



Missouri District 5
 Boone, Callaway, Cole/Miller, Franklin,
 Gasconade, ,Moniteau, Montgomery, Morgan,
 Osage/Maries, St. Charles, St. Louis, Warren

United States
 Department of
 Agriculture

February 2, 2008

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TIPS FOR SIGN UP:

Call ahead to see if an appointment is needed.

PRIOR to your appointment/visit report any ownership, operator or share changes to the FSA office so that your farm records will be current when you arrive.

If signing on behalf of another individual or an entity, make sure all required signature authority documentation is in place. Remember to keep Powers of Attorney (POA) forms current. Our POA forms, can only be revoked in writing.

All participants receiving a share on the contract will be required to complete form FSA-926 (Adjusted Gross Income Certification) each year from 2009 to 2012.

New Adjusted Gross Income Limits

The 2008 Farm Bill has significantly changed the Adjusted Gross Income (AGI) limitations. New AGI certifications will be required prior to producers receiving any 2009 program payments. There are some exceptions for the limitations including conservation benefits. The chart below provides the new limits.

IF average adjusted gross...	THEN the person or legal entity is INELIGIBLE for...
nonfarm income exceeds \$500,000	all commodity, price support, and disaster assistance program benefits.
farm income exceeds \$750,000	direct payments under DCP.
nonfarm income exceeds \$1,000,000	all conservation program benefits, unless 66.66% or more of the average AGI was derived from activities related to farming ranching and forestry.

For the 2009 program year, the certification will consider an average of the 2005,2006 and 2007 tax years. For more details, you may view form CCC-926 'Average Adjusted Gross Income (AGI) Statement' @ www.fsa.usda.gov. Producers may also want to review their income tax forms (or get advice from your tax preparer) prior to your office visit.

All producers will be spot checked within the next three years and will be required to submit evidence such as tax records, business documents (for review only, not for retention), or a signed third-party verification deemed acceptable by CCC to verify the AGI certifications. Producers will be required to take the necessary actions to provide such documents or certification when requested.

2009 Direct and Counter Cyclical Payment (DCP) Program

FSA offices are now signing up producers for the 2009 DCP program. The sign-up period ends **June 1, 2009**. There will no longer be a "late-filed" sign-up period. DCP participants will be required to file new payment eligibility documents including a new farm operating plan and adjusted gross income certification. Contracts will be approved after all producers have signed the DCP contract and/or submitted all applicable documentation. An advance payment of 22% is available upon request.



Any 2009-crop year changes to the farming operation such as ownership, operator, or crop share that occur after the DCP contract is signed must be reported to the FSA office so a revised contract can be signed by all producers by September 30, 2009.



Lamb Referendum Announced

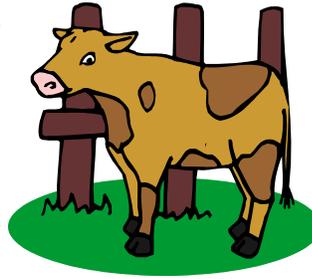
A Lamb Referendum will be held February 2, 2009 through February 27, 2009 at your local County FSA Office. Eligible producers who provide documentation for the production, feeding or slaughter of lambs from Jan. 1, 2008 - Dec. 31, 2008 are encouraged to vote. Referendums may be obtained in-person, by mail, FAX, phone or on the internet.

The Lamb Promotion, Research and Information Order will continue if a majority of the persons vote in favor. If continuing the Order is not approved by eligible persons voting, USDA will begin the process of terminating the Lamb Checkoff Program.



MILC Sign-up

The sign-up for the Milk Income Loss Contract Program (MILC) is underway. The extended sign-up phase began on Jan. 22, 2009. The extended sign-up will continue throughout the duration of the MILC program, ending on September 30, 2012.



When available, MILC payments are based on a payment rate percentage that is multiplied by the difference between a now-flexible target (\$16.94 per cwt. or higher) and the specific month's Boston Class I price of milk. As of January 2009, no payment rate has been in effect.

The 2008 Farm Bill changes the provisions for payment eligibility and Adjusted Gross Income (AGI) to include MILC participants also.

February Select Interest Rates

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



County Committee Elections

The Farm Service Agency County Committee elections were recently held. The following persons were elected for a three year term to serve their counties effective January 2009:

District 5 Elections			
County	LAA	Townships	Elected Committeeperson
Boone	LAA-3	Columbia/Three Creeks/Cedar	David Grant
Callaway	LAA-1	Liberty/Cleveland/Bourbon/Round Prairie/Gutherie/Cedar/Summit	Brett Shryock
Cole/Miller	LAA-1	Marion/Jefferson	Don Yanskey
Franklin	LAA-2	Boles/Calvey/Prairie/Central/Union/St. John's east of Hwy 47	John Busch
Gasconade	LAA-2	Boulware, Third Creek, and Clay	Edgar Brehe
Moniteau	LAA-3	Burriss Fork/Harrison/Pilot Grove	David Ratcliff
Montgomery	LAA-2	Bear Creek/Montgomery	Daryl Cobb
Morgan	LAA-1	Richland/Mill Creek	Kevin Dittmer
Osage/Maries	LAA-4	Boone/Miller/Jackson/Dry Creek	Urban Wieberg
	LAA-5	Jefferson/Johnson/Spring Creek	Chris Koenig
St. Charles	LAA-1	Calloway/Femme/Osage	Norbert Struckhoff
St. Louis	LAA-1	Meramec/Bonhomme/Carondelet/St. Ferdinand	Lynn Meyer
Warren	LAA-1	Bridgeport/Pinckney/Charette	Jeanne Schroer

Payment Limitations and Direct Attribution

A substantial change for producers is the elimination of the three permitted entity rule that allowed individuals up to three separate payment limits. If your operation will be affected by the new payment limitations, it is important to realize this now so that you may plan for the 2009 year.

Under the new Farm Bill, 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, “warm body” without a restriction on the number of entities, 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.

The following is a simple example of how direct attribution changes the rules effective for 2009:

Example – *DCP Direct Payment Limit equals \$40,000. Farmer A operates as an individual. Farmer A and Farmer B (with no other farming interest) each have a 50% interest in Corporation A. Assuming Farmer A and Corporation A meet the \$40,000 payment limit, the following shows the difference between payments received from 2008 and 2009.*

<u>2008</u>	VS	<u>2009</u>
<ul style="list-style-type: none"> ◆ Farmer A receives \$40,000 as an individual. ◆ Corporation A receives \$40,000 as an entity. <p style="text-align: center;"><u>Total payments received equals \$80,000</u></p>		<ul style="list-style-type: none"> ◆ Farmer A receives \$40,000 as an individual. ◆ Corporation A would receive \$20,000 (Farmer B’s share) because one of its members (Farmer A) has already received \$40,000 and thus has met the payment limit. ◆ Farmer A’s 50% share in the entity is not paid. <p style="text-align: center;"><u>Total payments received equals \$60,000</u></p>

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. Husbands and wives can now fulfill each others labor and management requirement as part of a joint operation but not as part of a entity

Under the previous rules, **not** every member of an entity had to contribute active personal labor or management. Now, 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. This rule will limit the ability of passive stockholders to continue to realize benefits from the entity.

Average Crop Revenue Election (ACRE)

Later this spring, producers will have a new option available through the ACRE Program. 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. The sign-up dates and additional details will be announced as they become available. Producers will have the choice for enrollment for either the DCP and CC Program or the ACRE plus DCP Program for 2009—2012.

District 5 Service Centers

Michelle Motley District Director

Boone
Kim Viers, CED
601 Bus Loop 70W
Columbia, MO 65203
573-875-5540 FAX 573-875-5547
COC Meets 2nd Tues. @ 8:30 am.

Callaway
Darrell Campbell, CED
Mark Mudd, FLM
4549 State Rd H
Fulton, MO 65251-5465
573-592-1400 FAX 573-592-1450
COC Meets 2nd Tues. @ 9 am.

Cole-Miller
Drew Parmley, CED
Kelly Volmert, FLM
1911 Bogg's Creek Road
Jefferson City, MO 65101
573-893-5196 FAX 573-893-7238
COC Meets 1st Wed. @8:30 am.

Franklin
Sheria Yancey, CED
1004 Vondera Ave., Suite 1
Union, MO 63084-3122
636-583-2303 FAX 636-583-3571
COC Meets 1st Wed. @ 8:00 am.

Gasconade
Randon Leathers, CED
316 Olive Street
Owensville, MO 65066
573-437-4131 FAX 573-437-4771
COC Meets 2nd Thurs. @ 8:45 am.

Moniteau
Daryl Raitchel, CED
410 West Buchanan
California, MO 65018
573-796-4691 FAX 573-796-4520
COC Meets 3rd Thurs. @ 9 am.

Montgomery
Priscilla Eggering, CED
1013 South Sturgeon
Montgomery City, MO 63361-2700
573-564-2262 FAX 573-564-3967
COC Meets 1st Tues. @ 9 am.

Morgan
Dennis Schad, CED
100 S Burke Street
Versailles, MO 65084
573-378-4589 FAX 573-378-6163
COC Meets 2nd Fri. @ 9 am.

Osage-Maries
Randy Frisbee, CED
1315 East Main Street
Linn, MO 65051
573-897-2138 FAX 573-897-4107
COC Meets 2nd Thurs. @ 8:30 am.

St. Charles-St. Louis
Brian Mulherin, CED
160 St. Peters Centre Blvd.
St. Peters, MO 63376
636-922-2833 FAX 636-922-2840
COC Meets:
St. Charles-3rd Wed. @ 9am
St. Louis-3rd Thur. @ 9am

Warren
Ryan Eddy, CED
635 W. Booneslick RD
Warrenton, MO 63383
636-456-3433 FAX 636-456-3712
COC Meets 1st Mon. @ 9 am

United States Department of Agriculture
 Farm Service Agency
 Boone County
 601 Bus Loop 70W Suite 213E
 Columbia, MO 65203



Official Business

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Dates to Remember

February 16

President's Day Holiday

Offices Closed

March 16

Deadline to obtain 2009 NAP coverage on spring planted crops

March 31

Final Availability for 2008 crop wheat, barley, oats, honey loans and LDPs

Ongoing

- ◆ Continuous CRP
- ◆ Update Farm Changes.
- ◆ Farm Facility Loans.
- ◆ Wheat, Barley and Other Small Grain Crops Reporting
- ◆ Monitor Stored Grain Condition



2009 Women Landowner and Partners Conference

The annual landowner conference planned by Cooper, Cole, Moniteau, Morgan and Miller counties will be held February 24, 2009 at the United Church of Christ in California, MO from 1-7 p.m. Topics include leasing farmland, Farm Bill update, cast iron cooking, scrapbooking, estate protection, digital photography, gardening. Keynote speaker is Ken Johnson, General Manger of Co-Mo Electric Cooperative. Landowners from all counties are welcome. Call 573-796-2010 ext. 2 for registration information.

1099-G Mailed End of January

A summary of all earned payments during the 2008 calendar year was mailed to program participants during the last week of January. If you do not receive a 1099-G and believe that you should have, or if you have questions about your 1099-G, contact your local FSA office.

Farm Storage Facility Loans

Did you need more storage capability for your farming operation? Do you have obsolete, unusable bins? Low cost loans for storage facilities continue to be available from FSA for producers to build or remodel farm storage facilities for a variety of commodities. FSFL loans approved in February will have a **1.875%** interest rate for the seven year loan.

NAP Program Deadlines

The Noninsured Crop Disaster Assistance Program (NAP) provides benefits to producers of commercial agriculture products for which multi-peril crop insurance coverage is not available. NAP is designed to reduce financial losses when natural disasters cause catastrophic reduction in production. *Producers interested in the 2009 Supplemental Revenue Assistance Program (SURE) need to be aware that NAP policies must be purchased for all crops. Without coverage producers would not be able to participate in the 2009 SURE program.*

To purchase a NAP policy you pay a fee of \$250 per crop per administrative county; or \$750 per producer per administrative county, but not to exceed a total of \$1,875 per producer. Beginning Farmer and Limited Resource provisions apply to NAP. The fees must be paid by the applicable closing date for each crop. The coverage period begins 30 days after your application is filed and the administrative fees are paid.

The following is a sample of sales closing dates for commonly insured commodities. Please contact your local office if you are producing a non-insurable crop and wish to purchase coverage.

Double Crop Soybeans	March 15, 2009	All Forages	March 15, 2009
All Grasses	March 15, 2009	Sweet Corn	March 15, 2009
Most Other Vegetables	March 15, 2009	Pumpkins	March 15, 2009