

Missouri District 5

Boone, Callaway, Cole/Miller, Franklin,
Gasconade, Moniteau, Montgomery, Morgan, Osage/Maries,
St. Charles, St. Louis, Warren

United States
Department of
Agriculture

May 1, 2007

Farm Service Agency

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Direct & Counter- Cyclical Program

DCP Sign-Up Now!

- ◆ The annual sign-up for the Direct and Counter-Cyclical Program has been extended through August 3, 2007.
- ◆ Farm producers must sign a new DCP contract (CCC-509) each year on every participating farm they own or operate prior to receiving any payment.
- ◆ Advanced payments are available.
- ◆ Please contact your county office to sign your 2007 contract.

Report Crop Damage

Many Missouri producers have suffered spring crop production losses due to the freezing weather. Producers need to contact their local FSA office to file a CCC-576, Notice of Loss Application to report any acres damaged by the freezing weather conditions. Failed crop acres must be reported to the office *prior* to destroying the crop. Procedure normally requires that notification must be reported to the office within 15 days of the damage. However, this provision has been waived this year and the COC may approve a request for failed credit until **June 30th** if COC has knowledge or crop insurance data supports the request approval.

**Reporting NOW
will ensure history
credit for your
crops.**

Producers who have their crops insured through a private crop insurance company should contact the insurance agent immediately and advise them of the damaged crops. For those crops covered under FSA's Non-insured Assistance Program (NAP), producers will contact their local FSA office to report their losses. Crops not covered with a private insurance or NAP policy should still be reported to the local FSA office and producers should file a Notice of Loss Application. This will provide FSA with a historical record of your crop should a disaster assistance program become available. If the crop will not be destroyed, a Notice of Loss is not required.

According to FCIC officials, if a producer plants corn on failed insured wheat acres, the wheat producer will be eligible for 35% of the insured wheat indemnity right away. The subsequent corn crop would likely be eligible for crop insurance. If the corn has a successful yield, the producer would receive the 65% balance of his wheat indemnity. If the corn crop is damaged, the producer would keep the 35% wheat indemnity and collect the corn indemnity, or waive the corn indemnity and collect the remaining 65% wheat indemnity. Check with your agent for more details.

Wheat, Barley, Oats Reports Due by June 30

County offices are taking crop reports with planting dates on wheat, barley, and oats acres. Producers may also report CRP and permanent pasture acres at this time.

A complete acreage report on all cropland must be filed in order to receive program payments. The deadline for small grains is June 30, 2007. The final reporting date on all cropland is July 31, 2007.

Reminders: Check planted acres, planting dates and crop shares. Acreage and shares should be consistent with crop insurance, crop sales receipts and Direct and Counter-Cyclical Programs. Program benefits may depend on shares being reported correctly. Producers should consider reporting at FSA prior to reporting to their crop insurance agent.



Payment Limitation-Annual Notice

In order to be eligible for payments and benefits under the Direct and Counter-Cyclical Program, Loan Deficiency Payments and Marketing Loan Gains Program, 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:

Payment or Benefit	Limitation Per Person
Direct and Counter-Cyclical Payment	
Direct payments for the following covered commodities: barley, corn, grain, oats, other oilseeds, rice, sorghum, soybeans, upland cotton, and wheat	\$40,000 per crop year
Counter-cyclical payments for the following covered commodities: barley, corn, grain, oats, other oilseeds, rice, sorghum, soybeans, upland cotton, and wheat.	\$65,000 per crop year
Price Support	
Any gain realized from repaying a marketing assistance loan for one or more of the following loan commodities at a lower level than the original loan rate. Any LDP's received for one or more of the following loan commodities: barley, corn, grain, oats, other oilseeds, rice, sorghum, soybeans, upland cotton, and wheat.	\$75,000 per crop year
Any gain realized from repaying a marketing assistance loan for honey, peanuts, mohair or wool at a lower level than the original loan rate. Any LDP's received for one or more of the following loan commodities, including: honey, peanuts, mohair or wool.	\$75,000 per crop year
Conservation Programs	
Rental payments including incentive payments made under CRP.	\$50,000 per fiscal year
Cost-share and incentive payments under EQIP.	\$450,000 per individual or entity. EQIP payments are not limited on a per "person" basis. Instead, an individual or entity may not receive, directly or indirectly, cost-share or incentive payments under EQIP that exceed \$450,000, in aggregate, for all contracts entered into during FY's 2002 through 2007, regardless of the number of contracts entered into by the individual or entity.
NAP	
NAP payments.	\$100,000 per crop year

Conservation Compliance

Highly erodible land (HEL) compliance is still required to earn program benefits. This includes 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.

County Committee Nominations

The election of agricultural producers to Farm Service Agency (FSA) county office committees (COC) is important to ALL farmers and ranchers with large or small operations. FSA committee persons are a link between the agricultural community and the U.S. Department of Agriculture. Farmers and ranchers who serve on committees help with the decisions necessary to administer the programs in their counties. They work to make FSA agricultural programs serve the needs of local producers.

Committees provide local input on:

- ◆ Commodity price support loans and payments;
- ◆ Conservation programs;
- ◆ Incentive, indemnity and disaster payments for some commodities; and
- ◆ Emergency programs.

The nomination period for county committee members begins June 15th. Request nomination forms from your local USDA Service Center or obtain one online at: www.fsa.usda.gov. To become a nominee, eligible individuals must sign form FSA-669A agreeing to serve if elected. Nomination forms for the 2007 election must be postmarked or received in the local USDA Service Center by close of business on August 1, 2007.

Farm Storage Facility Loans

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, soybeans and corn.

The seven-year Farm Storage Facility Loans (FSFL) 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 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. A minimum down payment is also required. For additional details, contact your county office staff.

Flexible or Combination Leases



Farmers are reminded that flexible and combination leases may alter the agreement terms of the Direct and Counter-cyclical Program (DCP) contracts. FSA rental regulations have been in effect for nearly 10 years, but recently have attracted interest due to the popularity of flexible or combination leases. These rental provisions are in place to protect both 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*. 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.

In the past, most farmers rented land for a specific amount of cash rent and nothing else. Due to the recent spike in cash grain prices, many renters and landlords are becoming more creative in the way rent is calculated. While this is certainly acceptable, it may require the landlords to share in the DCP contracts in the FSA Office. The purpose of the regulations has always been to protect both landlords and tenants and to insure compliance with the Payment Limitation rules. If rent is based on the amount of crop produced or the income derived from that crop, or any combination of the two, the lease is considered a share lease. In that case, the landlord must receive a share of

the DCP contract payment, because the landlord now shares in the risk of the crop

Essentially, if you have a cash lease agreement that is **ANYTHING OTHER THAN JUST A FLAT CASH LEASE AGREEMENT**, you need to visit your county office by the August 3rd DCP contract deadline

May Select Interest Rates

- ◆ Farm Operating-Direct
5.0 %
- ◆ Farm Ownership Direct
5.25%
- ◆ Limited Resource
5.00%
- ◆ Farm Ownership-Direct
Down Payment or Beginning
Farmer
4.00%
- ◆ Emergency
3.75%
- ◆ Farm Storage Facility
4.625%
- ◆ Commodity Loans
5.875%

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.



NASS
Fact Finders for Agriculture
U.S. Department of Agriculture

District 5 Service Centers

**Karl Althage,
District Director**

Boone
Kim Viers, CED
601 Bus Loop 70W, Suite 213E
Columbia, MO 65203
573-875-5540 FAX 573-875-5547
COC Meets 2nd Tues. @ 8:30 am.

Callaway
Darrell Campbell, CED
4549 State Rd H
Fulton, MO 65251-5465
573-592-1400 FAX 573-592-1450
COC Meets 2nd Tues. @ 9 am.

Cole-Miller
Drew Parmley, CED
Rick LePage, FLM
1911 Bogg's Creek Road
Jefferson City, MO 65101
573-893-5196 FAX 573-893-7238
COC Meets 1st Wed. @ 8:30 am.

Franklin
Sheria Yancey, CED
1004 Vondera Ave., Suite 1
Union, MO 63084-3122
636-583-2303 FAX 636-583-3571
COC Meets 3rd Wed. @ 8:00 am.

Gasconade
Sharon Borgmann, CED
316 Olive Street
Owensville, MO 65066
573-437-4131 FAX 573-437-4771
COC Meets 2nd Thurs. @ 8:45 am.

Moniteau
Daryl Raithel, CED
410 West Buchanan
California, MO 65018
573-796-4691 FAX 573-796-4520
COC Meets 3rd Thurs. @ 9 am.

Montgomery
Priscilla Eggering, CED
1013 South Sturgeon
Montgomery City, MO 63361-2700
573-564-2262 FAX 573-564-3967
COC Meets 1st Tues. @ 9 am.

Morgan
Dennis Schad, CED
100 S Burke Street
Versailles, MO 65084
573-378-4589 FAX 573-378-6163
COC Meets 2nd Fri. @ 9 am.

Osage-Maries
Randy Frisbee, CED
1315 East Main Street
Linn, MO 65051
573-897-2138 FAX 573-897-4107
COC Meets 2nd Thurs. @ 8:30 am.

St. Charles
St. Louis
Brian Mulherin, CED
160 St. Peters Centre Blvd.
St. Peters, MO 63376
636-922-2833 FAX 636-922-2840
COC Meets:
St. Charles-3rd Wed. @ 9am
St. Louis-3rd Thur. @ 9am

Warren
Ray Ridder, CED
635 W. Booneslick RD
Warrenton, MO 63383
636-456-3433 FAX 636-456-3712
COC Meets 1st Mon. @ 9 am

United States Department of Agriculture
Farm Service Agency
Boone County
601 Bus Loop 70W Suite 213E
Columbia, MO 65203

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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). USDA is an equal opportunity provider and employer.

Dates to Remember

May 28

Offices Closed for Memorial Day

May 31

Final Date to Request 2006 Crop Corn, Milo, or Soybean Loans or LDPs

June 30

Final Date to File Planted Acreage Report on Small Grains.

August 1

COC Election Nominations Due

August 3

Extended Date to Enroll in DCP Program

Ongoing

- ◆ **Reminder - Producers with a FSFL must purchase crop insurance.**
- ◆ **Update Farm Changes.**
- ◆ **Farm Facility Loans.**



Required Mid-Contract Management Practices for CRP Acreage

If you enrolled land in CRP after the 26th signup (contracts that became effective October 1, 2003), certain contracts are required to complete a series of mid-contract management practices on the acreage. These practices include: strip disking, prescribed burning or chemical applications. **These management practices are mandatory and there are no waivers or options to void the requirement to complete them.**



There is a certain time period during each year that the management practice must be performed depending on the established cover. These practices were contained in your conservation plan of operation that you completed with NRCS at the time your acreage was enrolled in CRP. Cost-share is available for all three practices and you must report completion of the practice to your FSA office. If you have any questions concerning these management practices contact your local NRSC office or technical service provider (TSP). Penalties for non-compliance are expensive.

Maturing CRP Contracts:

CRP cover may be destroyed beginning July 1 of the final year of the CRP contract to begin preparation of a seedbed for fall-seeded crops. CRP participants with certain expiring acres, who intend to destroy cover for preparation for spring or fall-seeded crops will need a pre-authorization from FSA. There is not a payment reduction for the CRP acres, however the participant will be in violation if they fail to plant a fall-seeded crop in a normal manner.

The request can be submitted anytime during the final year of the contract and authorization can only be granted after a completed CRP-IG (Modification to Allow Early Preparation) is reviewed and approved. Additional details are available at the county offices.

Special Accommodations

Reasonable accommodations will be made, upon request, for individuals with disabilities, vision impairment, or hearing impairment to attend or participate in meetings or events sponsored by the Farm Service Agency. If you require special accommodations to attend or participate in one of our events, please call the local FSA county office.

Foreign Landowner Notification

Foreign investors who buy, sell or hold a direct or indirect interest in U.S. agricultural land must report their holdings and transactions to the Secretary of Agriculture. Failure to timely file an accurate report can result in a penalty with fines up to 25 percent of the fair market value of the agricultural land.