

April 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



USDA Responds To Producer Concerns By Extending Sign-UP Date For DCP & ACRE Programs

USDA has extended the sign-up deadline from June 1 to Aug. 14, 2009, for both the Direct and Counter-cyclical Program (DCP) and the forthcoming Average Crop Revenue Election (ACRE) Program. This action extends sign-up deadline by 10 weeks to give producers ample time to decide whether to participate in ACRE or remain in DCP. Extending the sign-up deadline for both these programs ensure that America's farmers have enough information and time needed to determine if ACRE is the right program for their operational needs. The DCP and ACRE programs play a critical role in the farm safety net and it is vital that we act to support the hard work of the farmers on which we depend. Sign-up for ACRE is expected to start in late April, with an official sign-up announcement to be made in the coming weeks. Producers can elect ACRE at their FSA county office after the sign-up period commences. The original June 1 deadline may have forced producers to rush their decision, which is why this extension gives producers more time to make an informed decision about staying with DCP for 2009 or participating in ACRE for crop year 2009 and beyond through 2012.

The ACRE program, authorized by the 2008 Farm Bill, provides eligible producers a state-level revenue guarantee, based on the 5-year state Olympic average yield and the 2-year national average price. ACRE payments are made when both state and farm-level triggers are met. By participating in ACRE, producers elect to forgo counter-cyclical payments, receive a 20-percent reduction in direct payments and a 30-percent reduction in loan rates. The decision to elect ACRE binds the farm to the program through the 2012 crop year, the last crop year covered by the 2008 Act. For more information about ACRE, DCP and other price support programs, please visit your local USDA Service Center. You can also obtain information on-line at <http://www.fsa.usda.gov>.

The ACRE Program

The Average Crop Revenue Election (ACRE) is a new program authorized by the 2008 Farm Bill that begins in crop year 2009. Through ACRE, USDA's Farm Service Agency (FSA) offers pro-

ducers an alternative to Direct and Counter-cyclical (DCP) payments. The ACRE alternative provides eligible producers a state-level revenue guarantee, based on the 5-year state Olympic average yield and the 2-year national average price. ACRE payments are made when both state- and farm-level triggers are met. By participating in ACRE, producers elect to forgo counter-cyclical payments. Producers also elect to receive a 20-percent reduction in direct payments and a 30-percent reduction in loan rates. ACRE sign-up dates will be announced soon so a producer can choose to participate in ACRE, or stay with DCP. A decision to elect ACRE binds the producer to the program through the 2012 crop year, the last crop year covered by the 2008 Farm Bill. For more details, contact your local FSA office.

Disaster Buy-In Waiver Extension

Producers who did not obtain crop insurance or Non-insured Crop Disaster Assistance Program (NAP) coverage for 2008 can pay a buy-in fee through May 18, 2009, to become eligible for 2008 disaster assistance programs authorized by the Food, Conservation, and Energy Act of 2008. Farmers have an additional opportunity to become eligible for several programs if they suffered 2008 agricultural losses due to natural disaster. If you have not already taken the necessary steps to become eligible for the Supplemental Revenue Assistance Program (SURE), Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish (ELAP), and the Tree Assistance Program (TAP), you are required to complete the following steps by May 18, 2009:

- Pay a \$100 "buy-in" fee per crop. The maximum fee is \$300 per county, per producer, not to exceed \$900 for multi-county producers.
- In the case of each insurable crop, excluding grazing land, agree to obtain a policy or plan of insurance for the next insurance year for which crop insurance is available; coverage level should equal 70 percent or more of the yield at 100 percent of the price.
- In the case of each noninsurable crop, agree to file the required paperwork and pay the applicable administrative NAP coverage fee by the applicable state application closing date for the next available year.

Those who choose to “buy in” under this provision will be considered, for insured crops, to have obtained a policy or plan of insurance for the 2008 crop year at a level of coverage not to exceed 70 percent of the yield at 100 percent of the price. For noninsurable crops, producers will be considered to have a level of coverage equal to 70 percent of the yield. These levels of coverage will be used to calculate the 2008 SURE guarantee.

Producers who meet the definition of "Socially Disadvantaged, Limited Resource," or "Beginning Farmer or Rancher," are not required to pay the buy-in fee.

Acreage Reporting

Acreage reporting time will soon be here. Filing an accurate acreage report for all crops and land uses, including failed acreage and prevented planting acreage, can prevent the loss of benefits for a variety of programs. Failed acreage must be reported within 15 days of the disaster event and before disposition of the crop. Prevented planting must be reported no later than 15 days after the final planting date. Acreage reports are required for many Farm Service Agency programs. For crops other than NAP (Noninsured Crop Disaster Assistance Program) crops, acreage reports are to be certified by the 06/30/09 deadline on small grains and a 07/31/09 deadline on all other crops. Acreage reports on crops for which NAP assistance may be paid are due in the county office by the earlier of 06/30/09 for small grains and 07/31/09 for all other crops, or 15 calendar days before the onset of harvest or grazing of the specific crop acreage being reported.

NAP Production Reporting

Production records for individual crops need to be filed with our office to establish an approved NAP yield. If this is the first year you participated in NAP, you can provide production and acreage information from prior years to establish your yield. If you participated in NAP in previous years, you must report your production and acreage on a yearly basis to keep your yield up-to-date. Records submitted must be reliable or verifiable. Records need to show crop disposition. We recommend producers submit 2009 production records as soon as harvest is complete. **All production records must be submitted by the subsequent crop year’s final acreage reporting date.**

NAP Information: Producers with NAP insurance may obtain the new basic provisions, CCC-471BP and NAP Fact Sheet from the FSA webpage at www.fsa.gov or from their local county FSA office.

Timely Filing of Loss

The CCC-576, Notice of Loss, is used to report failed acreage and prevented planting of program crops and may be completed by any producer with an interest in the crop. For losses on crops covered by the Non-insured Crop Disaster Assistance Program (NAP) and crop insurance, you must file a CCC-576 (notice of loss) in the FSA County Office within

15 days of the occurrence of the disaster or when losses become apparent. If filing for prevented planting, an acreage report and CCC-576 must be filed within 15 calendar days of the final planting date for the crop.

Public Comment on Farm Storage Facility Loan Program

The USDA Farm Service Agency (FSA), on behalf of the Commodity Credit Corporation (CCC), will hold two public meetings to solicit comments on the Farm Storage Facility Loan (FSFL) Program. Each comment received will be considered in the preparation of a Programmatic Environmental Assessment (PEA) for FSFL. The purpose of the PEA is to aid USDA decision-makers and the public with an analysis of the environmental benefits and potential impacts associated with implementing various changes to FSFL consistent with the Food, Conservation, and Energy Act of 2008. Two national meetings are scheduled for the following dates and locations:

- April 14, 2009, from 5 until 8:00 p.m.
Hilton Garden Inn Kansas City
- April 15, 2009, from 5 until 8:00 p.m.
Hilton Garden Inn Cleveland Downtown

In addition, written and electronic comments may be submitted by the close of business on May 13, 2009, to ensure consideration. Comments and requests for copies of the final PEA should be directed to:

FSFL PEA, Geo-Marine Incorporated
2713 Magruder Blvd., Suite D
Hampton, VA 23666-1572

Producers can also log on to <http://public.geo-marine.com>

For more information on the FSFL or other FSA farm programs, please visit your FSA county office or at <http://www.fsa.usda.gov>.

Beginning and Limited Resource Farmers & Ranchers

FSA has a program to assist 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 county’s average size.

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 and www.nrcs.usda.gov.

LO-DOC Loans

What is a Lo-Doc loan? Simply put, it is a loan that requires less paperwork than the standard FSA loan. To qualify for a Lo-Doc loan, you must meet the following requirements:

1. Be current on all payments to all creditors including the Agency (if an Agency borrower)
2. Have not received primary loan servicing on any Agency debt within the past 5 years
3. Meet one of the following sets of criteria:
 - a. The loan requested is \$50,000 or less and the total outstanding Agency Operating Loan (OL) loan debt at the time of loan closing will be less than \$100,000; or
 - b. The loan requested is to pay annual operating expenses and the applicant is an existing Agency borrower who has received and timely repaid at least two previous annual OL loans from the Agency.

Your Lo-Doc Application request must include the following documents before it can be processed:

- completed FSA-2001 (application)
- entity information (if applicable)
- environmental information
- farm operating plan
- payment of credit report fee
- balance sheet

The loan application will not be processed until all the requirements are met. Your FSA Loan Officer may require additional information from what is listed here if needed to make a determination on the loan application. See your local FSA Farm Loan Officer for more details.



Direct and Guaranteed Loans

The Farm Service Agency is committed to providing family farmers with loans to meet their farm credit needs. If you are having trouble getting the credit you need for your farm, or regularly borrow from FSA, direct and guaranteed loans are available now. Ask your lender about an FSA loan guarantee if you've had a setback and your lender is reluctant to extend or renew your loan. Loan funds can be made available. Producers are encouraged to apply early so that a loan can be processed and funded in a timely manner. Most of our loan programs have special funding available for minority, female and beginning farmers. FSA employees will help you complete the necessary application and

other forms, and help you understand what information is required, where to find it or who to contact to get it. To find out more about FSA loan programs, contact the county office staff.

Rural Youth Loans

The U.S. Department of Agriculture's Farm Service Agency (FSA) makes operating loans to individual rural youths age 10 through 20 to establish and operate agriculture-related income-producing projects. These projects must be of modest size and be initiated, developed, carried out by rural youths participating in 4-H Clubs, FFA, or a similar organization or with a vocational teacher or county extension agent. The project must be an organized and supervised program of work. It must be planned and operated with the assistance of the organization advisor, produce sufficient income to repay the loan, and provide the youth with practical business and educational experience. Contact your local FSA office for more details.

Farm Reconstitutions

In program terminology, farms are *constituted* to group all tracts having the same owner and the same operator 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. The following are the different methods used to divide bases 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. NOTE: it is highly recommended that an agreement is reached between buyer and seller on how the bases are to be divided before the sale is finalized.
- **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.

If payments have already been issued on a particular farm, the reconstitution will be effective for the next year, unless the payments are refunded. Request for recons should be filed by June 1.

NASS Statistical Survey

Have you been asked to participate in a survey with USDA's Agriculture Statistics Service?

The Quarterly Agricultural Surveys, conducted by the National Agricultural Statistics Service (NASS) provide inventory and production estimates for crops and livestock at state and national levels. Each quarter a list sample of farm operators are contacted by mail, telephone or personal interview for inventory information on the land they operate. Sample segments also screened for farm operators.

Why is it important for producers to participate in these surveys? Because... Statistical information on acreage, production, stocks, prices, and income is essential for the smooth operation of Federal farm programs. It is also indispensable for planning and administering related Federal and State programs in such areas as consumer protection, conservation and environmental quality, trade, education, and recreation. Regularly updating the information helps ensure an orderly flow of goods and services among agriculture's producing, processing, and marketing sectors. Reliable, timely, and detailed crop and livestock statistics help maintain a stable economic climate and minimize the uncertainties and risks associated with the production, marketing, and distribution of commodities.

Selected Interest Rates for April 2009

90-Day Treasury Bill	0.25%
Farm Operating Loans — Direct	2.25%
Farm Ownership Loans — Direct	4.125%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency Loans	3.75%
Farm Storage Facility Loans	2.50%
Commodity Loans 1996-Present	1.625%

Dates to Remember

May 13	Farm Storage Facility Loan comment period ends (http://public.geo-marine.com)
May 18	2008 NAP & Crop Insurance Buy-in Deadline
August 14	ACRE sign-up deadline
August 14	DCP sign-up deadline
Continues	Continuous Conservation Re- serve program

Visit our website at: www.fsa.usda.gov/mo

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