

# Audrain County FSA

United States  
Department of  
Agriculture

February, 2009

## Farm Service Agency

### Inside This Issue

SURE	2
ACRE	2
Office Directory	3
Payment Limitation	3
WHIP	3
CRP Management	4

### Direct Deposit

The Debt Collection Act of 1996 mandates that payments from FSA be directly deposited into a producer's bank account. A transaction statement will be sent indicating the payment type and amount. Recently, all FSA payment processing was centralized. This means county offices no longer print checks locally and will also no longer produce and mail payment statements. Both will now be issued from a central location. If you still receive your payments by check, it is important to note that it may now take up to 10 business days to receive your check in the mail. Those receiving their payments by direct deposit should see no change in the 3 day timeframe for receipt of the payment.

### 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 at your 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.

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 in the month after contract approval. Counter-cyclical payment rates vary depending on market prices and are issued only when the effective price for a commodity falls 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

### Reporting Changes

It's very important to update your FSA office on any changes to your farming operation. Any of the following changes affect your participation in FSA's farm programs.

- ♦ Ownership changes (buying or selling farmland)
- ♦ Operator changes (adding or changing)
- ♦ Crop share changes (increasing or decreasing shares and/or crops)

Report any of the above changes to your FSA office as soon as possible so your records can be updated in preparation for program sign up and participation. Report ownership changes after the transaction is final. Provide FSA with a copy of proof of ownership such as:

- ♦ a copy of recorded deed,
- ♦ a land contract, or
- ♦ a legal document that contains a legal description of the land and names you as the owner.

**Due to new regulations, requests to change or add an operator to a farm must be made in writing by the owner.** Any changes to the owner, operator, or crop shares should be finalized before initiating any program contracts, including DCP and CRP. Changes can be made after contracts are initiated; however, advance payments may have to be refunded before the contract can be modified.

## Average Crop Revenue Election (ACRE)

Beginning in 2009, producers will have a new option available through the Average Crop Revenue Election Program (ACRE). ACRE is a component of the Farm Bill safety net that protects against crop revenue shortfall resulting from price and production declines at the state and farm level. This program provides “counter-cyclical” protection on crops a producer plants, not on the farm’s historical plantings.

If a producer chooses to participate in ACRE, then he or she agrees to the following: no Direct & Counter-cyclical Payment Program (DCP) counter-cyclical payments, a 20 percent reduction in DCP direct payments, and a 30 percent reduction in marketing assistance loan rates. A farm must have base acres to participate. A producer may participate in ACRE on one farm not on another farm, but **ALL** producers on a farm must choose the same option. Requirements of ACRE include five years of production data and an annual submission of production records.

How can farmers decide if ACRE payments will be higher or lower than payments under traditional programs? Payments will be contingent upon what occurs for that particular year. For payments to be issued, two triggers must be met. First, the State Level Guarantee must exceed the Actual State Revenue. Secondly, the expected Farm Revenue Benchmark must exceed Actual Farm Revenue. If one of the two benchmarks is not met, no payment will be issued.

An election must be made by June 1 of the contract year. Enrollment in ACRE is similar to enrollment in DCP. In addition to DCP rules, ACRE participants must report production. The election to participate in ACRE is irrevocable after June 1 of the year of election through Fiscal Year 2012.

The sign-up and additional details will be announced as they become available.

## Supplemental Revenue Assistance Program (SURE)

To remain eligible for disaster assistance under the SURE program, producers must purchase at least catastrophic risk protection (CAT) coverage for all their insurable crops and Noninsured Crop Disaster Assistance Program (NAP) coverage for all their non-insurable crops. **In order to remain eligible for the new disaster programs, every crop in every county that a producer has an interest in must be covered by either CAT or NAP coverage, unless one of the following exemptions apply.**

- ♦ Acres that are **grazed only** do not require insurance.
- ♦ Any crop valued at less than 5% of the total expected value of all crops grown by the producer does not require insurance.
- ♦ Any NAP crop with a total value less than \$9,090.90 does not require NAP insurance.
- ♦ Socially disadvantaged producers, limited resource producers, and beginning farmers are exempt from paying the fees, but still must request coverage

CAT coverage can be obtained from a FCIC agent. NAP coverage can be obtained at your local FSA office. **The deadline to obtain CAT and NAP coverage for spring-seeded crops is March 15<sup>th</sup>. No late-filed applications will be accepted.**

The fees for NAP coverage are \$250 per crop, but not more than \$750 per county, or \$1875 total per producer, for all counties. Contact your crop insurance agent for CAT fee rates.

## February Select Interest

- ♦ Farm Operating-Direct  
2.125%
- ♦ Farm Ownership Direct  
3.750%
- ♦ Limited Resource  
5.00%
- ♦ Farm Ownership-Direct  
Down Payment or Beginning Farmer  
1.5%
- ♦ Emergency  
3.75%
- ♦ Farm Storage Facility  
1.875%
- ♦ Commodity Loans  
1.375%

## Farm Storage Facility Loans

Low interest facility loans (1.875% for February) are available from FSA for producers to build or remodel farm storage facilities. The storage is for commodities including wheat, soybeans and corn.

The seven-year Farm Storage Facility Loans (FSFL) are available for the purchase and installation of eligible storage facilities, permanently affixed drying or handling equipment, or to remodel existing facilities. Eligible facilities include new conventional-type cribs or bins and new and remanufactured oxygen-limiting and other upright and bunker silo-type structures.

All FSFLs are secured by a promissory note and security agreements. 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.

## ***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 our office.

## **Audrain County FSA**

### **County Staff Program**

#### **Technicians**

Terri Doolittle  
Bill Dubbert  
Rachel Cox  
Vickie Swaim

#### **County Executive Director**

Judith Warren

### **County Committee**

Kevin Davis-Chairperson  
Dale Mudd-Vice Chairperson  
Merle Culwell-Member  
Jeanette Bruns-Advisor

County Committee meets the  
2<sup>nd</sup> Tuesday of the month at  
8:00 AM

### **Hours**

Monday-Friday  
8:00 a.m. – 4:30 p.m.

### **District Director**

Tom Balser  
Shelby County

### **Farm Loan**

Mark Mudd  
Audrain, Boone, Callaway  
and Montgomery County

## ***Prescribed Burns On CRP Acres***

If you intend to burn CRP acres this spring be sure to request a burn plan from NRCS. The burn plan gives you a detailed directive on how to properly conduct a burn on your acres and is highly recommended if you intend to burn CRP acres.

## ***Signup Begins January 26 for Wildlife Habitat Incentives Program***

Missouri landowners can apply from January 26 until March 13 to enroll land in the Wildlife Habitat Incentives Program (WHIP). NRCS uses WHIP to provide technical expertise and cost sharing to enhance habitat on eligible land for upland and wetland wildlife, threatened and endangered species, and other types of wildlife. Many types of land, including grassland, woodland, wetlands stream and riparian areas, agricultural land and non-agricultural land may be eligible for WHIP funds. To sign up for WHIP, contact the Audrain County NRCS office (573) 581-1406.

United States Department of Agriculture  
Farm Service Agency  
Audrain County  
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Mexico, MO 65265

Official Business



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#### Dates to Remember

##### February 16

President's Day. FSA  
office closed

##### March 16

Deadline to obtain 2009  
NAP coverage on spring  
planted crops

##### March 31

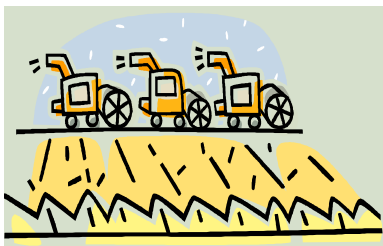
Final availability for 2008  
crop wheat, barley, oats,  
and honey loans

##### June 1

Deadline to sign up for  
DCP

##### Ongoing

- ◆ Continuous CRP
- ◆ Farm Facility Loans
- ◆ EQIP



### CRP Management Practices

October 1, 2008 represents the beginning of fiscal year 2009 and time to be referring to your conservation plan to identify the time periods to conduct your management practices. Fiscal year 2009 ends September 30, 2009. Management practices that can be utilized to meet 2009 requirements are prescribed burning, strip disking, and chemical application. The purpose of these requirements are to increase plant diversity and ultimately improve habitat for upland birds. It is important to refer to your conservation plan because sign up and CRP practice determines when the date and year you perform the management practice. Failure to conduct one of these practices during a required year may result in penalties or acreage termination. If you have any questions don't hesitate to contact our office.

### County Committee Election Results

Congratulations to Kevin Davis! Kevin was re-elected to a second 3-year term.  
Jeanette Bruns-1st alternate to COC

The election was a great success this year. Thanks to everyone who took time to complete their ballot. The county committee system works because of your interest and participation.

Also, Jeanette Bruns, of Thompson, was appointed to serve as minority advisor to the county committee. Thank you Jeanette!

### 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