



November 2003

Missouri Producer

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
Maurine Long, Price Support
Max Sell, Production Flexibility

Direct and Counter-cyclical Program

As the name implies, the Direct and Counter-cyclical Program, introduced in the 2002 Farm Bill, provides two kinds of farm payments.

Direct payments replaced the old Production Flexibility Contract payments. The covered commodities are barley, corn, grain sorghum, oats, other oilseeds, peanuts, rice, soybeans, upland cotton and wheat. Producers may elect to receive their direct payment in one or two payments. Producers who elected to receive two payments received their advance direct payment (equal to 50 percent of the total) in December of the fiscal year. These producers will receive a final direct payment in October of the fiscal year. Producers who elected to receive a single direct payment will also receive their payment in October.

Producers who elected to split their direct payments for the 2003 crop year received an advance payment in December 2002, and the balance in October 2003. Producers who elected to receive a single direct payment received it October 2003.

Direct Payment Rates for 2003			
Commodity	Unit	Advance Rate	Total Rate
Barley	bu	\$0.12	\$0.24
Corn	bu	\$0.14	\$0.28
Grain Sorghum	bu	\$0.175	\$0.35
Oats	bu	\$0.12	\$0.024
Oilseeds	lb	\$0.004	\$0.008
Soybeans	bu	\$0.22	\$0.44
Wheat	bu	\$0.26	\$0.52

Counter-cyclical payments provide a safety net for producers. These payments are made only when a commodity's effective price is less than the target price established in the 2002 Farm Bill. A commodity's effective price is equal to the direct payment rate plus the higher of the national average market price or the national loan rate for the commodity. Producers may elect to receive up to three counter-cyclical payments per year. The first partial, or advance, payment is made in October of the calendar year the crop is harvested. The second partial payment is made the following February. The final payment is made after the end of the marketing year for the crop.

The first partial counter-cyclical payment is equal to 35 percent of the total projected payment. The second partial payment is equal to 70 percent of the total project payment minus the first partial payment. The final payment is equal to the total projected amount minus the two payments. Producers who do not elect to receive partial payments will receive the entire payment at this time.

USDA has projected that 2003 crop year corn, grain sorghum, peanuts, rice,

Dates to Remember	
Today	Report changes to farming operation.
Nov. 11	Veterans Day Federal Holiday
Nov. 18	County committee election ballots mailed to voters
Nov. 21	Application deadline for Livestock Assistance Program
Nov. 27	Thanksgiving Day Federal Holiday
Dec. 1	Deadline to return ballots for county committee election
Continues	Farm Storage Facility Loans
Continues	Grasslands Reserve Program
Continues	MILC Program

upland cotton and wheat are eligible for first partial counter-cyclical payments. Producers who elected to receive partial counter-cyclical payments received their first payment in October 2003. The second partial payment, if warranted, will be made in February 2004.

Counter-Cyclical Payment Rates for 2003			
Commodity	Unit	Rate	35% Rate
Corn	bu	\$0.0900	\$0.03150
Peanuts	bu	\$0.0520	\$0.0182
Rice	lb	\$0.0165	\$0.005775
Sorghum	bu	\$0.0400	\$0.0140
Upland Cotton	lb	\$0.0573	\$0.0201
Wheat	bu	\$0.0900	\$0.0315

Bear in mind that partial counter-cyclical payments are based on projected market prices. If actual market prices exceed the projected market prices that were used to determine partial counter-cyclical payments, producers will have to refund money to FSA.

e-File Change

Effective Oct. 21, 2003, USDA implemented a new registration process for producers interested in applying for electronic access to various USDA agency applications. Click here for additional information.

If you recently initiated an application using either WebReg or WebCAAF SR/SC, will need to contact the county office staff for assistance. If you previously completed one of these processes and currently have access, you will continue to have access. However, on your first attempt to login to an application after Oct. 21, you will be prompted one time for additional information.

To register, visit the e-form Web site at <http://forms.sc.egov.usda.gov/> and click on the "register" link or go directly to www.eauth.egov.usda.gov and follow the instructions.

Why is e-File Important?

Convenience-The Internet allows you to access to information 24 hours a day and 7 days a week. For example, you can fill out and submit electronic forms (eforms) any time of the day or night from your home or office.

Faster Processing-This new service delivery option allows you to complete and file your own forms or applications online.

Identity Security-Information submitted to the federal government remains safe and secure because you have a unique User ID and password and only authorized USDA employees can access your information.

NAP Deadline Approaching

Selected Interest Rates for November 2003	
90-Day Treasury Bill	1.000%
Farm Operating - Direct	3.750%
Farm Ownership - Direct	5.875%
Limited Resource	5.000%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	4.000%
Emergency	3.750%
Farm Storage Facility	3.625%
Sugar Storage Facility	4.875%
Commodity Loans 1996- Present	2.250%

The Non-Insured Crop Disaster Assistance Program (NAP) can soften financial losses caused by natural disasters, but only if you've applied for coverage and paid the application fee. The application deadline date for certain 2004 NAP crops is approaching.

NAP kicks in when natural disasters result in a catastrophic loss of production or prevented planting of an eligible crop. NAP coverage is equivalent to that provided Catastrophic Risk Protection Plan (CAT) insurance and is available for commercial crops or agricultural commodities produced for food or fiber for which CAT is not available. NAP coverage is not available for livestock.

Producers who already have coverage on 2003 NAP crops may choose to continue coverage on the same crops for 2004, if the applicable service fee is paid by the application closing date. A new CCC-471, application for coverage, is not required to be signed when applying for continuous coverage of the same crop or crops.

Producers who choose to add or delete a crop from previous year's coverage or change crop shares must file a new CCC-471, with signatures, and pay the service fee.

Producers with 2003 NAP coverage must remember to complete the following to qualify for benefits:

Timely file acreage reports and keep track of harvested production using acceptable methods. For example, bale weights or other means of determining quantities of hay are required.

File a Notice of Loss within 15 days of when the loss is apparent.

NAP application deadlines are: Nov. 20 ■ apples ■ peaches ■ apricots ■ grapes ■ plums. Dec. 1 ■ honey; Dec. 31 ■ potatoes; March 15, 2004 ■ other crops.

MILC Production in a Zero Payment Month

Milk Income Loss Contract regulations limit program benefits to the first 2.4 million pounds of eligible production per fiscal year. When the Boston class 1 milk price is less than \$16.94 per hundredweight, payments are made to producers and that month's production is counted toward the maximum. But what happens when, like last September, the Boston price is greater than \$16.94 per hundredweight?

The answer is, nothing happens. MILC payments are not made for that month, and the operation's production for that month does not count toward the operation's maximum eligible production.

If you have any questions, please contact the county office staff.

Honey Loans Available

Marketing assistance loans and loan deficiency payments (LDPs) for 2003 crop year honey are available until March 31, 2004. The national loan rate for honey is \$.60 per pound. Market prices currently exceed the loan rate, so LDPs are not available right now.

To be eligible for a loan, the producer must have produced honey in the United States during the calendar year for which the loan is requested, and extracted the honey on or before December 31 of the applicable crop year; have continuous beneficial interest in the honey through date of repayment of the loan; and been responsible for the financial risk of keeping. Producers are responsible for maintaining the quality of farm-stored honey during the term of the loan. The honey must be produced in the United States by an eligible producer, from an approved floral source, and stored in approved containers. The containers must be marked with the producer's name, type of honey, number of container, and net weight. Pre-loan inspections are required before the loans can be disbursed.

Honey used as collateral may not be disposed of without approval of the county office staff.

Foreign Landowner Notification

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. The reporting requirement became law in 1978 when the Agricultural Foreign Investment Disclosure Act (AFIDA) was signed into law.

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.

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 United States for permanent residence or who are not paroled into the United States under the Immigration and Nationality Act. Any organization created under the laws of a foreign government or which has located its principal place of business outside the United States. Any U.S. organization in which a significant interest or substantial control is directly or indirectly held by foreign individuals, organizations, or governments. Any foreign governments.

Foreign persons, who owned land on Feb. 1, 1979, were required to report by Aug. 1, 1979. Those buying or selling land on or after Feb. 2, 1979, must report the transaction within 90 days of the date of the transaction.

Where to Report The Secretary of Agriculture designated the Farm Service Agency (FSA) to collect the FSA-153 reports representing foreign investment. The completed form must be returned to the FSA county office where the land is located.

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).