January 2010

Caldwell County Newsletter

Caldwell County USDA Service Center

Caldwell County FSA
23 West Main St.
Kingston, MO 64650
(816) 586-2711 (Phone)
(816) 586-2067 (Fax)
www.fsa.usda.gov/mo

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

County Committee
Kevin Stonum, Chair
Terry Wright, Vice Chair
Joe Graham, Member
Wanda Stubbs, Advisor

County Committee meets the last Thursday of each month at 8:30 a.m. Next meeting will be Thursday, January 28th.

Staff
County Exec. Director
Debbie Clevenger

Farm Loan Manager
Annette Brandt

Program Technicians
Betty Dunscombe
Debbie Leeper
Carol Gorham
Mary Finch

Field Assistant
Mark Burnett

SURE

Signup Has Begun

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Kansas City Mails 1099-G

Producers who received a payment in 2009 from FSA should be receiving a CCC-1099G in the mail the first week of February. The CCC-1099 is FSA's report to the IRS concerning payments issued during the 2009 tax year. The 1099 is mailed from Kansas City but county offices have access to the report to be able to assist producers if they have questions.

Computer software problems have caused numerous issues regarding 2009 payments. Producers should thoroughly review their 1099G for accuracy.

Livestock Indemnity Program (LIP)

The Livestock Indemnity Program (LIP) provides assistance to producers for livestock deaths that result from ***extreme*** adverse weather events. LIP compensates livestock owners and contract growers for livestock death losses in excess of established normal mortality rates due to adverse weather, including losses due to floods, blizzards, wildfires, extreme heat, extreme cold, tornados, and lightning. It will be the producers' responsibility to notify the county FSA office about their livestock deaths. Payments are based on 75% of the fair market value for each type and weight range of livestock as determined by FSA. Producers are reminded that LIP regulations require that they ***must file a notice of loss within 30 calendar days of when the livestock died*** in order to be eligible for LIP. Producers are also responsible for providing documentation of proof of death (pictures and veterinary inspections are possible suggestions). Beginning inventory (as of the date of the adverse weather event) is also required. Verifiable evidence of normal mortality throughout the calendar year should be provided to the county office. Deaths due to normal mortality will be used in calculating the amount of LIP benefits. The program is intended to compensate producers for livestock deaths that are caused by abnormal weather-related events and many losses may have weather as a factor, but not qualify as an eligible adverse weather event. Please contact the county office if you have any questions.

Conservation Reserve Program (CRP)

There is a possibility of a CRP general signup in 2010. Producers are reminded that land must be physically capable of being cropped in order to be eligible for the program. Land currently enrolled in CRP that has had tree / brush encroachment over the years will not be eligible unless physically capable of being cropped **at the time an offer is made to participate** in the program.

Highly Erodible Land (HEL) and Wetland Conservation (WC)

Compliance with HEL and WC provisions is required to receive program payments. Producers with HEL determined soils must be in compliance with tillage, crop residue, and rotation requirements as specified in their conservation plans. Contact should be made with your USDA Service Center prior to any land clearing or drainage projects, to complete form AD-1026. Contacting USDA before taking action can save you time and money, as HEL and WC violations can be very costly.

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.

Supplemental Revenue Assistance (SURE) Begins

Sign up for the Supplemental Revenue Assistance Program (SURE) on 2008 crops began January 4th. SURE is a permanent disaster program created by the 2008 Farm Bill that replaces the previous "adhoc" crop disaster programs of the past. Unlike those disaster programs that paid for losses by unit and crop, the SURE program is a "total farm" disaster program. This revenue based program compares crops' expected revenue and program guarantee dollar amounts to the actual crop revenue of the entire farming operation. **Entire farming operation refers to all farms and all interests, in all counties.**

In order to be eligible for payments under SURE, you are required to carry insurance at the CAT level or better on all insurable crops and NAP coverage on all non-insurable crops (hay and double crop soybeans, for example) with an economic significance of 5% or greater, within the farming operation. In 2009 and subsequent years, RMA's Rainfall Index policy is acceptable coverage for hay acres. For the SURE program, grazing acres do not require coverage.

The SURE program is available to eligible producers if two 'triggers' are met. First, the county must have received a Secretarial Disaster Declaration due to natural disaster, or be contiguous to a county with the declaration. Caldwell County had a Secretarial Disaster Declaration in 2008. Second, at least one crop of economic significance in a producer's operation must have a 10% crop production loss. For qualifying producers, if the total farm revenue is less than the SURE program guarantee, the SURE payment is made at 60% of the difference. The SURE guarantee is very similar to a producer's crop insurance guarantee. Depending on the coverage levels, the higher the coverage the higher the guarantee level will be. Payments can be calculated and paid up to 90% of the crops normal production on the farm. There is an online calculator that can help producers estimate probable payments. You may access the calculator at www.fsa.usda.gov/mo.

To initiate an application on your 2008 crops, eligible producers should visit their local county FSA office. FSA personnel will be able to access RMA informational downloads with applicable data. That data will then be loaded into a workbook for eligibility determinations to be made. If a producer has production evidence that is not obtainable through the RMA download, i.e. hay/forage, fruits and/or vegetables, etc., the producer must bring that production evidence with them. Regardless of insurance type or coverage level, there is economic stimulus funding that has created additional options under the SURE program. Every producer and every farming situation will be different, so it is in the best interest of each producer to inquire about the SURE program.

Since the SURE program is available through 2011, as a producer, you can prepare your operation for SURE eligibility by insuring all economically significant crops in all counties each year.

Production Evidence

Producers are faced with a challenge this year to keep production separate for various FSA Programs (ACRE, NAP) and crop insurance units. Verifiable records include production that is sold, measured by FSA or Crop Insurance. Settlements should include buyer's name, date, producer's name, and quantity of commodity.

Challenges arise when different farms and unit production is commingled. Producers can provide supporting records such as custom weight tickets, bin marking or contemporaneous records to separate production. These records will only be accepted if the County Committee approves the record's reasonableness. If either above method is unavailable or unacceptable, the production may be prorated by total planted acres of the crop or a plug yield will be used.

County Committee Election

Congratulations to Kevin Stonum who was elected to the County Committee for a three year term. Kevin represents producers from Kidder, Mirabile, Rockford, and Grant townships. Final election results are as follows:

Total Ballots Received:	124	
Total Spoiled / Invalid Ballots:	10	
Total Counted Ballots:	114	
Votes Received:		
Kevin Stonum	113	(Elected)
Joyce Burnett	1	(1st Alternate)

DCP and ACRE Sign Up Has Begun—June 1 Deadline

DCP

Enrollment for the 2010 Direct and Counter-Cyclical Program (DCP) will continue through June 1, 2010. USDA urges producers to make use of the eDCP automated website to sign up, or producers can visit any USDA Service Center to complete their 2010 DCP contract. USDA 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 2010, eligible producers may request to receive advance direct payments based on 22 percent of the direct payment. USDA will issue advance direct payments beginning Dec. 1, 2009. Counter-Cyclical payment rates vary depending on market prices. Counter-Cyclical payments are issued only when the effective price for a commodity is below its target price. The effective price is the higher of the national average market price received during the 12-month marketing year for each covered commodity and the national average loan rate for a marketing assistance loan for the covered commodity.

ACRE

The Average Crop Revenue Election Program (ACRE) provides a safety net based on state revenue losses and acts in place of the price-based safety net of counter-cyclical payments under DCP. A farm's payment is based on a revenue guarantee calculated using a 5-year average state yield and the most recent 2-year national price for each eligible commodity. For 2010, the 2-year price average will be based on the 2008 and 2009 crop years. An ACRE payment is issued when both the state and the farm have incurred a revenue loss. The payment is based on 83.3 percent (85 percent in 2012) of the farm's planted acres times the difference between the state ACRE guarantee and the state revenue times the ratio of the farm's yield divided by the state expected yield. The total number of planted acres for which a producer may receive ACRE payments may not exceed the total base on the farm. If a producer opts out of DCP and goes into the ACRE program, in addition to not receiving counter-cyclical payments, a farm's direct payment is reduced by 20 percent, and marketing assistance loan rates are reduced by 30 percent. The decision to enroll in the ACRE Program is irrevocable. The owner of the farm and all producers on the farm must agree to enroll in ACRE. Once enrolled, the farm shall be enrolled for that initial crop year and will remain in ACRE through the 2012 crop year. **The June 1, 2010, deadline is mandatory for all participants. USDA will not accept late filed applications.**

AGI and Actively Engaged

USDA has finalized a Memorandum of Understanding with the Internal Revenue Service to establish an electronic information exchange process for verifying compliance with the adjusted gross income (AGI) provisions for farm programs. Written consent will be required from each producer or payment recipient for the tax review process. No actual tax data will be included in the report that IRS sends to USDA. This agreement will ensure that payments are not issued to producers whose AGI exceeds certain limits. The limits set in the 2008 Farm Bill are $500,000 nonfarm average AGI for commodity and disaster programs; $750,000 farm average AGI for direct payments; and $1 million nonfarm average AGI for conservation programs. Participants in CCC programs subject to average AGI rules **must annually certify their eligibility to receive benefits** by either submitting a statement from a certified public accountant or an attorney, or by completing form CCC-926. Producers are required to submit a form CCC-927 or CCC-928 ***directly to the IRS*** to authorize the data exchange for compliance verification of the form CCC-926. Failure to do this will require a refund of 2009 and 2010 benefits subject to the 2008 Farm Bill provisions. Please contact the county office and we will be happy to get this form to you so that you can sign and submit it to IRS to remain eligible for your payments.

USDA has amended the rules that govern the requirements to be 'actively engaged' in farming. These rules apply to eligibility for payments under the Direct and Counter-cyclical Program (DCP) or Average Crop Revenue Election (ACRE) program administered by the Farm Service Agency (FSA).

Every stockholder or member of a legal entity, such as a corporation, does not have to contribute labor or management if both of the following apply:

> at least half of the interest in the legal entity is held by stockholders or members who are providing active personal labor or active personal management that altogether qualifies as a significant contribution to the farming operation;
>
> the total direct payments received, both directly and indirectly, by the legal entity and each of the members does not exceed $40,000.

United States Department of Agriculture
Farm Service Agency
Caldwell County
23 West Main St.
Kingston, MO 64650

Selected Interest Rates for January 2010	
Farm Operating Loans — Direct	2.875%
Farm Ownership Loans — Direct	4.75%
Limited Resource Loans	5.00%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer, Rancher, or Socially Disadvantaged	1.50%
Emergency Loans	3.750%
Farm Storage Facility Loan 7-yr.	2.875%
Farm Storage Facility Loan 10-yr.	3.375%
Farm Storage Facility Loan 12-yr.	3.750%
Commodity Loans 1996-Present	1.375%

If you are considering a new grain bin, ask about a Farm Storage Facility Loan!

Dates to Remember	
February 15	USDA Service Center Closed - President's Day
March 15	Crop insurance sales closing date for spring seeded crops.
March 15	NAP Sales Closing Date for Forage & Spring-seeded Crops
March 31	Final date to obtain a loan or LDP on 2008 oats and wheat
Continues	Farm Storage Facility Loans
Continues	Continuous Conservation Reserve program

Selling Land?

If you're planning to sell farmland, there may be some program consequences you should be aware of. For example, if you're planning to sell land that's enrolled in CRP, the buyer must agree to continue the enrollment. If the buyer doesn't want to continue the CRP contract, you may have to refund all of the payments you've received to date. You might also want to consider the distribution of base acres.

Please discuss possible program options with the county office staff before selling any land.

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.