

September 2006



Adair County News

Adair County USDA Service Center

Adair County FSA
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Kirkville, MO 63501
660-665-3274 (phone)
660-665-0266 (fax)
www.fsa.usda.gov/mo

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

County Committee
David Kittle
Frank Collop
Burrel Harris
Rosena Davison

County Committee meets
1st Wednesday of each
month

Staff
Program Technicians:
Penny Boulware
Margaret Bunch
Cindy Daniels
Barb Snyder

**County Operations
Trainee**
Jarrell Foreman

**County Executive
Director**
Philip Ayers

Farm Loan Manager
Curt Corbett



County Committee Election

Producers in the Salt River, Clay and Wilson Townships will have election ballots mailed to them beginning on Nov. 4. Voters have until Dec. 4 to return their ballots to the county office.

Elected committee members and alternates take office on Jan. 1, 2006.

Prospective Voter Requirements

If you're on the mailing list for this newsletter, the chances are you are an eligible voter. Anyone who meets the requirements in 1 or 2, plus 3, below, is eligible to vote.

1. Be of legal voting age and participate or cooperate in any FSA program, or
2. Not of legal voting age, but supervises and conducts the farming operations on an entire farm.
3. Eligible to participate in any FSA program that is provided for by law, regardless of the status of funding.

Prohibited Discrimination

No person shall be denied the right to vote because of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation or marital or family status.

Contact the county office staff if you have questions about voter eligibility.

Farm Storage Facility Loans

Low cost loans for storage facilities are available for producers to build or remodel farm storage facilities for a variety of commodities, including wheat, rice, soybeans and corn.

The seven-year Farm Storage Facility Loans are available for the purchase and installation of eligible storage facilities, permanently affixed drying or handling equipment, or remodeling existing facilities.

Eligible facilities include new conventional-type bunkers or bins and new and remanufac-

tured oxygen-limiting and other upright silo-type structures.

All farm storage facility loans are secured by a promissory note and security agreement. The maximum amount that may be borrowed is 85 percent of the net cost of the storage or handling equipment, up to \$100,000 for each borrower. A minimum down payment is also required. For details, contact the county office staff.

Marketing Assistance Loan and LDP Program Changes

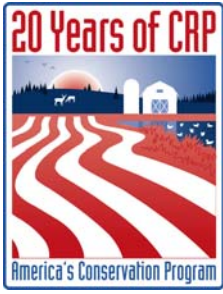
There are changes to the marketing assistance loan (MAL) and loan deficiency payment (LDP) program which will affect the 2006 and subsequent crop years.

Some of the changes:

* Beneficial interest provisions –A producer loses beneficial interest in a loan eligible commodity when the commodity is delivered to a dairy, feedlot, ethanol plant, feed mill, wool pool or other end-use facility. *LDP rates for commodities stored or sold will be based on the county where the commodity is physically stored, marketed, sold or fed. In previous years, producers requesting an LDP on quantities where beneficial interest was lost were given the LDP rate based on the county rate where the farm records were administered.

Haying, Grazing CRP Acres

Haying or grazing Conservation Reserve Program acres may be permitted, but you need prior approval from the county committee, and you must have an approved plan. Acres may be hayed or grazed once every three years, and a 25 percent payment reduction is assessed for every approved acre hayed or grazed. The final date to hay CRP is October 13, 2006 and the final grazing date is November 16, 2006.



Report Haying and Grazing for 2006 CRP

All CRP acres that have been hayed or grazed need to be reported by September 15th. Please stop by the office and complete the paperwork which requires the final acres and, if hayed, the tonnage of hay. Without these numbers, we will not be able to compute your CRP annual rental payment.

Commodity Loans Maturing

2005 commodity loans for farm stored corn and soybeans have started maturing. Take a second to view the condition of the grain during this weather pattern of humid air and fluctuating temperatures.

Regarding the repayment rates for commodity loans, the Posted County Price (PCP) is now near or below the loan rates. Producers should keep in mind they have an option to lock-in a repayment rate, (day's PCP) except for the 14 days prior to the loans maturity. Commodity loans paid after the maturity date will be repaid at principal plus interest. Commodity loans that are not paid will be considered forfeited to Commodity Credit Corporation and a delivery notice will be issued.

Do not forget, grain under Commodity Credit Corporation loan cannot be removed without prior authorization or repayment. Unauthorized removal, which includes removal for cleaning for seed or planting, is a violation and is subject to monetary and administrative penalties.

Your loans are subject to spot check. Determined shortages must be repaid with principal plus interest, and additional monetary penalties plus loss of future loan eligibility may apply. Producers planning to remove or clean CCC loan grain should contact the county office staff for additional information.

Open Storage LDPs

For the 2006 and subsequent crop years, producers who deliver commodities to a CCC-approved, federally-, or state-licensed warehouse and place the commodity in open storage must be able to receive from the warehouse a

negotiable warehouse receipt or other form of acceptable production evidence on which the warehouse has certified title and control remains with the producer.

Most Missouri licensed warehouses do not issue negotiable warehouse receipts, so producers will be required to provide load summary sheets or delivery records with the following statement from the warehouse:

"Title and control remain with the producer and a negotiable warehouse receipt can be issued to the producer for the quantity physically delivered to the warehouse."

This statement must be on the summary sheets, signed and dated by the warehouseman, to be considered acceptable production evidence.

Producers who do not provide a negotiable warehouse receipt or acceptable production evidence at the time of the LDP request will receive a certified LDP, which will be subject to spot check.

Payment Limitations

USDA payments and benefits are subject to producer eligibility and limitation provisions as defined by law. Documents and forms to determine eligibility and limitation once completed are reviewed on an annual basis.

It is the producer's responsibility to report changes in the farming operation that may affect payment eligibility and payment limitation.

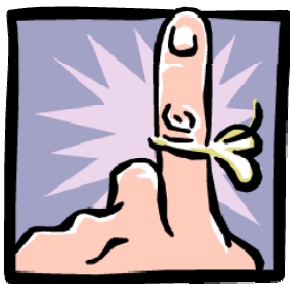
The following limitations apply to Direct and Countercyclical Program payments for each contract year. For all covered commodities (except peanuts): \$40,000 for direct payments and \$65,000 for counter-cyclical payments.

The Conservation Reserve Program annual limit is \$50,000 per person.

Entities such as corporations, limited partnerships, trusts and estates are required to provide names, addresses, and ID numbers of their members.

Adjusted Gross Income. Effective through 2007, an individual or entity shall not be eligible for certain program benefits during a crop, program or fiscal year if the following apply.

- The three-year average of the adjusted gross income for the individual or entity exceeds \$2.5 million; **and**
- Less than 75 percent of the average AGI is derived from farming, ranching or forestry.



Program Reminders

Final DCP Payments For 2006

Enrolled producers can expect their final direct payment to be directly deposited into personal bank accounts in early 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 (September 30).

2007 DCP Sign-up Starts Oct. 1

Sign-up for the 2007 Direct and Counter-cyclical Program (DCP) begins on Oct. 1, 2006. The CCC-509, "Direct and Counter-cyclical Program Contract," includes base acres, payment acres, payment yields, producer payment shares, advance direct and counter-cyclical payment selections and signatures of the producer and county office representative.

The CCC-509 must be submitted by June 1, 2007, to be considered timely. All owners and operators who will share in the DCP payments on the farm must sign the CCC-509. Forms with signatures that are obtained after June 1, 2007, but before Sept. 30, 2007, will be accepted, but the farm will be assessed a late-file fee of **\$100**.

Farm producers must apply for DCP on an annual basis and can opt out of the program for any year if they so choose.

Producers must file the following to be eligible for DCP payments: annual DCP contract (CCC-509), a farm-operating plan (CCC-502 and related forms), an average adjusted gross income certification (CCC-526), a certification of compliance with highly erodible land and wetland conservation provisions (AD-1026). A certification of the acreage of all cropland on the farm (FSA-578) is also needed before final payments can be issued.

2006 Compliance

The 2006 Digital Imagery has arrived at the FSA office and our fall compliance review has started. Approximately 15% of farm acreage reports will be spot checked for accuracy. All CRP Re-enrollment and extension Spot checks have been completed. Our office would like to thank all the CRP participants for maintaining their CRP acres in excellent conditions. Less than 5% of the total CRP acres required corrective measures.

Farm Loan News

The Farm Service Agency offers funding to new and experienced producers, as well as youth under a variety of loan programs. The following loans are available under the Direct and Guaranteed Loan Programs:

Direct Loan Program

Farm Ownership (FO)
Farm Operating (OL)
Emergency Loans (EM)
Youth Loans

Guaranteed Loan Program

Farm Ownership (FO)
Farm Operating (OL)

Repayment terms and interest rates vary according to the type of loan, the collateral securing the loan, and your ability to repay. Current Direct Loan interest rates are: 5.625% for Operating Loans (OL) and 5.75% for Farm Ownership Loans (FO).

Funding for FSA loans is available on a first come first served basis. Current funding for fiscal year 2006 has been exhausted; however new funding will be available for the new fiscal year 2007 which begins October 1, 2006.

If you are interested in any of the available programs, please contact our office for more information.

Selected Interest Rates for September 2006	
Farm Operating Loans — Direct	5.625%
Farm Ownership Loans — Direct	5.75%
Limited Resource Loans	5.00%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	4.00%
Emergency Loans	3.75%
Farm Storage Facility Loans	4.875%
Commodity Loans 1996-Present	6.125%

Farm Record Changes

If you have bought, sold or are renting different land, make sure you report the changes to the staff at your local Farm Service Agency county office as soon as possible so farm records can be updated.

For farm ownership changes you will need to provide a recorded deed or recorded land contract. All landowners must furnish their tax ID numbers.

Remember, 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 farm program.

Dates to Remember	
Sep. 30	Deadline for filing succession-in-interest.
Oct. 1	2007 DCP Sign-up Starts
Oct. 9	Columbus Day Holiday. FSA offices closed
Continues	Continuous Conservation Reserve program

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