



Farm Service Agency



March 2009

USDA Service Center

Wright County FSA

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County Committee

Gale Kinser,
Chairperson
Evelyn Livermore-Fisher, Vice-Chairperson
Bonita Raney, Member

Program Technician

Sue Price
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Office Hours

Monday-Friday
8:00 a.m.-4:30 p.m.

County Executive Director

Clyde Connelly

District Director

James J. Kyle

NAP Application Deadline is March 16 !!!

The Noninsured Crop Disaster Assistance Program, (NAP), provides financial assistance to producers of noninsurable crops when low yields, loss of inventory or prevented planting occurs due to natural disasters. Producers are reminded about the need for insurance coverage on crops in order to remain eligible for the agency's Disaster Assistance Programs, such as SURE, The Livestock Forage Disaster Program (LFP), the Tree Assistance Program (TAP), and the Emergency Assistance for Livestock, Honey Bees and Farm-Raised Fish(EALHF) programs. More about the Livestock Forage Disaster Program (LFP), will be found elsewhere in this newsletter. The TAP program is reauthorized to provide assistance to orchardists and eligible nursery tree growers who produce nursery, ornamental, fruit, nut or Christmas trees for commercial sale that lost trees because of a natural disaster as determined by the Secretary. The EAFHF program will provide emergency relief to producers of livestock, including horses, honey bees and farm-raised fish because of losses from adverse weather or other conditions, such as blizzards and wildfires, as determined by the Secretary.

Producers interested in the SURE, EAFHF, LFP, or TAP programs ***must have purchased or obtained a plan of insurance*** covered under the Federal Crop Insurance Act (FCIC) for each crop on the farm or if the commodity is noninsurable, be covered under the noninsured crop disaster assistance (NAP) program available through the FSA Office, and have paid the applicable administrative fee ***on or before March 16!!!!***.

Livestock Forage Disaster Program (LFP)

LFP covers grazing loss due to drought during the grazing period. (April 15 to November 15 for cool season grass) The only insurance **requirement to be eligible for LFP is to have purchased a NAP grazing policy by March 16.** **Grazing acre intentions could also be reported by March 16, but are not required until 15 days prior to the onset of grazing.** 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 lever 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 and 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.

Milc Income Loss Payment Program

When will the FSA office be able to make MILC Payments is on everybody's mind. We are in the process of getting things ready for payment processing, but due to procedure none of the FSA offices can make payments yet. We are all waiting to receive the final feed cost figures from NASS in order for them to figure the National Average Dairy Feed Ration Cost. What this means is that a "feed cost adjuster" has been introduced over the life of the 2008 Farm Bill, which adjusts the \$16.94 per hundredweight (cwt) benchmark price upward depending on the cost of feed rations. The dairy feed ration cost is calculated each month from the price of feed ingredients (corn, alfalfa hay, and whole soybeans) used to create a 16 percent dairy feed as reported by the National Agricultural Statistics Service or NASS. The final payment for MILC will not be available until the month following the month payment statements are sent to producers. For example, the Boston Class 1 price for February is \$13.97 which is below the \$16.94 target price. However, we won't know the actual MILC payment rate until late March when the final figures from NASS are available for determining the National Average Dairy Feed Ration Cost. Therefore, February MILC payments will not be available until April.

Livestock Indemnity Program (LIP)

LIP will compensate producers for livestock death losses in *excess of normal mortality rates due to adverse weather* that occurred on or after January 01, 2008 and before October 01, 2011. Producers who had livestock deaths due to adverse weather conditions should document these losses as to the kind, weight range, number of livestock, and the date the animals were lost. Producers must have proof of death of livestock by the following:

- * Rendering truck receipts or certificates
- * Veterinary records
- * Dairy Herd Improvement Records
- * Third party verification

The third party must certify in writing the name, address, and telephone number, the affiliation of the third party to the participant, details of knowledge of livestock deaths, and the number and kinds of livestock. The third party may not be someone who is affiliated with the operator, such as a hired hand or family member. Producers should take photos, keep veterinary records, disposal costs, and third-party verification. At this time, the forms and procedure for taking loss applications are not yet available at the county FSA office. Producers are encouraged to maintain records on all losses in order to be eligible when all requirements are known.

*******Don't forget---March 16 is the deadline to purchase Federal Crop insurance on corn, and March 16 is also the deadline to purchase a NAP policy*******

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, or marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communications of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.

Payment Limitation—Annual Notice To Producers

In order to be eligible for payments and benefits under the Direct and Counter-Cyclical Program, Loan Deficiency Payments and Marketing Loan Gains, and the Conservation Reserve Program, producers must be determined to be “actively engaged in farming” and have met the “adjusted gross income limitation”. Additionally, cash rent tenant, permitted entity restrictions and foreign person rules may apply. Direct payments for covered commodities has a payment limitation per person of \$40,000 per crop year. Counter-cyclical payments have a limitation per person of \$65,000 per crop year. CRP rental payments has a payment limitation per person of \$50,000 per fiscal year. NAP payments are limited to \$100,000 per person per crop year.

Payments cannot be issued until all forms and required documents have been provided and required determinations have been made. Spouses may be considered separate “persons” for payment limitation purposes and be eligible to receive their own limitation amount if the applicable requirements are met.

If you are operating as an entity (corporation, estate, trust, LLC, etc.) to be eligible for program benefits, you must supply names, addresses, and ID numbers of the members. These individual members will also be required to designate their shares for payment.

All producers applying for benefits, including members of entities, will be required to certify to their AGI (Adjusted Gross Income). Producers with an average AGI exceeding \$2.5 million are ineligible for benefits. Any producer who fails to complete the necessary paperwork or cannot meet the requirements will be determined ineligible for benefits. All producers who file are subject to spot check and may be required to furnish documentation to prove their eligibility.

Program payments are limited by direct attribution to individuals or entities. Through direct attribution, payment limitation is based on the total payments received by the individual, both directly and indirectly.

DCP Sign-up

Sign-up for the 2009 Direct and Counter-cyclical Payment (DCP) Program continues **until June 1, 2009.**

The June 1, 2009 deadline is mandatory for all participants. FSA **will not** accept any late-filed applications.

FSA 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 2009, you may request to receive advance direct payments based on 22 percent of the direct payment for each commodity associated with the farm. Counter-cyclical payment rates vary depending on market prices and are issued only when the effective price for a commodity is statutorily set below its target price.

Eligible producers for the DCP Program are also eligible to enroll in the Average Crop Revenue Election (ACRE) Program or the Counter-cyclical Program. The enrollment period for the ACRE Program will begin in the spring. You may first enroll in the DCP Program, receive advance direct payments and then later modify your enrollment to the ACRE program, or you may wait and elect to enroll in DCP and ACRE at the same time in spring 2009.

For more information about DCP you can go online to read the DCP factsheet at:

http://www.fsa.usda.gov/Internet/FSA_File/dcp2008.pdf.

UNITED STATES DEPARTMENT OF AGRICULTURE

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Farm Reconstitutions

In Farm Service Agency terms, farms are **constituted** to group as 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. Neither the realtor nor the court house will notify us of these changes. It is up to you to let us know when you buy and sell property in order to allow us to keep our farm records correct.

Acreage Spot Check Determinations and Notification

Each year the Farm Service Agency completes spot checks of acreage reports. Acreage reports are an integral part of farm program participation. Acreage spot checks are completed to ensure accurate acreage reports are used in farm program computations.

FSA will conduct spot checks on a selected number of farms in each state. All acreage determinations will be completed using the FSA Geographic Information System official acreages.

After farms are spot checked, a Notice of Determined Acreage will be sent to the farm operator. Producer notifications will be issued by FSA as spot checks are completed. Questions concerning determined acres should be directed to your local FSA office for further explanation.

Foreign Landowner 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 within 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.