

April 2007

USDA County News



County USDA Service Centers

Grundy Co FSA Office
3415 Oklahoma Ave
Trenton, Mo 64683
660-359-2006

Mercer Co FSA Office
Route 2 Box 317
Hwy 65 N.
Princeton, MO 64673
660-748-4385

Putnam Co FSA Office
28988 US Hwy 136
Unionville, MO 63565
660-947-2439

Schuyler Co FSA Office
200 Green
P.O. Box 249
Lancaster, MO 63548
660-457-3715

Scotland Co FSA Office
Hwy 136 E
Route 1 Box 73H
Memphis, MO 63555
660-465-8517

Sullivan Co FSA Office
23487 Eclipse Dr.
Milan, MO 63556
660-265-3440

Conservation Reserve Program

Many questions have been received about CRP and whether or not there will be additional sign up periods or whether or not a release allowing early contract termination will be given. What we do know is that the Secretary of Agriculture has announced that there will not be a general CRP sign up during 2007 or 2008. At the current time, based on the report on corn planting intentions, USDA will not offer penalty-free, early releases from CRP contracts. Producers are reminded that eligible land may be enrolled into continuous CRP at any time if all eligibility requirements are met. A few of the continuous CRP practices are grass buffer strips, riparian buffers, wetland restoration and habitat buffers for upland birds. If you are interested in continuous CRP, please contact the office for details.

2007 DCP Enrollment

The normal signup deadline for the Direct and Counter-Cyclical Program (DCP) is **June 1, 2007**. We encourage producers to come in by that date to avoid the crop reporting rush. Enrollment is an **annual requirement** in order to receive the program benefits. If all enrollment requirements (including acquiring signatures of all persons affiliated with the contract) are not completed by the **extended date of August 3**, a late-enrollment fee of \$100 per farm must be assessed.



Acres Reporting

Acres 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.

Acres reports are required for many Farm Service Agency programs. For crops other than NAP (Noninsured Crop Disaster Assistance Program) crops, acres reports are to be certified by the June 30 deadline on small grains, such as wheat and oats, and by the July 31 deadline on all other crops; hay/pasture, corn, soybeans, and CRP.

Acres 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.



Policy Changes for Signature Authority

Due to recent audits and investigations by the Office of Inspector General, county offices are following some new policy changes regarding signature authority. Most producers are aware of the terms “Power of Attorney”, “Signature Authority”, or “Representative Capacity”. For FSA purposes, a producer or someone serving as a representative for an entity (trust, corporation, LLC, etc.) can execute a Power of Attorney form (FSA-211) giving someone the authorization to sign FSA forms on their behalf. The FSA-211 can give authority for all current and future programs or can be more restrictive. This Power of Attorney is only good for the Farm Service Agency; it does not give a legal power of attorney for functions outside of FSA.

Many producers operate as an entity (trust, corporation, LLC, etc.) and will be required to submit documents to FSA confirming the legal formation of the entity, and who has the legal representative capacity to sign on behalf of the entity. In the case of a corporation, a board meeting may be required with minutes documenting who the members have given signature authority to. Also, the documents provided need to show if the person with representative capacity can re-delegate on a FSA-211 to another individual to sign. Husbands and wives automatically have authority to sign for each other unless written notice is given to FSA. ***In any case, regardless of what type of operation you have, proper signature authority must be on file before you can sign up for any FSA program.***

Rules Regarding Land Deeded to a Trust

For FSA payment limitation purposes, determinations are made based upon who owns the land and equipment and who provides the capital, labor or management. Some producers still wish to receive payments as an individual, even though the land has been deeded to the trust. In order to be paid as an individual, *that person* would have to be providing significant contributions, not the trust or another operator. If another operator provides the labor, equipment and capital while the trust owns the farm, all the individual would be contributing is possibly some management. This would not be enough to qualify for a payment. The trust itself is automatically approved under landowner provisions. Even though your lawyer or accountant may not make the distinction because the same Social Security number is used, for FSA purposes there is a difference between you as an individual and your trust. If land has been deeded to the trust, the trust document will have to be provided so that signature authority and eligibility may be verified.

NEED GRAIN STORAGE? Farm Storage Facility Loans

Low cost loans are available for producers to build or remodel farm storage facilities for a variety of commodities. All Farm Storage Facility Loans have a seven-year term 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. Information is available on the Farm Service Agency’s Web site at <http://www.fsa.usda.gov/dafp/psd/fsfl.htm>

Measurement Service Rates

Rates for measurement services have increased in 2007. The initial charge is \$30, plus an hourly rate of \$16 for the first hour and \$8 for every 30 minutes after the first hour (minimum of 1 hour). This means every measurement service involving a farm visit will be a minimum of \$46 per visit. If you have questions regarding a fee you have been charged keep in mind that the time needed to complete calculations and related paperwork is also included in the measurement service fee.

FSA & RMA Working Together

FSA and the Risk Management Agency (RMA) will work together to prevent fraud, waste and abuse in the Federal Crop Insurance Program. FSA will assist RMA throughout the growing season by monitoring crops and growing conditions in the County. Producers may also report suspected cases of fraud to their local FSA or RMA Office.

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.



Payment Limitation Annual Notice to Producers

Payments cannot be issued until all forms and required documents have been provided and required determinations have been made. The CCC-502 “Farm Operating Plan” and other supporting forms, if applicable, must be filed initially for a determination. Once filed, the forms are not required to be completed annually; however, producers are required to inform the county office of changes to their farming operations and these may require new forms to be completed or information updated. Failure to notify the FSA office and update paperwork may result in program ineligibility.

Spouses may be considered separate “persons” for payment limitation purposes and be eligible to receive their own limitation amount if the applicable requirements are met.

If you are operating as an entity (corporation, estate, trust, LLC, etc.) to be eligible for program benefits, you must supply names, addresses, and ID numbers of the members. These individual members will also be required to designate their shares for payment.

All producers applying for benefits, including members of entities, will be required to certify their AGI (Adjusted Gross Income). Producers with an average AGI exceeding \$2.5 million are ineligible for benefits. Any producer who fails to complete the necessary paperwork or cannot meet the requirements will be determined ineligible for benefits. All producers who file are subject to spot-check and may be required to furnish documentation to prove their eligibility. Information that may be required include: operating loan documents, income expense ledgers, canceled checks for expenditures (such as fertilizer, seed, chemicals, fuel, equipment leases and purchases), land leases and purchases, hired labor or management and other farming operation expenditures, land lease agreements, sales contracts, property tax statements, canceled checks associated with land or equipment lease agreements, purchase contracts, equipment listings or canceled checks associated with equipment.

In order to be eligible for payments and benefits under the Direct and Counter-Cyclical Program, Loan Deficiency Payments and Marketing Loan Gains, 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
Direct payments for peanuts	\$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
Counter-cyclical payments on peanuts	\$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

**PRESORTED STANDARD
 U.S. POSTAGE PAID
 Columbia, MO
 PERMIT #230**

Selected Interest Rates for April 2007	
90-Day Treasury Bill	5%
Farm Operating Loans — Direct	5.125%
Farm Ownership Loans — Direct	5.375%
Limited Resource Loans	5%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	4%
Emergency Loans	3.75%
Farm Storage Facility Loans	4.5%
Commodity Loans 1996-Present	6.0%

**Please visit the
FSA Website:**

www.fsa.usda.gov

Dates to Remember	
May 28	Office Closed for Memorial Day.
May 31	Final availability date for loans or LDPs on corn, grain sorghum and soybeans.
June 30	Final date to file an acreage report on small grain crops.
July 4	Office Closed for Independence Day.
July 31	Final date to file an acreage report on all other crops and CRP.
August 3	DCP Enrollment Deadline.



2006 Loan/LDP Deadline

The final date to request a Commodity Loan or submit evidence for Loan Deficiency Payments (LDP) for 2006 crop corn, grain sorghum or soybeans is May 31, 2007.

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