



**March 2007**

# **District 7 News**

## **2007 Annual Notice to Producers**

Producers are reminded that no program benefits may be provided until all of the necessary payment limitation and payment eligibility determinations have been made. Producers will remain ineligible until all of the required forms for the specific farming operation are provided to the county office.

Any determinations already made for your farming operation as a result of enrollment in the 2006 Direct and Counter Cyclical Program will remain in effect for the current and subsequent years and you will not be required to file a farm operating plan unless a change occurs that could affect the determination. **(Please be advised that county offices are reviewing farm operating plans for all producers in 2007 to determine if changes have occurred that would require a new CCC-502 to be filed)**

Determinations are based on the facts as submitted by the producer. As a program participant, you are responsible for promptly notifying the County FSA office of any change that would affect a "person", "actively engaged in farming"; cash rent tenant or foreign person determination. Any unrevealed circumstances could require the application of a more restrictive rule.

Spouses may be considered as separate "persons" for payment limitation purposes, if they request to be separate and they meet the requirements to be considered separate "persons." The payment limitation and payment eligibility determinations may be initiated by the County Committee or initiated by the producer. If requested by the producer, the request may be filed anytime before the final date for submitting CCC-502's, Farm Operating Plan for Payment Eligibility Review.

Any entity earning program benefits must provide to the County Committee the names, addresses and ID numbers of the entity's members. Also, the entity must inform the members of the requirements for designating "permitted entities".

Producers are further reminded that all CCC-501's, Member's Information, and CCC-502's, Farm Operating Plan for Payment Eligibility Review, are subject to spot check through the end-of-year review process. If selected for spot check, producers may be required to provide sufficient evidence such as scale tickets, settlement sheets, seed, fertilizer, or other receipts so the County Committee can make a determination that the farming operation is actually being performed as stated on the applicable CCC-501 or CCC-502 forms.

Producers who are determined as "NOT ACTIVELY ENGAGED IN FARMING" will be ineligible for direct and counter cyclical program payments, gains from marketing loans and loan deficiency payments, CRP annual rental payments, and any payment or benefit requiring a determination of "actively engaged in farming."

Payment limitation rules now affect several programs administered by FSA. The payment limitation amount for the DCP program is \$40,000 for direct payments and \$65,000 for counter cyclical payments: market gains and LDP's are \$75,000; CRP is \$50,000; EQIP is \$450,000; and NAP is \$100,000. Please contact the County Office for further information concerning the filing deadlines for each program.

**Bollinger County FSA**

Office Hours: 8:00-4:30  
Phone: 573-238-2671

**Butler County FSA**

Office Hours: 8:00-4:30  
Phone: 573-785-8416

**Cape Girardeau County FSA**

Office Hours: 8:00-4:30  
Phone: 573-243-1467

**Dunklin County FSA**

Office Hours: 8:00-4:30  
Phone: 573-888-2536

**Jefferson/Washington FSA**

Office Hours: 7:00-4:30  
Phone: 636-789-2441

**Mississippi County FSA**

Office Hours: 8:00-4:30  
Phone: 573-649-9930

**New Madrid County FSA**

Office Hours: 7:30-4:30  
Phone: 573-748-2557

**Pemiscot County FSA**

Office Hours: 7:45-4:30  
Phone: 573-333-1923

**Perry County FSA**

Office Hours: 7:30-4:30  
Phone: 573-547-6531

**Ripley/Carter County FSA**

Office Hours: 7:45-4:30  
Phone: 573-996-7116

**Scott County FSA**

Office Hours: 7:30-4:30  
Phone: 573-545-3593

**Ste. Genevieve County FSA**

Office Hours: 7:00-4:30  
Phone: 573-883-2703

**St. Francis/Iron County FSA**

Office Hours: 7:00-4:30  
Phone: 573-756-6488

**Stoddard County FSA**

Office Hours: 7:00-4:30  
Phone: 573-624-5939

**Wayne/Madison County FSA**

Office Hours: 7:45-4:30  
Phone: 573-224-3410

**District Director**

Billy Swiney  
Butler County FSA  
Phone: 573-785-8416

### **County Committee Meeting Times**

#### **Bollinger County**

First Thursday of each month at 9:00 am.

#### **Butler County**

Third Thursday of each month at 8:00 am.

#### **Cape Girardeau County**

First Tuesday of each month at 8:00 am

#### **Dunklin County**

Second Thursday of each month at 8:00 am.

#### **Jefferson/Washington**

First Wednesday of each month at 8:30

#### **Mississippi County**

Second Tuesday of each month at 8:00 am.

#### **New Madrid County**

First Tuesday of each month at 8:00 am.

#### **Pemiscot County**

Third Friday of each month at 9:00 am.

#### **Perry County**

Second Tuesday of each month at 8:00 am.

#### **Ripley/Carter Counties**

Second Friday of each month at 9:00 am.

#### **Scott County**

Fourth Friday of each month at 8:00 am.

#### **Ste. Genevieve County**

Next to Last Thursday of each month at 8:00 am

#### **St. Francois/Iron**

First Friday of each month at 9:00

#### **Stoddard County**

The Wednesday closest to the 15<sup>th</sup> of each month at 7:00 am.

#### **Wayne/Madison County**

Second Tuesday of each month at 8:00 am.

## **NAP Application Deadline**

March 15 is the deadline date for producers to apply for Noninsured 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.

## **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 June 30 for small grains and July 15 for all other crops, or 15 calendar days before the onset of harvest or grazing of the specific crop acreage being reported.

## **2006 2<sup>nd</sup> Advance CC Payments for Cotton & Peanuts**

USDA issued second advance 2006 counter-cyclical payments for cotton and peanuts under the Direct and Counter-Cyclical Payment Program.

The first 2006 counter-cyclical advance payments were issued in October 2006. Counter-cyclical payment rates for 2006 are based on supply/demand and price projections from USDA's World Agriculture Supply and Demand Estimates.

Producers of crops that do not meet the market criteria for a counter-cyclical payment will not receive a second partial payment when effective commodity price projections are equal to or more than their respective target prices.

## **No 2006 2<sup>nd</sup> Advance CC Payments for Grains & Oilseeds**

Based on supply/demand and price projections from USDA's World Agriculture Supply and Demand Estimates, producers of crops **other than** cotton and peanuts, will not receive a second partial counter-cyclical payment.

When effective commodity price projections are equal to or more than their respective target prices; the commodities do **not** qualify for counter-cyclical payments.

Overpayments to producers can be repaid to USDA, or the computer system will automatically deduct any unearned amount from a producer's future payments.

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## ***Adjusted Gross Income Provisions***

There is now a requirement for participants to comply with the \$2.5 million Adjusted Gross Income (AGI) requirement to remain eligible for certain program benefits. The Farm Security and Rural Investment Act of 2002 provides that an individual or entity shall not be eligible to receive certain payments and benefits as specified in the Act if the average of AGI of the individual or entity exceeds \$2.5 million, unless more than 75% of the income comes from farming, forestry or ranching. This is based on an average of the 3 previous year's tax returns.

Each participant and each member of any entity participating in the program are required to submit information and documentation about AGI to be eligible for payments and benefits.

## ***Foreign Investment Disclosure***

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires foreign owners of U.S. agricultural land to report their land holdings, acquisitions, leases of 10 years or more, and their land use changes within 90 days to the local FSA office. Failure to report these changes can result in a civil penalty of up to 25% of the fair market value of their interest in agricultural land.

## ***Fruit and Vegetables on DCP Farms***

If you are anticipating planting or have already planted any fruits or vegetables (FAV) on your farms for the 2007 crop year, talk to your local county office prior to signing a 2007 DCP contract. It may be necessary to reduce the DCP bases acres or not participate in the program for 2007. Producers who plant FAV on contract acres may be in violation of the DCP contract unless they have an established history of planting fruits and vegetables. Producers who have a history of raising fruits or vegetables will be assessed a payment reduction for each acre of FAV planted on contract acres.

This has become more of an issue since the 2002 farm bill added soybeans as a program crop and more farms are fully based. For perennial crops (strawberries, grapes or fruit trees) the violations can occur when they are planted. For annual crops, violations can occur when they are harvested. **If you have any questions regarding fruits and vegetables please contact your local office prior to planting.**

## ***Reasonable Accommodations***

Special accommodations will be made, upon request, for persons with disabilities, vision impairment or hearing impairment. If accommodations are required, please call your local FSA 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 mentioned earlier in this newsletter. 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.

## ***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.

## ***CREP & Continuous CRP Available***

There will be no general signups scheduled for the Conservation Reserve Program (CRP) in 2007 or 2008. The President's FY 2008 Budget assumed no available funding for CRP general signups.

However, environmentally sensitive acreage qualifying for the Conservation Reserve Enhancement Program (CREP) or Continuous CRP will still be eligible for enrollment. These targeted programs will remain funded, and continue to provide a heightened environmental benefit on select areas.

## ***Update MILCX Contracts***

Dairy operations are reminded to inform the county office of any entity or operation changes that may affect your Milk Income Loss Contract (MILCX). The change from an individual to a corporation or partnership, etc. would require an update to your MILCX and other applicable eligibility forms.

If you have changed creameries or dairy plants and have had your production information sent directly from them in the past, an updated authorization would need to be completed. Contact your local FSA office for additional information.

### ***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 Continuation Sheet for Leased or Owned Land 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 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.

<b>Dates to Remember</b>	
March 15	NAP Deadline for Spring Seeded Crops and Horseradish
March 31	Deadline for Honey Loans
March 31	Final Date for Wheat, Oats and Barley Loans
May 31	Final Date for Corn, Soybeans, Rice, Cotton and Milo Loans
June 1, 2007	DCP Signup Deadline
June 30	Final Date to Report Wheat and Small Grains
July 31	Final Date to Report Spring Seeded Crops

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