



Daviess County News

November 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



2010 DCP Signup

Enrollment for the 2010 Direct and Counter-cyclical Program (DCP) has begun and 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.

The ACRE Option

The optional ACRE Program 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. In exchange for participating in ACRE, 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 any late-filed applications.

Acresage Reports Needed For SURE

Because of the delay in announcing the provisions of the Food, Conservation, and Energy Act of 2008, producers enrolling in the Supplemental Revenue Assistance Program (SURE) are reminded that 2008 crop reports are required for SURE participation. This includes crops planted on cropland and/or non-cropland, including native pasture or improved grass that will be hayed. Physical evidence of the crop in the field is not required for Farm Service Agency (FSA) to accept late-filed 2008 acresage reports. "However, evidence of existence or disposition, is required. The following requirements for 2008 SURE include:

- producers **must** report all crops, in all counties, in which they have an interest
- late-filed fees shall be waived for late-filed 2008 acresage reports and physical evidence in the field is not required
- if the actual use of a crop is different from the intended use reported, the producer may report the final use to the County Office; however, the intended use shall **not** be changed.

The provisions noted are for 2008 only. For 2009 and 2010, normal acresage reporting requirements will be applied. More details on the 2008 SURE Program are available at county FSA offices or on line at www.fsa.usda.gov

Supplemental Disaster Assistance Programs

The 2008 Farm Bill amended the Trade Act of 1974 to create five new disaster programs, collectively referred to as Supplemental Agriculture Disaster Assistance programs. These programs include:

Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP)
Livestock Forage Disaster Program (LFP)
Livestock Indemnity Program (LIP)
Supplemental Revenue Assistance Payments (SURE) Program
Tree Assistance Program (TAP)

To be eligible for these programs, producers must purchase at least catastrophic risk protection (CAT) level of crop insurance for all insurable crops and/or Noninsured Crop Disaster Assistance Program (NAP) coverage for non-insurable crops under SURE, TAP, and ELAP.

In the 2008 Farm Bill; in general, the term "farm" means the sum of all crop acreage in all counties that is planted or intended to be planted for harvest by the eligible producer. In the case of aquaculture, the term "farm" means all fish being produced in all counties that are intended to be harvested for sale by the eligible producer. In the case of honey, the term "farm" means all bees and beehives in all counties that are intended to be harvested for a honey crop by the eligible producer. Producers who meet the definition of a Socially Disadvantaged, Limited Resource Producer, or Beginning Farmer or Rancher, do not have to meet this risk management purchase requirement.

Livestock Forage Program Maps

FSA's Livestock Forage Program (LFP) compensates eligible livestock producers for grazing losses suffered because of drought conditions that occurred from January 1, 2008, to October 1, 2011. This program provides financial assistance to producers who suffered grazing losses due to drought or fire on or after January 1, 2008, and before October 1, 2011, during the calendar year in which the loss occurs. Fire losses must have occurred on federally managed lands. Weekly LFP Payment Eligibility maps that depict the weekly LFP payment eligibility by county for the US and Puerto Rico, based on grazing periods, drought intensity, and forage types can now be found on FSA's internet Web site at:

<http://www.fsa.usda.gov/FSA/webapp?area=home&subject=diap&topic=lf>.

The four most current county level LFP maps will be:

- posted in the Disaster Assistance Program section on the FSA Internet web site
- updated on a weekly basis
- provided for each year and each eligible grazing type.

Voting for County Committee Begins

Ballots for this year's county committee election will be mailed to eligible voters on November 6, 2009. Voters must complete their ballots and return them to the Farm Service Agency county office by the close of business on December 7, 2009. If mailed, ballots must be postmarked by midnight De-

ember 7, 2009.

The candidate in this year's election for LAA #1 is Paul Jacob Burnett.

Eligible voters in a local administrative area LAA #1 who have not received a ballot should contact the FSA county office staff.

Voter Requirements Persons meeting requirements in **1 or 2, plus 3**, below, is eligible to vote:

1. Be of legal voting age and have an interest in a farm or ranch as either of the following:

an owner, operator, tenant or sharecropper, *or*

a partner in a general partnership or member of a joint venture that has an interest in a farm as an owner, operator, tenant or sharecropper; *or*

2. Not of legal voting age, but supervises and conducts the farming operations on an entire farm; *and*

3. Eligible to participate in any FSA program that is provided by law, regardless of the status of funding.

Discrimination Prohibited No person shall be denied the right to vote because of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation or marital or family status.

Farm Loan Year End Reviews

Producers that have a farm loan with FSA are reminded they must provide data for their Year-End Analysis (YEA) to their loan officer each year. Borrowers are urged to provide this information timely so that their files can be maintained. The office will contact you for the data you will need to provide us.

Applications for FSA Farm Loan Assistance

Farmers and ranchers that intend to apply to the Farm Service Agency for loan assistance for the upcoming crop year are encouraged to file their applications as early as possible. Filing early will help ensure that your loan is processed and approved as early as possible so that planting decisions can be made. Failure to apply early can result in a delay in processing loans due to the volume of applications that must be processed in date order. Contact your local FSA Farm Loan Manager or Officer for more details and assistance in applying.

Operating Loan Applications Needed Now

Farmers that plan to apply to the Farm Service Agency for annual operating loan assistance this year are encouraged to apply as soon as possible. The earlier an application for loan assistance is filed, the quicker the FSA staff can process your request. In addition, due to budget constraints, farmers that wait until later in the year to apply, often run the risk of finding out that our funding allocations have been utilized already. Farmers should also contact their FSA Farm Loan Manager or Officer at the Harrison County Farm Service Agency for information as to what is required in order to have a complete loan application on file. Decisions on loans can not be made until a complete application is received.

Online Services

Producers, if you have Internet access you can electronically log on, fill out and print a variety of FSA paper forms in the comfort of your home as your schedule allows. You can also register for secure electronic access that will allow you to electronically sign and transmit some forms directly to the county office staff. If you are new to the website, first you will want to obtain a Level 2 USDA Service Center Customer ID and password at: <http://www.eauth.egov.usda.gov/> and then click on "Create an Account Page" link.

USDA eAuthentication is the system used by USDA agencies to enable customers to obtain accounts that will allow them to access USDA Web applications and services via the Internet. This includes things such as submitting forms electronically in eForms and inquiring about electronic deposits, program payments, debts or 1099G in Financial Inquires. Links to both of these applications can be found under Online Services at <http://www.fsa.usda.gov/mo>.

To view or save forms to your computer go to <http://forms.sc.egov.usda.gov/> and click on Browse Forms. If you already have a Level 2 Customer ID and password you can click on Login to complete and submit forms electronically. After you read the "Warning message" click on the "I Agree" button. The USDA Web service page will open to the eAuthentication login page. Enter your User ID and password and select Login.

Submitting an e-Form is convenient. You can access information anytime day or night seven days a week. It's faster and forms and application can be submitted and received in the county office in a matter of minutes, not days or weeks.

Changing Banks

Almost all Farm Service Agency payments are made electronically using Direct Deposit. This innovation has cut down on the number of missing and late payments and reduced the time required to move funds. It has been calculated that having a problem with a payment is 20 times greater with checks than with Direct Deposit. Another benefit is that Direct Deposit to your account can be made within 48 hours. To keep the system running smoothly, it's critical to keep the county office staff up to date on changes you might make in your financial institutions. If you have changed accounts or institutions that might affect the direct deposit of your FSA payments, contact the FSA county office so we can update our files to insure continued uninterrupted service.

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 the Conservation Reserve Program, the buyer must agree to continue the enrollment. If the buyer doesn't want to continue the CRP contract, you might have to refund all of the payments you've received to date.

Reviewing program implications with your local Farm Service Agency staff before completing a sale of farmland is always a prudent precaution.

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 when doing a farm recon. Remember, to be effective for the current year, recons must be requested by Aug. 1 for farms enrolled in the Direct and Counter-cyclical Program.

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.

If DCP direct payments have already been issued on a particular farm, the reconstitution will be effective for the next year, unless the payments are refunded.

Marketing Assistance Loans

Marketing Assistance loans are commodity loans available to producers who share in the risk of producing the crop. To be eligible, you must maintain beneficial interest in the crop through loan repayment. Beneficial interest means retaining the ability to make decisions about the commodity; responsibility for loss or damage to the commodity; and title to the commodity. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan — even if you regain beneficial interest. Commodity loan eligibility also requires you comply with conservation and wetland protection requirements; beneficial interest requirements, report how you use cropland acreage on the farm and ensure that the commodity meets CCC minimum grade and quality standards. For commodities to be eligible they must have been produced by an eligible producer, be in existence and in a storable condition and be merchantable for food, feed or other uses as determined by CCC. The quality of the commodity in farm storage must be maintained throughout the term of the loan. Producers do not have to participate in the Direct and Counter-Cyclical Program to be eligible for commodity loans. Violating provisions of a marketing assistance loan may trigger administrative actions, such as assessing liquidated damages, calling the loan and denial of future farm-stored loans. The most common violations are removing or disposing of a commodity being used as loan collateral without prior authorization and providing an incorrect quantity certification.

Unauthorized Disposition of Loaned Grain

If loan grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties for unauthorized dispositions are severe and a producers name will be placed on a loan violation list for a two-year period. Always call the office before any grain under loan is fed or sold.

Selected Interest Rates for November 2009	
90-Day Treasury Bill	0.125%
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 or Rancher	1.50%
Emergency Loans	3.75%
Farm Storage Facility Loans 7-year term	3.00%
Farm Storage Facility Loans 10-year term	3.375%
Farm Storage Facility Loans 12-year term	3.625%
Commodity Loans 1996-Present	1.375%

Dates to Remember	
November 11	Veterans Day – Office Closed
November 26	Thanksgiving – Office Closed
Continues	Continuous Conservation Reserve Program

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