



Linn County News

February/March 2010

Linn County
USDA Service Center

Linn County FSA
121 Pershing Rd
Brookfield, Mo. 64628
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660-258-3257 (fax)
www.fsa.usda.gov/mo

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

County Committee
Vicky Ervie
James PfiEFF
Lee Jaynes

County Committee
meets 02/26/2010
@ 9:15 a.m.

Staff
Susan McLain
Roberta Kehr
Caroline Frizzell
Matt Lambert
Greg Smith



SURE Sign up now going on

The Supplemental Revenue Assistance Program (SURE) provides benefits for farm revenue losses due to natural disaster that occurred in the crop years 2008 through September 30, 2011. To be eligible for SURE payments, a producer is required to obtain crop insurance on all crops in all counties or, if crop insurance is not available, to participate in the Non-Insured Assistance Program (NAP) except for grazed acreage. However, crop insurance or NAP coverage is no longer required for crops that are not of economic significance or those where the administrative fee required to buy NAP coverage exceeds 10% of the value of the coverage. Eligible farmers and ranchers who meet the definition of Socially Disadvantaged, Limited Resource, or Beginning Farmer or Rancher are exempt from the risk management purchase requirement. The following are the conditions that trigger SURE payments:

- at least one crop of economic significance must suffer a 10% production loss due to an eligible disaster condition
- crop of economic significance is a crop that has contributed or would have contributed at least 5% or more of the total expected revenue from all crops on the farm
- producers in counties declared disaster counties by the Secretary of Agriculture, or in contiguous counties, or those who show proof of an individual loss of at least 50% are eligible to receive SURE payments for crop producer or crop quality losses. Losses are measured with consideration to the whole-farm revenue, which includes crop insurance indemnities and commodity program payments, so that producers are not paid more than once for the same loss.

A SURE calculator is available at: http://www.fsa.usda.gov/Internet/FSA_File/sure_calculator_2008.xls. The calculator is not official, but is intended for educational use. A fact sheet and backgrounder are also available online.

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 deaths in excess of established normal mortality rates due to extreme 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 days of when the livestock died** the office in order to be eligible for LIP. Producers are also responsible for providing documentation of proof of death and cause of death (veterinary inspections are acceptable proof of both). Beginning inventory (as of the date of the adverse weather event) is also required. Verifiable evidence of normal mortality throughout the 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. Many losses have weather as a factor, but may not qualify as an eligible adverse weather event. Please contact if you have any questions.

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 advance direct payments based on 22 percent of the direct payment.

ACRE

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. The June 1, 2010, signup deadline is mandatory for all participants. USDA will not accept any late-filed applications. 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. Payment is based on 83.3% (85% 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%, and marketing assistance loan rates are reduced by 30%. 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.

Adjusted Gross Income

USDA has 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. The agreement ensures 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 submit form CCC-927 (Individual) and/or CCC-928 (Legal Entity) to the Internal Revenue Service by June 15 to avoid interruption of program benefits. These forms may be obtained from local FSA and NRCS offices or online at:

<http://forms.sc.gov.usda.gov/eforms/mainservlet>.

Actively Engaged

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 FSA. Normally the stockholder or a member of a legal entity **must** make contributions of active personal labor and/or active personal management for the farming operation. The contributions are to be performed on regular basis, must be identifiable, and separate from the contributions of others. The exception to this rule for a stockholder or member of a legal entity only occurs 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; and
- The total direct payments received, both directly and indirectly, by the legal entity and each of the members cannot exceed \$40,000.

Biomass Crop Assistance Program (BCAP)

The Biomass Crop Assistance Program (BCAP) provides financial assistance to producers or entities that deliver eligible biomass material to approved biomass conversion facilities (BCF) for use as heat, power, bio-based products or bio-fuels. Initial assistance will be for the collection, harvest, storage and transportation (CHST) costs associated with the delivery of eligible materials. Producers who sell these materials can apply for FSA matching payments under the CHST. An application must be submitted before the eligible material is sold and delivered to a BCF. After the product is delivered, a producer must provide FSA with documentation of product quantity, quality and payment rate. County offices will validate payment requests with information in the county office.

1099-G

Producers who have received payments from FSA should have received a CCC-1099-G. A CCC-1099-G is a report to the Internal Revenue Service about FSA payments made to producers 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. When the CCC-1099-G is received, it should be checked with 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 an eAuthentication user ID and password may

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.

Farm Loan Programs

The Farm Service Agency (FSA) offers loans for farmers and ranchers 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. Guaranteed loans can reach a maximum indebtedness of \$1,112,000. 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 details, just contact the county office staff for an appointment with the farm loan staff.

Rural 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
- Comply with FSA’s general eligibility requirements
- Reside in a rural area, city or town with a population of 50,000 or fewer people
- Conduct a modest income-producing agriculture-related 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.

Stop by the county office for help preparing and processing the application forms.

Beginning and Limited Resource Farmers

FSA assists 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 median size (for a Farm Ownership loan)
- Meets all loan eligibility requirements.

Additional program information, loan applications, and other materials are available at your local USDA Service Center. You may also visit

www.fsa.usda.gov

Loans for the Socially Disadvantaged

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or purchase or improve farms or ranches. While all qualified producers are eligible to apply for these loan programs, the FSA has provided priority funding for socially disadvantaged applicants. A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities. For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans, and Pacific Islanders. If producers or their spouses believe they would qualify as socially disadvantaged, they should contact their local FSA office for details. FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

NAP Production Reporting

Producers enrolled in the Non-insured Assistance Program (NAP) are required to provide production records for individual crops each year to establish an approved NAP yield. If this is the first year you participated in NAP, you can provide production and acreage information for this and 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 and verifiable. Records need to show crop disposition. It is recommended producers submit 2009 production records as soon as possible after harvest. All production records must be submitted by the subsequent crop year's final acreage reporting date.

NAP Coverage Deadlines

Noninsured Crop Disaster applications are due at different times according to the crop being insured. Producers should apply for Noninsured Crop Disaster Assistance Program (NAP) coverage using form CCC-471 (Application for Coverage). Related service fees are due when the application is filed. The application and service fee MUST be filed by the crop sales closing date. Contact your local FSA office for the filing dates for your crops. For most spring-seeded crops, the sales closing date for Missouri is March 15. 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 for individuals with farming interests in multiple counties. Limited resource producers may request a waiver for service fees. To qualify, a producer must share in the risk of producing an eligible crop.

Marketing Assistance Loans

A Marketing Assistance Loan (MAL) is available for producers who share in the risk of producing an eligible commodity. To be eligible, a producer must maintain continual beneficial interest in the eligible commodity. Commodity loan eligibility also requires compliance with conservation and wetland protection requirements; beneficial interest requirements, acreage reporting, and ensuring that the commodity meets Commodity Credit Corporation minimum grade and quality standards. FSA offers MALs on honey, wool & mohair, and an assortment of feed grains and oilseeds. Violating provisions of a marketing assistance loan may trigger administrative actions, such as assessing liqui-

Dates to Remember

Feb. 15	George Washington's Birthday. FSA Offices Closed.
March 1	NAP Sales Closing Date - Rice
March 15	2010 NAP sales closing date for forage and spring-seeded crops
Continues	Farm Storage Facility Loans
Continues	Continuous Conservation Reserve Program.

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

Selected Interest Rates for February 2010

90-Day Treasury Bill	0.125%
Farm Operating Loans — Direct	2.625%
Farm Ownership Loans — Direct	4.875%
Limited Resource Loans	5.00%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency Loans	3.75%
7-year Farm Storage Facility Loan	3.25%
10-yr. Farm Storage Facility Loan	3.75%
12-yr. Farm Storage Facility Loan	4.00%
Commodity Loans 1996-Present	1.375%

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