



Buchanan County News

February 2010

Buchanan County USDA Service Center

Buchanan County FSA

3915 Oakland Ave.
St. Joseph, MO
816-364-3927 (phone)
816-232-0370 (fax)
www.fsa.usda.gov/mo

Hours

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

County Committee

Gayle Delaney
Jerry Knadler
Doug Shepherd

Staff

Debbie Johnson
Beck Kelly
Gina Smith

Field Assistant

Nate Parry

Farm Loan Manager

Charlotte Holeman

County Director

Craig Everly

Supplemental Revenue Assistance (SURE) sign-up Begins

Sign up for the Supplemental Revenue Assistance Program (SURE) on 2008 crops is under way. SURE is a permanent disaster program created by the 2008 Farm Bill that replaces the previous "ad-hoc" crop disaster programs of the past. Unlike those disaster programs that paid for losses by unit and crop, **the SURE program is a "total farm" disaster program.** This revenue based program compares crops' expected revenue and program guarantee dollar amounts to the actual crop revenue of the entire farming operation. **Entire farming operation refers to all farms and all interests, in all counties.**

In order to be eligible for payments under SURE, you are required to have carried insurance at the CAT level or better on all insurable crops and NAP coverage on all non-insurable crops (hay for example) with an economic significance of 5% or greater, within the farming operation. In 2009 and subsequent years, RMA's Rainfall Index policy is acceptable coverage for hay acres. For the SURE program, grazing acres do not require coverage.

The SURE program is available to eligible producers if two 'triggers' are met. First, the county must have received a Secretarial Disaster Declaration due to natural disaster, or be contiguous to a county with the declaration. Buchanan County had a Secretarial Disaster Declaration in 2008. Second, **at least one crop of economic significance in a producer's operation must have a 10% crop production loss.** For qualifying producers, if the total farm revenue is less than the SURE program guarantee, the SURE payment is made at 60% of the difference. The SURE guarantee is very similar to a producer's crop insurance guarantee. Depending on the coverage levels, the higher the coverage the higher the guarantee level will be. There is an online calculator that can help producers estimate probable payments. You may access the calculator at www.fsa.usda.gov/mo.

If you believe that you might be eligible for SURE, please call 816-364-3927 ext 2. We will access your RMA (crop insurance) informational downloads and discuss the applicable eligibility requirements with you prior to your office visit.

Since the SURE program is available through 2011, as a producer, you can prepare your operation for SURE eligibility by insuring all economically significant crops in all counties each year.

2010 DCP Signup

Enrollment for the 2010 Direct and Counter-cyclical Program (DCP) has begun and will continue through June 1, 2010. USDA urges producers to make use of the eDCP automated website to sign up, or producers can visit any USDA Service Center to complete their 2010 DCP contract. USDA computes DCP Program payments using base acres and payment yields established for each farm. Eligible producers receive direct payments at rates established by statute regardless of market prices. For 2010, eligible producers may request advance direct payments based on 22 percent of the direct payment. Producers may call this office at 816-364-3927 ext.2 to make an appointment to signup.

ACRE

The optional ACRE Program provides a safety net based on state revenue losses and acts in place of the price-based safety net of counter-cyclical payments under DCP. The June 1, 2010, signup deadline is mandatory for all participants. USDA will not accept any late-filed applications. A farm's payment is based on a revenue guarantee calculated using a 5-year average state yield and the most recent 2-year national price for each eligible commodity. For 2010, the 2-year price average will be based on the 2008 and 2009 crop years. An ACRE payment is issued when both the state and the farm have incurred a revenue loss. Payment is based on 83.3% (85% in 2012) of the farm's planted acres times the difference between the state ACRE guarantee and the state revenue times the ratio of the farm's yield divided by the state expected yield. The total number of planted acres for which a producer may receive ACRE payments may not exceed the total base on the farm. In exchange for participating in ACRE, in addition to not receiving counter-cyclical payments, a farm's direct payment is reduced by 20%, and marketing assistance loan rates are reduced by 30%. The decision to enroll in the ACRE Program is irrevocable. The owner of the farm and all producers on the farm must agree to enroll in ACRE. Once enrolled, the farm shall be enrolled for that initial crop year and will remain in ACRE through the 2012 crop year.

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 cwt.

The interest rate for loans disbursed in February is 1.375%. The rate is subject to change each month.

Adjusted Gross Income

USDA has a Memorandum of Understanding with the Internal Revenue Service to establish an electronic information exchange process for verifying compliance with the adjusted gross income (AGI) provisions for farm programs. Written consent will be required from each producer or payment recipient for the tax review process. No actual tax data will be included in the report that IRS sends to USDA. The agreement ensures that payments are not issued to producers whose AGI exceeds certain limits. The limits set in the 2008 Farm Bill are \$500,000 nonfarm average AGI for commodity and disaster programs; \$750,000 farm average AGI for direct payments; and \$1 million nonfarm average AGI for conservation programs. Participants in CCC programs subject to average AGI rules must submit form CCC-927 (Individual) and/or CCC-928 (Legal Entity) to the Internal Revenue Service by June 15 to avoid interruption of program benefits. These forms may be obtained from local FSA and NRCS offices or online at:

<http://forms.sc.egov.usda.gov/eforms/mainervlet>

Livestock Indemnity Program (LIP)

The Livestock Indemnity Program (LIP) provides assistance to producers for livestock deaths that result from **extreme** adverse weather/natural disaster events. LIP compensates livestock owners and contract growers for livestock death losses in excess of established normal mortality rates due to natural disasters, including losses due to floods, blizzards, wildfires, extreme heat, extreme cold, tornados, and lightning. **The natural disaster must be a direct cause of the livestock death.**

It will be the producers' responsibility to notify the county FSA office about their livestock deaths. Payments are based on 75% of the fair market value for each type and weight range of livestock as determined by FSA. Producers are reminded that LIP regulations require that they **must file a notice of loss within 30 calendar days of when the livestock died** in order to be eligible for LIP. Producers are also responsible for providing documentation of proof of death (pictures and veterinary inspections are suggested). Beginning inventory (as of the date of the adverse weather event) is also required. **Verifiable evidence of normal mortality throughout the calendar year will be required with an LIP Application.** Deaths due to normal mortality will be used in calculating eligibility percentages when a natural disaster occurs.

The program is intended to compensate producers for livestock deaths that are caused by abnormal weather-related events and many losses may have weather as a factor, but not qualify as an eligible adverse weather event. **Please call 816-364-3927 ext.2 for complete LIP eligibility details.**

Highly Erodible Land & Wetland Conservation Compliance

Conservation compliance is still required for participation in farm programs. Producers, as you visit your county office this spring, make sure to review your Conservation Plan of Operation (CPO) with NRCS. Extra tillage trips to remove ruts and level fields may require revisions to the CPO in order not to be in violation of conservation compliance. Contact your local FSA or NRCS before fieldwork begins to protect program eligibility.

Banking Changes

If you have changed banks or bank accounts and not have notified this office your payments could be delayed. Payments are electronically transferred into your bank account and if we are not notified of a change the payment would be forwarded to the old routing number which would deny the deposit and send

County Committee Election

The Buchanan County Committee election for Local Administrative Area 1 was held for the 2010 calendar year. Jerry Knadler was elected to represent the LAA which is essentially the northeast part of Buchanan county. Jerry replaced Travis Klein who was ineligible to run because he had met his term limit. Congratulations to Jerry and a big **“THANKS”** to Travis for contributing his invaluable insight and infinite wisdom to the Committee over the past few years.

Conservation Reserve Program (CRP)

There is a possibility of a CRP general signup in 2010. Producers are reminded that land must be physically capable of being cropped in order to be eligible for the program. Land currently enrolled in CRP that has had tree / brush encroachment over the years will not be eligible unless physically capable of being cropped **at the time an offer is made to participate** in the program.

Controlled Substance

Any person who is convicted under federal or state law of a controlled substance violation could be ineligible for USDA payments or benefits. Violations include planting, harvesting or growing a prohibited plant. Prohibited plants include marijuana, opium, poppies and other drug producing plants.

Foreign Buyers Notification

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. The Farm Service Agency administers this program for USDA.

All individuals who are not U.S. citizens, and have purchased or sold agricultural land in the county are required to report the transaction to FSA with 90 days of the closing. Failure to submit the AFIDA form (FSA-153) could result in civil penalties of up to 25 percent of the fair market value of the property. County government offices, Realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.



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.

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.

NAP Coverage Deadlines

The Noninsured Crop Disaster Program insures crops that are uninsurable through Federal Crop Insurance. Hay, fruits and vegetables would be the most relevant crops to be insured through the NAP in Buchanan county. The application and service fee **MUST** be filed by the crop sales closing date. Contact your local FSA office for the filing dates for your crops. For most spring-seeded crops, the sales closing date for Missouri is March 15. You must have this coverage to be eligible for the SURE program.

The service fee is \$250 per crop per county or \$750 per producer per county. The fee cannot exceed a total of \$1875 per producer for individuals with farming interests in multiple counties.

To qualify, a producer must share in the risk of producing an eligible crop

Conservation Plan Variance

During last fall's harvest season, Missouri received excessive amounts of rainfall. Many landowners and operators were forced to complete their harvest under extremely wet conditions that resulted in ruts. Producers will soon be forced to decide how to maintain their approved conservation system during planting time.

Those that participate in USDA programs are required to stay in compliance with the highly erodible land conservation provisions of the Farm Bill. One means to maintain compliance and resolve their problem with ruts involves the USDA program participant requesting a temporary variance due to wet weather. As deemed appropriate, NRCS District Conservationists can grant such a variance that would allow producer to till rutted areas prior to planting and avoid noncompliance. All tracts granted this variance will be placed on the 2011 compliance review list. **It is imperative that you contact the local NRCS office to request this variance prior to 2010 spring fieldwork.** For more information call the Buchanan county NRCS office at 816-364-3927 ext. 3.

Dates to Remember

February 15	Office closed President's Day
March 15	2010 NAP sales closing date for forage and spring-seeded crops
June 1	Final date to signup for DCP and ACRE
Continuing	Farm Facility Loan Program
Continuing	Continuous CRP Applications

Visit our website at: www.fsa.usda.gov/mo

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