



Missouri DISTRICT 4 NEWSLETTER

AUGUST 2010



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Conservation Reserve Program General Sign-up Underway

County offices are currently accepting offers to enroll acreage in the 39th Conservation Reserve Program (CRP) General Sign-up. During this sign-up, producers can offer “cropland” to be established to wildlife friendly conservation cover. Eligible land includes tillable land that was row-cropped a minimum of four years from 2002 thru 2007. Multi-year grasses grown in a rotation, not to exceed 12 years, may also qualify. Additionally, expiring CRP contracts are eligible for reoffer, as well as certain CRP contracts which expired in previous years.

Approximately 31 million acres are currently enrolled in CRP. However, contracts amounting to about 4.5 million acres expire this September. The maximum number of acres that can be enrolled in the program at any one time is 32 million acres. FSA expects to accept enough acres in this sign-up, as well as continuous sign-ups, to bring enrollment close to the 32 million acre statutory cap.

31 million acres enrolled
4.5 million acres expiring
32 million acre ceiling

Offers submitted during this signup will be ranked nationally using each offer’s Environmental Benefits Index (EBI) score. The EBI is a sum of the following components: wildlife habitat cover benefits, water quality benefits, reduced erosion benefits, enduring benefits, air quality benefits and cost. Producers can gain EBI points by enrolling their most erodible ground, choosing more wildlife friendly covers and lowering their bids.

Offers submitted are binding at the close of signup: August 27th, 2010. If a producer decides to withdraw an offer after the end of signup, he or she will be assessed liquidated damages based on 25% of the annual payment.

Producers submitting offers will be notified of acceptance shortly after signup ends on August 27th, 2010. If accepted, producers will be required to meet current adjusted gross income provisions, and must comply with payment limitation and conservation compliance rules. Accepted contracts will be effective October 1, 2010. FSA will cost share 50 percent of the average cost to seed most cover.

CRP General Sign-up ends August 27

Annual rental payments will be based on the recently revised Soil Rental Rates (SRRs) of the predominant soil types contained in the offer.

Unlike the maintenance provisions that apply to contracts currently expiring, contracts accepted during this signup will be required to complete Mid-Contract Management (MCM) activities. MCM activities will be performed in certain years of the contract, and include burning, strip disking, or chemical suppression. Cost share will be available for MCM. Mowing may be used in conjunction with strip disking and chemical suppression, or to establish firebreaks for burning, but will not be permitted as a stand-alone practice for MCM.

Again, general signup runs thru August 27th, 2010. Producers wishing to submit offers should contact their local FSA Office for an appointment.

Insurance Requirements for Disaster Programs

FSA provides disaster assistance for crop, livestock and producers of other commodities through a suite of disaster programs implemented by the 2008 farm bill.

To receive assistance from those programs, participants must have had coverage in the form of federal crop insurance or a Non-insured Assistance Program (NAP) policy from their FSA office. Certain exceptions to the coverage requirements apply. Ask your local FSA office for details.

Review the table to the right - it provides sales closing dates for 2011 coverage on a variety of crops in our area. This list may not be all inclusive.

Just remember, in order to receive disaster assistance from FSA, you will likely need to have all crops and commodities you have an interest in covered by some form of risk management policy.

2011 FCIC Application Closing Dates	
September 30, 2010	Wheat & Barley
	Pasture, Rangeland, Forage— Rainfall Index including apiculture
November 20, 2010	Apples
March 15, 2011	All other insurable crops
2011 NAP Application Closing Dates	
September 1, 2010	Value Loss Crops including Aquaculture, Christmas Trees, Ginseng Root, Ornamental Nursery, and Turf Grass Sod
	Controlled Environment Crops including Mushrooms and Floriculture
	Greens
September 30, 2010	Fall-seeded small grains including Barley, Canola, Rye, Triticale, and Wheat
	Strawberries
November 20, 2010	Apples, Apricots, Grapes, Nectarines, Peaches, Pears, and Blueberries
December 1, 2010	Honey
December 31, 2010	Potatoes
March 15, 2010	All other crops

Actively Engaged in Farming Rules

FSA wants to remind producers about the requirement to be 'actively engaged' in farming. These rules apply to eligibility for payments under the Direct and Counter-cyclical Program (DCP) or Average Crop Revenue Election (ACRE) program administered by FSA.

Normally the stockholder or a member of a legal entity must make contributions of active personal labor and/or active personal management for the farming operation.

The contributions are to be performed on regular basis, and must be identifiable and separate from the contributions of others.

The exception to this rule only applies for a stockholder or member of a legal entity if both of the following occur:

- At least half of the interest in the legal entity is held by stockholders or members who are providing active personal labor or active personal management; and
- The total direct payments received, both directly and indirectly, by the legal entity and each of the members can't exceed \$40,000.

The 2008 Farm Bill mandated payment limitations be tracked by the process of direct attribution. This means payments received by entities are attributed to each member's limitation based on their share of the entity.

CRP Mid-contract Management

Are you feeling tied down by your Mid-contract Management (MCM) activities? If so, you may want to switch to Missouri's revised MCM regulations. Last fall, Missouri FSA amended the MCM regulations to allow producers more flexibility in fulfilling the requirements. Changes include: allowing one, rather than two rotations on established cover and fifteen year contracts; authorizing cost share for mowing, when used in conjunction with either chemical suppression or strip disking; and permitting treatment on up to 1/2, rather than 1/3, of the acreage in one year. In addition, producers with contracts containing less than 20 acres are authorized to perform MCM activities on the entire acreage in one year.

If you are interested in switching to the new MCM regulations, please contact your local FSA office.

MCM is required on the majority of CRP contracts enrolled since May of 2003. Failure to complete MCM is considered a violation of the CRP contract.

Production for ACRE Due September 1

The deadline for 2009 production certification to comply with ACRE was extended until September 1, 2010. The extension is for completing both the farm benchmark yield (2004 through 2008) and the actual farm yield (2009). Participants in the 2009 ACRE program must certify their yields by September 1, 2010 to remain eligible for ACRE benefits. Failure to do so will result in a loss of direct payments received in 2009, and forfeiture of any earned ACRE payments.

2008 SURE Program Deadline Announced

The deadline to submit 2008 Supplemental Revenue Assistance (SURE) program payment applications is close of business on September 30, 2010. Contact the county office to schedule an appointment. SURE provides financial assistance for 2008 crop production and or quality losses caused by natural disasters.

Successor-In-Interest

Many FSA programs will allow payments to be made to heirs or successors when a program participant dies. Additionally, contracts in programs such as CRP must be revised to reflect the successor(s) to a deceased participant's interest.

In the event of an FSA program participant's death, it is important that FSA be notified. Entities and joint operations that participate in FSA programs also need to notify FSA if a shareholder or member passes away. FSA benefits are reported to IRS and maintaining up-to-date, accurate records about participants is vital to ensure that those payments are reported correctly.

District 4 Rainfall

County	April		May		June		July	
	Actual	Average	Actual	Average	Actual	Average	Actual	Average
Benton	3.01	4.20	6.65	5.45	4.83	3.85	6.18	3.78
Carroll	5.02	3.76	7.66	4.89	7.72	4.37	5.69	4.24
Chariton	6.22	3.70	6.96	4.58	8.61	4.49	8.39	4.08
Clay	4.65	3.29	7.56	4.60	3.41	4.56	6.19	3.96
Cooper	5.58	3.95	5.80	5.07	5.27	4.71	9.49	3.89
Henry	4.03	3.88	5.53	5.34	6.44	4.80	8.31	3.86
Howard	6.65	3.73	6.94	4.82	6.56	4.18	9.92	3.53
Johnson	6.38	4.00	7.03	5.18	5.78	4.96	5.76	4.13
Lafayette	5.32	3.61	7.06	4.78	6.48	4.23	8.74	4.25
Pettis	4.75	3.92	7.07	5.32	2.60	5.04	7.79	4.44
Randolph	7.05	4.01	5.39	4.88	7.70	4.20	11.58	4.10
Ray	4.02	3.80	7.91	5.00	8.32	4.47	7.57	4.37
Saline	6.90	3.94	7.22	4.90	4.96	4.11	6.27	3.78
District Average	5.35	3.83	6.83	4.99	6.05	4.46	7.84	4.03

DISTRICT 4 OFFICES

Jasper Grant · District Director
Cooper County · 660.882.5647

BENTON
Annette Colvin · CED
535 N Hwy 65
Lincoln, MO 65338
660.547.2351
8:00-4:30 M-F

CARROLL
Charles Riley · CED
Annette Brandt · FLM
1405 Hwy 65 N, Suite A
Carrollton, MO 64633
660.542.8732
7:00-4:30 M-F

CHARITON
Julie Stoecklein · CED
Jared Weydert · Actg FLM
104 S JFK Ave
Keytesville, MO 65261
660.288.3279
7:45-4:30 M-F

COOPER
Randon Leathers · CED
17066 Highway 87
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8:00-4:30 M-F

HENRY
William Spry · CED
1306 N 2nd Street
Clinton, MO 64735
660.885.5567
8:00-4:30 M-F

HOWARD
Brian McDonald · CED
743 State Route DD
Fayette, MO 65248
660.248.3384
7:45-4:30 M-F

JOHNSON
Kyle Meyer · CED
727 PCA Road Suite A
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LAFAYETTE
Brett Gilland · CED
Brian Bagnell · FLM
120 W 19th Street
Higginsville, MO 64037
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8:00-4:30 M-F

PETTIS
Jay O'Bannon · CED
Steven Lair · FLM
1407 W 32nd Street
Sedalia, MO 65301
660.826.3339
8:00-4:30 M-F

RANDOLPH
Eddie McKeown · CED
2995 County Rd 1325
Moberly, MO 65270
660.263.1169
8:00-4:30 M-F

RAY · CLAY
Jarrell Foreman · CED
500 Wollard Blvd.
Richmond, MO 64085
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8:00-4:30 M-F

SALINE
Jared Singer · CED
704 N Miami
Marshall, MO 65340
660.886.7447
7:45-4:30 M-F

Preventing Fraud

The Farm Service Agency supports the Risk Management Agency in the prevention of fraud, waste and abuse of the Federal Crop Insurance Program. FSA has been, and will continue to, assist RMA and insurance providers by monitoring crop conditions throughout the growing season. FSA will continue to refer all suspected cases of fraud, waste and abuse directly to RMA. Producers can report suspected cases to the FSA office, RMA, or the Office of the Inspector General.

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Farm Reconstitutions

For FSA program purposes, tracts having the same owner and the same operator are grouped 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 methods are used when completing a farm recon:

Estate Method — the division of bases for a parent farm among heirs in settling an estate

Designation of Landowner Method — may be used to divide bases 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 outlining how bases are to be divided

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

Selected August Interest Rates

7 year Facility Loan	2.500%	Marketing Assistance Loans	1.250%
10 year Facility Loan	3.000%	Farm Operating Loans—Direct	2.500%
12 year Facility Loan	3.375%	Farm Ownership Loans—Direct	4.625%