



November 2007

# Atchison County Newsletter

## Atchison County USDA Service Center

**Atchison County FSA**  
302 E. Hwy 136  
Rock Port, MO 64482  
(660) 744-5328 (Phone)  
(660) 744-5536 (Fax)

**Hours**  
Monday – Friday  
8:00 a.m. – 4:30 p.m.

**County Committee**  
Duane Klute, Chairperson  
Craig Heits, Vice Chair  
Julie Joesting, Member

**Staff**  
County Executive Director  
Corey Leshner

Farm Loan Manager  
Bob Dreyer

Farm Loan Officer  
Roger Uptergrove

Program Technicians  
Nancy Daugherty  
Pam Husing  
Patricia Lane  
Marilyn Thurnau  
Karen Vette

Field Assistants  
Chuck Linthicum

### Farm Storage Facility Loans (FSFL)

- Considering building a grain bin this next year?
- Considering taking advantage of end of year pricing offered by grain bin companies?
- Consider an FSFL!
- October interest rate 4.375%

I know for some this has been a long harvest season with the down corn from the August wind storm and with the rains we've had in October. Overall it appears most yields are very good again this year. Please be safe as you finish up in the fields this fall.

**County Committee Election:** Just a reminder, eligible voters in townships Templeton, Clay, Benton and Clark will be receiving ballots starting Nov. 2<sup>nd</sup>. Completed and signed ballots must be postmarked by December 3, 2007. The County Committee serves as your local voice concerning the programs administered through the FSA office. I encourage you to return completed ballots.

**Crop Disaster Program (CDP):** Signup is currently underway for CDP to provide benefits to producers who suffered quantity losses in excess of 35% to 2005, 2006 or 2007 crops. Losses from natural disasters may qualify for financial assistance if the crop was planted or prevented planted before Feb. 28, 2007. Spring planted 2007 crops are not eligible for the program. Please read the enclosed article for more information, including the equation used to determine eligibility. Signup for quality losses in these years is expected to begin in early 2008.

**Livestock Compensation Program (LCP):** The FSA office has submitted an application with justification to have a LCP signup for grazing losses experienced during the year 2006. To date, this application has not been approved. If approved, future news releases will announce the program sign up period and eligibility requirements.

**Emergency Compensation Program (ECP):** Producers who submitted applications for ECP to repair land damaged as a result of the flooding and excessive rains in May, are reminded to contact the office when crops are out so the required field visit can be completed. Producers must incur a minimum of \$1,000 of out of pocket expenses on eligible practices to qualify.

**Marketing Assistance Loans (MAL):** Producers who will be applying for MAL's are encouraged to visit the office a few days ahead of when you need the loan disbursed. Applicable lien searches and receipt of lien waivers must be completed before a MAL can be approved and disbursed. Please read the enclosed article on MAL's for more information.

**Farm Loans Available:** FSA offers multiple farm loan opportunities, including Rural Youth Loans. Please read the enclosed articles for more information.

As always, do not hesitate to contact the office with questions.

Corey Leshner

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## ***Crop Disaster Program (CDP)***

CDP signup is currently underway. Producers who experienced quantity losses in excess of 35% to crops in 2005, 2006 and 2007 are eligible. The crop must have been planted or prevented planted before Feb. 28, 2007. Eligible producers with losses in multiple years will receive the payment for the year with the highest benefit. Qualified producers with land administered in more than one county may receive payment in both counties. Applications for loss benefits may be made on multiple commodities as long as the losses occurred in the same crop year. A payment limitation of \$80,000 per person applies. Only producers who obtained crop insurance coverage or coverage under the Noninsured Crop Disaster Program (NAP) for the year of loss will be eligible for CDP benefits.

The FSA office has received a download from the Risk Management Agency (RMA) which shows who had insurance and who received indemnity payments from insurance. In these situations, the FSA office can easily run an application to determine eligibility. There are various examples of when a producer may not have received an indemnity payment from insurance, but could be eligible for payment through CDP. One example would be based on the level of insurance a producer carries. If a producer has insurance at a 50% level, he may not have had enough of a loss to qualify with crop insurance, but there may have been a loss greater than 35% which would qualify under CDP. If unsure of eligibility, the following equation is used per RMA unit:  $\text{Producer Share} \times \text{yield} \times 65\% - \text{actual production}$ . If the result is a positive number, the loss would be eligible through CDP. Also, producers get the benefit of using the higher of the established RMA yield for the unit or the county average yield of 135 bu/ac for corn and 42 bu/ac for soybeans.

Contact the office with specific questions.

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## ***Loans Available For Commodities***

Although LDP's for the fall harvest do not appear to be available, producers are reminded of the Marketing Assistance Loan (MAL) program. Grain loans are a great tool to use for operating loans.

To be eligible for MAL, producers must comply with conservation and wetland protection requirements; beneficial interest requirements; report how you use cropland acreage on the farm; and ensure that the commodity meets CCC minimum grade and yield standards. Producers must also meet other payment limitation criteria. Keep in mind the following information when requesting a loan:

- Producers must have beneficial interest in the commodity on the date the loan is requested and they must retain beneficial interest while the loan is outstanding. Beneficial interest means retaining the ability to make decisions about the commodity, responsibility for loss or damage to the commodity, and title to the commodity. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan – even if beneficial interest is regained.
- For commodities to be eligible for loans, they must have been produced by an eligible producer, be in existence, in a storable condition and be merchantable for food, feed or other use as determined by CCC. The quality of the commodity in farm storage must be maintained throughout the term of the loan.
- Interest rates for loans vary monthly and are based on the month of approval.
- The loan term is nine months and there is no penalty for early payoff. A market repayment rate will be used when available, if less than principal plus interest. The market gain associated with repayment of the CCC loan, whether repaid with cash or a commodity certificate, will be reported on an IRS Form 1099G. The total of market gain and LDP's is limited to \$75,000 per person.

Violating provisions of the loan and LDP program may trigger administrative actions, such as assessing liquidated damages, calling the loan and denial of future farm stored loans and LDP's. The most common loan violations are removal or disposing of a commodity being used as loan collateral without prior authorization and providing incorrect quantity certifications.

Contact the office for complete MAL details.

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## ***Farm Storage Facility Loans (FSFL)***

Do you need more storage capability for your farming operation? Check with your local FSA office to discuss the possibility of a Farm Storage Facility Loan. Low cost loans for storage facilities continue to be available for producers to build or remodel farm storage facilities for a variety of commodities, including wheat, grain sorghum, corn and soybeans.

The seven-year FSFL's are available for the purchase and installation of eligible storage facilities, permanently affixed drying or handling equipment, or remodeling existing facilities. Eligible facilities include new conventional type cribs or bins and new and remanufactured oxygen-limiting and other upright silo-type structures.

All FSFL's are secured with a promissory note and security agreement. The maximum amount that may be borrowed is 85% of the net cost of the storage or handling equipment, up to \$100,000 for each borrower. A minimum down payment is also required. A \$45.00 application fee is assessed and other fees are incurred depending on the type of loan being processed.

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## ***FSA Farm Loans Available For Beginning Farmers or Ranchers***

Beginning farmers or ranchers can get direct farm ownership loans 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 interest rate can be 5.5 percent, or the "limited resource" rate of 5.00 percent.

The direct 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.

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.

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## ***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 customer is eligible.

**Rates:** The FSA loan for 40 percent will be locked in for the full 15 years. Currently the rate is 4.0 percent. The loan for the balance of 50 percent should be the rate the contract holder or lender would charge an average borrower.

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## ***Youth Loan Projects***

The Farm Service Agency makes loans to rural youths to establish and operate income-producing projects in connection with 4-H clubs, FFA and other youth organizations. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5,000.

Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Live in the open country or in a town of less than 10,000 people
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the project and the loan, along with providing adequate supervision.

Stop by the county office for help preparing the application forms. The FSA staff will be happy to answer your questions. FSA is an equal opportunity lender.

Farm Service Agency  
 Atchison County Office  
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### Farm Ownership and Record Changes

Producers are required to notify the office of any changes in their farming operation. The following are examples of the types of changes producers should report:

- Farm ownership changes (this includes transferring your land into a trust).
- Changes in entity structure.
- Operator changes.
- Changes in land use.

Failure to disclose this information could result in the loss of payment benefits.

### Dates to Remember

Nov. 2	County Committee Election Ballots Mailed to Voters
Nov. 12	Veterans Day Holiday
Nov. 22	Thanksgiving Day Holiday
Dec. 3	Last day to return County Committee Election Ballots
Dec. 25	Christmas Day Holiday
Continues	Crop Disaster Program sign up
Continues	Farm Storage Facility Loans
Continues	Youth Loans

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.