



December 2002

# Missouri News

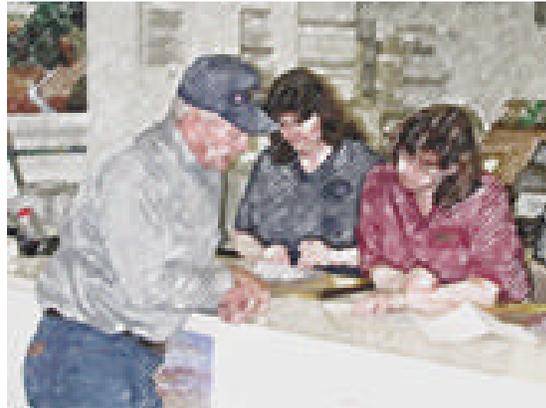
## Missouri Farm Service Agency

Parkade Center, Suite 225  
601 Business Loop 70 W  
Columbia, MO 65203

**Hours**  
Monday - Friday  
8:00 a.m. - 4:30 p.m.

**State Committee**  
Don Fischer, Chairman  
Fred Ferrell  
Julie Hurst  
Craig Westfall  
Barbara Wilson

**Staff**  
Patty Dick, Administration  
Dan Gieseke, Farm Loans  
Bo Wendleton, Compliance  
Gerald Hrdina, Conservation  
Don Engelbrecht, Price Support  
Max Sell, Production Flexibility



## Sign Up Time Is Now

"Why do today what you can put off until tomorrow" is a philosophy some of us live by. Judging by the underwhelming turn out to sign up for the Direct and Counter-Cyclical Program, it appears that more than a few farmers have bought into that philosophy, at least with respect to this admittedly complex program.

It's true that producers have until April 1 to sign up for DCP, and that sounds like plenty of time, but it will pass quickly. We estimate that it takes one to two hours to sign up each farm. And that's when the producer knows which base and yield options are best suited to the operation and he or she has all the paperwork organized and on hand.

Please don't wait until the last minute. If you're planning to sign up for DCP please call the office and make an appointment in the very near future.

## CENSUS of AGRICULTURE – 2002 Coming This Month!

Farmers and ranchers across Missouri and the rest of America are about to participate in the

Nation's largest, most detailed portrait of U.S. agriculture. Conducted locally by the USDA's Missouri Agricultural Statistics Service, the census results will provide the only comprehensive picture of agriculture available at the county, state and national levels.

How do census of agriculture results help farmers and ranchers?

Farm organizations, Congress, and state and local governments have the facts needed to identify programs best suited to help farmers at the local level.

- Agri-businesses more effectively target their locations to where they are most needed by using county profiles of the local agricultural community.
- Local producer organizations have the facts to defend against uninformed, politically sensitive subjects.
- State and national lawmakers use census facts to determine where to allocate funds and how to design farm programs that will most benefit agricultural producers.
- Researchers use county level data to define problem areas and help farmers recover from outbreaks of disease and pests

Census of agriculture reporting forms will begin arriving in mailboxes in late December. Operators are asked to complete and return forms prior to Feb. 3 to help reduce the costs of conducting this important study.

Individual operation information is held in strictest confidence and protected by law (Title 7, US Code) from being divulged. Reports are only used to generate state and county level summaries.

Questions regarding the census should be directed to the USDA-State Statistician,

Gene Danekas, in Columbia, Mo., at (800) 551-1014 or e-mail at [nass-mo@nass.usda.gov](mailto:nass-mo@nass.usda.gov).

### **Wool and Mohair Loans**

Missouri wool and mohair producers are now eligible to apply for nonrecourse marketing assistance loans and loan deficiency payments. National per pound loan rates are set at \$1.00 for graded wool, \$0.40 for ungraded wool and \$4.20 for mohair.

Producers must have owned the sheep or goats for at least 30 days before shearing, and must retain beneficial interest from the time of shearing through either repayment of the loan or, in the case of an LDP, the date the payment is requested. Wool or mohair must be produced and shorn from live animals of domestic origin in the United States and be of merchantable quality.

Producers have until Jan. 31 of the year following the year in which the wool or mohair was sheared to apply for a nine-month marketing assistance loan or LDP.



### **Lamb Meat Program**

Year-4 of the Lamb Meat Adjustment Assistance Program (LMAAP) began Aug. 1, 2002, and ends July 31, 2003. Payments are available for feeder, slaughter and ewe lambs. Conservation Compliance is now required. Contact the office for grading requirements.

**2002 CENSUS OF AGRICULTURE**

**The Census Is Coming to a Mailbox Near You**

The 2002 Census of Agriculture will provide official facts representing all U.S. producers and commodities.

Don't be left out when decisions are made about you and American agriculture. A report form will appear in your mailbox in late December. Take the time to fill it out and return it by February 3, 2003. It's the law.

All the information you give is completely confidential by law.

For help completing your census form, call **1-888-4AG-STAT**.

*You Make It Known – Agriculture Counts!*

[www.usda.gov/nass/](http://www.usda.gov/nass/)

 **USDA**  
United States Department of Agriculture

 **National Agriculture Statistics Service**

### **Beneficial Interest Waiver**

The 2002 Farm Bill makes marketing assistance loans and LDPs available to eligible producers who produced loan commodities on a farm, even when the farm is not covered by a Production Flexibility Contract or Direct Counter-cyclical Program contract. If you marketed or otherwise lost beneficial interest in your eligible 2002 crop loan commodities between May 13, when the 2002 Farm Bill was signed into law, and Oct. 8, when the regulations were published, you may be eligible to request an LDP.

The LDP rate will be based on the date the beneficial interest was lost in the commodity. Producers must submit acceptable production evidence with the LDP request. These special beneficial interest waiver LDP requests must be submitted by Jan. 10, 2003.

### **Adjusted Gross Income Provisions**

The 2002 Farm Bill states that individuals and entities whose average adjusted gross income, or AGI, exceeds \$2.5 million are ineligible for certain programs unless at least 75 percent of their average AGI is derived from farming, ranching or forestry operations. These programs include the Direct and Counter-Cyclical Program, Marketing Assistance Loan Program and Conservation Reserve Program

contracts effective for 2003 or future years.

The farm bill didn't say how AGI is to be determined, and so FSA has issued a proposed rule. The rule proposes that for individuals, the average adjusted gross income be based on the AGI as reported on income tax filings for the three years previous to the year for which benefits are requested. Entities would use a comparable figure. For 2003 payment eligibility, the AGI amounts for 2000, 2001 and 2002 will be used. Any year in which AGI was zero, or there was no taxable income, won't be used in determining AGI.

If you have any questions, please call or stop by the office.

<b>Selected Interest Rates for December 2002</b>	
90-Day Treasury Bill	1.625 %
Farm Operating - Direct	3.250%
Farm Ownership - Direct	5.500 %
Limited Resource	5.000 %
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	4.000 %
Emergency	3.750 %
Farm Storage Facility	3.625 %
Commodity Loans 1996-Present	2.500 %

### ***Power of Attorney***

You've probably heard talk about the need to sign a new power of attorney form, FSA-211, and wondered why. We need a new power of attorney because the programs implemented by the 2002 Farm Bill are new and, therefore, were not covered in your old power of attorney. The new farm bill also made significant changes in existing programs, making a new power of attorney necessary.

### ***Farm Recons***

We can not perform 2003 farm or tract reconstitutions at this time. We can perform farm divisions on multiple owner farms for the 2002-year, however Production Flexibility Contract payments on a participating farm must be refunded before a farm division can

be completed. No PFC payment will be issued after the division. However, a Direct and Counter-Cyclical Program (DCP) payment will be issued for the 2002-year after the farm is enrolled in the program.



### ***Spousal Signatures***

A husband and wife may sign documents on behalf of each other for FSA and CCC programs in which either has an interest -- unless written notification denying a spouse this authority has been provided to our office. One spouse is not allowed to sign FSA-211 Power of Attorney forms on behalf of the other. Nor can one spouse sign on behalf of the other as an authorized signatory for partnerships, joint ventures, corporations or other similar entities.

### ***DCP – In Plain Words***

The office has sent out the “Base Options Report” and the “Yield Report.” This mailing went to all farm owners and operators. The intent of the base report is to provide you a summary of your current crop base, the commodities grown on the farm over the past four years, and the potential base options available under the new Direct and Counter-Cyclical Program (DCP). The yield report provides the farm's direct payment yield and possible yield variations eligible for counter-cyclical payments.

These reports will generate a lot of paper. We ask that you briefly review the information and make an appointment with us so we can better explain the program and answer any questions you have. You don't need to charge into the office right away, but please don't forget about the opportunity to increase your

crop bases and yields. Increased bases and yields result in higher DCP payments. The deadline to update your base and yield is April 1, 2003. After that date, your farm base and yield will revert to the numbers used under the 7-year Production Flexibility Contract (PFC), plus any eligible oilseed acres grown on the farm. If the farm did not participate in PFC, the base and yield will become zero except for any oilseed acres grown on the farm. After April 1, bases and yields will remain unchanged until DCP ends in 2007.

Farmers with Internet access are encouraged to log onto FSA's Base and Yield Analyzer at [www.fsa.usda.gov/pas/farmbill/tools.asp](http://www.fsa.usda.gov/pas/farmbill/tools.asp). Using those two reports, the analyzer will calculate a combination of seven base and yield options and provide you six years of projected payments.

Dates to Remember	
Today	Report changes to farming operation.
Dec. 2	Last day to return ballots in county committee election
Dec. 13	Deadline to sign up for LCP
Dec. 25	Christmas Day, FSA offices closed
Jan. 1	New Years Day, FSA offices closed
Jan. 10	Deadline for beneficial interest waiver LDPs
Available at Harvest	2002 LDPs and Commodity Loans
On Going	MILC program sign up ends Sept. 30, 2005
On Going	Farm Storage Facility Loan Program
On Going	Conservation Reserve Program 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, gender, religion, age, disability, political beliefs, sexual orientation, and 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).