



FARM SERVICE FOCUS



Smith County FSA Office
319 Roger Barta Way
Smith Center, KS 66967

Cary J. Tucker
County Executive Director

COUNTY COMMITTEE:

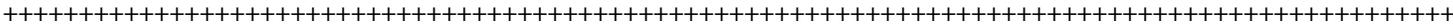
Mary Arment CHAIRPERSON
Robert Koops, VICE-CHAIRPERSON
Darin Hawkins, MEMBER

REGULAR MEETING DATE SECOND
THURSDAY OF EACH MONTH. 8:00 A.M.

FROM THE HEART OF THE USA

OFFICE HOURS 8 a.m. - 4:30 p.m.
TELE: 785-282-3832 FAX 785-282-6830

September 2009



LIVESTOCK INDEMNITY PROGRAM



The Livestock Indemnity Program (LIP) was authorized by the “Farm Bill” of 2008. The LIP provides benefits to producers who experience livestock death losses in excess of normal mortality caused by an adverse weather event. Adverse weather events include hurricanes, floods, blizzards, disease (if the weather event was the direct result and exacerbated the disease and management was not the overriding causative factor), wildfires, extreme heat, extreme cold, tornado, lightning or earthquake.

Eligible livestock include all classes of bovine animals (may include feed yard animals), sheep, alpacas, llamas, swine, goats, equine (working animals only) and poultry. Producers must own the livestock or be a contract grower of poultry or swine in a commercial operation to be eligible for LIP benefits.

Producers must provide proof of death that is verifiable. Verifiable documentation can include rendering truck receipts, National Guard receipts of carcass removal, veterinary records, tax assessor records, private insurance documents, or a paid measurement service conducted by FSA personnel. Documentation must include the kind, type, weight range and the number of livestock.

Because LIP benefits are paid on animal deaths in excess of “normal mortality” a verifiable and reliable beginning and ending inventory must be provided.

A “third party” certification may be accepted if no other proof of death is available. The third party providing the certification must be a dis-interested party (non-family or employee) who has knowledge of the date, type, weight, physical location of death and number of dead animals.

Producers may apply for LIP benefits for 2009 death losses now. A notice of loss must be filed the earlier of 30 days of when the loss of the livestock became apparent or 30 calendar days after the end of the calendar year in which the loss occurred. Report 2009 death losses now!

LIP benefits are paid only after normal mortality rates have been exceeded. Adult beef cows normal mortality, for example, is 1.1 percent and beef animals less than 400 pounds is 2.7 percent. This means that if you own 100 steers less than 400 pounds the normal mortality is three animals. LIP does not pay on the first three animals in this example but you must still have a verifiable and reliable record of the deaths of those three animals. If you are unable to obtain any of the above listed verifiable and reliable records FSA will provide a paid for measurement service to document the deaths. To calculate the normal mortality you must be able to provide a verifiable and reliable beginning and ending inventory.

NON-INSURED ASSISTANCE PROGRAM (NAP) DEADLINE DECEMBER 1

Changes have been made in the requirement to purchase Non-Insured Assistance Program (NAP) coverage for 2009. The December 1 deadline has not changed and producers will still need to purchase NAP on some crops to be eligible for the standing disaster benefits (SURE, see article below) made possible through the 2008 farm bill. The new exceptions are that farmers will not be required to purchase NAP coverage if the value of the forage crop is less than \$9090.00 or the value of the commodity is less than 5 percent of the total value of all crops grown on all of the producer’s farms. Native and brome grass for grazing and hay and alfalfa must be purchased by **December 1**. SURE benefits are not tied to NAP grazing coverage but producers must purchase NAP grazing coverage if they intend to participate in the Livestock Feed Program (LFP). The LFP pays producers when drought or other natural disaster negatively affects grazing livestock. Producers must still purchase Federal Crop Insurance on all eligible crops to retain eligibility for SURE. NAP purchase price has been raised to \$250 per crop not to exceed \$750 per county for each producer.

CONSERVATION RESERVE PROGRAM GENERAL SIGNUP

The highly anticipated “general signup” for the Conservation Reserve Program (CRP) has not yet been announced. Many producers of CRP contracts expiring in 2009 and 2010 have inquired when the signup will be conducted. Information will be publicized immediately when the sign up is announced.

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SUPPLEMENTAL AGRICULTURE DISASTER ASSISTANCE PROGRAM (SURE)

A SURE sign up will be held sometime this fall for 2008 crop losses. The date has not yet been announced. Smith County received a Secretarial Designation for crop year 2008. This means that Smith County producers who experienced a crop production loss on the "Farm" in 2008 may be eligible for a SURE payment. "Farm" for SURE purposes means the sum of all crop acreages in all counties that was planted or intended to be planted for harvest by the eligible producer.

To be eligible for SURE, producers must have purchased at least Catastrophic Risk Protection (CAT) level of crop insurance for all insurable crops and/or Noninsured Crop Disaster Assistance Program (NAP) coverage (**deadline Dec. 1 for most crops**) for all non-insurable crops they produce (see exceptions above in the NAP article). All crops in Smith County can be covered by either crop insurance or NAP. To qualify for SURE the county must have a Secretarial Disaster Designation (or be contiguous to a county that does) or a producer will qualify if there is greater than a 50% production loss on their "farm". Details of the signup will be publicized as soon as received.

County Committee Election

December 7 is the deadline to return COC election ballots for producers in Local Administrative Area (LAA) One. The election of responsible agricultural producers to FSA County Committees is important to all farmers and ranchers. It is crucial that every producer takes part in this election because county committees are a direct link between the farm community and the U.S Department of Agriculture.

The 2009 election for Smith County Committee will be held for LAA One, the eastern portion of the county. This includes German, Swan, Pleasant, Cedar, Valley, Harvey, Dor and Houston Townships. Mary Arment is the incumbent in LAA One. Mary, County Committee Chairperson, has chosen not to seek re-election. FSA greatly appreciates Mary's commitment, time and leadership in this most important role.

Loans for Beginning Farmers and Ranchers

The U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) makes and guarantees loans to beginning farmers who are unable to obtain financing from commercial lenders. Each fiscal year, the Agency targets a portion of its direct and guaranteed farm ownership (FO) and operating loan (OL) funds to beginning farmers. A beginning farmer is an individual or entity who (1) has not operated a farm for more than 10 years; (2) meets the loan eligibility requirements of the program to which he/she is applying; (3) substantially participates in the operation; and, (4) for FO purposes, does not own a farm greater than 30 percent of the median size farm in the county. (Note: all applicants for direct FO loans must have participated in the business operation of a farm for at least 3 years.) If the applicant is an entity, all members must be related by blood or marriage, and all members in a corporation must be eligible beginning farmers. Maximum loan amounts are: ■ Direct FO or OL: \$300,000; and ■ Guaranteed FO or OL: \$949,000 (Amount varies annually based on inflation).

Downpayment Program: FSA has a special loan program to assist socially disadvantaged and beginning farmers in purchasing a farm. Retiring farmers may use this program to transfer their land to future generations. To qualify: ■ The applicant must make a cash down payment of at least 5 percent of the purchase price. ■ The maximum loan amount does not exceed 45 percent of the least of (a) the purchase price of the farm or ranch to be acquired; (b) the appraised value of the farm or ranch to be acquired; or (c) \$500,000 (Note: This results in a maximum loan amount of \$225,000). ■ The term of the loan is 20 years. The interest rate is 4 percent below the direct FO rate, but not lower than 1.5 percent. ■ The remaining balance may be obtained from a commercial lender or private party. FSA can provide up to a 95 percent guarantee if financing is obtained from a commercial lender. Participating lenders do not have to pay a guarantee fee.

