



Wright County FSA Office

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Hours
Monday - Friday
7:30 a.m. - 4:30 p.m.

February 2011

County Office Staff
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County Executive
Director

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Farm Loan Manager

Sue Price,
Gale Davis, (temp)
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Visit our Website at:

DROUGHT & DISASTER PAYMENTS IN 2011 ??? IN THE 2008 FARM BILL, CONGRESS WROTE A PERMANENT DISASTER LAW WHICH STATES THAT LIVESTOCK PRODUCERS NEED TO SHARE IN THEIR DISASTER RISKS. BY DOING SO THEY NEED TO PURCHASE AN INSURANCE POLICY PROVIDED BY EITHER FEDERAL CROP INSURANCE, OR BY THE PURCHASING OF A NAP (NON-INSURED CROP DISASTER ASSISTANCE PROGRAM) POLICY. FEDERAL CROP DOES NOT COVER MANY CROPS IN WRIGHT COUNTY, SO THE MAJORITY OF PRODUCERS OBTAIN NAP POLICIES AVAILABLE FROM OUR OFFICE. ELIGIBILITY FOR MOST OF THE DISASTER PROGRAMS AVAILABLE FROM THE FARM SERVICE AGENCY REQUIRES PRODUCERS TO PURCHASE AT LEAST CATASTROPHIC (CAT) LEVEL OF INSURANCE FOR ALL INSURABLE CROPS. ***THE DEADLINE TO PURCHASE THIS INSURANCE IS MARCH 15!!*** THE SERVICE FEE IS \$250 PER CROP PER COUNTY, OR \$750 PER PRODUCER PER COUNTY. THE FEE CANNOT EXCEED A TOTAL OF \$1875 PER PRODUCER TO THOSE WHO HAVE FARMING INTERESTS IN MULTIPLE COUNTIES. HOWEVER, LIMITED RESOURCE PRODUCERS, BEGINNING FARMERS, AND SOCIALLY DISADVANTAGED PRODUCERS MAY REQUEST A WAIVER OF THESE SERVICE FEES, AND THE NAP POLICY WILL COST THEM NOTHING. A BEGINNING FARMER IS AN INDIVIDUAL OR ENTITY THAT HAS NOT OPERATED A FARM OR RANCH FOR MORE THAN 10 YEARS AND THEY SUBSTANTIALLY PARTICIPATE IN THE OPERATION. A SOCIALLY DISADVANTAGED FARMER IS A MEMBER OF A GROUP WHOSE MEMBERS HAVE BEEN SUBJECT TO RACIAL OR ETHNIC PREJUDICE BECAUSE OF THEIR IDENTITY AS MEMBERS OF A GROUP WITHOUT REGARD TO THEIR INDIVIDUAL QUALITIES. LIMITED RESOURCE PRODUCERS ARE THOSE THAT MEET TWO CRITERIA; IN EACH OF THE LAST TWO YEARS GROSS FARM SALES WERE NOT MORE THAN \$146,400 AND THE ADJUSTED HOUSEHOLD INCOME IS LESS THAN \$22,050 AS ENTERED ON IRS FORM 1040.

CONSERVATION LOAN PROGRAM The Farm Service Agency makes and guarantees conservation loans on farms and ranches to help conserve our natural resources. The Conservation Loan (CL) Program provides farmers with the credit necessary to implement conservation measures on their land. The direct CLs loan limit is up to \$300,000 and guaranteed CLs up to \$1,119,000 (amount adjusted for inflation), may be available by applying with lenders working with FSA to obtain a guarantee. Conservation practices must be approved by NRCS before FSA can provide financing. Producers who do not currently have an existing conservation plan should visit NRCS to develop one prior to requesting Conservation Loan Program assistance. Examples of conservation practices include installation of conservation structures; establishment of forest cover; installation of water conservation measures; establishment or improvement of permanent pastures; transitioning to organic production; manure management, including manure digestion systems; etc.

SURE SIGNUP Sign-up for the 2009 Supplemental Revenue Assistance Program (SURE) began Jan. 10, 2011, and ends July 29, 2011. SURE provides benefits for 2008 - 2011 crop year farm revenue losses due to natural disasters. A farm enrolled in SURE may be eligible for benefits when either:

- Farms in counties with Secretarial disaster declarations, including contiguous counties, that have incurred crop production or quality losses, or both, and includes all crops grown by a producer nationwide, **except** grazed crops.
- any farm in which, for the crop year, the actual production of the farm because of disaster related conditions is less than 50% or less than normal production of the farm.

DCP SIGNUP & ADVANCE PAYMENTS Enrollment for the 2011 Direct and Counter-cyclical Program (DCP) has begun and will continue through June 1, 2011. Advance payments of 22% on the 2011 DCP program will be available starting December 1, 2010. The remaining 78% of your DCP payment will be issued after October 1, 2011. Eligible producers receive direct payments at rates established by statute regardless of market prices. DCP contract signatures for enrollment are due by the signup deadline of June 1, 2011. For more information, producers can contact their local FSA office.



THE ACRE OPTION 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. An ACRE payment is issued when both the state and the farm have incurred a revenue loss. In exchange for participating in ACRE, 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, 2011 deadline is statutory for all participants.

CCC-927 OR CCC-928 MUST BE SENT TO IRS

Producers who participated in 2009 or 2010 programs subject to adjusted gross income limitations (AGI) had to certify compliance with AGI rules. The average AGI verification process for 2009 and 2010 payment eligibility requires all program participants to provide written consent to IRS for the disclosure of certain information to FSA. On October 6, 2010, a letter was mailed to producers who have not submitted:

CCC-927: "Consent to Disclosure of Tax Information-Individual Form" and CCC-928: "Consent to Disclosure of Tax Information-Legal Entity"

Individuals and legal entities, including members of legal entities, that certified to average AGI compliance for

2009 and/or 2010 payment eligibility must submit a completed CCC-927 or CCC-928 to IRS regardless of whether they received program benefits directly or as a member of a joint operation or entity. These forms must be submitted to IRS in order to avoid a demand for refund of program payments and benefits received.

FOREIGN BUYERS NOTIFICATION The Agricultural Foreign Invest Disclosure Act 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 closing. Failure to submit the ADIDA 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.

SORGHUM CHECK-OFF REFERENDUM SCHEDULED

USDA will conduct a referendum on the Sorghum Check-off Program Feb. 1-28, 2011, at local Farm Service Agency (FSA) offices. Ballots may be obtained in person, by mail or facsimile at county FSA offices, or via the Internet at www.ams.usda.gov/sorghumpage.

Any eligible person engaged in the production or importation of sorghum from July 1, 2008, to December 31, 2010, is eligible to participate. Individuals must prove they sold grain sorghum during the eligible period. Individuals are required to provide documentation such as a sales receipt or remittance form that shows they engaged in the production or importation of sorghum. Sorghum Checkoff is a national, coordinated, self-help marketing program designed to strengthen the position of sorghum in the market place, maintain and expand existing domestic and foreign markets and uses for sorghum, and develop new markets and uses for sorghum.

FARM LOAN PROGRAMS The Farm Service Agency is committed to providing family farmers with loans to meet their farm credit needs. If you are having trouble getting the credit you need for your farm, or regularly borrow from FSA, direct and guaranteed loans are currently available. Ask your lender about an FSA loan guarantee if you've had a setback and your lender is reluctant to extend or renew your loan. Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of up to \$300,000. Guaranteed loans can reach a maximum

indebtedness of \$1,119,000. Producers are encouraged to apply early so that a loan can be processed and funded in a timely manner. To find out more about FSA loan programs, contact the county office staff.

LIVESTOCK INDEMNITY PROGRAM (LIP) We ended January with blizzard like conditions and the first couple of weeks of February wasn't much better. Twenty of the thirty one days of December were below normal. In January, 15 of the 31 days were below normal and the first 10 days of February were all below normal. The LIP Program will compensate producers for livestock death losses in excess of normal mortality rates due to extreme adverse weather. Producers who had livestock death losses due to adverse weather conditions should document these losses as to the kind, weight range, number of livestock, and the date the animals dies. A Notice of Loss must be filed within 30 calendar days of when the loss of livestock is apparent to the participant. Producers must have proof of death of livestock by the following: Rendering truck receipts; veterinary records; dairy herd improvement records; or third party verification. The third party may not be someone as a hired hand or family member. Producers should keep veterinary records, disposal costs, or take photos and provide third-party verification.

FARM STORAGE FACILITY LOAN PROGRAMThe 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 maximum principal amount of a loan through FSFL is \$500,000. Participants are required to provide a minimum 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. If a participant provides 20% or greater down payment, then the requirement for a severance agreement for loans under \$50,000 will be waived. 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 not to exceed \$250,000. 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.

Selected Interest Rates for	
February 2011	
Commodity Loans – 1996-Present	1.250%
Farm Operating Loans — Direct	2.25%
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-yr.	2.750%
Farm Storage Facility Loan 10-yr	3.375%
Farm Storage Facility Loan 12-yr	3.625%
Commodity Loans 1996-Present	1.25%
Dates to Remember	

January 17	Martin Luther King Jr. Birthday observed – FSA offices closed
January 31	Final availability date for 2010 crop year MAL & LDP for wool, mohair and pelts
February 21	George Washington’s Birthday observed – FSA offices closed
Continues	Continuous Conservation Reserve program

Dates to Remember	
February 21	Washington’s Birthday observed – FSA offices closed
March 15	NAP application sales closing date for many crops
March 31	Final availability for 2010 crop year MAL & LDP for small grains and honey
Continues	Continuous Conservation Reserve program

How you can become a weather Reporter The Us Drought monitor triggers the Livestock Feed Program, and the county Committee and the staff makes every effort to relay weather conditions of the County to the U.S. Drought Monitor reporters. As rains during the summer are usually not widespread the more individuals that will report rainfall may give the Drought monitor a more accurate determination on just how dry it is. Individuals may join the Community Collaborative Rain, Hail, and Snow Network at <http://www.cocorahs.org/>. You can also post drought impacts and comments with the U.S. Drought Monitor at <http://droughreporter.unl.edu/map.jsp/>.

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To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.”