

September 2006

Shelby County News



Shelby County
USDA Service Center

Shelby County FSA
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Hours
Monday - Friday
8:00 a.m. – 4:30 p.m.

County Committee
Lloyd Timbrook
J. C. Douglass
Charles Snider
Delores Thrasher

Staff
Beth Stiefel, CED
Julia Perrigo
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Lisa Houston

Field Staff

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New LDP Forms – CCC-633 EZ

The Loan Deficiency Payment (LDP) program continues to be available this year. With grain prices at their current levels it looks like LDP's will again enter into producers grain marketing plans this year. An LDP can be earned when the Posted County Price is below the 2006 County Loan Rate. Remember that any planted crop harvested for green chop, silage or hay may also be eligible for a loan deficiency payment. Please check with our office for additional details prior to harvesting and feeding green chop, hay or silage.

Form CCC-633EZ, Loan Deficiency Payment Agreement and Request, allows producers to indicate their intentions to receive an LDP and submit requests for LDP anytime during the loan/LDP availability period. Requests for LDP will be accepted before or after losing beneficial interest once the CCC-633EZ page 1 has been approved by the county office. The CCC-633EZ covers all quantities on all eligible commodities in all counties the producer has a cropping interest.

Any crop harvested and sold, or beneficial interest lost prior to the CCC-633EZ being approved by the county office will be ineligible for a LDP. Producers need to supply the county office with their settlement sheets before payments can be issued. The payment will be based on the date beneficial interest is lost. For 2006, LDP rates will be based on the county where the commodity is physically stored, marketed, sold or fed.

In order to “lock-in” a rate on stored grain where beneficial interest is retained, producers will complete a request on the CCC-633EZ page 2. This form will be available at the county office and on-line at the FSA website. Payment rates change on a daily basis.

Payment Limitation for 2006 LDP and Marketing Assistant Loan Market Gains is \$75,000.

Applications for LDP can be faxed to the county office by completing page 2 of the CCC-633EZ. The faxed document must have all required entries completed. The LDP rate for faxed page 2 of the CCC-633EZ will be the rate in effect on the date that a **completed** form is received in the office. LDP forms received prior to 6:00 AM central time will be considered as filed the previous day.

For 2006 crop grain, the deadline to request a LDP or Marketing Assistant Loan is March 31, 2007 for wheat and other small grains. For corn, grain sorghum and soybeans the deadline is May 31, 2007.

2006 Final Direct Payments & CRP Payments

County offices are preparing to issue 2006 final DCP payments and CRP annual rental payments the first part of October. In preparation of the payment cycle we are asking producers to notify our office if you have had a banking change. Payments issued from USDA are deposited in accounts via direct deposit and can be delayed if we are not aware of different account and routing numbers.

2005 Counter-Cyclical Grain Sorghum Payment

Payments were recently mailed to producers for a 2005 counter-cyclical grain sorghum payment. These payments are paid to producers on farms that have a grain sorghum base and because the effective price, which is the higher of the loan rate or farm price, is below the target price. The final counter cyclical payment for grain sorghum is .27 cents.

County Committee Election

Producers in the townships of Taylor, W ½ Bethel, W ½ Black Creek and N ½ Clay will have election ballots mailed to them beginning on November 4. Voters have until December 4th to return their ballots to the county office.

Elected committee members take office on January 1, 2007.

Eligible voters are:

1. Legal voting age and participate or cooperate in any FSA programs, or
2. Not of legal voting age, but supervises and conducts the farm operations on an entire farm
3. Eligible to participate in any FSA program that is provided for by law, regardless of the status of funding.

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.

2007 DCP Sign-up Starts Oct 1

Sign-up for the 2007 Direct and Counter-cyclical Program (DCP) begins on October 1, 2006.

The CCC-509, Direct and Counter-cyclical Program Contract must be submitted by June 1, 2007, to be considered timely. All owners and operators who will share in the DCP payments on the farm must sign the CCC-509. Forms with signatures that are obtained after June 1, 2007, but before September 30, 2007, will be accepted, but the farm will be assessed a late-file fee of **\$100**.

Farm producers must apply for DCP on an annual basis and can opt out of the program for any year if they so choose.

Producers must file the following to be eligible for DCP payments: annual DCP contract (CCC-509), a farm-operating plan (CCC-502 and related forms), an average adjusted gross income certification (CCC-526), a certification of compliance with highly erodible land and wetland conservation provisions (AD-1026).

A certification of the use of all cropland on the farm (FSA-578) is also needed before final payments can be issued.

Commodity Loans Maturing

2005 commodity loans for farm stored corn and soybeans have started maturing. Take a second to view the condition of the grain to ensure the quality is maintained

Regarding the repayment rates for commodity loans, the Posted County Price (PCP) is now near or below the loan rates. Producers should keep in mind they have an option to lock-in a repayment rate at the PCP, except for 14 days prior to the loans maturity. Commodity loans paid after the maturity date will be repaid at principal plus interest. Commodity loans that are not paid will be considered forfeited to Commodity Credit Corporation and a delivery notice will be issued.

Do not forget, grain under Commodity Credit Corporation loan cannot be removed without prior authorization or repayment. Unauthorized removal, which includes removal for cleaning for seed or planting, is a violation and is subject to monetary and administrative penalties.

Loans are subject to spot check. Determined shortages must be repaid with principal plus interest, and additional monetary penalties plus lost of future loan eligibility may apply.

Farm Storage Facility Loans

The 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 or each borrower. A minimum down payment is also required.

For details, contact the Shelby County FSA Office

Marketing Assistance Loans

Provisions of the Marketing Assistance Loans:

- Eligible commodities include wheat, corn, grain sorghum, soybeans
- Loans mature on the last day of the 9th month following the month of disbursement
- Lien searches must be conducted and lien waivers obtained from all lien holders
- Farm stored and warehouse stored loans are available. Warehouse receipts must show storage paid for 9 months after the month disbursed.

Producers need to remember to request a marketing authorization prior to moving or feeding grain under CCC loan.

Until loan maturity, the loan can be repaid at the lesser of the posted county price on the date of repayment, or principal plus interest. Producers also have an option of locking in a repayment by filing a CCC-697. The lock in rate will be effective for a period of 60 days from the date of request. However, all locked in rates will expire 14 days before the loan matures. A specific number of bushels or the entire loan quantity can be locked in. For each bushel under loan, you can only lock in the rate one time. If you do not repay the loan while the rate is locked in, you will still have the option of repaying the loan at the Posted County Price (PCP) until the loan matures. If multiple CCC-697's are on file, procedure requires to use the rate on the oldest CCC-697 still in effect until the specified bushels have been repaid. If there are any outstanding CCC-697's in effect, repayment can not be made for any bushels at the daily posted county price.

REMEMBER: To lock in a repayment rate is a one time per bushel option, for a 60 day period and expires 14 days prior to the loan maturity.

2006 Loan rates are:

Wheat – \$2.64 bu.
Corn - \$1.99 bu.
Gr. Sorghum - \$3.33 cwt.
Soybeans - \$5.14 bu.

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.

A limitation on the total annual payments that a “person” may receive under agricultural programs has been in effect since enactment of the Agricultural Act of 1970. A “person” for payment limitation purposes includes: an individual; a limited liability company; a corporation; a joint stock company; an association; a limited partnership; an irrevocable trust; a revocable trust together with the grantor of the trust; an estate; a charitable organization; and a state, political subdivision, or agency thereof.

Entities such as corporations, limited partnerships, trusts and estates are required to provide names, addresses, and ID numbers of their members.

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

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

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

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 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.

Farm Record Changes

If you have bought, sold or are renting different land, make sure you report the changes to the staff at your local Farm Service Agency county office as soon as possible so farm records can be updated.

For farm ownership changes you will need to provide a recorded deed. All landowners must furnish their tax ID numbers.

Remember, failure to maintain accurate records with FSA on all land you have an interest in can lead to possible program ineligibility and fines if you are participating in farm programs.

| Dates to Remember | |
|--------------------------|---|
| Sept 30 | Final date for 2006 DCP |
| Oct 9 | Columbus Day Holiday – All offices closed |
| Nov 4 | County Committee Ballots Mailed to Voters |
| Nov 10 | Veterans Day Observed – All offices closed |
| Nov 23 | Thanksgiving Day – All office closed |
| Dec 4 | Last day to return County Committee Election Ballots |
| Continues | Farm Storage Facility Loans |
| Continues | Grasslands Reserve Program |

Visit our Web site:
<http://www.fsa.usda.gov/mo>

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