



September 2007

Oregon County FSA News

USDA FSA

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

County Committee
Howard Dethrow
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Minority Advisor

Staff
Dennis Johnson, CED
Martha Henderson, PT
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James J. Kyle
District Director

Jared D. Weydert
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SIGN-UP DATES FOR NEW 2005 LIVESTOCK AND CROP DISASTER PROGRAMS

Sign-up dates for the new Livestock Compensation Program, Livestock Indemnity Program and Crop Disaster Program have been announced. Eligible ranchers and other livestock producers can apply to receive benefits under the Livestock Compensation Program (LCP) and Livestock Indemnity Program (LIP) starting September 10, 2007.

Information needed to make LCP Application:
The greater of the number of adult livestock owned on Jan 1, 2005 or May 1, 2005.

Eligible farmers can sign-up for the Crop Disaster Program (CDP) beginning October 15, 2007, if they suffered quantity losses to their crops. **Only producers who obtained crop insurance coverage or coverage under the Noninsured Crop Disaster Assistance Program (NAP) for the year of loss will be eligible for CDP benefits**

LCP compensates livestock producers for feed losses occurring between Jan. 1, 2005, and Feb. 28, 2007, due to a natural disaster. Producers in primary counties declared secretarial disaster areas or certain counties declared presidential disaster areas between Jan. 1, 2005, and Feb. 28, 2007, are eligible. The Oregon County Committee has determined that producers suffered qualifying losses due to the drought in 2005.

CDP provides benefits to farmers who suffered quantity and quality losses to 2005 crops from natural disasters. Producers must have suffered quantity losses in excess of 35 percent to be eligible for CDP. Contact the county office for details.

Final DCP Payments For 2007

Enrolled producers can expect their final direct payment to be directly deposited into personal bank accounts sometime during the first few weeks of October.

Producers who did not elect to receive an advance direct payment will receive their entire direct payment for the year in one lump sum after the end of the fiscal year (Sep. 30).

The direct payment for a crop equals 85 percent of the farm's base acreage *times* (x) the farm's direct payment yield *times* (x) the direct payment rate.

If there are any unearned advance counter-cyclical payments, Commodity Credit Corporation will automatically subtract those amounts from the final Direct and Counter-cyclical Program payments you are about to receive.

County Committee Elections

Nominations for the county committee election were due in the county office by August 1, 2007. The next step in the election process is the mailing out of the ballots, which will begin on November 2, 2007. Voters have until December 3, 2007, to return their properly completed ballots to the county office. Elected committee members and alternates take office on Jan. 1, 2008.

Prospective Voter Requirements - Anyone who meets the requirements in either, 1 or 2, as well as Item 3, is eligible to vote for county committee members.

1. Voter is of legal voting age and participates or cooperates in any FSA program, or
2. The voter is not of legal voting age, but supervises and conducts the farming operations on an entire farm.

3. The voter must also be eligible to participate in any FSA program provided by law, regardless of the status of funding.

Discrimination Prohibited - No person shall be denied the right to vote because of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation or marital or family status. If you have questions about your voter eligibility, contact your county office staff.

Payment Limitations

USDA payments and benefits are subject to producer eligibility and limitation provisions as defined by law. Documents and forms to determine eligibility and limitation once completed are reviewed on an annual basis.

It is the producer's responsibility to report changes in the farming operation that may affect payment eligibility and payment limitation.

The following limitations apply to Direct and Counter-cyclical Program payments for each contract year. For all covered commodities (except peanuts): \$40,000 for direct payments and \$65,000 for counter-cyclical payments. For peanuts: \$40,000 for direct payments and \$65,000 for counter-cyclical payments.

The Environmental Quality Incentive Program has a \$450,000 payment limitation.

The Conservation Reserve Program annual limit is \$50,000 per person.

Entities such as corporations, limited partnerships, trusts and estates are required to provide names, addresses, and ID numbers of their members. These entities should also identify every payment under more than one entity.

Adjusted Gross Income - Effective through 2007, an individual or entity shall not be eligible for certain program benefits during a crop, program or fiscal year if both of the following apply.

- The three-year average of the adjusted gross income for the individual or entity exceeds \$2.5 million; and
- Less than 75 percent of the average AGI is derived from farming, ranching or forestry operations.

Loan and LDP Information

Loans or LDPs are available for producers who share in the risk of producing crops. To be eligible, you must maintain beneficial interest in the crop through the time of application. Producers who have contracted the commodity, sold directly off the field, or immediately fed the commodity should have filed a CCC-633EZ page 1 to maintain eligibility for an LDP. The CCC-633EZ page 1 needs be signed prior to harvest. Producers who deliver grain under a delayed pricing contract lose beneficial interest upon delivery, in most cases.

Electronic Loan Deficiency Payments (eLDP) are available to producers who have an active USDA eAuthentication Level 2 account. The eLDP is an internet based service allowing producers to request certified LDPs online and, in most cases, receive approval and payment by direct deposit within 48 hours.

eLDP services provide greater flexibility to producers allowing them to minimize travel to and from county offices. eLDPs are available 24 hours a day, seven days week, except during routine backup and maintenance.

Commodities harvested for other than grain (such as hay or silage) are also eligible for LDPs. Applications should be made prior to feeding or selling. The maximum eligible quantity is based on actual production of grain for the farm. If actual production is not available, the county committee may assign a yield based on three similar farms in your area. Yield for crops that sustained weather damage will be based on the insurance appraisal.

Interest rates vary monthly and are based on the month of approval. Rates are subject to change Jan. 1.

Loan repayment options, include:

- repay the loan, principal plus interest
- repay the loan at the market repayment rate
- deliver the outstanding quantity to a designated warehouse

When commodities are under loan and used as collateral, they may not be moved without prior consent from the county office.

NAP Deadline Approaching

The Non-Insured Crop Disaster Assistance Program (NAP) deadline for fall seeded crops is approaching. NAP is designed to reduce financial losses when natural disasters cause a catastrophic loss of production for an eligible crop by providing coverage equivalent to catastrophic (CAT) insurance.

September 30th is the final date for producers to apply for NAP coverage in Missouri on wheat. November 20th is the final date for grapes, peaches, and apples.

Producers who had NAP coverage may choose to continue coverage on the same crops for next year, if the applicable service fee is submitted by the application closing date. A new form CCC-471, Application for Coverage, is not required to be signed when applying for continuous coverage of the same crops.

Producers who choose to add or delete a crop from the previous year's coverage or changing crop shares must file a new CCC-471, with signatures, and pay the applicable service fee.

Producers with NAP coverage are required to **1)** file a Notice of Loss within 15 days of when a loss is apparent; **2)** timely file acreage reports; and **3)** keep track of harvested production using acceptable methods.

Interest Rates for September	
Farm Operating - Direct	5.5%
Farm Ownership - Direct	5.75%
Farm Ownership – Direct down payment, Beginning Farmer or Rancher	4.00%
Emergency	3.75%
Farm Storage Facility	
Commodity Loans 1996 to Present	

Dates to Remember	
Sept. 3	Labor Day Holiday – FSA Offices Closed
Sept. 10	LCP and LIP Sign-up begins
Sept. 28	Deadline for filing succession-in-interest
Oct. 1	2008 Fiscal Year begins
Oct. 15	CDP Sign-up begins

Succession-in-Interest

If you have made any changes that affect your interest in base acres since you signed your last Direct and Counter-cyclical Program contract, you must report these *successions-in-interest* to the county committee by Sept. 30, so that a final determination can be made on who is program eligible on the property.

Changes that qualify as a succession-in-interest:

- Sale of land
- Change of operator or producer, including a an increase or decrease in the number of partners
- Foreclosure, bankruptcy or involuntary loss of farm.
- Change in producer shares to reflect changes in the producer's share of the crop(s) that were originally approved on the contract.

If a succession-in-interest has taken place, you, as the “predecessor,” are required to refund any advance DCP payments you received for the affected base acres before a payment can be made to the “successor.”

Not reporting a succession-in-interest can result in contract termination and a loss of program benefits for all producers involved.

A CCC-509, Direct and Counter-cyclical Program Contract, with all succession changes must be complete with all signatures by Sept. 30 for payments to be distributed.

Note: *Changes that require a reconstitution must be reported to the county committee by Aug. 1 of the fiscal year in which the change occurred.*

Beginning, Small and Limited Resource Farmers & Ranchers:

Do You Require Financial Assistance to Fund Conservation Program Initiatives?

USDA’s Natural Resources Conservation Service (NRCS) and Farm Service Agency (FSA) have worked together to make conservation programs more available to beginning, small, and limited resource farmers. As producers move from initial contract development into the implementation stage under NRCS’ Environmental Quality Incentives Program, many face the inability to acquire the initial capital investment of their cost-share portion needed for contract implementation.

To help producers implement conservation measures, FSA has several loan programs available to assist with up-front

costs. FSA makes direct and guaranteed farm ownership and operating loans to family-size farmers and ranchers who cannot obtain commercial credit otherwise. A primary objective of FSA’s farm loan programs is to assist small, beginning, and socially disadvantaged (minority and female) producers. In fact, a portion of FSA’s loan funds are reserved for beginning and socially disadvantaged producers. These loan programs are not new and have been used successfully in conjunction with conservation programs throughout the United States.

Additional program information, loan applications, and other materials are available at your local USDA Service Center. You may also visit www.fsa.usda.gov and www.nrcs.usda.gov

Controlled Substance

Program participants convicted under federal or state law of planting, cultivating, growing, producing, harvesting or storing a controlled substance are ineligible for program payments and benefits. If convicted of one of these offenses, the program participant shall be ineligible during that crop year and the four succeeding crop years for direct and counter-cyclical payments, price support loans, loan deficiency payments, market loan gains, storage payments, farm facility loans, Non-insured Crop Disaster Assistance Program payments or disaster payments.

Notice to Foreign Landowners

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. The Farm Service Agency administers this program for USDA.

Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25 percent of the fair market value of the property. County government offices, real estate agents, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements

Sodbuster Regulations

The term “sodbusting” is used to identify the plowing up of erosion-prone grasslands for use as cropland. Sodbuster violations are unauthorized tillage practices on highly erodible lands that converted native vegetation such as rangeland or woodland, to crop production after Dec. 23, 1985.

Farmers and ranchers should be aware that if they use highly erodible land for crop production without proper conservation measures, they risk losing eligibility to participate in FSA programs.

Before producers clear, plow or otherwise prepare areas not presently under crop production for planting, they are required to file an AD-1026, indicating the area to be brought into production.

If Natural Resources Conservation Service indicates on a CPA-026 that the area will be highly erodible land, the producer will be required to develop and implement a conservation plan on the affected acreage, before bringing land into production. In addition, producers and the producer's affiliates have to file an AD-1026 with the staff in the administrative or control county office before any farm program payments can be made. The AD-1026 is the producer's signed certification that HELC, as well as wetland conservation, provisions will not be violated.

Reporting Losses

If you had any failed crop acres, give serious thought to report them before destroying crop evidence. If Congress authorizes a crop disaster program in the future, proof of failed acreage may be required for your participation.

It's important to report failed acreage not brought to harvest to the county office staff prior to destruction. Ensuring that failed acres are documented could be the determining factor in whether you are eligible for future crop disaster program payments.

If you are experiencing low crop yields, you should keep good production records, but you don't need to report this acreage right now.

The CCC-576, Notice of Loss, is used to report failed acreage and may be completed by any producer with an interest in the crop. For losses on crops covered by the Non-insured Crop Disaster Assistance Program (NAP), you must contact the FSA county office staff within 15 days of the occurrence of the disaster or when losses become apparent. Producers with crop insurance should contact their local agent when losses occur and before destroying the crop.

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