



April 2007

Atchison County Newsletter

Atchison County USDA Service Center

Atchison County FSA
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Hours
Monday – Friday
8:00 a.m. – 4:30 p.m.

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Julie Joesting, Member

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Corey Leshner

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Spring is finally here and things have really changed in the past couple of weeks. In a short amount of time, we've gone from a blizzard to 70 degree days and green grass. I believe I can speak for everyone when I say thank goodness spring is here.

2007 Direct and Counter-Cyclical Program (DCP) Enrollment is underway. The deadline to enroll without penalty has been extended from June 1 to August 3, 2007. Contracts enrolled after August 3 but before September 30, 2007 will be penalized \$100 per farm. Please read the article on DCP for more information

Conservation Reserve Program (CRP) – Many questions have been received about CRP and whether or not there will be additional sign up periods or whether or not a release allowing early contract termination will be given. What we do know is that the Secretary of Agriculture has announced that there will not be a general CRP sign up during 2007 or 2008. At the current time, there have not been any announcements about releasing CRP for early contract termination. Producers are reminded that eligible land may be enrolled into continuous CRP at any time if all eligibility requirements are met. A few of the continuous CRP practices are grass buffer strips, riparian buffers, wetland restoration and habitat buffers for upland birds. If you are interested in continuous CRP, please contact the office for details.

Producer Eligibility - Producers who have already visited the office know that all eligibility information is being updated this year before payments can be issued. This includes verifying signature authority and land ownership. It is very important that producers read the articles titled *Policy Changes for Signature Authority* and *Rules Regarding Land Deeded to a Trust*. Producers who have not been in to enroll in DCP may want to call first to discuss your operation for 2007. Calling ahead may prevent you from having to make multiple trips, as trust documents or paperwork for other entities may be required.

Conservation Compliance – Highly erodible land (HEL) compliance is still required to earn program benefits. This includes payments under the Direct and Counter-Cyclical Program (DCP), Conservation Reserve Program (CRP), Loan Deficiency Payments (LDP), Farm Loan Program (FLP), crop insurance and many other USDA programs. Farms with HEL soils need to be aware of tillage, crop residue, and rotation requirements spelled out in conservation plans. If you have any questions about the specifics of your conservation plan, stop by the Natural Resource Conservation Service (NRCS) office. Take time now to make sure your farm is in compliance. Don't wait until the plow hits the ground.

Please don't hesitate to contact the office if you have any questions. Have a safe and wonderful spring.

Corey Leshner

Policy Changes for Signature Authority

Due to recent audits and investigations by the Office of Inspector General, county offices are following some new policy changes regarding signature authority. Most producers are aware of the terms “Power of Attorney”, “Signature Authority”, or “Representative Capacity”. For FSA purposes, a producer or someone serving as a representative for an entity (trust, corporation, LLC, etc.) can execute a Power of Attorney form (FSA-211) giving someone the authorization to sign FSA forms on their behalf. The FSA-211 can give authority for all current and future programs or can be more restrictive. This Power of Attorney is only good for the Farm Service Agency; it does not give a legal power of attorney for functions outside of FSA.

Many producers operate as an entity (trust, corporation, LLC, etc.) and will be required to submit documents to FSA confirming the legal formation of the entity, and who has the legal representative capacity to sign on behalf of the entity. In the case of a corporation, a board meeting may be required with minutes documenting who the members have given signature authority to. Also, the documents provided need to show if the person with representative capacity can re-delegate on a FSA-211 to another individual to sign. Husbands and wives automatically have authority to sign for each other unless written notice is given to FSA. ***In any case, regardless of what type of operation you have, proper signature authority must be on file before you can sign up for any FSA program.***

Bank Account Changes

Almost all Farm Service Agency payments are made electronically these days, using Direct Deposit. In most cases the switch has cut down on the number of missing and late payments and reduced the time required to move funds. Most of the problems with direct deposit happen when producers close or change accounts but forget to notify the county office.

To keep the system running smoothly, it’s critical to keep the county office staff up to date on changes you might make in your financial institutions. If you’ve made any changes in accounts or institutions that might affect the direct deposit of your FSA payments, contact us so we can update our files.

2006 Loan/LDP Deadlines

The final date to request a Commodity Loan or submit evidence for Loan Deficiency Payments(LDP) for 2006 crops are as follows: ***May 31, 2007:*** Corn, Soybeans, Grain Sorghum

Rules Regarding Land Deeded to a Trust

For FSA payment limitation purposes, determinations are made based upon who owns the land and equipment and who provides the capital, labor or management. Some producers still wish to receive payments as an individual, even though the land has been deeded to the trust. In order to be paid as an individual, *that person* would have to be providing significant contributions, not the trust or another operator. If another operator provides the labor, equipment and capital while the trust owns the farm, all the individual would be contributing is possibly some management. This would not be enough to qualify for a payment. The trust itself is automatically approved under landowner provisions. Even though your lawyer or accountant may not make the distinction because the same Social Security number is used, for FSA purposes there is a difference between you as an individual and your trust. If land has been deeded to the trust, the trust document will have to be provided so that signature authority and eligibility may be verified. If you have questions, please contact the office.

Changes in Farming Operations

It is imperative that producers accurately report their farming operation to the county office. This is done on the CCC-502 and will be part of the eligibility review being completed at the office. One of the easiest changes to miss is when an individual converts their operation to a Revocable Living Trust using their social security number for tax purposes. If you have established a Revocable Living Trust, please notify the county office immediately to avoid potential eligibility problems.

Also, should changes in your operation involve the buying or selling of land, you should always make it a point to check with our office for any possible ramifications that might affect the sale or your eligibility after the sale. This is especially true of ground with CRP contracts in place. New owners must succeed to the existing CRP contract or the contract will be terminated and early termination penalties could apply.

FSA & RMA Working Together

FSA and the Risk Management Agency (RMA) will work together to prevent fraud, waste and abuse in the Federal Crop Insurance Program. FSA will assist RMA throughout the growing season by monitoring crops and growing conditions in Atchison County. Producers may also report suspected cases of fraud to their local FSA or RMA Office.



Direct & Counter-Cyclical Program Information

Farm Specific Crop and Share Information: To participate in DCP, producers are required to designate shares and sign the Direct and Counter-Cyclical Program Contract (CCC-509) on a yearly basis. The annual DCP sign-up period runs from October 1 to August 3, 2007. CCC-509 must be submitted by August 3. In cases where a farm is reconstituted, all resulting farms will need to enroll (signatures obtained) if the producers intend to participate. CCC-509s with signatures obtained after August 3, but by September 30, will be accepted, but the farm will be assessed a late-filed sign-up fee of \$100. All supporting documentation, such as CCC-502, AD-1026, and CCC-526, must be submitted before payments can be issued. Annual acreage reports indicating uses of all cropland on a farm must be filed by the applicable established reporting dates. Acreage reports filed after the applicable final reporting date may be accepted if all requirements are met and a late-filed fee is paid.

Payment Options: Payments are calculated by taking 85 percent of the base acres, multiplied by the farm yield, times the applicable payment rate, times the producer share. Producers may receive an advance of the direct payment, beginning on December 1 of the program year. Final direct payments will be made on or after October 1 following the contract period. Counter-cyclical payments may also be authorized for one or more covered commodities, depending on the projected and actual market prices. Producers may elect to receive up to two counter-cyclical payments per year: (1) the first partial payment, if any, is available after the first six months of the marketing year, and cannot exceed 40 percent of the total projected payment; and (2) final payments, if any, are made after the end of the marketing year for the crop. Producers who do not elect to take the first advance payments will receive the entire counter-cyclical payment at this time. The amount of a counter-cyclical payment is dependent upon the average of the actual prices received by farmers during the marketing year, and it is possible that an advance payment would need to be refunded.

Planting Fruits and Vegetables or Wild Rice: Planting fruits, vegetables, or wild rice on base acres may adversely affect your program benefits. Please contact your local county FSA office before you plant or lease land for production of fruits, including nut trees, vegetables or wild rice, to discuss acreage reporting requirements, prevention of possible violation of program provisions, payment reductions, and severe penalties.

Changes in Farming Operation: Failure to notify FSA of changes in your farming operation may adversely impact your eligibility for USDA benefits. You should also be aware of Highly Erodible Land Conservation, Wetland Conservation, Payment Eligibility, and Payment Limitation provisions, which impact your eligibility for DCP payments. Changes to your farming operation may include, but are not limited to, a change in the structure of your farming operation or changes in your rental agreement. Any change to your farming operation must be reported to FSA when the change occurs, but no later than September 30, of the program year. Failure to timely report changes may result in ineligibility for DCP benefits. Further information on DCP and other FSA programs is available at local FSA offices or on FSA's website at www.fsa.usda.gov.

FSA Farm Loan Programs

FSA offers direct and guaranteed Farm Ownership Loans to farmers who are temporarily unable to obtain private commercial credit.

Often FSA borrowers are beginning farmers who cannot qualify for conventional loans because they have insufficient financial resources. The Agency also helps established farmers who have suffered financial setbacks.

Under the guaranteed loan program, FSA guarantees loans made by conventional lenders for up to 90% of the principal amount. The lender is responsible for servicing the borrower's account for the life of the loan. All loans must meet certain qualifying criteria to be eligible for guarantees.

Applicants unable to qualify for a guaranteed loan may be eligible for a direct loan from FSA. Direct loans are made and serviced by FSA officials, who also provide borrowers with supervision and credit counseling.

Farm Ownership, Operating, and Emergency Loans are the main types of loans available under the Direct Loan program.

FSA also finances youth projects under the Direct program and sets aside a percentage of funds for loans to minority applicants and beginning farmers.

If you are interested in obtaining additional information, contact Bob Dreyer or Roger Uptergrove at the Atchison County FSA Office.



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Acreage Reporting

Acreage reporting time will soon be here. Please remember that filing an accurate acreage report for all crops and land uses, including failed acreage and prevented planting acreage, can prevent the loss of benefits for a variety of programs.

Failed acreage must be reported within 15 days of the disaster event and before disposition of the crop. Prevented planting must be reported no later than 15 days after the final planting date.

Acreage reports are required for many Farm Service Agency programs. For crops other than NAP (Noninsured Crop Disaster Assistance Program) crops, acreage reports are to be certified by the June 30 deadline on small grains, such as wheat and oats, and by the July 31 deadline on all other crops, corn, soybeans, and CRP.

Acreage reports on crops for which NAP assistance may be paid are due in the county office by the earlier of June 30 for small grains and July 31 for all other crops, or 15 calendar days before the onset of harvest or grazing of the specific crop acreage being reported.

NEED GRAIN STORAGE?

Farm Storage Facility Loans

Low cost loans are available for producers to build or remodel farm storage facilities for a variety of commodities. All Farm Storage Facility Loans have a seven-year term secured by a promissory note and security agreement. The maximum amount that may be borrowed is 85 percent of the net cost of the storage or handling equipment, up to \$100,000 for each borrower. Information is available on the Farm Service Agency's Web site at <http://www.fsa.usda.gov/dafp/psd/fsfl.htm>

Dates to Remember	
May 28	Office Closed for Memorial Day
May 31	Final availability date for loans or LDPs on corn, grain sorghum, and soybeans
June 30	Final date to file an acreage report on small grain crops
July 4	Office Closed for Independence Day
July 31	Final date to file an acreage report on all other crops and CRP
August 3	DCP Enrollment Deadline

Financial FACTS

for agriculture's future

Respond to USDA's Agricultural Resource Management Survey and let the financial facts be known for agriculture's policies and programs.



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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).

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