

November 2006



# Missouri Producer

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## Missouri Farm Service Agency

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Columbia, MO 65203  
[www.fsa.usda.gov/mo](http://www.fsa.usda.gov/mo)

## Hours

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

## State Committee

Don Fisher, Chairman  
Julie Hurst  
Craig Westfall  
Barbara Wilson  
Dan Jennings Jr.

## Staff

Tim Kelley, State Executive Director  
Patty Dick, Administration  
Dan Gieseke, Farm Loans  
Bo Wendleton, Compliance  
Gerald Hrdina, Conservation  
Maurine Long, Price Support  
Mike Lafolette, Production Flexibility



## 2007 DCP Sign-up Continues

The 2007 Direct and Counter-cyclical Payment Program (DCP) began October 1, 2006, and continues until June 1, 2007. Farmers are encouraged to sign up for the DCP program online. The online service is an example of the technological innovation USDA is using to make its programs more accessible.

Following the June 1, 2007, deadline, USDA will accept late applications through Sept. 30, 2007, with a \$100 late fee. While DCP participants must sign DCP contracts annually, producers can choose not to participate in the program in any given year.

The electronic DCP (or eDCP) service saves producers time, reduces paperwork and speeds up contract processing at USDA Farm Service Agency (FSA) offices. It is available to all producers who are eligible to participate in DCP and who establish an eAuthentication account. The service has strict security measures to protect participants' private information. Only authorized federal employees have access to information producers submit electronically.

USDA computes DCP payments using base acres and payment yields established for each farm. Producers receive direct payments at rates established by statute regardless of market prices. For 2007, eligible producers may request to receive direct advance payments based on 22 percent of the direct payment rate for each commodity associated with the farm. USDA will issue DCP advance direct payments beginning Dec. 1, 2006. Counter-cyclical payment rates vary depending on market prices. Counter-cyclical payments are issued only when the effective price (which takes into account the direct payment rate, market price and loan rate) for a commodity is below its target price.

## eLDP Service Available

Producers who are connected to the Internet can now apply from the comfort of their own home for an Electronic Loan Deficiency Payment, or eLDP, on stored grain 24 hours a day, seven days a week. The producers will receive approval and payment by direct deposit normally within 48 hours.

To participate in the new service, you must meet all eligibility requirements for marketing assistance loans and LDPs for the commodity. You must also establish a customer profile at the county FSA office.

You will need an active USDA eAuthentication level 2 account which requires filling out an online registration form at <http://www.eauth.egov.usda.gov/>, followed by a visit to the county office for identify verification.

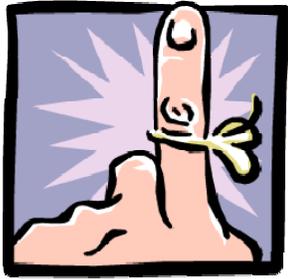
During your visit to the FSA county office you can create your own unique customer profile in the computer system. A CCC-633EZ (page 1) also needs to be on file at the county office.

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E-file participants must have an e-mail address, direct deposit and set up a customer profile to enable their online capability. The voluntary eLDP service has stringent security measures to protect your private information.

### ***Farm Reconstitutions***

In program terminology, farms are constituted to group all tracts having the same owner and the same operator under one farm serial number. When changes in ownership or operation take place, a farm reconstitution is necessary. The reconstitution — or recon — is the process of combining or dividing farms or tracts of land based on the farming operation. The following are the different methods used when doing a farm recon. Remember, to be effective for the current year, recons must be requested by Aug. 1 for farms enrolled in the Direct and Counter-cyclical Program.



## ***Program Reminders***

**Estate Method** — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate;

**Designation of Landowner Method** — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding;

**DCP Cropland Method** — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract;

**Default Method** — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

### ***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.

### ***Continuous CRP***

The Continuous Conservation Reserve Program is a private lands environmental improvement program that allows participants the opportunity to enroll acreages in conservation practices that will reduce soil erosion, improve water and soil quality and provide wildlife habitat and food sources.

The Continuous CRP program is a voluntary enrollment program. Eligible landowners enter into contracts that range from 10 to 15 years in length. In return, the landowners will receive annual rental and maintenance payments, incentive payments for certain activities, and cost

share for establishment.

To be eligible for enrollment in the Continuous CRP, participants and acreage must meet certain requirements. Provided the eligibility requirements are met, FSA will automatically accept enrollments of acreage into Continuous CRP. Landowners may enroll in the program at any time during the year.

For more information on Continuous CRP enrollments or local Conservation Reserve Enhancement Program (CREP) availability, please contact your local FSA office or visit <http://www.fsa.usda.gov/pas/publications/facts/html/crpcont03.htm>.

### ***Selling Land***

If you're planning to sell farmland, there may be some program consequences you should be aware of. 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.

### ***Unauthorized Disposition of Grain under Loan***

If loan grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties for unauthorized dispositions are severe and a producer's name will be placed on a loan violation list for a two-year period. Always call the office before any loan grain is fed or sold.

<b>Dates to Remember</b>	
Nov 1	Deadline to apply for TTPP for 2007
Nov. 3	County committee ballots mailed to voters
Nov. 10	Veterans Day Holiday
Nov. 23	Thanksgiving Day Holiday
Dec. 4	Last day to return county committee election ballots
Dec. 25	Christmas Day Holiday
Continues	Continuous CRP
Continues	Farm Storage Facility Loans

<b>Selected Interest Rates for November 2006</b>	
90-Day Treasury Bill	5.00%
Farm Operating Loans — Direct	5.25%
Farm Ownership Loans — Direct	5.50%
Limited Resource Loans	5.00%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	4.00%
Emergency Loans	3.75%
Farm Storage Facility Loans	4.625%
Sugar Storage Facility Loans	4.875%
Commodity Loans 1996-Present	6.00%

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