



November 2006

# Andrew County Newsletter

## Andrew County USDA Service Center

**Andrew County FSA**  
302 E. Hwy 136  
Savannah, MO 64485  
(816) 324-3196(Phone)  
(816) 324-5879 (Fax)

**Hours**  
Monday – Friday  
7:300 a.m. – 4:30 p.m.

**County Committee**  
Donald Hegeman, Chair  
Roger Scott, Vice Chair  
James Steeby, Member  
Karen Strasser, Advisor  
**Staff**  
County Executive Director  
Bob Caldwell

Farm Loan Manager  
Charlotte Holeman

Program Technicians  
Sindy Barr  
Diane Heath  
Carrie Noland  
Amanda Maness

Field Assistant  
Roger Lightle

### Quiet Time!!

**7:30 – 9:00 a.m.** To allow office staff time to complete required eligibility requirements.

**Visit our website:**

**[www.fsa.usda.gov](http://www.fsa.usda.gov)**

The month of October was a busy one at the office. We issued the annual Conservation Reserve Program (CRP) payments, final 2006 direct payments for the Direct and Counter-Cyclical Program (DCP) and final 2005 counter-cyclical payments for DCP. (Over 3.5 million dollars paid to Andrew County producers).

The marketing year for corn and soybeans ended in September. Final average prices for soybeans were above the target price for counter-cyclical payments. The final price for corn was \$2.00 per bushel which resulted in a \$0.35 counter-cyclical payment. Producers who chose to take advance payments received two advances during the year equaling \$0.14 each and a final payment of \$0.07. Producers who chose not to take the advances received the full \$0.35 in October. Counter-cyclical payments were paid using the following formula: corn base acres x 85% x \$0.35 x the established yield for the farm.

It has been determined that prices are high enough not to warrant 2006 advance counter-cyclical payments on corn or soybeans at this time.

Sign up for 2007 DCP began October 1<sup>st</sup> and ends June 1, 2007. Producers need to be aware that the first advance for the direct payment will only be 22% of the total with the balance being paid in October 2007.

This year the FSA office is required to update all eligibility paperwork and possibly some power of attorney forms. As a result, producers should expect sign up to take longer than in the past. We are asking that producers who have multiple farms or have had changes in their operation this past year to call before coming in. We may have to set up appointments for some producers, so we can complete this task efficiently.

**<<<PLEASE NOTE THE QUIET TIME FROM 7:30 – 9:00 a.m. THANKS!!**

In addition, producers who are going to apply for a commodity loan need to allow extra time. Due to the various eligibility forms to be updated, some loans may not be able to be disbursed until the following day. Also, if there are liens on your crop, you will have to have a lien waiver (CCC-679), before the loan can be disbursed. We greatly appreciate your patience during the upcoming year. As always, if you have questions, please don't hesitate to contact the office.

Bob Caldwell, CED

## Posted County Price Calculations

Current legislation authorizes producers to obtain marketing assistance loans (MALs) and Loan Deficiency Payments. Producers are permitted to repay a MAL for a loan commodity at a rate that is the lesser of the loan rate established for the commodity plus interest, or the Posted County Price (PCP).

### **Offices Perform Eligibility Reviews**

Over the next couple of months, Missouri FSA county offices will be conducting an in-depth review of the documents used to support producer eligibility. The review is the Agency's effort to ensure the accuracy of all payments made. This process takes great attention to detail and more time. As a result, some future payments may not get to you as quickly as they have in the past.

You can assist with this process by contacting your local office to make an appointment before coming in to sign-up for programs or request program payments.

In addition, if you wish to receive the 2007 advance DCP direct payment for the month of December, consider contacting the county office as soon as possible. Scheduling an appointment early may increase your likelihood of receiving this payment before the end of the calendar year as a review of your eligibility file must be completed before payment disbursement.

Although the eligibility reviews may consume more time of the county office employees, FSA remains committed to outstanding customer service and timely distribution of payments to producers.

## Farm Reconstitutions

In program terminology, farms are *constituted* to group all 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. The reconstitution — or recon — is the process of combining or dividing farms or tracts of land based on the farming operation. The following are the different methods used when doing a farm recon.

Remember, to be effective for the current year, recons must be requested by Aug. 1 for farms enrolled in the Direct and Counter-cyclical Program.

**Estate Method** — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate;

**Designation of Landowner Method** — may be used 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;

**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.

**Selling Land** If you're planning to sell farmland, there may be some program consequences you should be aware of. For example, if you're planning to sell land that's enrolled in the Conservation Reserve Program, the buyer must agree to continue the enrollment. If the buyer doesn't want to continue the CRP contract, you might have to refund all of the payments you've received to date.

Reviewing program implications with your local Farm Service Agency staff before completing a sale of farmland is always a wise move.

## 2007 DCP Sign-up Begins Oct 1st

Are you planning to participate in the 2007 Direct and Counter-cyclical Program? If so, contact the nearest FSA county office to sign a 2007 DCP contract (CCC-509). Sign-up begins Oct 1, 2006, and must be completed before June 1, 2007. (You can sign your contract after June 1 and before Sept. 30, 2007, but you will be assessed a late-signing fee of \$100.) When you sign the CCC-509, you agree to:

- comply with highly erodible land conservation and wetland conservation provisions on all your land;
- devote acreage equal to the base acreage to an agricultural or conserving use;
- effectively control noxious weeds and otherwise maintain base acres according to sound agricultural practices;
- not plant perennial fruits and vegetables or harvest annual FAVs (other than lentils, mung beans, and dry peas) or wild rice on base acres (Exceptions: Double-cropping covered commodities or peanuts with wild rice, fruits, or vegetables shall be permitted in any region in which there is a history of this type of double-cropping.);
- file acreage report with respect to all cropland on the farm; and
- notify the county office staff when there is a transfer of or change of interest of a producer.

You must designate shares and sign a new DCP contract each year.

## Power of Attorney for DCP/eLDP

FSA now has the ability to establish a representative role for an individual to submit electronic eLDP and DCP applications on behalf of an owner or producer. The individual entitled to act for the owner or producer must have an unlimited power of attorney on file with the Farm Service Agency. Producers or individuals having unlimited power of attorney can request eLDP/DCP access at their local FSA office.

## FSA Farm Loans Available For Beginning Farmers or Rancher

Beginning farmers or ranchers can get a "regular" farm ownership loan by using funds set aside especially for them by the Farm Service Agency. These loans finance up to 100 percent of the land's purchase price (up to the \$200,000 loan limit), and the term of the loan can be up to 40 years.

The November interest rate is 5.5 percent, and the "limited resource" rate of 5.00 percent.

The regular farm ownership loan funds may also be used in joint financing where FSA lends up to 50 percent of the amount financed and another lender provides 50 percent or more. FSA may charge an interest rate of not less than 4 percent with terms up to 40 years. All FLP loans are approved subject to availability of funds.

Qualification: Beginning farmer applicants must have been farming for at least three years and not more than ten. Applicants cannot own real estate that exceeds 30 percent of the average farm size for the county.

## Beginning Farmer Down Payment Ownership Program (10-40-50)

**Purpose:** Obtain help financing the purchase of a farm up to \$250,000 of the purchase price or the appraised value whichever is less. The applicant must put down 10 percent. The Farm Service Agency finances up to 40 percent of the purchase price. The remaining 50 percent of the purchase price can be financed on contract with the seller or through a conventional lender. The lender can obtain a guarantee from FSA if the borrower is eligible.

**Rates:** The FSA loan for 40 percent will be locked in for the full 15 years. Currently the rate is 4 percent. The loan for the balance of 50 percent should be the rate the contract holder or lender would charge an average customer. All FLP loans are approved subject to availability of funds.



Farm Service Agency  
 Andrew County Office  
 105 Hwy 71 West  
 Savannah, MO 64485

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**County Committee Election**

Just a reminder: Voters in Rochester, Monroe and Jefferson townships be watching your mailbox for your official county office committee election ballot starting early this month. Ballots were mailed to all eligible voters on November 3, 2006. If, for some reason, you don't receive a ballot, feel free to notify the FSA office. Completed and signed ballots are due back in the county office by the close of business on December 4, 2006.

**DATES TO REMEMBER**

| 2006 Loan Rates |               |
|-----------------|---------------|
| <b>Corn</b>     | <b>\$1.89</b> |
| <b>Soybeans</b> | <b>\$5.00</b> |

| Selected November Interest Rates                             |       |
|--------------------------------------------------------------|-------|
| 90-Day Treasury Bill                                         | 5.00% |
| Farm Operating Loans – Direct                                | 5.25% |
| Farm Ownership Loans – Direct                                | 5.50% |
| Farm Ownership Loans – Direct Down Payment, Beginning Farmer | 4.0%  |
| Emergency Loans                                              | 3.75% |

|          |                                                       |
|----------|-------------------------------------------------------|
| Nov. 3   | County Committee Ballots Mailed to Eligible Voters    |
| Nov. 23  | Thanksgiving Day Holiday – USDA Service Center Closed |
| Dec. 4   | Last Day to Return County Committee Election Ballots  |
| Dec. 25  | Christmas Day Holiday – USDA Service Center Closed    |
| On Going | Continuous CRP                                        |
| On Going | Fam Storage Facility Loans                            |
| On Going | Sign Up for Direct and Counter-Cyclical Program       |

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication 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, 14th and Independence Avenue, SW, Washington, D.C., 20250-9410, or call 202-720-5964 (voice or TDD).

USDA is an equal opportunity provider and employer.