



March 2007

LINN County News

Linn County
USDA Service Center

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

County Committee
Lee Jaynes
Vicky Ervie
James Pfeiff

County Committee meets
March 23, 2007

Staff
Susan McLain
Roberta Kehr
Patty Lambert
Colin Smith
Greg Smith

DCP Enrollment *****

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. To be considered enrolled timely, the 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.

No 2006 2nd Advance 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.

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.

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 31** for all other crops, or 15 calendar days before the onset of harvest or grazing of the specific crop acreage being reported.

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 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.

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.

Toll-Free Number

Direct loan borrowers with USDA's Farm Service Agency can now check the status of their accounts around the clock using a new toll-free telephone number.

The toll-free number, 1-888-518-4983, is available in both English and Spanish. The system delivers information on active FSA loans 24 hours a day, 7 days a week.

During the first call to the new system, borrowers will enter their tax identification number or the Social Security Number associated with the loan. They also will need to enter their ZIP code. Borrowers will create a personal identification number for security. Customers must enter their PIN every time they use the system and may change their PIN. The system menu helps users access helpful information. The system may also direct borrowers to contact their local FSA servicing office if action is necessary on their accounts.

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.

CRP Reporting & Maintenance

Remember it is YOUR responsibility to maintain your CRP by the rules governing the sign up it was enrolled in. The best place to check on what you agreed to is your copy of the Conservation Plan you signed before the contract was approved. Different sign ups have had different rules, so do not rely on word of mouth. All contracts enrolled or reenrolled after 01/01/2003 require management practices at some time during the contract period. These same contracts do not allow for mowing at all. Any mowing on these contracts must be requested in writing, and approved by the COC in advance.

Remember all CRP acreage must be reported on a 578 crop report form at this office each year prior to July 30.

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.

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, except cotton; page 3 for cotton; 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.

Selected Interest Rates for March 2007	
90-Day Treasury Bill	5.00%
Farm Operating Loans — Direct	5.125%
Farm Ownership Loans — Direct	5.375%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	4%
Emergency Loans	3.75%
Farm Storage Facility Loans	4.75%
Commodity Loans 1996-Present	6.125%

Dates to Remember	
Continuous	Continuous Conservation Reserve Program
3/31/2007	Final Date to Apply for 2006-Crop Wheat, Barley, Oats & Honey loans
Continuous	Farm Storage Facility Loans
Continuous	Grasslands Reserve Program

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