



# Caldwell County News

## Caldwell County USDA Service Center

**Caldwell County FSA**  
23 West Main St.  
Kingston, MO 64650  
816-586-2711 (phone)  
816-586-2067 (fax)  
www.fsa.usda.gov

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

**County Committee**  
Terry Wright  
Joe Graham  
Kevin Stonum  
Colleen Niehaus, Advisor

County Committee meets  
3<sup>rd</sup> Thursday of each  
month

**Office Staff**  
Betty Dunscombe  
Debbie Leeper  
Carol Gorham  
Jeanne Schmidt

**Fieldman**  
Mark Burnett

**Farm Loan Manager**  
Michael Harwood

**County Director**  
Debbie Clevenger

## Sodbuster, Swampbuster

Most FSA programs require compliance with sodbuster and swampbuster provisions. These provisions require producers to follow an approved conservation system on all highly erodible land planted to an annual crop as determined by the Natural Resources Conservation Service (NRCS).

Be sure to have determinations made on any new land you plan to plant to annual crops. If you plan to plant a different crop on your current cropland, check with NRCS to assure the new crop will qualify under your conservation system.

Swampbuster provisions state that converting a wetland to make possible the planting of a crop will result in the loss of all USDA benefits. To avoid this possibility it is strongly recommended that producers check with NRCS before starting to work in the fields.

## Flexible or Cash Lease

Producers should be careful to differentiate between flexible leases and cash leases when reporting to the Farm Service Agency (FSA).

Flexible leases, in which the producer pays a base rent, and offers a bonus on yield and/or price increase to a landowner, are considered by FSA as share leases. Cash leases specifying a fixed amount, not subject to changes from yield or price, are common and the norm across the country. Flexible or hybrid leases are now coming to the attention of FSA.

Each year FSA participants complete form CCC-502, Farm Operating Plan, which are subject to spot check. Paying more than what the original lease specifies may violate a producer's CCC-502, if not completed correctly. A violation could make an operator ineligible

(continued on page 2, column 1)

## 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 and a July 31 deadline on all other crops.

Acreage reports on crops for which NAP assistance may be paid are due in the county office by the earlier of the above dates, or 15 calendar days before the onset of harvest or grazing of the specific crop acreage being reported.

## Results of Committee Election

Congratulations to new committee member, Kevin Stonum. Kevin replaces Marshall Stonum who had served his maximum consecutive term on the County FSA Committee. Marshall will be missed by the FSA staff, as well as other committee members. We have appreciated Marshall's devotion to the FSA Office and the farmers of Caldwell County!

## ***Flexible or Cash Lease continued...***

for Loan Deficiency Payments, commodity loans, Direct Counter-cyclical Payments, or crop insurance.

Example: A lease that is for \$100/acre plus an additional \$40 per acre if the crop exceeds \$4/bushel or 170 bushels corn/acre (or \$7/bushel or 40 bushels of soybeans per acre) is by FSA procedure a share lease. FSA procedure states that a lease is a share lease if the lease bases the amount of rent on the quantity of crop produced or the proceeds from the crop, or the interest a producer would have if the crop had been produced.

## **NAP Application Deadline**

March 15 is the deadline date for producers to apply for Non-insured Crop Disaster Assistance Program, or NAP coverage, using Form CCC-471. The application and service fee must be filed by the applicable closing date for each of the 2007 spring seeded NAP crops. To remain eligible for NAP, a producer must annually report the crop, including: type, variety, location, producer shares, date planted, and the intended use (fresh, processed, etc.). Once the crop is harvested the production must also be reported.

The application service fee is \$100 per crop per county or \$300 per producer per county. The fee cannot exceed a total of \$900 per producer with farming interest in multiple counties. Limited resource producers may request a waiver of service fees.

In the event of a crop failure caused by natural disaster, the producer needs to notify the local FSA office by completing a "Notice of Loss" (form CCC-576). The notice of loss must be executed within 15 days of the date the damage became apparent.

## **The EZ Makes It Easy**

The Farm Service Agency now employs the CCC-633 EZ in place of the old CCC-709 and CCC-633-LDP. The EZ form has been created to make the application process more user-friendly.

The CCC-633 EZ is a two-part loan deficiency payment request that allows producers to (1) indicate their intentions to receive LDP benefits *before* losing beneficial interest in the eligible commodity, and (2) submit a request for an LDP at any time during the loan/LDP availability period before or after losing beneficial interest.

The EZ form was developed to cover field direct LDPs, basic LDPs and CCC-cotton AA, and revised to cover basic and field direct LDPs for wool, mohair and unshorn pelts.

By signing the first page of the EZ form, the producer indicates his or her intentions to receive LDP benefits. This one page covers all counties and all eligible harvested commodities for the entire crop year for the individual, joint operation or entity identified on the form.

Once the first page of the form has been signed and submitted, the producer can submit an LDP request by completing page 2 for

all harvested commodities; or page 4 for wool, mohair and unshorn pelts. The LDP request can be submitted at any time during the loan availability period, before or after losing beneficial interest.

A key point to remember is that page 1 of the EZ form must be signed by the producer before beneficial interest in the commodity is lost. Once beneficial interest is lost the commodity is ineligible for an LDP even if beneficial interest is regained.

All producers are encouraged to submit page 1 of the EZ for each crop year whether or not they plan to subsequently request a loan or LDP.

## **PAYMENT LIMITATION – ANNUAL NOTICE TO PRODUCERS**

In order to be eligible for payments and benefits under the Direct and Counter-Cyclical Program, Loan Deficiency Payments and Marketing Loan Gains, and the Conservation Reserve Program, producers must be determined to be "actively engaged in farming" and have met the "adjusted gross income limitation". Additionally, cash rent tenant, permitted entity restrictions and foreign person rules may apply. Maximum dollar amounts a "person" can earn for each crop year are as follows:

Direct & Counter-cyclical Program \$40,000  
Loan Deficiency Payments \$75,000  
Conservation Reserve Program \$50,000  
Non-insured Assistance Program \$100,000

Payments cannot be issued until all forms and required documents have been provided and required determinations have been made. The CCC-502 "Farm Operating Plan" and other supporting forms, if applicable, must be filed initially for a determination. Once filed, the forms are not required to be completed annually; however, producers are required to inform the county office of changes to their farming operations and these may require new forms to be completed or information updated. Failure to notify the FSA office and update paperwork may result in program ineligibility.

Spouses may be considered separate "persons" for payment limitation purposes and be eligible to receive their own limitation amount if the applicable requirements are met. If you are operating as an entity (corporation, estate, trust, LLC, etc.) to be eligible for program benefits, you must supply names, addresses, and ID numbers of

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the members. These individual members will also be required to designate their shares for payment.

All producers applying for benefits, including members of entities, will be required to certify to their AGI (Adjusted Gross Income). Producers with an average AGI exceeding \$2.5 million are ineligible for benefits. Any producer who fails to complete the necessary paperwork or cannot meet the requirements will be determined ineligible for benefits. All producers who file are subject to spotcheck and may be required to furnish documentation to prove their eligibility. Information that may be required to be submitted include: operating loan documents, income expense ledgers, canceled checks for expenditures, such as fertilizer, seed, chemicals, fuel, equipment leases and purchases, land leases and purchases, hired labor or management, and other farming operation expenditures, land lease agreements, sales contracts, property tax statements, canceled checks associated with land, equipment lease agreements, purchase contracts, equipment listings, and canceled checks associated with equipment.

## **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 June 1 of the applicable program year. CCC-509 must be submitted by June 1 of the applicable program year. 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 June 1, 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 acre, 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 are available at local FSA offices or on FSA's website at [www.fsa.usda.gov](http://www.fsa.usda.gov).

## Crop Insurance Fraud

FSA will be monitoring crop conditions throughout the growing season. FSA will refer all suspected cases of fraud, waste and abuse in crop insurance to the Risk Management Agency. Producers should refer all suspected cases to their local office. Stopping waste and abuse is everyone's responsibility.

Dates to Remember	
3/15/2007	Crop Insurance Sales Closing Date for Spring Planted Crops
3/15/2007	NAP deadline
3/31/2007	Final Date to Apply for 2006-Crop Wheat, Barley, Oats & Honey Loan or LDP
Continuous	Farm Storage Facility Loans
6/1/2007	Deadline to Timely Apply for DCP

## FOREIGN INVESTOR NOTICE

Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25 percent of the fair market value of the property.

### 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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