



February 2008

Howell County News

**Howell County
USDA Service Center**

Howell County FSA
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www.fsa.usda.gov/mo

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

County Committee
Steve Gleghorn
Pat Chapin
Don Nielsen

Staff
Dennis Johnson
Susie Williams
LeAnn Barnard

NON – INSURED CROP DISASTER PROGRAM

AND THE 2005 - 2007

CROP DISASTER PROGRAM

This letter is an attempt to inform you about current disaster legislation and what you should know to plan for the future. In short, whether or not you should purchase coverage under the *Non – Insured Crop Disaster Program (NAP)*? I will try to keep this as short and simple as possible but it will be hard to do. Please try to read this in its entirety.

The Non – Insured Crop Disaster Program (NAP) and the Crop Disaster Program (CDP) are separate programs but are currently tied together for eligibility. CDP has to be enacted by legislation after an eligible disaster occurs. NAP is a continuing program and individuals who suffered a qualifying loss do not have to have an area wide designation to apply for loss benefits. Applicants who obtain NAP coverage are also eligible to apply for benefits under CDP when enacted.



The “U.S. Troop Readiness, Veterans Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007” (2007 Act) authorizes the Crop Disaster Program 2005-2007 (CDP). President Bush signed the 2007 Act into law on May 25, 2007. On Dec. 26, 2007, President Bush signed the Consolidated Appropriations Act, 2008 (2008 Act), which extends CDP payments to eligible farmers who suffered 2007 crop losses throughout the 2007 crop year. This act also extended the Live-stock Compensation Program (LCP) through 2007 which we recently notified you by post-card. And like LCP, producers who incurred qualifying losses in 2005 or 2007 must choose only one year for which to receive benefits under CDP. They may receive benefits for multiple crop losses if all were in the same crop year.

Eligibility (This is Important)

Only producers who obtained coverage under the Noninsured Crop Disaster Assistance Program (NAP) or crop insurance coverage for the year of loss will be eligible for CDP benefits. It’s important to note here that the original legislation had the same eligibility requirement for LCP but was later removed.

Are You Eligible for CDP Benefits?

You must have purchased NAP coverage for the year that you apply for. If you remember receiving a CDP payment for the 2003 year, you were required to purchase NAP coverage for the next two years so many of you had the coverage in 2005.

The State Committee just recently approved

our maximum loss levels for that year so we are ready to process loss applications for 2005. If you had NAP coverage, you were required to turn in your production so we have all the information required to determine if you are eligible for payment and we will be contacting you soon.

Under NAP you must have suffered a greater than 50 % loss to be eligible for payment. The good part about CDP is the loss level is 35% and we can use the higher of the Actual Production History (APH) you established or the state average yield whichever is higher.

So if you weren't eligible for a NAP payment, you could receive some benefit under CDP. If you did receive a NAP payment for a covered 2005 crop you will receive a second benefit under CDP.

Are You Required to Purchase NAP Coverage in the Future?

No. But it looks like if you don't you may not be eligible for Crop Disaster Programs (CDP) if enacted in the future. That's the best answer I can give you.

NAP Coverage Application Deadline is March 15

March 15th is the last day for producers to apply for Non-Insured Crop Disaster Assistance Program (NAP) coverage, and pay the service fee at the county office. The application and service fee must be filed **by March 15th**, the deadline date for 2008 spring planted crops which include: forage crops for hay and seed, forage sorghum, oats, corn, soybeans, sunflowers and all spring planted specialty crops grown for food. Cool and warm season pasture coverage is also available.

The 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 re-

quest a waiver of service fees.

Limited resource producers may request a waiver of service fees. To qualify for an administrative service fee waiver, the producer must meet both of the following criteria: earn no more than \$116,800 gross income in farm sales from each of the previous two years; have a total household income at or below \$19,350 in both of the previous two years. Limited resource producer status can be determined using the USDA Limited Resource Farmer and Rancher Online Self Determination Tool at <http://www.lrftool.sc.egov.usda.gov/tool.asp>. If you meet both the above criteria the service fee will be waived.

Summary

As in the past when a drought or disaster occurred legislation had to be enacted to establish a Crop Disaster Program for which farmers could apply for benefits. The Non – Insured Crop Disaster Assistance Program was developed for crops which crop insurance is not available and losses could be based on an individual versus an area wide disaster.

In prior disaster years, if a producer suffered a loss they were able to obtain disaster benefits under CDP if enacted without having taken out coverage under NAP. That is not the case this time.

NAP coverage is available yearly on all uninsurable crops and at the present we can only assume that it may be an eligibility requirement if a CDP is enacted in future disaster years.

The Non – Insured Crop Disaster Assistance coverage is a good risk management tool but may not be for everyone. Each operator will need to decide if the coverage is right for them. If you qualify to have the service fee waived you should definitely take out the coverage.

I know this may create more questions than it answered so feel free to call the office and we will try to answer any questions or concerns you might have.

Dennis Johnson, County Executive Director
Howell and Oregon County
Farm Service Agency

Ed Schafer Sworn in as Secretary of Agriculture

Ed Schafer was sworn in as the 29th Secretary of the U.S. Department of Agriculture (USDA) on January 28, 2008.

Secretary Schafer brings a record as an innovative two-term governor of North Dakota to USDA along with extensive private sector experience as both an entrepreneur and a business executive. Schafer served as North Dakota's governor from 1992 to 2000 and made diversifying and expanding North Dakota's economy, reducing the cost of government and advancing agriculture his top priorities in office.

He worked to normalize trading relations with China and develop that nation as an export market for North Dakota farm products. He also led efforts to upgrade North Dakota's communications infrastructure and make high-speed voice and data networks available to farmers, ranchers and rural businesses.

Born and raised in Bismarck, North Dakota, Schafer graduated from the University of North Dakota in 1969 with a bachelor's degree in Business Administration and earned an MBA from the University of Denver in 1970.

Kansas City Mails 1099-G

During the last week of January, producers who have received payments from FSA should have also received a CCC-1099-G from the Kansas City office. A CCC-1099-G is a report to the Internal Revenue Service about FSA payments made to you in calendar year 2007. The CCC-1099-G is a service to help participating producers report taxable income. It is not intended to replace the program participant's responsibility to report income to the IRS.

If you received a CCC-1099-G, we recommend that you check the amounts shown with those in your records to see that the amounts are correct. **Refunds are no longer reported on the 1099-G, but will be available online from the FSA Financial Inquiries web-based database.**

Program participants with eAuthentication user ID's and passwords can access their refund information at the FSA's homepage, and click on "Online Services". Once the page

opens, click on "Financial Inquiries for FSA Producers" which is located under the "Related Topics" section. Next, producers will login with their USER ID and password and then select "Inquiry Type 1099/Refund Reports". Refund amounts are displayed on the Producer's Year-to-Date Activity web page.

If you have a question concerning the 1099-G refund information, you may contact your local FSA office for assistance locating the correct payment data. If you choose to visit the office, bring your CCC-1099-G with you.

County Committee Meetings

The Howell County Farm Service Agency committee meets once a month. The committee has established 1:00 p.m. on the first Wednesday of each month as its regular meeting time and the Howell County FSA office as its meeting place. County committee members are:

Chairman Steve Gleghorn, representing townships Sisson Chapel, Howell East and Howell West

Vice Chairman Pat Chapin, representing townships Benton, Spring Creek, and South Fork-Myatt

Member Don Nielsen, representing townships Dry Creek-Siloam Springs, Willow Springs, and Goldsberry-Hutton Valley





Selected Interest Rates for February 2008	
90-Day Treasury Bill	3.000%
Farm Operating Loans — Direct	3.875%
Farm Ownership Loans — Direct	5.000%
Limited Resource Loans	5.000%
Farm Ownership Loans Beginning Farmer Down Payment	4.000%
Emergency Loans	3.750%
Farm Storage Facility Loans	3.500%
Commodity Loans 1996-Present	4.125%

Dates to Remember	
Feb. 18	President's Day Holiday. FSA Offices Closed.
Mar. 15	2002 Farm Bill Extension deadline for 2008 LDP's on wool, mohair and unshorn pelts.
Mar. 15	2002 Farm Bill Extension deadline for Contract Approval for all CRP, including CREP program practices.
Mar. 15	Deadline to obtain 2008 NAP coverage on spring planted crops.
Mar. 31	Final Availability for 2007 crop wheat, barley, oats, honey loans and LDP's.
Continuous	Farm Storage Facility Loan program.

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