



February 2010

# Livingston FSA Office News

## Livingston County USDA Service Center

**Livingston County FSA**  
1100 Morton Parkway  
Chillicothe, MO 64601  
660 646 6220 (phone)  
660 646 4894 (fax)

**Hours**  
Monday - Friday  
7:45 a.m. - 4:30 p.m.  
The office will be closed on all Federal holidays.

**County Committee**  
David Williams  
Mary Smith  
Ben Beetsma

County Committee meets the third Thursday each month at 8:30 a.m.

**Staff**  
Program Technicians  
Dianna Sewell  
Anissa Johnson  
Jeannette Straker  
Diana Briscoe

County Executive Director  
David Meneely

Farm Loan Manager  
John McKinny

Farm Loan Officer  
Gary Elrod

## Annual DCP Signup Underway

Enrollment for the 2010 Direct and Countercyclical Program (DCP) 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.

Countercyclical payment rates vary depending on market prices. Countercyclical 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 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.**

## Livestock Indemnity Program

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 livestock death losses in excess of established normal mortality rates due to 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 calendar days of when the livestock died* in order to be eligible for LIP.

Producers are also responsible for providing documentation of proof of death (pictures and veterinary inspections are possible suggestions). Beginning inventory (as of the date of the adverse weather event) is also required. Verifiable evidence of normal mortality throughout the calendar 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 and many losses may have weather as a factor, but not qualify as an eligible adverse weather event. Please contact the county office if you have any questions.

## County Committee Election Results

Congratulations to Mary Smith; she was re-elected to represent farmers from Rich Hill, Chillicothe, Sampsel, and Jackson townships on the county committee. Mary was elected to her second consecutive term.

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 members held their organizational meeting in January to determine leadership positions. David Williams serve as the county committee chairman during 2010 and Mary Smith will serve as vice-chairman.

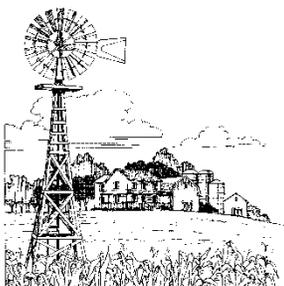
## Marketing Assistance Loans

Marketing Assistance Loans for crop years 2009 through 2012 are available to producers who share in the risk of

producing the crop. To be eligible, you must maintain beneficial interest in the crop through the time of application. 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 Commodity Credit Corporation (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. However, the loan rate will be reduced by 30% if the farm is enrolled in the ACRE (Average Crop Revenue Election) Program. 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.

## AGI and Actively Engaged

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 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. This agreement will ensure 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 annually certify their eligibility to receive benefits** by either submitting a statement from a certified public accountant or an attorney, or by completing form CCC-926. This form may be obtained from local FSA and NRCS offices or online at: <http://forms.sc.egov.usda.gov/eforms/mainservlet>.

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 Farm Service Agency (FSA).

Every stockholder or member of a legal entity, such as a corporation, does not have to contribute labor or management 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 that altogether qualifies as a significant contribution to the farming operation;
- the total direct payments received, both directly and indirectly, by the legal entity and each of the members does not exceed \$40,000.

## BCAP

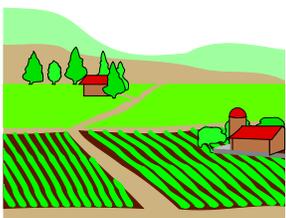
FSA is currently accepting applications from biomass facilities interested in

participating in the Biomass Crop Assistance Program (BCAP). BCAP provides financial assistance to producers or entities that deliver eligible biomass material to designated biomass conversion facilities 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. Once an agreement is signed between FSA and a facility allowing funding through the program to become available, the facilities can begin accepting materials.

Producers who sell these materials can apply for matching payments under the collection, harvest, storage and transportation (CHST) component of BCAP.

A biomass material producer is eligible to receive payments for two years. The purpose of the matching payments is to assist biomass producers with the CHST cost of delivering biomass to a qualified biomass conversion facility. Once a facility becomes qualified, eligible material owners or producers who deliver biomass to that facility may be eligible to receive CHST payments.

Eligible material owners or producers, who market eligible material to a qualified biomass conversion facility, may apply for the matching CHST payment at their FSA county office. An application must be submitted before the eligible material is sold and delivered to a qualified biomass conversion facility. 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 and information provided under the terms of MOUs with the qualified biomass conversion facilities.





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ARMS is the USDA's primary source of information on the production of crops, resource use, and economic well-being of America's farm households.

Your participation in ARMS ensures that decisions affecting you, your family, your business, and your community are based on the facts, straight from the source.

**CONSIDER:** Just about every Federal policy and program that affects farmers and farm families is based on this information.

**USDA** United States Department of Agriculture  
**NASS** National Agricultural Statistics Service

For more information visit [www.nass.usda.gov](http://www.nass.usda.gov) or call (800) 727-9540

BETTER DATA = BETTER DECISIONS

Dates to Remember	
March 15	NAP Sales Closing Date- Forage and Spring seeded crops.
Continues	Facility Loan Program
Continues	CRP Continuous Signup

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