



United States
Department of
Agriculture

Nodaway County
Farm Service Agency

Nodaway County FSA

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Hours

Monday - Friday
8:00 a.m. - 4:30 p.m.

County Committee

Joyce Ecker, Chairperson
James Lance, Vice Chair
Larry Tobin, Member

Staff

Tim Dreier, CED
Charlotte Holeman, FLM
Tom Shelton, FLO
Marianne Adkins, PT
Teresa Blackford, PT
Marilyn Buhman, PT
Judy Fast, PT
Clarice Holtman, PT
Tammy Luke, PT
Re'nee Schrader, PT
Cody Blackford, FA
Kent Strasser, FA



Farm Service Agency

November 2006

Nodaway County News

Time is Money

Harvest is winding down and the climate outside is beginning to change. What a strange fall we've had with the grain prices actually *increasing* as harvest progressed. Hopefully everyone has been able to take advantage of this rarity.



The climate outside isn't the only thing changing. The way in which our office goes about processing payments is going through a change as well. Not a change in the amount or way that the payment reaches your hand but a change in what is required of our office before the payment can be issued.

What does this climate change mean to you, the producer? In short, it will mean more time and paperwork to complete. Our office will need to get new or updated information on **every** individual and entity we work with. It has been mandated that FSA process an extensive checklist for each and every payment we issue. A large part of this will be reviewing all the background information that makes each of you eligible for payment. Before we will be able to issue you a payment we will need to review and update all your eligibility records, your signature authority, power of attorney, and direct deposit. If we don't already have them, we will be asking for copies of the articles of incorporation, trust or partnership papers etc. of every entity that does business with this office as well as information on every member of the entity.

This process will require additional paperwork to be completed on both your part and ours and consequently, more time to complete and get the funds in your hands.

We want to make each of you aware of these changes now so that you can be prepared the next time you visit the office. We will do our best to get funds to you as quickly and accurately as possible, just as we always have. So the next time you visit the office to sign up and we ask for new information try and remember the old adage, "Time is Money", because the time you spend really will translate to your wallet.

2007 DCP Sign-up



Sign-up for the 2007 Direct and Counter-Cyclical Program (DCP) began Oct 1, 2006, and must be completed before June 1, 2007. (You can sign your contract after June 1 and before Sept. 30, 2007, but you will be assessed a late-signing fee of \$100.) When you sign the CCC-509, you agree to comply with the following: highly erodible land conservation and wetland conservation provisions on all your land, if you are cropping hay land or pasture, you must check for eligibility and may have to file a new AD-1026; devote acreage equal to the base acreage to an agricultural or conserving use; effectively control noxious weeds and otherwise maintain base acres according to sound agricultural practices; file acreage report with respect to all cropland on the farm; and notify the county office staff when there is a transfer of or change of interest of a producer.

The DCP contracts are not like the old seven-year Production Flexibility Contracts. You must designate shares and sign a new DCP contract each year.

County Committee Election

Just a reminder: Be watching your mailbox for your official county office committee election ballot. Ballots were mailed to all eligible voters on November 3, 2006. If, for some reason, you don't receive a ballot, feel free to notify the county FSA office. Completed and signed ballots are due back in the county office by the close of business on Dec 4, 2006.



This year in Nodaway County, we will be electing one person to serve on the county committee to represent Local Administrative Area I: Grant, Hughes, Jefferson,

Monroe, Washington, and White Cloud townships.

After receipt of the mail ballots, the county committee will meet on December 6 at 1:00 p.m. to count the ballots. The election is open to the public, and anyone can attend.

County committees are an essential part of Farm Service Agency. The committee makes policy decisions on program administration, acts on cases involving individual farmers, and reviews office operations to ensure that administrative funds are being used efficiently and as intended.

Selling Land

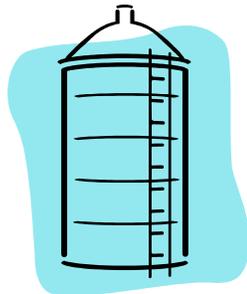
If you're planning to sell farmland, you should be aware of certain program provisions and how they could affect you. For example, if you're planning to sell land that's enrolled in the Conservation Reserve Program, the buyer must agree to continue the enrollment. If the buyer doesn't want to continue the CRP contract, you might have to refund all of the payments you've received to date.

Reviewing program implications with your local Farm Service Agency staff before completing a sale of farmland is always a prudent precaution.

Farm Storage Facility Loans

Seven year Farm Storage Facility Loans are available for the purchase and installation of eligible storage facilities, permanently affixed drying or handling equipment or remodeling existing facilities.

All farm storage facility loans 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 details, contact your local FSA Office.



FSA Signature Policy

Using the correct signature when doing business with FSA can save time and prevent a delay in program benefits. The following are FSA signature guidelines:



- A married woman shall sign her given name: Mrs. Mary Doe, not Mrs. John Doe
- For a minor, FSA requires the minor's signature and one from an eligible parent **NOTE:** by signing the applicable document, the parent is liable for actions of the minor and may be liable for refunds, liquidated damages, etc.
- When signing on one's behalf the signature must agree with the name typed or printed on the form, or be a variation that does not cause the name and signature to be in disagreement. Example - John W. Smith is on the form. The signature may be John W. Smith or J.W. Smith or J. Smith. Or Mary J. Smith may be signed as Mrs. Mary Joe Smith, M.J. Smith, Mary Smith, etc. **NOTE:** Some programs may require full legal name and signature.
- Spouses may sign documents on behalf of each other for FSA and CCC programs in which either has an interest, unless written notification denying a spouse this authority has been provided to the county office
- Spouses shall not sign on behalf of each other as an authorized signatory for partnerships, joint ventures, corporations, or other similar entities
- Acceptable signatures for general partnerships, joint ventures, corporations, estates, and trusts shall consist of an indicator "by" or "for" the individual's name, individual's name and capacity, or individual's name, capacity, and name of entity.

FSA offices will be monitoring the above as well as all other eligibility requirements very carefully for 2007.

2006 Corn, Sorghum, Soybean Rates

The 2006 county loan rate for corn, grain sorghum and soybeans are now available on the Farm Service Agency Web site. Point your browser to: <http://www.fsa.usda.gov/dafp/psd/LoanRate.htm>.

Following the enactment of the 2002 Farm Bill, FSA annually has adjusted the county loan rates to reflect market factors affecting each crop. In Nodaway County, the Marketing Assistance Loan rates are: corn, \$1.85; grain sorghum, \$3.32/cwt.; and soybeans \$4.95.



Posted County Price Calculations

Current legislation authorizes producers to obtain marketing assistance loans (MALs) and Loan Deficiency Payments. Producers are permitted to repay a MAL for a loan commodity at a rate that is the lesser of the loan rate established for the commodity plus interest, or the Posted County Price (PCP).

PCP Objectives:

PCPs are determined in a manner that will:

- Minimize potential loan forfeitures
- Minimize the accumulation of stocks by the government
- Minimize the government's cost for storing the commodity
- Allow the commodity to be marketed freely and competitively both domestically and internationally
- Minimize discrepancies in marketing loan benefits across state and county boundaries.

Determining a rate that simultaneously meets these statutory objectives will not guarantee that PCPs will generate an LDP, plus the local cash price, that equals county loan rates.

PCP Determinations:

The PCP is a proxy for the cash value of a commodity. It is determined by taking terminal market prices, then adjusting for a value reflecting historical price relationships between local and terminal market prices (county differential) and then adding or subtracting a value to minimize differences across state and county boundaries and reflect localized current year market anomalies (terminal adjustment).

When PCPs fall out of line with cash prices in a county or region, and it appears that the discrepancy may last, the Kansas City Commodity Office makes permanent adjustments to differentials for applicable commodities and counties.

Definitions:

Terminal Price (TP) – the average cash offering for a commodity in a specified terminal market on a particular day. Counties are assigned at least one terminal for each commodity (in most cases, two terminals are assigned).

County Differential (CD) – an assigned value based on historical price relationships between local county market prices and assigned terminal prices for that commodity.

Terminal Adjustments (TA) – a value assigned by USDA and used to minimize MAL benefit differences between state and county boundaries and to reflect current market relationships.

PCP Formula – Using the abbreviations from each of the above components the formula is:

$$TP \pm CD \pm TA = PCP$$

PCP calculations that feature two terminal prices use the higher of the two adjusted prices. The concept behind this approach is that the higher of the two terminal prices will be reflective of the price that producers receive for their commodity.

PCP Calculation Example

Nodaway County, MO – Corn – 11/9/06

Terminal	GLF (Gulf Coast)	KCM (Kansas City)
Terminal Price	\$4.19	\$3.54
County Differential	-\$0.55	-\$0.31
Terminal Adjustment	-\$0.53	-\$0.07
Sum	\$3.11	\$3.16
Posted County Price		<u>\$3.16</u>

**** The LDP aspect of the loan program is designed to avoid forfeitures. Utilizing the loan provision is the only way for the producer to guarantee receipt of the loan rate for the applicable crop****

Changing Financial Institutions

Almost all Farm Service Agency payments are made electronically using Direct Deposit. This innovation has cut down on the number of missing and late payments and reduced the time required to move funds. It has been determined that the chance of having a problem with a payment is 20 times greater with checks than with Direct Deposit. Another benefit is that Direct Deposit to your account can be made within 48 hours.

To keep the system running smoothly, it's critical to keep the county office staff up to date on changes you might make in your financial institutions.

If you have changed accounts or institutions that might affect the direct deposit of your FSA payments, contact the FSA county office so we can update our files to insure continued uninterrupted service.



Nodaway County FSA Office
 502 West South Hills Drive
 Suite 104
 Maryville, MO 64468



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Emergency Loan Designation

On October 10, 2006, Mr. Tim Kelley, State Executive Director of the Farm Service Agency announced that 105 counties in Missouri, including Nodaway county, will have FSA disaster loans available due to drought which occurred January 1, 2006, and continuing. Applications for assistance will be accepted at the Nodaway County FSA Office for physical and production losses caused by this disaster through June 11, 2007.

In order to qualify the applicant must have suffered a 30% loss in production or an actual physical loss that was essential to the successful operation of the farm.

Loans for actual losses are made at an interest rate of 3.75% for emergency loans to those eligible applicants who are unable to obtain the actual credit needed from another source.

For more information on emergency loans please contact the Farm Loan section of the Nodaway County FSA.

Dates to Remember	
Nov. 23	Thanksgiving Day Holiday –Closed
Dec. 4	Last Day to Return County Committee Election Ballots
Dec. 25	Christmas Day Holiday –Closed
On Going	Continuous CRP
On Going	Fam Storage Facility Loans
On Going	Sign Up for Direct and Counter-Cyclical Program

Selected November Interest Rates

90-Day Treasury Bill	5.00%
Farm Operating Loans – Direct	5.25%
Farm Ownership Loans – Direct	5.50%
Farm Ownership Loans – Direct Down Payment, Beginning Farmer	4.0%
Emergency Loans	3.75%

Please visit the
 FSA Website:

www.fsa.usda.gov



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