



February County News

February 2009

Daviess County USDA Service Center

Daviess County FSA
209 Ash Street
Gallatin, MO. 64640
660-663-3703 (phone)
660-663-3697 (fax)
www.fsa.usda.gov/mo

Hours
Monday - Friday
7:45 a.m. - 4:30 p.m.

County Committee
Sandra Chrisman
P J Burnett
Clyde Bozarth

County Committee
meets 3rd Thursday
At 8:00 A.M.

**County Executive
Director**
Kirby Payne

Program Technicians
Denise Dixon
Glynis Dotson
Beth Strein

Farm Loan Staff
Charles Meissen, FLM
Teresa Akers, FLO



Lamb Checkoff Referendum Program

USDA will offer lamb producers, feeders, and first handlers the opportunity to vote in a nationwide referendum on whether to continue or terminate the Lamb Promotion, Research, and Information Order, authorized under the Commodity Promotion, Research, and Information Act of 1996. The referendum will be held Feb. 2-27, 2009 and conducted at USDA's Farm Service Agency (FSA) county offices. To be eligible to vote, persons must certify and provide documentation, such as a sales receipt or remittance form, which shows they have been engaged in the production, feeding, or slaughtering of lambs during the period, Jan. 1, 2008, through Dec. 31, 2008. Beginning Feb. 2, 2009, and continuing through Feb. 27, 2009, persons eligible to vote should obtain Form *LS-86-1: Lamb Promotion, Research and Information Order Referendum* from a FSA county office either in person, by mail, fax, or via the Internet at:

<http://www.ams.usda.gov/lsmarketingprograms> and then click on the "Lamb Referendum Information" link and then click on the Form "*LS-86-1*".

Persons must vote in the referendum at the FSA county office where their administrative farm records are maintained. For those persons not participating in FSA programs, the opportunity to vote will be provided at the FSA county office where the person owns or rents land. Note, Form *LS-86-1* will only be available on the AMS website between the dates of Feb. 2, 2009 through Feb. 27, 2009.

Form *LS-86-1* and supporting documentation must be returned in person, by mail, or by fax to the appropriate county FSA office. The form and documentation returned in person or by fax must be received in the appropriate county office prior to the close of business on Feb. 27, 2009. The form and documentation returned by mail must be post-marked no later than midnight on Feb. 27, 2009, and received in the county FSA office by March 6, 2009. USDA monitors activities of the American Lamb Board. The mandatory program is financed by producers, seedstock producers (breeders), feeders, and exporters who are assessed one-half cent (\$.005) per pound when live ovine animals are sold. The first handler, primarily packers, pays an additional 30 cents per head on ovine animals purchased for slaughter. Copies of the Final Rule and Notice are available from the Marketing Programs Branch; Livestock and Seed Program, AMS, USDA; STOP 0251 - Room 2628-S; 1400 Independence Avenue, SW; Washington, D.C. 20250-0251; tel. (202) 720-

1115; or via the Internet at:
www.ams.usda.gov/lsmarketingprograms.

Crop Disaster Program Sign-up Deadline

The Farm Service Agency's (FSA) Crop Disaster Program (CDP) sign-up period for years 2005-2007 will **end Feb. 27, 2009**. The ending date of Feb. 27 applies to the receipt of a signed and completed FSA-840 application along with all supporting documentation and required forms at the applicable county FSA office. Sign-up information and required forms are available at each county FSA office. Late filed applications will not be approved after the Feb. 27 deadline. All application determinations will be made by March 27, 2009. For further questions about CDP and the sign-up deadline, producers may contact their county FSA office or visit FSA's website at: <http://www.fsa.usda.gov>

Livestock Indemnity Program (LIP)

LIP will compensate producers for livestock death losses in excess of normal mortality rates due to adverse weather that occurred on or after 01/01/2008 and before 10/01/2011. Producers who had livestock deaths due to adverse weather conditions should document these losses as to the kind, weight range, number of livestock, and the date the animals were lost. Producers must have proof of death of livestock by the following:

- Rendering truck receipts or certificates
- Veterinary records
- Dairy herd improvement records
- Third-party verification

The third party must certify in writing name, address, and telephone number, affiliation of the third party to the participant, details of knowledge of livestock deaths, and the number and kinds of livestock. The third party may not be someone who is affiliated with the operator, such as a hired hand or family member. Producers should take photos, keep veterinary records, disposal costs, and third-party verification. At this time, the forms and procedure for taking loss applications are not yet available at your county FSA office. Maintain records of your losses in order to be eligible when all requirements are known.

DCP Sign-up Continues

Sign-up for the 2009 Direct and Counter-cyclical Payment (DCP) Program continues **until June 1, 2009**. The June 1, 2009 deadline is mandatory for all participants. FSA **will not** accept any late-filed applications.

Online sign-up is available to all producers who are 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 the service, producers 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 click 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 began to issue advance direct payments in December 2008. 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.

Eligible producers for the DCP Program are also eligible to enroll in the Average Crop Revenue Election (ACRE) Program or the Counter-cyclical 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 the ACRE program or you may wait and elect to enroll in DCP and ACRE at the same time in spring 2009.

For more information about DCP, visit your local FSA office or go online to read the DCP factsheet at: http://www.fsa.usda.gov/Internet/FSA_File/dcp2008.pdf.



NAP Coverage Deadline

March 16 is the last day for producers to apply for Non-Insured Crop Disaster Assistance Program (NAP) coverage using Form CCC-471, Application for Coverage, and pay the service fee at the county office. To download the electronic "NAP Basic Provisions Document", form CCC-471 NAP BP, go to:

http://www.fsa.usda.gov/Internet/FSA_File/ccc_471_nap_bp.pdf. The application and service fee must be filed by **March 16th**, the deadline date for 2008 spring planted crops which include: forage sorghum, oats, potatoes, soybeans, sunflowers and all spring planted specialty crops grown for food.

The service fee is \$250 per crop per county or \$750 per producer per county. The fee cannot exceed a total of \$1875 per producer with farming interest in multiple counties. Limited resource producers may request a waiver of service fees.

To qualify, a producer must be a landowner, tenant or share-

cropper who shares in the risk of producing an eligible crop.

Farm Loan Programs

The Farm Service Agency (FSA) offers loans for farmers and producers 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. Currently, 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, contact your local FSA county office to setup an appointment with a Loan Approval Official.

Irrigation Follow-on Survey

The U.S. Department of Agriculture will soon conduct the Farm and Ranch Irrigation Survey as a follow-up to the 2007 Census of Agriculture. Survey forms were mailed on January 12, 2009. Operators are asked to complete and return them by February 17, 2009. Survey results will be available November 30, 2009. More information can be accessed at: <http://www.agcensus.usda.gov> or (800) 727-9540.

Youth Loans

The Farm Service Agency makes loans to rural youths to establish and operate income-producing 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
- Live in a rural area or in a town of 50,000 people or fewer
- Must obtain a written recommendation and consent from a parent or guardian if the applicant has not reached the age of majority under state law

- Comply with FSA’s general eligibility requirements
- 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.

To find out more about the FSA Rural Youth loan program, contact your local FSA county office to setup an appointment with a Loan Approval Official.

Selected Interest Rates for February 2009	
90-Day Treasury Bill	.125%
Farm Operating Loans — Direct	2.125%
Farm Ownership Loans — Direct	3.750%
Farm Ownership Loans — Beginning Farmer Down Payment	1.500%
Emergency Loans	3.750%
Farm Storage Facility Loans	1.875%
Sugar Storage Facility Loans	3.125%
Commodity Loans 1996-Present	1.375%

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.

The definition of income derived from farming, ranching and forestry operations was expanded to include, among other items, such items as the packing, storing and transporting of agricultural commodities; production of livestock products; farm-based production of renewable bio-energy; and in some instances, the providing of operational inputs to farmers, ranchers and foresters.

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 a corporation or similar entity had to contribute active personal labor or management. The new 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, whether compensated or not 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.

Kansas City Mails 1099-G

During the last week of January, producers who have received payments from FSA should have also received a CCC-1099-G from the Kansas City office. A CCC-1099-G is a report to the Internal Revenue Service about FSA payments made to you during the previous calendar year. The CCC-1099-G is a service to help participating producers report taxable income. It is not intended to replace the program participant’s responsibility to report income to the IRS.

If you received a CCC-1099-G, we recommend that you check the amounts shown with those in your records to see that the amounts are correct. Refunds will no longer be reported on the 1099-G, but will be available online from the FSA Financial Inquiries (FSA-FI) web-based database. Program participants with eAuthentication user ID’s and passwords can access their refund information at FSA-FI and select “Inquiry Type 1099/Refund Reports”. Refund amounts are displayed on the Producer’s Year-to-Date Activity web page.

If you have a question concerning the 1099-G refund information, you may contact your local FSA office for assistance locating the correct payment data.

Dates to Remember	
Feb. 27	Lamb Checkoff Referendum Program finishes today.
Mar. 16	Deadline to obtain 2009 NAP coverage on spring planted crops.
Mar. 31	Final Availability for 2008 crop wheat, barley, oats, honey loans and LDPs.
Continues	Farm Storage Facility Loan Program.
Continues	Continuous Conservation Reserve Program.

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