



May 2007

Daviess County News

**Daviess County
USDA Service Center**

Daviess County FSA
209 Ash Street
Gallatin, MO. 64640
660-663-3703 (phone)
660-663-3697 (fax)
www.fsa.usda.gov/**

Hours
Monday - Friday
7:45 a.m. - 4:30 p.m.

County Committee
Sandra Chrisman
David Cox
Keith Harpster

County Committee meets
3rd Thursday at 8:00 AM

Staff
Teresa Akers, FLO
Patricia Barnett, PT
Denise Dixon, PT
Glynis Dotson, PT
Beth Strein, PT

Farm Loan Manager
Michael Harwood

County Director
Kirby Payne

Various Lease Agreements

Recently there has been increased interest in flexible or combination leases. These rental provisions are developed to protect landlords and tenants, as well as to insure compliance with payment limitation rules.

The key determinant in terms of how FSA looks at these leases is whether the landlord shares in the production risk of the crop. Cash leases have a guaranteed amount, certain cash payment or a fixed quantity of a crop. Leases which are based on a share of the crop or proceeds are considered share leases and must be reported as such by the producer when signing up for DCP payments.

If the lease bases the rent on the amount of crop produced or the income derived from that crop (whether or not the crop is actually grown), or any combination of the two, it is a share lease and the landlord must receive a share of the DCP contract payment. This is because the landlord now shares the risk in the crop. The more bushels produced or the higher price received for that crop creates a higher rent.

Signup for 2007 DCP continues at all county FSA offices and will be available through August 3, 2007. For additional clarification on flexible and combination leases contact your local FSA office.

Reporting Crop Acreage

The annual requirement of reporting to the FSA office can be referred to as crop reporting, acreage reporting, or crop certification. Filing an accurate and timely report for all crops and land uses, including failed acreage, can prevent loss of benefits for a variety of Farm Service Agency programs. All cropland on the farm must be reported to receive benefits from the Direct and Counter-cyclical Program, Market-

ing Assistance Loans and Loan Deficiency Payments. Conservation Reserve Program acreage must be reported to receive annual rental payments. Additionally, crop acreage for Non-insured Crop Disaster Assistance Program (NAP) must also be reported.

Crop reports, form FSA-578, Report of Acreage, must account for all cropland on a farm, whether idle or planted. Producers are required to file reports by June 30 for fall- and spring-seeded small grains and July 31 for all other crops. Prevented planting needs be reported no later than 15 calendar days after the final planting date for the crop.

Failed Acreage:

Reports of failed acreage must be filed before disposition of the crop, and producers must be able to establish to the satisfaction of the county committee that the crop failed and was prevented from being replanted through the normal planting period because of natural disaster conditions.

Farm Loan Programs

The Farm Service Agency (FSA) offers loans for farmers and ranchers to purchase farmland and finance agricultural operations. FSA loan programs are designed to help producers who are temporarily unable to obtain private or commercial credit. In many cases, applicants are beginning farmers who have insufficient net worth to qualify for financing through a commercial lender. In other instances, borrowers might have suffered setbacks from natural disasters or might be persons with limited resources.

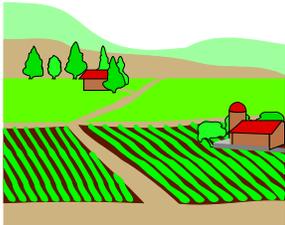
Direct farm ownership loans or farm operating loans may be obtained for a maximum of up to \$200,000. Guaranteed loans can reach a maximum indebtedness of \$899,000. Emergency loans are loans for farmers who may

have suffered physical or production losses in disaster areas designated by a Presidential or Secretarial disaster declaration. Rural Youth Loans, Loans to Beginning Farmers and loans for socially disadvantaged applicants are also available through FSA.

For detailed information on loan eligibility or the different available loan programs, just contact the county office staff for an appointment with the Farm Loan Manager.

2007 COC Election Information

One of FSA's responsibilities is to conduct County Committee elections in an open manner that ensures accountability. County FSA Offices will provide local organizations representing socially disadvantaged groups with detailed information about the COC election process. FSA is reaching out to agricultural communities to get equitable representation on their county committees.



Groups representing socially disadvantaged farmers and ranchers, will be actively solicited for COC election candidates, and encouraged to fill out a nomination form (FSA-669A). Under represented farmers and ranchers are encouraged to step up and participate in their county's COC election process. Producers will notice posters and announcements displayed in businesses, churches, and other public places. COC election fact sheets can be found online at <http://www.fsa.usda.gov/FSA> under the News & Events tab on the FSA homepage.

Measurement Service

Farmers who would like a guarantee on their crop plantings and land use acreages can make it official by using the FSA measurement service. Producers must file a request with the county office staff and pay the cost of a field visit to have services completed on the farm. Measurement service guarantees compliance with a program, if the planting is limited to the measured area. Incorrect acreage self-certification can result in reduced program payments, penalty, or loss of eligibility.

Continuous CRP

The Continuous Conservation Reserve Program is a private lands environmental improvement program that allows participants the opportunity to enroll environmentally sensitive acreages in conservation practices that will reduce soil erosion, improve water and soil quality and provide wildlife habitat and food sources.

The Continuous CRP program is a voluntary enrollment program. Eligible landowners enter into contracts that range from 10 to 15 years in length. In return, the landowners will receive annual rental and maintenance payments, incentive payments for certain activities, and cost share for establishment.

To be eligible for enrollment in the Continuous CRP, participants and acreage must meet certain requirements. Provided the eligibility requirements are met, FSA will automatically accept enrollments of acreage into Continuous CRP. Landowners may enroll in the program at any time during the year.

For more information on Continuous CRP enrollments or local Conservation Reserve Enhancement Program (CREP) availability, please contact your local FSA office.

Maintaining CRP Cover

CRP cover maintenance is the participant's responsibility and must be done according to the conservation plan. All CRP maintenance activity, such as mowing, burning and spraying, must be conducted outside the primary nesting season for wildlife and in accordance with the conservation plan. Spot treatment of the acreage may be allowed during the primary nesting season if certain criteria are met. The ending date for the primary nesting season in Daviess County is July 15th – August 15th.

Maturing Contracts:

CRP participants with expiring contract acres in the final year of the CRP-1, who intend to destroy cover for preparation for spring or fall-seeded crops, need pre-authorization from FSA to avoid penalty. Authorization can only be granted after a completed CRP-1G (Modification to Allow Early Preparation) is reviewed and approved by a representative of the Commodity Credit Corporation.

Utilizing GIS

The Farm Service Agency currently employs a Geographic Information System (GIS), a computer-based tool for capturing, storing, mapping and analyzing geographic farm data. FSA uses GIS to replace the old manual system of hard copy maps and aerial photographs. This digital technology is faster and more accurate than the old way, and saves taxpayers money over the long term.

Here's how GIS works. Up-to-date aerial photographs of the entire county are scanned so they can be stored in the computer. The photos become the base layer of the GIS. Technicians examine the photos and identify individual farms. They then outline each farm field, creating another layer of data called the Common Land Unit (CLU).

The software stores the shape of the field as a "polygon," and ties it to a specific location using latitude and longitude. The software can then automatically calculate the size of each field. The CLU layer will be connected to a database that contains information about the cropping history for each particular field.

GIS gives us the tools to provide quicker, more accurate information to producers and reduce the amount of time the producer must spend in the FSA office. As an added bonus, producers can review their farm's GIS files online from the comfort of their homes.



Outreach Program

The Farm Service Agency makes direct and guaranteed loans to socially disadvantaged applicants, enabling them to buy and operate family-size farms and ranches. Funds are reserved each year specifically for these loans, but regular loan funds can also be used.

Direct loans may be made to qualified applicants by FSA for both farm operating and farm ownership purposes. Guaranteed farm loans also may be made for ownership or operating purposes, and may be made by any lending institution subject to Federal or state supervision (banks, savings and loans, and units of the Farm Credit System) and guaranteed by FSA. FSA typically guarantees 90 or 95 percent of a loan against any loss that might be incurred if the loan fails.

Persons who are primarily and directly engaged in farming and ranching on family-size operations may apply. A family-size farm is one that a family can operate and manage itself. Socially disadvantaged loan applicants do not receive automatic approval. In addition to being members of a socially disadvantaged group, individual applicants under this program must meet all requirements for FSA's regular farm loan program assistance, including:

- Have a satisfactory history of meeting credit obligations.
- Have sufficient education; training, or at least one-year's experience in managing or operating a farm or ranch within the last five years for a direct operating loan, or, for a direct farm ownership loan, have participated in the business operation of a farm or ranch for three years;
- Be a citizen of the United States (or a legal resident alien), including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and certain former Pacific Island Trust Territories;
- Be unable to obtain credit elsewhere at reasonable rates and terms to meet actual needs; and
- Possess legal capacity to incur loan obligations.

A socially disadvantaged person is one of a group whose members have been subjected to racial, ethnic, or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities. For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders. Contact the FSA County Office Farm Loan Program staff for more details about this program, and other financial options.

Maintaining Farm Stored Grain Quality

Many producers sometimes struggle to find adequate grain storage. Overfilled grain storage bins can lead to grain quality problems. Bins are ideally designed to hold a level volume of grain. When bins are overfilled and

grain is heaped up, airflow is hindered and the chance of spoilage increases. Producers who take out marketing assistance loans and use the farm-stored grain as collateral should remember that they are responsible for maintaining the quality of the commodity for the term of the loan. Did you know that the Farm Storage Facility Loan Program offers producers low interest loans to build or upgrade grain storage and handling equipment? For information about grain storage options, visit your FSA office.

Dates to Remember	
May 28	Office Closed
June 30	Report wheat & oats
July 31	Report all other crops
August 3	DCP sign up ends

Selected Interest Rates for May 2007	
90-Day Treasury Bill	5.125%
Farm Operating - Direct	5%
Farm Ownership - Direct	5.25%
Limited Resource	5%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	4%
Emergency	3.750%
Farm Storage Facility	4.625%
Commodity Loans 1996-Present	5.875%

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