



Vernon County FSA NEWSLETTER

FARM
SERVICE
AGENCY

County Committee

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Farm Loan Division

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July 1, 2008

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Farm Bill Sign-Up June 25 –Sept. 30 2008

The 2008 DCP Signup period started June 25, 2008 and runs through **September 30**, 2008. The rules for 2008 will be basically the same as the 2007 DCP Program. One main change however, is that farms with bases totaling 10 acres or less can not receive payment unless the owner or owners are eligible as a Limited Resource or Socially Disadvantaged producer. This requirement is for the Farm **Owner** – if the owner is eligible then anyone sharing on that farm is eligible including any tenants/operators that wouldn't meet the exception. To be eligible the farm must be wholly owned by someone meeting one of the exceptions or an entity that is completely made up of members that meet the exceptions. Farms jointly owned by Husband and wife would only be eligible if both could meet one of the exceptions. *(A Socially Disadvantaged person is defined as a member of a group who has been subject to racial, ethnic or gender prejudice because of their identity to a group rather than their individual qualities and a Limited Resource farmer for our area is one whose gross farm sales is less than \$116,800 and has a total household adjusted gross income of less than \$19,350 in the previous 2 yrs.)*

Producers may request 22% advance DCP direct payments for 2008 beginning in July and final payments will be issued after the first of October. To be eligible to receive payments producers will be required to comply with applicable soil and water conservation and wetland requirements as in the past, use the base acres for an agricultural or conserving use, control noxious weeds on base acres not cropped, file an acreage report and if participating in ACRE, beginning in 2009, a production report.

The 08-12 crop base acres and farm payment yields in our area will remain the same. Direct Payments and price protection are only slightly less. The 2008 Farm Bill runs through 2012. Because the Bill was so late getting passed 2008 rules will be essentially the same as last year except as noted above. A few provisions for 2009 – 2012 have changed: the non-farm income cap for eligibility to receive program payments went from \$2.5 million to \$500,000 and reduces the cap on farm income to \$750,000 after which a producer is not eligible for direct payments. Direct & counter-cyclical payments are capped similar to 07 at \$40,000 & \$65,000 but are capped at \$32,000 & \$75,000 if participating in ACRE which is a new **Average Crop Revenue Election Program** with a state-based revenue guarantee based on a 5-year state average yield and a 2-year national average price. It provides payments to farmers when the actual state revenue for a crop is less than its revenue guarantee. When FSA procedures are finalized we will have program information meetings and newsletters this fall detailing the 2009-2012 regulations. Preliminary 2009-12 rules & current regulations can be viewed on our website at www.fsa.usda.gov for each program – DCP, CRP etc.

2008 Crop Acreage Reporting Deadline Extended for all crops to August 15th.

The delays in the announcement of the 2008 Farm Bill and weather conditions have contributed to the extension of the deadline for 2008 only. Acreage reports are required in order to be eligible for program benefits if you participate in DCP, CRP or apply for grain loans or LDP payments. Producers need to report all cropland on the farm including wheat, all planted spring crops, prevented planting, and failed acres, CRP, pecans, hay and pasture by **August 15th**. You will need to bring your planting dates with you. Filing an accurate acreage report for all crops and land uses, including failed acreage & prevented planting acreage, can prevent the loss of benefits for a variety of programs. Acreage reported after the Aug 15 deadline will be considered late filed and a measurement service fee (minimum \$46/farm) will be charged for a field visit to verify physical evidence.

Risk Management Agency (RMA) has also extended the date for insured producers to file their insured acreage reports to Aug 15 but encourages producers to file reports at their earliest opportunity so claims can be worked. When reporting to RMA & FSA producers should identify any land coming into production that has not been cropped in the last 3 years to insure you meet sodbuster requirements. (Land in CRP is considered cropped)

Failed & Prevented Planting Acres: Producers need to report prevented planted or damaged crops the FSA office to receive history or disaster credit. This applies to all crops, whether covered by crop insurance or not. This will provide FSA with a historical record of your crop should disaster assistance become available as it has in past years. Currently Crop Disaster benefits through FSA are only available to producers who are insured under Federal Crop Insurance (FCIC) or have Non-insured Assist. Program (NAP) coverage through FSA on uninsurable crops.

Producers who have their crops insured through a private crop insurance company should contact their insurance agent immediately and advise them of the damaged crops. Also a Notice of Loss Application must be completed in person at the FSA office, and the prevented and/or failed acres reported.

It is important that producers file a Notice of Loss Application to report crop losses before the disposition of the crop and within 15 days of the date damage occurred or 15 days from the date damage is apparent.

REMINDER: *Reported planted acreage and prevented planted & failed acreage, shares and farming entities should be consistent with crop insurance, and crop sales receipts. When producers report differently than the way they actually operate, they may be considered ineligible for program benefits or may be required to refund benefits. Producers may want to report your PP acres to your crop insurance agent first as RMA eligible PP acres for payment may be different than allowed PP acres for FSA (FSA max PP ac is max ac planted in any one of last 4 years)*

Non-Insured Crop Assistance Prog.- NAP (Pecan Losses)

There have been several reports of pecan losses due the extreme extended heavy rains during pollination. Producers with NAP Insurance on their Pecans are required to file a notice of loss with in 15 days of when the disaster occurred **or** when the loss became apparent to them. With pecans this year it may be hard to determine if you have a loss until harvest begins but you should file a notice of loss as soon after harvest starts so a field inspection can be made to verify the damage. Qualifying disaster yields for payment vary with proven yields but the 07 county average yields for pecans are 143 lbs/ac for Native and 232 lbs for Improved. The 2007 Established Price was \$.83/lb for Native and \$1.28/lb for Improved – 08 is not yet available. NAP payments are made when yields fall below 50% of your proven yield and are paid at 65% of the price. Production for loss claims should be submitted by mid Dec or contact the FSA office by then if extended harvest is necessary. March 15 is the deadline to purchase NAP coverage on pecans. Info for 2009 coverage is not yet available. There is about 5300ac of pecans in the county.

Sign-up for LCP and LIP to End July 18th

Signup for the Livestock Compensation Program (LCP) resulting from the drought in 2005, 2006, and recently added 2007 will end **July 18, 2008**. This program began in September 2007 to compensate livestock producers for feed loss. If you owned or cash leased eligible livestock on January 1st of 2005 or 2006 or April 4th, 2007 and have not yet applied, you may be compensated for your feed loss. Eligible livestock include: Beef and Dairy Cattle, Buffalo, Beefalo, Sheep, Goats, Equine, Swine, Poultry, Deer and Elk. (Claimed livestock must be for commercial purposes in a farming operation to be considered eligible. The average payment for an adult cow is \$10.66/head & for 500+lb calves is \$8.00/hd).

Signup is also ending for the Livestock Indemnity Program (LIP) for producers who lost livestock as a direct result of the winter storms in December 2006 and January 2007. (The average payment = \$244/cow, \$317/bull, \$167/400+lb calf & \$130/<400#).

CRP Continuous Sign-up Program

Producers may continue to enroll highly erodible acreage such as waterways, filter strips and riparian buffers in CRP anytime. Incentive payments are available to encourage enrollment – (1) additional 20% incentive on annual payment (2) \$100/ac incentive payment at sign-up (2) additional 40% cost-share incentive for establishment plus 50% normal c/s. Practice CP-33 for Quail Habitat continues to be a popular practice. It allows for 30 – 120' field borders to be planted to native grasses and forbs.

Farm Reconstitution & Record Changes

Any ownership, operator, or address changes should be reported timely to the FSA office to keep records current. Adding or dropping a farming interest will also require you to update your conservation plan and payment limitation requirements.

A reconstitution (farm combination or division) may be requested by the farm owner or operator whenever a change is made in the operation of the land. To be effective for the current fiscal year, a reconstitution must be requested by **August 1, 2008**. If DCP advance payments have already been made on a farm, the payment must either be refunded or the reconstitution will be effective for the following year. Non-participating and total CRP farms may be reconstituted at any time. Participating farms can now be combined with non-participating farms. Land in contiguous counties may be combined in one county if land is owned or operated by the same person.

Beginning in 2008 a request for a combination of farms having 10.0 acres or less of base cannot be approved unless there has been an ownership change and the combination must be with a farm that has identical owners and shares on both farms.

Phyllis Retires after 23 yrs Service to FSA



Vernon County PT Phyllis Caldwell Retired on January 31, 2008 after 23 years of Service. Phyllis is shown holding her service plaque at her open house surrounded by the Vernon County Staff and County Committee. Many producers, family and friends attended to say thank-you and wish Phyllis a long and enjoyable retirement. Left to right: JaWan Thompson, Sara McGee, Shelly Pitts, Phyllis Caldwell, Aubrey Elkinton, Earl Rogers-COC, Julie VanDerSchaaf, Sandy Heitz-COC and Belvin Legleiter-COC.

Aubrey Elkinton is welcomed to the FSA Staff

Aubrey Elkinton Pictured above accepted a position with the Vernon Co. FSA Staff in January. She will be working with the DCP Farm Program, Payment Limitation/Person Determination Program & HEL-WC. Aubrey had previously worked at the Bourbon Co, KS FSA Office. She has a degree from SMSU in Ag-Education & taught VO-AG at Eldorado Springs. She is a Vernon County native and is welcomed by a staff and County Committee devoted to serving the producers of Vernon County.

Some CRP Acres released for Haying or Grazing under critical feed use provisions.

USDA has authorized certain acreage enrolled in the Cons. Reserve Program (CRP) to be eligible for haying and grazing beginning **July 16, 2008**. CRP participants must get approval from FSA before haying or grazing CRP acres. This release is not affected by prior years managed haying and grazing release rules.

CRP participants can use their own acreage for haying or grazing or lease the privilege to other producers with no restrictions on price. Participants will be required to pay a \$75 administrative fee per contract and will not be assessed any per acre payment reduction from their annual rental payments.

Eligible land may not be hayed or grazed until after the primary nesting season, which for Missouri is May 1 through July 15th. There is no ending haying date but all hay must be removed from the CRP acreage by **November 10, 2008**. **Sept. 30** is the final date to request haying or grazing and all livestock must also be removed by Nov. 10, 2008.

Eligible acreage includes the following CRP practices:

- *CP1, Establishment of Permanent Introduced Grasses and Legumes,
- *CP2, Establishment of Permanent Native Grasses,
- *CP4B, Permanent Wildlife Habitat Corridors,
- *CP4D, Permanent Wildlife Habitat,
- *CP10, Vegetative Cover Grass Already Established

Haying is limited to 50 percent of each eligible field. You cannot hay and graze the same field. Only one cutting is permitted. If there is an ineligible practice in a field then 50% of the balance of the field may qualify. **If grazing**, 25% of each field must remain ungrazed or all of the eligible CRP acreage may be grazed if no more than 75% of the normal stocking rate, as determined by NRCS, is used.

If 50% of a field is used under critical feed use the balance cannot be hayed or grazed under the normal CRP haying and grazing provisions **but** the balance may be mowed or bush hogged between **July 16 & Aug 15** per mowing limitations above.

The most environmentally sensitive land enrolled in CRP is **not** eligible to hay or graze including wetlands, buffers, filter strips & CP25 wildlife warm season grass/forb mixes, and land within 120 feet of a stream or other permanent water body is ineligible. (A permanent water body is any stream or water body that has water

cover throughout the year in all years.)

Participants who request to hay or graze must also obtain a modified conservation plan from NRCS. For more information about this program or to see if your acreage is eligible for this program, contact the FSA office.

Mowing Limitations on CRP Contracts

Remember, due to wildlife habitat regulations, CRP contracts effective prior to Oct '03 are limited to mowing only up to 1/2 of their CRP acreage in each field each year and mowing should only be done between **July 16 and August 15**. Acreage mowed in excess of the 50% limit will be ineligible for payments the year it is mowed. Noxious weeds (multiflora rose, musk thistle, field bineweed, marijuana) are required to be controlled and can be mowed anytime with written approval by NRCS and FSA. Also if weeds are inhibiting the seeded CRP approved cover then mowing or chemical application may be approved with written approval by NRCS and FSA.

Mowing is not an approved practice or authorized on new CRP contracts effective after Oct '03 including CREP and re-enrollments except during establishment or with written approval by NRCS for noxious or heavy weed infestation. These new CRP contracts require Maintenance Practices: prescribed burns, chemical application, or light disking per your management plan.

Sign-up Continues for 2005 – 2007 Crop Losses & Quality Loss Program

Eligible producers who experienced crop losses from 2005 through 2007 can still apply to receive disaster assistance with FSA's Crop Disaster Program (CDP) but a deadline should be announced soon. You can select only one year for all crop losses.

Beginning June 23rd these crops are also eligible for a quality loss payment on crops that suffered at least a 25% reduction in value to meet the minimum economic loss. Quality loss eligibility is figured by the load as long as the damage was caused by an eligible disaster condition.

Producers must have had crop insurance or Non-insured Assistance Program (NAP) coverage to be eligible. Quality loss participants will be required to provide total actual production evidence for all harvested production per unit, including all production without quality problems. The actual production evidence will need to show price, quantity, and quality factors with verifiable production evidence showing the grading factors which attributed to the poor quality must be submitted. The quality loss program applies only to production harvested as grain.

More disaster information is at: <http://disaster.fsa.usda.gov>

SURE Program for 2009

There are many questions concerning the 2008 Disaster SURE program that we do not have answers for at this time. We do know that to be eligible the producer will be required to have all crops in all counties covered by NAP or insurance if applicable. Producer's, for 2008 only, will have the opportunity to pay the fees now for 2008 for both CAT insurance and NAP (\$100 per crop) in order to get eligible for SURE assistance. We should have the capability to collect these CAT and NAP fees soon. Producers will not have coverage under NAP and Insurance for 2008, the fees only allow them to be eligible for SURE. The fees for 2008 must be paid by **August 20** for a producer to be eligible for SURE.

For 2009 and future years the fees would have to be paid by the regular sales closing deadlines and the producer would actually have coverage for NAP and/or Insurance.

SURE will not offer payments for specific crop losses, but rather will provide assistance for overall Revenue losses which is computed based on all commodities produced. Producers can be eligible if in a county that has a Secretarial Disaster Designation or are adjacent to one or if the producer has a greater than 50% loss regardless of county designation. The SURE program will not offer any immediate payments to producers who are suffering from the current weather conditions. Payments could not be computed until Marketing prices and farm revenue can be computed sometime next year.

FSA FARM LOAN PROGRAMS

Farm Loans: The FSA office has both direct & guaranteed loans available to assist family farmers' credit needs. These programs are available to those who are unable to obtain financing through the normal lenders in the area. Loans can be made as operating loans for annual lines of credit, operating loans for chattels (livestock & equipment), farm real estate loans and Emergency Loans for physical & production losses when a disaster has been declared. Producers having difficulty in obtaining conventional credit should inquire about the various programs available.

EM Loan Designations – Vernon County has several active EM Designations for making low interest emergency loans available to farm operators provided eligibility requirements are met. Farmers have eight months from the date of the designation to apply for loans to help cover part of their actual losses. FSA will consider each loan application on its own merits, taking into account the extent of losses, security available and repayment availability:

Disaster Event	Final date to apply for losses
Severe Winter Storms occurring 12/06/07 -----	8-27-08
Severe Winter Storms occurring 12/06/07 thru 12/19/2007-----	10/01/2008
Severe Storms & Flooding occurring 3/17/08 & continuing-----	12/30/2008

Youth Loans: Rural Youth ages 10-20 may be eligible for loans to establish and operate agricultural income-producing projects such as livestock and crop production, etc. These projects must be in connection with FFA, 4-H or other similar organizations and be part of an organized and supervised plan of work. The maximum loan amount is \$5,000.

2008 CROP LOAN AND LDP REMINDERS

2008 crop loan rates are: Wheat SRW \$2.29/bu., Wheat HRW \$3.02/bu Corn \$2.04/bu., Milo \$3.47/cwt., and Soybeans \$4.97/bu. The June interest rate is 3.0%. Farm-stored grain can be measured by requesting a measurement service from FSA; bushels will be guaranteed. Minimum fee is \$46. Or producers can certify the number of bushels in storage. All farm-stored loans are subject to spot-check. For grain stored in a commercial elevator, a warehouse receipt with 9-months prepaid storage is required. Producers who have reported their crop acres and are in compliance with their conservation plan are eligible to apply for a loan or LDP on their warehouse or farm stored grain. Grain loans are for a 9-month period following the month the loan was disbursed and may be redeemed at any time during the term of the loan at principle + interest. Other repayment options available. June 30 PCP rates are: Wheat SRW \$6.83/bu., Wheat HRW \$8.64/bu Corn \$7.19/bu., Milo \$6.78/cwt., and Soybeans \$15.08/bu. The final date to obtain a loan or LDP on 2008 grain is March 31 for wheat and May 31, 2009, for spring crops.

FARM STORAGE FACILITY LOANS

Low cost loans for storage facilities are available for producers to build or remodel farm commodity storage facilities. Seven-year Loans are available for the purchase and installation of eligible storage facilities, permanently affixed drying or handling equipment, or remodeling existing facilities. All farm storage facility loans are secured by a promissory note and security agreement. The maximum amount that may be borrowed is 85 percent of the net cost of the storage or handling equipment, up to \$100,000 for each borrower. A lien on the real estate on which the farm storage facility is located will be required on loans exceeding \$50,000. A minimum down payment is also required. For details, contact the county office staff.

COUNTY COMMITTEE NOMINATIONS

Aug. 1 is the deadline for farmers to nominate themselves or eligible peers as candidates for election to the FSA County Committee. It is important for all agricultural producers to be represented especially minority and beginning farmers. Committee persons play a vital role by helping local producers manage tough financial times and natural disasters. Nominees this year need to reside in area 3 (east 1/3 of county). Nomination forms are available from your local USDA Service Center. Ballots will be mailed to eligible voters Nov. 3rd and must be returned by Dec. 1. Newly elected members take office Jan. 1, 2009.

NRCS - VERNON COUNTY SWCD:

The Vernon County Soil & Water Conservation District has the following equipment available for rent to aid in developing conservation practices:

NO-TILL DRILLS: Capable of seeding annual crops, food plots, cool and warm season grasses and legumes. The two sizes available are a 7 ft. drill rented for \$7/ac and two 10 ft. drills rented for \$8.50/acre. All 3 drills have a minimum charge of \$75/day.

ROOT PLOWS for use along hedge rows to allow higher crop production giving an incentive for farmers to leave hedge rows for wildlife cover & help prevent soil erosion – available for \$10/day.

Pasture Renovator: \$5/ac plus \$100/day with a \$100 minimum.

SCRAPER: Needs a 120 h.p. tractor, holds 8 yds. and rents for \$100/day with a \$100 minimum

MULCHER: Handles large round bales. Rents for \$75/ac with a \$75/day minimum.

BROADCAST SEEDER: Holds 5 bushel of seed. Rents for \$.75/ac with a \$20/day minimum.

VERNON COUNTY 2008 RAINFALL DATA

Rainfall for Vernon County for 2008 to date 6-30-08 is 45.25” or 200% above the normal rainfall to date of 22.53”. The 30-year average annual rainfall for the county is 44.8”.

2008 Monthly totals to date are:

	(2008)	(30yr Avg/mo)	(2008 % of Avg/mo)
Jan	.85”	1.67”	51%
Feb	3.44”	1.99”	173%
Mar	8.46”	3.66”	231%
Apr	6.12”	4.31”	142%
May	13.12”	5.27”	247%
Jun	13.25”	5.63”	237%
Jul		3.96”	

You may also obtain rainfall and crop data on the Internet at: www.agebb.missouri.edu/mass or daily rainfall data at the FSA Office or <http://www.cocorahs.org>

DATES TO REMEMBER

July 16	CRP acres released for haying or grazing – see details above (\$75 fee per contract – remove livestock & hay by Nov 10)	Sep 30	Deadline to signup in 2008 DCP Farm Program and to revise shares and successor-in-interest changes on your DCP contract.
July 16-Aug15	CRP Mowing Period (Limited as noted above)	Sep 30	Final date to request release of CRP to hay or graze under critical use provisions
July 18	Final date to signup in the LCP & LIP Livestock Assistance Programs.	Nov. 15 Jun. 20	Ending planting date for Wheat. (Jun. 5 Corn.) Ending planting date for Soybeans, Gr Sorg.
July 16- Oct 13 July 16- Nov 12	CRP managed haying period CRP managed grazing period (25% reduction in CRP payment & requires approved plan)	Mar 1 - May 15 Aug15 -Oct 15 Apr 1 – Jun 15	Spring Cool Season Grass Seeding Period Fall Cool Season Grass Seeding Period Spring Warm Season Grass Seeding Period
July 31	Final date to provide production evidence for NAP Crops (Pecans) for proven yields.	Dec 15-Mar 1 Nov 15-Mar31	Dormant Cool Season Grass Seeding Period Dormant Warm Season Grass Seeding Period
August 1	Final date to request Farm Reconstitution for current year	Feb 1-May 15 May 1-Jul 15	Spring Tree planting period for CRP. Fall Tree planting period for CRP Wildlife Nesting Season (No Mowing)
August 15	Final date to report Wheat, Oats, CRP, corn, grain sorghum, soybeans, NAP crops-pecans, grass pasture and other spring crops for 2008	Ongoing	CRP, CREP & SAFE continuous Signups For waterways, filter strips, buffers, partial fields etc (75% cost share incentives on some practices)