



January 2009

Livingston FSA Office News

Livingston County USDA Service Center

Livingston County FSA
1100 Morton Parkway
Chillicothe, MO 64601
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Hours
Monday - Friday
7:45 a.m. - 4:30 p.m.
The office will be closed on all Federal holidays.

County Committee
David Williams
Mary Smith
Ben Beetsma

County Committee meets the third Thursday each month at 8:30 a.m.

Staff
Program Technicians
Dianna Sewell
Anissa Johnson
Jeannette Straker
Diana Briscoe

County Executive Director
David Meneely

Farm Loan Manager
John McKinny

Farm Loan Officer
Gary Elrod

FSA ANNOUNCES THE 2009 DCP SIGN UP

Average Crop Revenue Election (ACRE) Program Sign Up to Begin in the Spring

The Farm Service Agency (FSA) announced that enrollment for the 2009 Direct and Counter-cyclical Payment (DCP) Program for farms with base acres began December 22, 2008, both online and at local USDA service centers, and continues until June 1, 2009.

Producers can enroll using the eDCP automated website to sign up; however, producers can also visit their County FSA office to complete their 2009 DCP contract.

The June 1, 2009 deadline is mandatory for all participants. USDA will not accept late-filed applications.

The electronic DCP (or eDCP) service saves producers time, reduces paperwork and speeds up contract processing at USDA Farm Service Agency (FSA) offices. It is available to all producers who are eligible to participate in the DCP Program and can be accessed at <http://www.fsa.usda.gov/dcp>. To access the service, producers must have an active USDA eAuthentication Level 2 account, which requires filling out an online registration form at <http://www.eauth.egov.usda.gov> followed by a visit to a County USDA Service Center for identity verification.

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 2009, eligible producers may request to receive advance direct payments based on 22 percent of the direct payment

for each commodity associated with the farm. USDA will issue advance direct payments beginning Dec. 2008. Counter-cyclical payment rates vary depending on market prices. Counter-cyclical payments are issued only when the effective price for a commodity is statutorily set below its target price. The effective price is the higher of the national average market price received during the 12-marketing year for each covered commodity and the national average rate for a marketing assistance loan for the covered commodity.

Producers who are eligible for the DCP Program will also be eligible to enroll in the Average Crop Revenue Election (ACRE) Program. The enrollment period for the ACRE Program will begin in the spring. Producers may first enroll in the DCP Program, elect to receive advance direct payments and then later modify their enrollment to include the ACRE program or they may wait and elect to enroll in DCP and ACRE at the same time in Spring 2009.

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. A farm's payment is based on a revenue guarantee calculated using a 5-year average state yield and the most recent 2-year State price for each eligible commodity. For the 2009 crop, the 2-year price average will be based on the 2007 and 2008 crop years.

An ACRE payment is issued when both the State and the farm have incurred a revenue loss. The payment is based on 83.3 percent (85 percent 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 percent, and marketing assistance loan rates are reduced by 30 percent.

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.

Direct payment rates and maximum counter-cyclical rates for 2009 are available online at www.fsa.usda.gov. For more information on the DCP or ACRE program, contact your local FSA Office.

Risk Management Assistance

USDA's Risk Management Agency (RMA) regulates and supervises the Federal crop insurance program. More farmers and ranchers participate in and have more at stake in the crop insurance program than any other USDA program. RMA also helps farmers and ranchers learn how to improve their risk management skills.

To assist producers with this task, RMA has provided information on Risk Management Planning, Better Marketing Planning, New Enterprise Planning, and a Farm Planning Library at the following website: <http://farm-risk-plans.usda.gov>

This site also provides access to a Risk Management Checklist and a SWOT (strengths, weaknesses, opportunities, and threats) Analysis.

New AGI Rules

For 2009-2012 commodity and disaster programs, the Average Adjusted Gross Income (AGI) limitation to qualify for program benefits was reduced from \$2.5 million AGI from all sources to a three-year average non-farm AGI of \$500,000.

Also, under the new regulations, an individual or entity must have a 3-year average AGI less than or equal to \$750,000 per year from farm income in order to qualify for direct payments but doesn't affect counter-cyclical payments.

For conservation programs, the average nonfarm AGI limitation is \$1 million or less for eligibility. Also individuals or entities with non-farm AGI in excess of \$1 million remain eligible for conservation programs if 66.66 percent or more of the total AGI is derived from farming.

The three entity rule is out - program payments are now limited by direct attribution to individuals or entities. . Through direct attribution, payment limitation is based on the total payments received by the individual, both directly and indirectly. Also - spouses are eligible to be considered separate persons for payment limitation purposes, rather than being automatically combined under one limitation.

Individuals & entities must be "actively engaged in farming" with respect to a farming operation in order to be eligible for payments & benefits which means - the individual or entity must make significant contributions to the farming operation of: (1) capital, equipment, land, or a combination; and (2) personal labor or active personal management, or a combination.

The rule requires each partner, stockholder, or member with an ownership interest to make a contribution of active personal labor or active personal management. The contribution must be regular, substantial, and documented as separate and distinct from any other member's contribution. This may limit the ability of passive stockholders to receive benefits. Producers need to provide current information for FSA to verify ownership and signature authority for all entities requesting program benefits.

New rules allow increasing the number of persons to a farming operation or entity only if there is a 20-percent increase to base acres on a farm and only allows one new person to the operation. Payment limits per person are \$40,000 for direct





payments, \$65,000 for CC or ACRE payments, \$50,000 for CRP, \$100,000 for NAP/SURE/LFP.

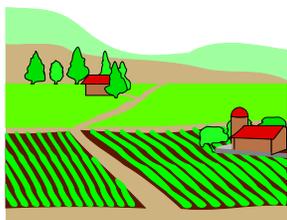
New Payment Procedures

A procedural change in early December eliminated the issuance of Commodity Credit Corporation (CCC) checks from the county office. All payments will now be made by direct deposit to your bank account or by a check issued from the U.S. Treasury and mailed to your address. This includes loan disbursements and refunds from loan repayments. If you obtain a CCC grain loan or facility loan and a joint payment is needed, it requires a check printed by the Treasury which will delay the process for a few extra days. If a joint check is not required, and the funds are deposited in your bank account, it will take 2 to 3 days. If you have not signed up for direct deposit yet, you may want to consider that option. If you make a change in a bank or an account number, be sure to notify us to avoid additional delays in receiving your payments.

Refund Of Buy-In Waivers For SURE

Legislative changes in October created a de minimus rule for eligibility in the SURE program. Producers who paid the waiver fees on hay, pasture and CAT coverage on other crops may be eligible for a refund of those fees if the covered crops represent less than 10% by dollar volume of their farming operation. Once we receive procedural directions for the refund process, we will contact participating producers to offer them a refund.

For 2009 SURE assistance, the producer is required to have all crops (representing greater than 10% of their farming operation) in all counties covered by NAP or insurance as applicable. The fee for 2009 NAP coverage is \$250 per crop with \$750 maximum per producer per county. For 2009, producers will need to purchase the above coverage by **March 15, 2009** on all



required crops for their farming operation. SURE does not offer payments for specific crop losses, but rather will provide assistance for overall revenue losses which are computed based on all commodities produced. Producers can be eligible when a county has a Secretarial Disaster Designation or if the producer has a greater than 50% loss regardless of county designation and a 10% loss in production of at least one crop. Payments cannot be computed until marketing prices and farm revenue are computed after the marketing year. Remember- to also be eligible for possible Livestock Feed assistance programs, grass for grazing must be insured.

Foreign Investors Who Hold Agricultural Land

Foreign investors, who buy, sell or hold a direct or indirect interest in U.S. agricultural land must report their holdings and transactions to the U.S. Secretary of Agriculture. Failure to timely file an accurate report can result in a penalty with fines up to 25 percent of the fair market value of the agricultural land. Foreign persons who are buying or selling land must report the transaction **within 90 days of the date of the transaction.**

Who Must Report:

- Individuals who are not U.S. citizens or citizens of the Northern Mariana Islands or the Trust Territory of the Pacific Islands;
- Individuals who are not lawfully admitted to the U.S. for permanent residence or who are not paroled into the U.S. under the Immigration and Nationality Act;
- Any organization created under laws of a foreign government or which has located its principle place of business outside the U.S.;
- Any U.S. organization in which a significant interest or substantial control is directly or indirectly held by foreign individuals,



- organizations or governments; and
- Any foreign governments.

What to Report:

- Each tract of agricultural land in the U.S., its territories, the Northern Mariana Islands and the Trust Territories of the Pacific Islands owned by persons required to report; and
- Leaseholds of 10 years or more.

USDA designated the FSA to collect the AFIDA report forms. Individuals wanting to obtain an AFIDA report form (FSA-153) may do so from any FSA County office. The (FSA-153) is available in both English and Spanish translations. You can also go on-line and download the form at:

http://forms.sc.egov.usda.gov/efcomm/eFileServices/Forms/FSA0153_010524V02.pdf.

Dates to Remember	
Jan. 19	Martin Luther's Day Holiday. FSA Offices Closed.
Jan. 31	Deadline on 2008 LDPs for wool, mohair and unshorn lamb pelts.
March 15	Final date to purchase NAP Ins. on Hay, Pasture & other NAP Crops
March 15	Final date to purchase FCIC Crop Insurance on Corn-Grain Sorghum-Soybeans
Continues	Farm Storage Facility Loans
Continues	CRP Continuous Signup

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, or marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, D.C., 20250-9410, or call 202-720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.