



Gentry/Worth County *FSA NEWSLETTER*

February 2010

Gentry County FSA Office

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Albany, MO 64402
660-726-5525
Office Hours:
7:00 a.m. – 4:30 p.m.

County Committee

Kenny Hensley
Mike Sager
David Waltemath
Nancy Findley,

Office Staff

Mary Ann Gibson, PT
Kathy Ward, PT
Brenda Walker, PT
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Worth County FSA Office

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Office Hours:
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County Committee

Mike Cook
Mary Ewing
Bernard Runde

Office Staff

Veronica Craven, PT
Ann Gilland, PT

County Executive Director

Mark Cadle

Farm Loan Program Manager

Charles Meissen

Fieldmen

Bill Grabb

To Gentry and Worth County Producers:

As I write this newsletter I can't help but sit here and think what a winter we have had so far and how hard it is to predict what will happen from one year to the next. Who would have ever thought that we would have 2 years back to back when planting a crop would be such a difficult task? Even with the best and most modern equipment it is still not possible to put a crop in the ground in a timely manner if the weather does not cooperate. And if the weather continues not to cooperate at harvest time, like it did this fall and early winter, we can see many producers combining the last few days of January trying to finish up bringing the 2009 crop out of the field. At this point in my life, all I know for certain about the weather and agriculture is that I have learned enough to know that I will never know just what to expect and just when I think I've got it all figured out something is going to change.

And as you know by now changes occur in FSA programs on a regular basis as well. The annual farm program or the Direct and Counter-Cyclical Program (DCP) as it is known was changed for 2009 and now allows producers the option to sign up in the same DCP program as before or opt to go to the new ACRE program. Signup for DCP and ACRE will continue through June 1, 2010. More details can be found in the article entitled "*DCP and ACRE Sign Up Has Begun*" found later in the newsletter.

Signup is also underway for an entirely new type of permanent disaster program created by the 2008 Farm Bill. The Supplemental Revenue Assistance Payment program or SURE will compensate eligible producers for 2008 crop losses. The SURE program looks at a producer's total farm revenue instead of individual crop losses to determine if a producer is eligible for payment. See the article entitled "*Signup for Supplemental Revenue Assistance (SURE) Has Begun*" and contact your local FSA office to determine if you feel you would be eligible for payment. Many Gentry and Worth county producers will be eligible for payments under this program.

Another new program under the disaster umbrella of the 2008 Farm Bill is the Livestock Indemnity Program (LIP). LIP may compensate farmers who have lost eligible livestock due to weather events. More details can be found later in this newsletter.

Another **BIG CHANGE** deals with the Adjusted Gross Income (AGI) provisions of the new Farm Bill. It is very important for you to read and follow the instructions found in the article "New Adjusted Gross Income Process". Failure to follow the procedure and instructions in this article will cause many producers who received payments in 2009 to be found out of compliance with AGI provisions and all monies received would be required to be refunded. **I cannot urge you enough to read and follow these directions carefully.** Feel free to call the office with any questions you may have. We cannot complete these actions for you but will attempt to answer any questions you may have concerning the form.

Information on many other programs is contained in this newsletter in addition to the programs mentioned above. If you have any questions concerning these or any FSA program feel free to contact your local Farm Service Agency office.

Sincerely,
Mark Cadle, CED

DCP and ACRE Sign Up Has Begun— June 1 Deadline

DCP - Enrollment for the 2010 Direct and Counter-Cyclical Program (DCP) or annual farm program will continue through June 1, 2010. **The June 1, 2010, deadline is mandatory for all participants. USDA will not accept late filed applications.** Producers can use the eDCP automated website to sign up, or simply visit any USDA Service Center to complete their 2010 DCP contract. DCP Program payments are computed using the 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. FSA began issuing advance direct payments 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. In exchange for the price-based safety net a producer receives by participating in ACRE, a farm's direct payment is reduced by 20 percent, and marketing assistance loan rates on grain produced on the farm are reduced by 30 percent. In addition the farm will not receive counter-cyclical payments. 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. **A reminder to producers that elected to enroll in ACRE in 2009; you have until the final crop reporting date (July 31 in Missouri) to certify your 2009 production and also your yield history for the 2004 through 2008 data base.** You do have the option of using yield plugs for

the 5 year history as well. If you have planted in excess of 120% of the farm base in 2009 you must select crop payment priority by September 20 of this 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.

Signup for Supplemental Revenue Assistance (SURE) Has Begun

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 "ad hoc" 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/or NAP coverage on all non-insurable crops (hay) 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. Worth and Gentry counties had Secretarial Disaster Declarations in 2008 and 2009. 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, to prepare your operation for SURE eligibility you must insure all economically significant crops, including hay, in all counties each year.

Livestock Indemnity Program (LIP)

The Livestock Indemnity Program (LIP) provides assistance to producers for livestock deaths that result from a weather related disaster. 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 and extreme cold. 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 the Missouri State FSA Committee. Producers are reminded that LIP regulations require that they ***must file a notice of loss within 30 calendar days of when the livestock died***, and an application for payment no later than 30 calendar days after the end of the calendar year in which the loss of livestock occurs in order to be eligible for LIP. The snowy, cold weather conditions experienced in NWMO since Christmas can be a qualifying adverse event. If you've experienced death losses due to the recent weather conditions, stop by the office to see if LIP is an option for you.

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.

Selling Land or Changing Operators?

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 succeed to the CRP contract, you may have to refund all of the payments you've received to date. **Please discuss possible program options with the county office staff before selling any land.**

If you are changing operators or tenants on your farm you will need to notify the office in writing of these changes so that the necessary farm records can be updated.

New Adjusted Gross Income Process

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 by filing a CCC-927 for an individual or CCC-928 for an entity will be required from each producer or payment recipient for the tax review process. **Most producers who received payments from our office in 2009 or expect to receive them in 2010 must file these forms.** IRS will then disclose to USDA whether or not you are compliant with AGI provisions of the 2008 Farm Bill. 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 average Adjusted Gross Income (AGI) exceeds certain limits.

In addition, participants in USDA programs subject to average AGI rules **must annually certify their eligibility to receive benefits** by completing form CCC-926. This form may be obtained from local FSA offices or online at: <http://forms.sc.egov.usda.gov/eforms/mainervlet>.

The forms CCC-927 and CCC-928 can also be obtained online at the same web site as the CCC-926 or at your local FSA office. It is your responsibility to obtain the forms, complete the forms as directed and mail them to IRS. If you fail to send the forms to IRS you will be determined noncompliant with AGI limitation for the 2009 and 2010 program years which would result in the repayment of all monies received.

**UNITED STATES DEPARTMENT OF
AGRICULTURE
FARM SERVICE AGENCY
GENTRY/WORTH FSA OFFICE**
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Albany, MO 64402

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County Committee Election Results

Congratulations to David Waltemath and Bernard Runde! David was re-elected to represent farmers from Local Administrative Area III (LLA) on the Gentry County FSA Committee. David farms in the King City area and is an active participant in several agricultural endeavors in the community. He will be serving his second three-year term. David received 67 votes in the election.

Bernard Runde was elected in Worth County to represent producers in LLA III. Bernard farms in the Southwest corner of Worth County and we appreciate his willingness to serve on the County Committee. He received 45 votes in the election.

FSA appreciates all of the voters for taking the time to complete the election ballot. The county committee system works only because of your participation. The committee's held their organizational meetings in January. In Gentry County Kenny Hensley was elected chairperson, and Mike Sager was elected vice-chairperson and Nancy Findley will continue in her role as an advisor to the county committee. In Worth County Mike Cook was elected chairperson and Mary Ewing was selected as vice-chairperson. The Worth County Committee meets on the 3rd Thursday of each month and the Gentry County Committee meets on the 2nd Friday of each month. Both meetings start at 8:00 a.m.

TIRED OF RENTING, CHECK OUT FSA FARM OWNERSHIP LOANS

5% Down Payment real estate loans to beginning farmers and socially disadvantaged farmers.

45% of the purchase price is eligible for FSA financing at rates as low as 1.5% for a 20 year term. Remaining balance of the purchase to be financed by a participating lender with a repayment term of at least 30 years.

100% Financing is available for purchase of farms, livestock, equipment and real estate improvements.

100% Financing is available for the payment of annual operating expenses .

Farm Service Agency (FSA) makes and guarantees loans to farmers to promote, build and sustain family farm operations. In many cases, these are beginning or established farmers who need additional financial and business expertise to qualify for commercial credit. In other cases, they are farmers who have suffered financial setbacks from natural disasters.

Each fiscal year, FSA targets a portion of its direct and guaranteed loan funds to beginning farmers and socially disadvantaged farmers. A beginning farmer is an individual or entity who (1) has not operated a farm for more than 10 years; (2) meets the loan eligibility requirements of the program to which they are applying; (3) substantially participates in the operation; and, (4) for Farm Ownership purposes, does not own a farm greater than 30 percent of the median sized farm in the county. (Note: all applicants for direct farm ownership loans must have participated in the business operation of a farm for at least 3 years.) A socially disadvantaged group is a group whose members have been subject to racial, ethnic or gender prejudice because of their identity as members of the group without regard to their individual qualities.

Contact your local FSA office today for additional information on loans to purchase farms, purchase livestock and equipment, make real estate repairs to the farm you already own and pay annual operating expenses. Charles Meissen, Farm Loan Manager and Teresa Akers, Farm Loan Officer can be reached at the Harrison County FSA office at 660-425-7635.

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