



SW Mo FSA News

February
2009

District 8
USDA
Service Centers
On the web at
www.fsa.usda.gov

Barry County FSA
Cassville, Mo. 65625
417-847-2862

Barton County FSA
Lamar, Mo. 64730
417-682-3571

Bates County FSA
Butler, Mo. 64730
660-679-6112

Cass County FSA
Harrisonville, Mo.
64701
816-884-4432

Cedar County FSA
Stockton, Mo. 65785
417-276-4712

Dade County FSA
Greenfield, Mo. 65661
417-637-991

Hickory County FSA
Hermitage, Mo. 65668
417-745-6496

Jackson County FSA
Blue Springs, Mo.
64015
816-229-5113

Jasper County FSA
Carthage, Mo. 64836
417-358-8198

Lawrence County FSA
Mt Vernon, Mo. 65712
417-466-7107

Newton/McDonald FSA
Neosho, Mo. 64850
417-451-1007

St Clair County FSA
Osceola, Mo. 64776
417-646-8107

Vernon County FSA
Nevada, Mo. 64772
417-667-8137

Non-insurable crop Assistance Program (NAP)

March 16 is the deadline to purchase NAP Insurance coverage on '09 NAP crops and to be eligible for SURE crop revenue protection for 2009. NAP crops requiring separate fees are: Alfalfa, Alfalfa-mix (less than 25% Alf), Grass-Hay, Grass-Grazing (grass includes all cool & warm season grasses & mixtures of grasses & any legumes-except Alf), Sorg-Forage, Small Grains for Forage and for Grazing, Pecans, Walnuts, fruits & vegetables and crops not insurable in some counties like DC Soybeans etc. The fee is \$250 per crop not to exceed \$750 per producer per county with a maximum of \$1875 per producer in all counties.

There has been a major change in the way Hay and Fescue Seed are insured for NAP under the new farm bill which makes it much more probable to receive a payment, especially for fescue seed producers. In the past both hay & seed were tied together in figuring a loss which made it near impossible to receive a payment on a seed loss if your hay yielded over half its normal yield. Now each use stands alone for determining a loss.

There is only one NAP fee (\$250) for fescue grass used for hay or seed or both, on all fescue for hay or seed that you have an interest in. Your NAP coverage and loss calculations will be determined separately on acres intended as hay and on acres intended as seed. You should report your intended use of insured NAP crops the earlier of 15 days before normal harvest of the crop or its final reporting date (see deadline dates page 3)

Losses will be computed on intended acres only. If you harvest seed on acres other than you intended, you need to keep that production separate, by load tickets, storage etc, for correct loss computation and for APH proven yield calculations – the same applies to hay production.

To ensure you remain eligible for payment, following are some rules to follow when grass is harvested for its intended use or for other than its intended use. For grass harvested for its intended use: your loss = expected production – harvested production. You are required to file a notice of loss within 15 days of when a disaster occurred or when the loss became apparent to you. (Some years it may be hard to determine if you have a loss until harvest begins but you should file a notice of loss soon after harvest starts so a field inspection can be made to verify the cause of loss). Your production evidence should be provided soon after harvest so your claim and payment can be processed. Intended Hay or Seed put to another use will require an appraisal of its intended use on the acres put to another use (hay, seed, grazed or abandoned). Your production loss will = expected prod. – any harvested prod. – appraised prod.

If intended hay or seed will be put to another use you must, before putting the crop to another use, setup or leave representative samples so a loss appraisal can be done and within 15 days of the crops harvest date (June 15 for seed & May 15 for Hay) request an appraisal. (Required sample areas must be 3-4 ft in dia. and rules for acreage put to another use require three samples for the first 10 acres and one for each additional 40 ac. and placed in representative areas over the field. If intended seed will be hayed and not seeded, then leaving strips

will work. If intended hay or seed will be grazed, then sample areas must be protected from livestock – a 16' cattle panel circled, wired and set with 4 steel post will work or round bale feeders upside-down with woven wire around and staked will work.) You should notify FSA of their location within 15 days after placing the sample areas.

History requirement for NAP crops intended as seed: For you to be eligible for NAP ins. on crops intended for seed, like fescue seed, you must have harvested the crop for seed in at least 3 of the last 5 years. Also, you will be limited in acres for payment to the Olympic average of the last 5 years (dropping the high and low). There is no history requirement for intended hay unless you do not harvest it as hay but graze it – then, for the loss to be calculated on a tonnage loss, you would need the 3 of 5 yr history of hay production. If you don't have history your loss will be computed as a grazing loss. Pasture-grazing losses are computed based on your hay production loss records from similar grass cut for hay on your farm – if this is not available FSA hay loss records from similar farms may be used.

NAP Proven Yields: Producers with no proven yield history will receive 65% of the county established yield as your guarantee yield. Producers can greatly improve their yield guarantee and low yield payments by providing past years production evidence to the FSA office for a proven yield. Your history requirements can also be met by proving your yield on seed and hay.

Proven yield evidence must be consecutive from the most recent year. We can use 4 to 10 years of evidence to establish a proven yield – at least a 4 yr average must be used. If you provide just 08 production then 80% of the county average yield or T-yield can be used or the other 3 to get your average. If you provide 08 and 07 then 90% of the T-yld for the other 2 will be used. And if you provide 3 years then 100% of T for the last year will be used. Once you provide 4 consecutive years there is no advantage to provide more unless previous yr yields are higher than your average. On years no grass crop was intended for seed you are allowed to skip a year. On years you had a yield less than 65% of the county T-yld and the loss was due to a natural disaster year in the county, then 65% of T can be used for that year's average. Producers who have not planted a crop more than twice can use 100% of T in their 4 year APH average.

We can accept late filed acreage reports to establish an APH proven yield history. For each year you are providing past production evidence, you will need to identify on a map those fields cut for seed and/or hay and the number of acres for an accurate APH determination. There is no late file fee for late filed acreage reports when establishing an APH for the first time. Once an APH is established then acreage reports and production evidence must be provided every year by the final acreage reporting deadline for the crop – July 31 for grass crops and pecans. All late-file reports for NAP APH yield history must prove existence of the crop and disposition of the crop. Prior year acreage reports will prove existence of the crop.

If you did not report a crop in any year and no aerial slide is available you must provide additional evidence. For disposition of the crop you need to provide production evidence: such as sales receipts showing - date of sale, the crop type, pounds or units sold, producer's name, shares if applicable, and farm represented. The same rules apply to other NAP crops Hay, Alfalfa, Pecans etc.

Proving production evidence for Hay proven yields may be more difficult as most is fed. A producer's original farm records for each year identifying number of bales per farm or field with average weight of bales may be provided – size of bales or scale weight tickets will help. Don't just provide a current spreadsheet of past years hay production, as it can't be approved. We will make copies of your original production records. You will need to summarize each year's hay production and acres separately in total tons and identify acres harvested on a map, the same as with fescue seed.

NAP yield guarantees are 50% of your APH-proven yield. Any acres not harvested will have a factor of 70% applied to your payment on un-harvested acres (52% UH factor for Pecans). The difference between your actual yield below 50% of your APH guarantee X 55% of the crops price guarantee will be your payment.

(Proving a fescue seed yield of 300 lbs would give you a guarantee yield of 150 lbs. If the 09 base price is set at \$0.40, then $\$0.40 \times .55 = \$0.22/\text{lb}$ payment for each lb your yield is under 150 lbs. If your 09 crop averaged 100 lbs/ac you could receive a NAP payment of \$11.00 /ac. With a cost of \$250 for NAP on grass you would need 23 acres to break even on 100 lb seed yield - lots of scenarios.)

Loss calculations are by unit - all land owned and cash rented is considered one unit. Even grass you harvest: for controlling weeds, or for barter, or compensation for other than cash will be considered cash rent for including it in your unit's production. Land rented on a share basis will have a different unit for each owner). Each owner with which you have a share lease would be a separate unit, and they would need to buy their own NAP coverage.

NAP insurance for pasture or grazing is a separate fee and is not required for, nor included in the SURE program. Eligibility for NAP payments for grazing is similar to hay noted above but is dependent on # of Livestock per acre also. Grazing is also required for eligibility for possible Livestock Feed Program (LFP) benefits noted below.

Livestock Indemnity Program (LIP) for 1-1-2008 →10-1-2011

LIP will be an ongoing program to compensate producers for Livestock death losses in excess of normal mortality due to adverse weather. (Normal mortality rates are yet to be established). There are no Disaster designations and no insurance requirements to be eligible for LIP – payments will be based on a producer's eligible loss due to adverse weather conditions which include lightning, ice storms, flooding, wildfire, blizzard, tornado, extreme heat or cold etc documented by the FSA county committee. There is no signup period as in the past – producers will need to file a notice of loss within 30 days of when a loss is apparent. Payment rates per head should be 75% of the market value the livestock, by kind, type & weight range, to be determined by CCC.

Eligible livestock are those owned and maintained for commercial use at the day of death -beef, dairy, buffalo, beefalo, swine, sheep, equine, deer, elk, goats, poultry, ducks & geese, catfish & crawfish, (contract growers may also be eligible).

When a producer's first LIP application is filed for a calendar year a beginning livestock inventory will be required. Proof of death is required through verifiable records such as Veterinary records, insurance documents or tax assessor records. If these are not available then records such as bank records, DHI, vaccination or branding records may be used if accompanied by a verifiable record showing beginning and ending inventories. If the producer certifies in writing the above records are not available and lists the physical location of animals at time of death for FSA verification and provides some documentation of number of livestock in inventory at time of

death then a third party certification may be used by someone not affiliated with the operation who witnesses the death or disposition.

For 2008 livestock losses we currently do not have a deadline for filing a notice of loss or an application for payment. Producers will be notified when rules and applications are available for these losses and you can provide the above records as proof of death.

Livestock Forage Disaster Program (LFP)

LFP covers grazing loss due to drought during the grazing period. (Apr 15 – Nov 15 for cool season grass) The only insurance requirement to be eligible for LFP, if & when the program is enacted, is to have purchased a NAP grazing policy by March 16 and report your intended grazing acres by March 16. Other qualifying RMA insurance is also available on grazing and covers specific acres insured. Your NAP fee on grazing covers all grazing acres you have an interest in. For LFP to be enacted it may require a severe prolonged drought of 3 to 4 months. The US Drought Monitor (available on the web) is used for the trigger for LFP. A county must be at the D2 level for 8 consecutive weeks before this program will be approved. Payments for a D2 drought for 8 weeks would pay about \$29.96/head. If a D3 drought rating is reached in the county you get two payments & if the D3 rating lasts for four weeks you get three payments. Eligible livestock are those owned or leased at least 60 days prior to the beginning date of a qualifying drought.

Emergency Livestock Assistance program (ELAP)

ELAP covers losses for producers of eligible livestock not covered under LIP or LFP above due to adverse weather conditions such as blizzards, flood, tornado, etc. To be eligible, all crops and pasture must be insured. Also, crops "Not of economic significance" does not apply.

SURE Program Eligibility for 2008 & 2009

FSA's new crop disaster program - Supplemental Revenue Assistance Program (SURE) has replaced our old crop disaster programs of past years. In order to be eligible for a payment under SURE, you are required to purchase insurance on all crops produced each year in your farming operation. In addition your county must have received a Secretarial Disaster Designation or be contiguous to a county with this designation or your total farming operation must have a 50% loss in revenue due to weather related conditions and the producer must also have a 10% loss in production on at least one crop.

For 2008 all Counties in District 8 in SW Missouri met the Sec. Disaster Designation above due to the flooding last spring and will be eligible for a SURE payment next fall if their calculated expected revenue is less than their total 08 actual revenue. Producers who meet SURE requirements for 2008 will be eligible to signup this fall for payment – we still don't know the details for signup.

Your 2008 production reported to your crop insurance provider will be downloaded to FSA along with the national average market prices. Producers with hay, pecans and other NAP crops meeting SURE requirements will need to provide 08 production evidence by July 31, 2009. It would be good if you could bring this in when you report your 09 acres. (See NAP Program info above for production reporting requirements) **March 16** is the deadline to purchase Crop Insurance & NAP Insurance on 2009 crops and to be eligible for SURE crop revenue protection for 2009.

Producers may qualify for a SURE payment if the total revenue for your total farming operation is less than your SURE revenue guarantee. Your total acres for each crop X your insured yield X your price protection levels X 15% for field crops and 20% for NAP crops is your projected SURE Revenue Guarantee. Then subtract any Crop Insurance and NAP loss payments + 15% of DCP payments + any counter-cyclical and marketing loan gains received + your year's production for each crop X the USDA's marketing year average price for the crop. If the difference gives you a loss in projected revenue then this figure X 60% = your SURE payment.

Like higher levels of crop insurance, SURE protects not only against loss in yields but against low crop prices during the marketing year. Basically the higher your level of insurance guarantee the more likely a payment could be earned through SURE. RMA crop insurance offers crop yield guarantees between 50 to 85% of your APH yield and price guarantees between 55 to 100% of the base price. Yield guarantees also vary by your proven yield-APH and are affected by your counties average yield and price. (Estimated average county yields for our area: Wheat-38bu, Corn-109bu, Soybeans- 32bu, DC Soybeans- 20bu, Grain Sorghum-78bu, Hay-1.7tn, Alf-3.2tn. Fescue Seed-206lb and Pecans 143lbs. The base price for crops are estimated to be about: Wheat-\$5.88, Corn-\$5.40, Soybeans-\$11.50, Milo-\$5.06, Hay-\$52/ton, Alf-\$105/tn, Fes.Seed \$0.40, Pecans-\$1.10/lb.)

To be eligible for SURE all crops you have an interest in must be insured at least at the CAT level. There are exceptions for which you would not have to buy NAP insurance on a crop: **1-Crops** which are considered 'Not of Economic Significance' do not require you to buy insurance on them and you still maintain eligibility for SURE on other crops. Any crop which you project to contribute less than 5% of the total expected value of all crops you have an interest in can be considered 'not of economic significance' and you would not be required to have insurance on it. **2-Also** a crop for which the fee for NAP coverage (\$250) exceeds 10% of the value of NAP coverage can be exempt. USDA has determined this value to be \$9090 - so if your estimated value of a crop is less than \$9090, you would not need to buy insurance to be eligible for SURE on your insured crops. We will use your estimates but they need to be reasonable to pass a review if there are SURE payments. Note: If you choose to claim these exemptions & not buy Insurance, the crop is not used in any SURE payment calculation and it is not insured.

Other exemptions: producers meeting the **1-'Socially Disadvantaged'**, **2-'Limited Resource'** and **3-'Beginning Farmer'** specifications are not required to purchase Insurance to be eligible for SURE. Also, those meeting Limited Resource specs are eligible to obtain Full NAP coverage with the fee waived. However, those meeting Socially Disadvantaged & Beginning Farmer specs may have the fee waived and still remain eligible for SURE revenue protection but must pay the fee if they want NAP Insurance coverage.

Definitions:(Limited Resource farmer- for most of our area is one whose gross farm sales is less than \$155,200 and has a total household adjusted gross income (AGI) of less than \$21,200 in the previous 2 yrs. Socially Disadvantaged person - 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. Beginning Farmer- one who has not operated a farm for more than 10 yrs & substantially participated in the operation)

To aid producers in determining eligibility for a SURE payment there are payment calculators available on a couple websites that you could use to evaluate your own farming situation by plugging in estimated prices and yields. One is an FSA spreadsheet at www.fsa.usda.gov/mo and the other is through Iowa State University Extension at www.extension.iastate.edu/aqdm/crops/xls/a1-44surecalculator.xls

After producers paid their 2008 \$100 buy-in fees for SURE last fall, it was determined that NAP coverage on Pasture was not required for SURE eligibility – it is only needed if you want to remain eligible for Livestock Forage Disaster Program (LFP). Refunds also apply for NAP crops on which the current fee for NAP coverage (\$250) exceeds 10% of the value of NAP coverage or \$9090. This was a change and producers who paid the \$100 buy-in fee should have received a letter by now to request a refund if you want. As 08 was an excellent grass year there will be no 08 NAP payments on hay or a LFP program for 08. However, on pecans, significant SURE payments are probable. Just be aware if you request a refund, that NAP crop will be excluded from your 08 SURE calculations. (That could be good if its 08 yield was high)

Farm Loans: For Beginning Farmers and Ranchers

FSA has funding to assist beginning farmers and/or members of socially disadvantaged groups to finance agricultural enterprises. Under these 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: 1-Has operated a farm for not more than 10 years, 2-Will materially & substantially participate in the operation of the farm, 3-Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA, 4-Does not own a farm in excess of 30 percent of the county's median farm size of 300ac, and 5-The applicant must meet the loan eligibility requirements of the program to which he/she is applying. Note: All applicants for direct farm ownership loans must have participated in business operation of a farm for at least three years. (Feb. Interest rates for Farm Operating loan-2.215%, Farm Ownership-3.75%, Beginning Farmer-1.5%) Contact your County FSA Farm Loan Dept. for more about loans for Beginning Farmer and Ranchers.

DCP Signup underway: June 1 is the final date to enroll and there are no late-file provisions. You can enroll in DCP now and avoid a wait in line & when ACRE rules are available, if you think it is a feasible option for your operation, you can enroll in ACRE later. Advance DCP payments at 22% of your direct payment are being made weekly (See known ACRE rules & options in last Dec newsletter.)

Final Signup & Reporting Deadlines

Feb 27	To sign-up for '05 – '07 Crop Disaster Program
Feb 27	To sign-up for <u>Lamb Referendum</u> Producers who owned lambs 1-1-09-8 to 12-31-08 may vote on the referendum at their local FSA office on form LS-86 by FEB 27
March 16	To purchase NAP Ins. on Pecans, Hay, Pasture & other NAP Crops for NAP Ins coverage and for SURE eligibility.
March 16	To purchase FCIC Crop Ins. on Corn-Gr.Sorghum-Soybeans.
March 31	For Loan on 08 Small Grains. Feb interest rate 1.375%
May 31	For Loan on 08 Corn-Grain Sorghum-Soybeans @ 1.375% int.
June 1	To sign up in the DCP Program (22% Advance 2009 DCP Payments – balance of DCP payment to be paid in Oct 2009.)
June 30	To report Wheat, Oats, Barley.
July 31	To report Corn, Soybeans, Grain Sorghum, CRP, un-insured NAP crops (All cropland on a farm must be reported.)
July 31	To provide production evidence for NAP Crops for proven yld.
Aug. 1	To request Farm Reconstitution for current year.
Ongoing	FSFL Grain & Hay storage facility loans @ 1.875% int. (Info on hay barn standards is still pending – watch next newsletter)
Ongoing	CRP- cont-signup (waterways, filter strips, buffers, CP-33's etc)
Ongoing	MILC- Milk Income Loss signup through Sept 30, 2012
Ongoing	EQIP, WRP & WHIP Signup through NRCS.
Ongoing	CRP Required Management Practices Producers should check your Plans to ensure you are current – some spring practices like Burning may be needed beginning in March

District 8 – 2008 Rainfall Data

County	2008 Rainfall	30yr. Average Rainfall '71-'00	2008 - % of normal rainfall
Barry	69.08	45.88	151%
Barton	64.73	48.66	133%
Bates	57.43	42.16	136%
Cass	53.41	42.21	127%
Cedar	57.28	43.74	131%
Dade	54.85	46.30	118%
Hickory	62.27	40.91	152%
Jackson	53.68	42.04	128%
Jasper	51.56	44.19	117%
Lawrence	63.34	44.72	142%
McDonald	63.50	43.61	146%
Newton	59.94	45.62	132%
St Clair	52.22	41.91	125%
Vernon	73.01	44.78	163%

County Committee (COC) Members for 2009

Congratulations to those elected or re-elected to represent farmers in their county on the FSA County Committee. Listed below are COC Members for each county including Chairman, Vice-Chairman and Members, day and time of monthly COC meeting at applicable FSA Office and COC Advisors if applicable. *(Whenever a woman or other minority is not elected to the COC - Civil Rights Regulations require a Minority Advisor be appointed to the COC by the State FSA Committee – they attend COC meetings to ensure the interests of minorities and socially disadvantaged producers are fairly represented - the length of term of advisors is one year.) Most counties are divided into 3 equal voter areas and each year a different area holds an election for a COC member for a 3 year term. Members are eligible to be elected for 3 consecutive terms and are then eligible for reelection only after a 1 year break in service. County Committees provide a vital role in the overseeing of the administration of federal agriculture production, farm loan, conservation, price support and emergency programs on a local level. They also ensure all USDA programs are delivered in a fair and equitable manner to all producers.

County	Chairman	Vice-Chairman	COC-Members	Day/Time of Meeting	COC *Advisors
Barry --	Bart Renkoski	Tony Washeck	Joe David Hudson	2nd Tue @ 9:00 am	Linda Schad
Barton --	Bryan Robertson	Gary Smith	Larry Crockett	1st Tue @ 9:00 am	Barbara Barley
Bates ---	Paul Cumpton	Mike Cameron	A F Yarick	2nd Tue @ 8:30 am	Christina Rapp
Cass ---	David McKee	Bill Wendel	Trent Smith	2nd Wed @ 8:00 am	Julie Neill
Cedar --	Jim Nikodim	Liz Davis	Don Gannaway	1st Tue @ 8:00 am	n/a
Dade --	James Parker	Troy Hudspeth	Renae Brown	2nd Tue @ 8:30 am	n/a
Hickory --	David Martin	Leonard Roberts	Mila Swearingin	2nd Thur @ 1:30 pm	n/a
Jackson --	Tim Mershon	Patricia Chapman	L E Montgomery	2nd Tue @ 8:00 am	n/a
Jasper --	Cathy Stark	Steve Chorum	Richard Bloss	1st Tue @ 9:00 am	n/a
Lawrence --	Mike Burk	Marilyn Calvin	Noland Kleiboeker	1st Wed @ 9:00 am	n/a
Newton & McDonald	Theodore Dana "	Kenneth Christerson "	Minnie Kelly Thadd Reynolds Don Boyer	2nd Wed @ 8:30 am "	Rose Fox "
St Clair --	Robert Truitt	Harold Catt	Carolyn Klinskick	2nd Tue @ 9:am	n/a
Vernon --	Sandy Heitz	Earl Rogers	Belvin Legleiter	1st Tue @ 9:am	n/a

Controlled Substance

Any person who is convicted under federal law of planting, producing, cultivating, harvesting, growing, or storing a controlled substance will be ineligible to participate and receive payments under USDA programs. Marijuana, opium poppies, and other drug producing plants are controlled substances.

Foreign Landowner Notification

The AFIDA requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. FSA 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 percent of the fair market value of the property

Spousal Signatures

Husbands and wives may sign documents on behalf of each other for FSA and Commodity Credit Corporation (CCC) programs in which either has an interest. In most cases, this option is automatically available unless a written request for exclusion is made to the county office staff by either spouse.

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