or commercial credit. In many cases, applicants are beginning farmers who have insufficient net worth to qualify for financing through a commercial lender. In other instances, borrowers might have suffered setbacks from natural disasters or might

be persons with limited resources. Farm ownership loans or

farm operating loans may be obtained as direct loans for a maximum of up to \$300,000. Guaranteed loans can reach a maximum indebtedness of \$1,094,000. For detailed information on loan eligibility or the different available loan programs, just contact county office staff for an appointment with a farm loan officer.

## ***Rural Youth Loans***

The Farm Service Agency makes loans to rural youths to establish and operate income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5000.

### ***Youth Loan Eligibility Requirements:***

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Comply with FSA's general eligibility requirements
- Reside in a rural area, city or town with a population of 50,000 or fewer people
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the project and the loan, along with providing adequate supervision.

Stop by the county office for help preparing and processing the application forms. The FSA staff can help you with questions you may have about a particular program.

## ***Livestock Indemnity Program***

The Livestock Indemnity Program (LIP) provides assistance to producers for livestock deaths that result from disaster. Using funds from the Agricultural Disaster Relief Trust Fund established under section 902 of the Trade Act of 1974, the program is administered by the USDA Farm Service Agency (FSA). LIP compensates livestock owners and contract growers for livestock death losses in excess of normal mortality due to adverse weather, including losses due to floods, blizzards, dis-

## ***Banking Changes?***

If you have changed banks and not notified FSA, your payment could be delayed. Payments are electronically transferred into your bank account, if we are not aware of changes to your account and routing numbers, there could be problems. In order to make timely payments, you need to notify the office if you close your account or if another financial institution purchases your bank. It is important that any changes in producer's account such as type account, bank mergers, routing number or account numbers, be provided to the county office promptly to avoid possible payment delay.



## ***Power of Attorney***

For those who find it difficult to visit the county office personally because of work schedules, distance, health, etc., FSA has a power of attorney form available that enables you to designate another person to conduct your business at the office. If you are interested, please contact our office or any Farm Service Agency office near you for more information. Spouses may sign for each other automatically without executing a power of attorney document.

## ***Record Changes***

If you have bought, sold or are renting different land, make sure you report the changes to the Farm Service Agency office as soon as possible after they occur. For farm ownership changes you will need to provide a recorded deed or recorded land contract. Failure to maintain accurate records with FSA on all land you have an interest in can lead to possible program ineligibility and fines if you are participating in our program.

## ***Tobacco Quota Buyout***

Any transfers of Tobacco Transition Program contracts to family members needs to be reported to this office as soon as possible when the successor is known. The process to change the entity and /or shares on a contract takes some time.

## ***Selling Land?***

If you're planning to sell farmland, there may be some program consequences you should be aware of. For example, if you're planning to sell land that's enrolled in the Conservation Reserve Program, the buyer must agree to continue the enrollment. If the buyer doesn't want to continue the CRP contract, you may have to refund all of the payments you've received to date. Please consider discussing possible program consequences with the county office staff before selling any land.

## ***Final Payments for 2008 DCP***

Enrolled producers can expect their final direct payment to be deposited directly into personal bank accounts sometime during the first few weeks of October.

Producers who did not elect to receive an advance direct payment will receive their entire direct payment for the year in one lump sum after the end of the fiscal year (Sept. 30).

The direct payment for a crop equals 83 percent of the farm's base acreage times (x) the farm's direct payment yield times (x) the direct payment rate.

ease, wildfires, extreme heat and extreme cold. Eligible losses must have occurred on or after Jan. 1, 2008, and before Oct. 1, 2011.

### ***Beginning and Limited Resource Farmers***

FSA assists beginning farmers and or members of socially disadvantaged groups to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more than 10 years
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
- Does not own a farm in excess of 30 percent of the county's average size.

Each member of an entity must meet the eligibility requirements. Loan approval is not guaranteed.

Additional program information, loan applications, and other materials are available at your local USDA Service Center.

<b>Selected Interest Rates for September 2009</b>	
90-Day Treasury Bill	0.250%
Farm Operating Loans — Direct	3.000%
Farm Ownership Loans — Direct	4.875%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.500%
Emergency Loans	3.750%
Farm Storage Facility Loans 7-yr. loan term	3.250%
Farm Storage Facility Loans 10- year loan term	3.625%
Farm Storage Facility Loans 12- year loan term	4.000%
Commodity Loans 1996-Present	1.500%

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