Phelps County News

December 2009

Phelps/Crawford County USDA Service Center

Phelps/Crawford **County FSA**
1050 HYW 72 East
Rolla, Mo. 65401
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www.fsa.usda.gov

Hours
Monday – Friday
7:30A.M-4:30P.M.

County Committee
Rod E. Frees – Chm
Ann Edgar – VChm
Gary Mullen- Mem
Tom Strain-Mem
Jim Parker-Mem

County Committee meets the 4th Thursday of each month at 9:00 a.m. in the county office.

Staff
Gregg Barrows, CED
Londa Mathis, PT
Brenda Braidlow, PT

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.

Farm Storage Facility Loan Program Changes

The Farm Storage Facility Loan (FSFL) program allows producers of eligible commodities to obtain low-interest financing to build or upgrade farm storage and handling facilities.

The new maximum principal amount of a loan through FSFL is $500,000. Participants are now required to provide a down payment of 15 percent, with CCC providing a loan for the remaining 85 percent of the net cost of the eligible storage facility and permanent drying and handling equipment. New loan terms of 7, 10 or 12 years are available depending on the amount of the loan. Interest rates for each term rate may be different and are based on the rate which CCC borrows from the Treasury Department.

Payments are available in the form of a partial disbursement and the remaining final disbursement. The partial disbursement will be available after a portion of the construction has been completed. The final fund disbursement will be made when all construction is completed. The maximum amount of the partial disbursement will be 50 percent of the projected and approved total loan amount.

Applications for FSFL must be submitted to the FSA county office that maintains the farm's records. An FSFL must be approved before any site preparation or construction can begin.

The following commodities are eligible for farm storage facility loans:

- Corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley or minor oilseeds harvested as whole grain
- Corn, grain sorghum, wheat, oats or barley harvested as other-than-whole grain

- Pulse crops - lentils, small chickpeas and dry peas
- Hay
- Renewable biomass
- Fruits (including nuts) and vegetables - cold storage facilities

For more information about FSFL please visit your FSA county office or 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.

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 December 7, 2009.

For this year's election we have two nominees, Tom Strain and Rod Frees from LAA 3 and 1 respectfully. Tom and Rod both have a cow/calf operation

Eligible voters in a local administrative area 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, Mark Aycock, at 1202 Banning Street, Marshfield, MO for information as to what is required in order to have a complete loan application on file. Decisions on loans cannot 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.

Livestock Indemnity Program

The Livestock Indemnity Program (LIP) provides assistance to producers for livestock deaths that result from disaster. LIP compensates livestock owners and contract growers for livestock death losses in excess of normal mortality that die as a direct result of an adverse weather event.

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LIVESTOCK INDEMNITY PROGRAM con't.

Producers must be able to provide documentation for the livestock inventory on the date of the disaster event, proof of death for livestock lost due to the disaster event, and proof of death for livestock lost due to normal mortality. Producers are to file a notice of loss within 30 days of the disaster event or loss of livestock due to normal mortality. Remember-documentation is very important. One good tool to use is pictures of the dead animals that include a date.

Foreign Buyers Notification

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. The Farm Service Agency administers this program for USDA. Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA with 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25% of the fair market value of the property. County government offices, Realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

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 26	Thanksgiving – Office Closed
December 25	Christmas – Office Closed
January 1 , 2010	New Years – Office Closed
Continues	Continuous Conservation Reserve Program

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

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