



January 2009

Atchison County Newsletter

Atchison County USDA Service Center

Atchison County FSA
302 E. Hwy 136
Rock Port, MO 64482
(660) 744-5328 (Phone)
(660) 744-5536 (Fax)

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

County Committee
Duane Klute, Chairperson
Craig Heits, Vice Chair
Julie Joesting, Member

Staff
County Executive Director
Corey Leshner

Farm Loan Manager
Bob Dreyer

Farm Loan Officer
Roger Uptergrove

Program Technicians
Nancy Daugherty
Pam Husing
Patricia Lane
Marilyn Thurnau
Karen Vette

Field Assistant
Chuck Linthicum
Robert Smith

Special

Accommodations

Special accommodations will be made upon request for individuals with disabilities, vision impairment or hearing impairment. If accommodations are required, individuals should contact the county FSA office staff directly or by phone.

A new year is upon us again and with every new year, there are always a few changes at the Farm Service Agency (FSA). First, I would like to congratulate Julie Joesting on being re-elected to represent farmers from Buchanan, Nishnabotna and Polk townships on the County Committee. This is Julie's second consecutive term. The organizational meeting has been held for the committee and Duane Klute was elected chairperson, Craig Heits elected vice-chairperson, and Julie elected member. FSA appreciates all of the voters taking the time to complete the election ballot. The County Committee system works only because of your participation.

Secondly, signup for the 2009 Direct and Counter-Cyclical Payment (DCP) Program has begun. The deadline to enroll is June 1, 2009 and there are no late-filed provisions. Producers who signup can choose to take a 22% advance direct payment in any month through September 2009. Final direct payments will be made in October 2009. 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 ACRE will begin in the spring. When ACRE signup is announced and the details of the program become available, public meetings will be held to help educate producers about the program. A more detailed article on DCP can be found inside this newsletter.

Third, along with DCP and ACRE signup, new eligibility paperwork will need to be completed so this office can make "actively engaged in farming" determinations. In addition, the Adjusted Gross Income (AGI) limitations have been reduced. A certification of your AGI will have to be made each year you participate through 2012. A detailed article on the eligibility requirements can be found in this newsletter in the article titled "Payment Limits & Direct Attribution".

Fourth, producers who applied for assistance through the Emergency Conservation Program (ECP) due to the heavy rains and flooding in June of 2008 have until May 31, 2009 to complete the work and still be eligible for assistance. If this office has not completed the preliminary field visit to determine eligibility and you still intend to complete the work, contact the office to schedule an appointment.

Finally, I want to thank each of you for allowing us to serve you during 2008 and we look forward to serving you during 2009. I hope everyone has a safe, healthy and prosperous year.

Corey Leshner

DCP Sign-up Underway

Sign-up has started for the 2009 Direct and Counter-cyclical Payment (DCP) Program for farms with base acres. You can sign-up online or at local FSA Service Centers. Sign-up will continue **until June 1, 2009** and unlike years past, participants **may not enroll** in DCP after June 1 of the applicable contract year. There are **no late-filed provisions** for contract years 2009-2012.

The electronic DCP (or eDCP) service will save you time, reduce paperwork and speed up contract processing at FSA offices. It is available to anyone eligible to participate in the DCP Program and can be accessed at: www.fsa.usda.gov/dcp and then click on the "Access eDCP Services" link, under the "I Want to Section". To access this online service, you must have an active USDA eAuthentication Level 2 account, which requires filling out an online registration form at: <http://www.eauth.egov.usda.gov> and then clicking on the "Create an Account Page" link, and lastly followed by a visit to the local FSA Service Center for identity verification.

FSA 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, you may request to receive advance direct payments based on 22 percent of the direct payment for each commodity associated with the farm. FSA will issue advance direct payments later this month. Counter-cyclical payment rates vary depending on market prices and are issued only when the effective price for a commodity is statutorily set below its target price.

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. You may first enroll in the DCP Program, receive advance direct payments and then later modify your enrollment to include the ACRE program or you may wait and elect to enroll in DCP and ACRE at the same time in spring 2009.

Payment Limits & Direct Attribution

For commodity and disaster programs under the new farm bill, the Adjusted Gross Income (AGI) limitation was reduced from \$2.5 million from all sources to a three-year average **non-farm AGI of \$500,000** such that a person or entity shall not be eligible for such programs if the non-farm AGI exceeds \$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 issued under the Direct and Counter-cyclical Program.

For conservation programs, the average nonfarm AGI limitation is \$1 million or less for eligibility. However, an individual or entity who has non-farm AGI in excess of \$1 million remains eligible for conservation programs only if 66.66 percent or more of the total AGI is derived from farming, ranching and forestry operations. In addition, the AGI limitation for conservation programs may be waived on a case-by-case basis if it is determined that environmentally sensitive land of special significance would be protected.

Program payments are limited by direct attribution to individuals or entities. A legal entity is defined as an entity created under Federal or State law that owns land or an agricultural commodity, product or livestock. Through direct attribution, payment limitation is based on the total payments received by the individual, both directly and indirectly. Qualifying spouses are eligible to be considered separate persons for payment limitation purposes, rather than being automatically combined under one limitation.

Individuals and entities must be "actively engaged in farming" with respect to a farming operation in order to be eligible for specified payments and benefits. To be "actively engaged in farming," 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.

Under rules in effect since 1988, not every member of an entity had to contribute active personal labor or management. The interim final 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 and substantial, and documented as well as separate and distinct from any other member's contribution. The rule limits the ability of passive stockholders to continue to realize benefits from the entity.

For more detailed information contact your local FSA office.

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.

Loans for Socially Disadvantaged

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or purchase or improve farms.

While all qualified producers are eligible to apply for these loan programs, the FSA has targeted funding for members of Socially Disadvantaged Applicants. A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities. For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans, and Pacific Islanders.

For detailed information on loan eligibility or the different loan programs available, contact your local FSA office to set up an appointment with a Loan Approval Official. FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere

Applications for FSA Loans

Farmers who intend to apply to FSA for loan assistance for the upcoming crop year are encouraged to file their applications as early as possible. Filing early will help ensure that your loan is processed and approved as early as possible so that planting decisions can be made. Not applying early can result in a delay in processing loans due to volume of applications that must be processed in date order. Contact your local FSA Loan Approval Official for more details and assistance in applying.

Unauthorized Disposition of Loaned Grain

If loan grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties for unauthorized dispositions are severe. Additionally, producer could be subject to criminal prosecution under federal law. Always call the office before any grain under loan is fed or sold.

Removing CCC Loan Collateral

Producers are reminded, if you have grain under Commodity Credit Corporation loan it cannot be removed or disposed of without prior county office staff authorization or repayment. The county office staff may issue release authorizations based on a telephone call or an in person request when you are ready to move the grain. A loan violation is subject to monetary and administrative penalties, such as repaying the loan at principal plus interest, liquidated damages, calling the loan and denial of future farm-stored loans and loan deficiency payments.

Farm Storage Facility Loans

Low interest rate loans for storage facilities are available for producers to build or remodel farm storage facilities for a variety of commodities, including wheat, 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 cribs or bins and new and remanufactured 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.

Turn-Around Marketing Assistance Loan Policy

Under the 2008 Farm Bill, producers who store commingled commodities in unapproved/unlicensed warehouses **are not eligible** to repay Marketing Assistance Loans (MAL) using the commodity certificate exchange. Producers that deliver commodities to unapproved/unlicensed warehouses will lose beneficial interest in the commodity on the day of delivery.

Federal or State licensed warehouses, with or without a Credit Commodity Corporation (CCC) storage agreement, and CCC-approved warehouses **are eligible** for turn-around loans. Producers who store commodities in these facilities are eligible to repay a turn-around MAL using the commodity exchange provision **only** for the 2008 and 2009 crop years. The authority to offer or make available commodity certificate exchanges to producers will terminate at the end of the 2009 crop year and will be unavailable for subsequent crop years (2010-2012).

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Dates To Remember

February 16	President’s Day Holiday – USDA Service Center Closed
March 16	Deadline to obtain 2009 NAP coverage on spring planted crops
March 31	Final availability date for 2008 crop wheat, barley, oats loans and LDPs
June 1	Deadline to enroll in 2009 DCP
Continues	Farm Storage Facility Loans
Continues	Continuous Conservation Reserve Program

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.

Foreign persons who 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 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.

Base Acres on Land Owned by Federal Agencies

Provisions of the 2008 Farm Bill require the termination of bases on land owned by Federal Agencies effective for the 2009 crop year unless the land is subject to a lease agreement executed before December 23, 2008 and is beyond the 2009 crop year. Land owned by the U.S. Army Corp. of Engineers will be affected by this provision.

2009 Crop Loan Rates – Corn \$1.89 bu Soybeans \$4.96 bu Wheat \$3.07 bu Oats \$1.35 bu

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual’s income is derived from any public assistance program. (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 to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.