



## JULY 2009 DISTRICT 3 NEWSLETTER

AUDRAIN, CLARK, KNOX, LEWIS, LINCOLN, MACON, MARION, MONROE, PIKE, RALLS & SHELBY COUNTIES

Audrain Co. FSA  
573-581-1406

Clark Co. FSA  
660-772—3364

Knox Co. FSA  
660-397-2559

Lewis Co. FSA  
573-767-5274

Lincoln Co. FSA  
636-528-4113

Macon Co. FSA  
660-385-2616

Marion Co. FSA  
573-769-2235

Monroe Co. FSA  
660-327-4137

Pike Co. FSA  
573-324-3313

Ralls Co. FSA  
573-324-3313

Shelby Co. FSA  
573-633-2440

### FSA COC Nomination Deadline

County committees play a crucial role in helping the county office staff implement the Farm Bill. Due to the important services that COC members provide, producers are encouraged to participate in the FSA county committee election process by nominating an eligible candidate by the August 3, 2009 deadline.

To become a nominee, eligible individuals must sign form FSA-669A. The form and other valuable information about FSA county committee elections are available online at:

<http://www.fsa.usda.gov>; click on News & Events, then County Committee Elections. Nomination forms for the 2009 election must be postmarked or received in the local USDA Service Center by close of business on Aug. 3, 2009.

FSA county committee members make decisions on disaster and conservation programs, emergency programs, commodity price support loan programs and other important agricultural issues. Members serve three-year terms. Nationwide, there are more than 7,800 farmers and ranchers serving on FSA county committees. Committees consist of three to five members who are elected by eligible local producers.

FSA will mail ballots to producers beginning Nov. 6, 2009. The voted ballots are due back at the local county office either via mail or in person by Dec. 7, 2009.

### DCP & ACRE Signup Deadline

Signup for the 2009 Direct and Counter-cyclical Payment (DCP) Program has been extended until August 14, 2009. FSA will not accept any late-filed applications. Signup in the ACRE option is also available through August 14, 2009.

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. 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.

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. To access this on-line 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> followed by a visit to the local USDA Service Center for identity verification.

### New Payment Limitations

Over time the payment limitation provisions have been expanded to more programs. Some of the changes in this area are listed below.

#### New forms for 2009 and subsequent years

Anyone that plans to participate in 2009 programs is required to submit a completed CCC-902, CCC-926, and CCC-901, if applicable, for payment eligibility and payment limitation purposes. The form used prior to 2009 was named CCC-502.

#### Another change for 2009, all must make a contribution in an entity

All partners, stockholders, or members with an ownership interest in the legal entity must make a contribution, whether compensated or **not** compensated, for active--\*

- personal labor,
- active personal management,
- or a combination of active personal labor and active personal management to the farming operation;

\*Note: there are exceptions for spouses.

For more detailed information on this and other programs please contact your local FSA office.

### Crop Reporting

The annual requirement of reporting to the FSA office can be referred to as crop reporting, acreage reporting, or crop certification. Filing an accurate and timely report for all crops and land uses, including

failed acreage, can prevent loss of benefits for a variety of Farm Service Agency programs. All cropland on the farm must be reported to receive benefits from the Direct and Counter-cyclical Program, marketing assistance loans and Load Deficiency Payments. For the SURE program, all crops on all farms must be reported.

The certification form FSA-578, Report of Acreage, must account for all cropland on a farm, whether idle or planted. The reporting deadline for all crops has been extended to August 14, 2009. For NAP crops, the reporting deadline is either August 14, or 15 days before harvest, whichever is earlier.

### CRP & NAP Certification

Conservation Reserve Program acreage must be reported to receive annual rental payments. And, crop acreage for Non-insured Crop Disaster Assistance Program (NAP) must also be reported.

#### Failed Acreage:

Reports of failed acreage must be filed before disposition of the crop, and producers must be able to establish to the satisfaction of the county committee that the crop failed and was prevented from being replanted through the normal planting period because of natural disaster conditions.

### 2010 Nursery Crop Year and Application Closing Date

FSA's Noninsured Crop Disaster Assistance Program (NAP) application closing date for 2010 nursery is **September 1, 2009**. When low yields, loss of inventory or prevented planting occurs due to natural disaster, NAP can provide financial assistance.

The NAP coverage period and NAP year for 2010 nursery crops has been changed to June 1, 2009, through May 31, 2010. However, the 2010 NAP coverage will be retroactive to June 1, 2009. For those producers who obtained 2009 NAP coverage for nursery, and choose not to obtain 2010 continuous coverage, the 2009 NAP coverage for nursery will continue until September 30, 2009.

NAP coverage may be continued for each subsequent year for the same crop or crops, if the producer pays the applicable service fee by the next year's application closing date. To apply for continuous coverage, producers must pay the applicable service fee before the application closing date.

Producers considered as limited resource are not subject to annual fees. Eligible producers must apply for coverage of noninsurable crops and pay the applicable service fees at their local FSA office. The service fee is the lesser of \$250 per crop or \$750 per producer per administrative county, not to exceed a total of \$1,875 per producer with farming interests in multiple counties.

Contact your local office for more information or at [www.fsa.usda.gov](http://www.fsa.usda.gov).

### Compliance Spot Checks

Compliance spot checks will be conducted on 2009 crops. Instead of locally selecting farms, contracts, deficiency loans, etc. for review, a nationwide selection of producers is employed. Spot check selections are to be conducted based on a producer's participation in Conservation Reserve Program, Direct and Counter-cyclical Program, Loan Deficiency Program, etc.

State and County Offices shall view and print their producer spot check lists according to posted instructions. If an entity is selected from the national database that is no longer farming or participating in the 2009 crop year, a notation shall be made on the spot check list.

For more information about the spot check selection procedure, feel free to contact your local Farm Service Agency office for additional clarification.

### Farm Reconstitutions

For FSA program purposes, tracts having the same owner and the same operator is grouped under one farm serial number. When changes in ownership or operation take place, a farm reconstitution is necessary. The reconstitution—or recon—is the process of combining or dividing farms or tracts of land based on the farming operation. Remember, to be effective for the current year, recons must be requested by **August 1** for farms enrolled in specific programs.

The following are the different methods used when doing a farm recon:

**Estate Method** — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate;

**Designation of Landowner Method** — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding;

**DCP Cropland Method** — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract;

**Default Method** — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

## Successor in Interest

Many FSA programs will allow payments to be made to heirs or successors when a program participant passes away. Additionally, contracts in programs such as CRP must be revised to reflect the successor(s) to a deceased participant's interest.

In the event of an FSA program participant's death, it is important that FSA be notified. Entities and joint operations that participate in FSA programs also need to notify FSA if a shareholder or member passes away. FSA benefits are reported to IRS and maintaining current, accurate records about participants is vital to ensuring that those payments are reported correctly.

## Foreign Landowner 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, real estate agents, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

## FSA Farm Loans

The Farm Service Agency (FSA) offers loans for farmers and ranchers to purchase farmland and finance agricultural operations. FSA loan programs are designed to help producers who are temporarily unable to obtain private or commercial credit. In many cases, applicants are beginning farmers who have insufficient net worth to qualify for financing through a commercial lender. In other instances, borrowers might have suffered setbacks from natural disasters or might be persons with limited resources.

Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of up to \$300,000. Guaranteed loans can reach a maximum indebtedness of \$1,094,000. Emergency loans are always direct loans for farmers who may have suffered physical or production losses in disaster areas designated by a Presidential or Secretarial disaster declaration. Rural Youth loans, loans to beginning farmers, and loans for socially disadvantaged applicants, are also available through FSA.

For detailed information about loan eligibility or the different available loan programs, just contact the county office staff for an appointment with a farm loan officer.

## Rural Youth Loans

The Farm Service Agency makes loans to rural youths to establish and operate income-producing agriculture-related projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5000.

### Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Comply with FSA's general eligibility requirements
- Reside in a rural area, city or town with a population of 50,000 or fewer people
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the project and the loan, along with providing adequate supervision.

Stop by the county office to pick up an application and for help preparing and processing the application forms. The FSA staff can help you with questions you may have about a particular program.

## Beginning and Limited Resource Farmers

FSA assists beginning farmers and/or members of socially disadvantaged groups to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more than 10 years
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
- Does not own a farm in excess of 30 percent of the median acreage of farms in the county where the property is located.

Each member of an entity must meet the eligibility requirements. Loan approval is not guaranteed.



Additional program information, loan applications, and other materials are available at your local USDA Service Center. You may also visit [www.fsa.usda.gov](http://www.fsa.usda.gov)

## Ralls County Executive Director EDDIE HAMILL to be new State Executive Director for Farm Service Agency

USDA Secretary of Agriculture, Tom Vilsack, announced July 2, 2009 that Edward J. Hamill will serve as Missouri State Executive Director for the Farm Service Agency.

Eddie has been the Ralls County Executive Director for the Farm Service Agency since 1979. In this position, he has delivered all major farm bill legislation to Ralls County farmers and landowners, managed County FSA staff, and worked with the County FSA Committee to implement programs. He has also been a management trainer since the 1990's, providing training for candidates for FSA County Executive Director positions across the state.

Selected Interest Rates for July 2009	
90-Day Treasury Bill	0.125%
Farm Operating Loans — Direct	2.50%
Farm Ownership Loans — Direct	4.625%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency Loans	3.75%
Farm Storage Facility Loans	3.25%
Commodity Loans 1996-Present	1.50%

Dates to Remember	
August 14	Crop acreage reporting deadline
August 14	ACRE sign-up deadline
August 14	DCP sign-up deadline
Continues	Continuous Conservation Re-serve program

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