



Vernon County FSA NEWSLETTER

FARM
SERVICE
AGENCY

County Committee

Sandy Heitz, Chair
Earl Rogers, V. Chair
Belvin Legleiter, Member

Farm Loan Division

Barbara Hedges, FLM
Amy Peiter, FLO
Suzette Berning

Oct 18, 2006

Vernon County FSA Office
102 West Allison
Nevada, MO 64772

Phone: (417) 667-8137

Fax: (417) 667-5025

FSA Website: www.fsa.usda.gov

Office Hours: Monday-Friday, 7:00 a.m. - 4:30 p.m.

Office Personnel

JaWan Thompson, CED
Phyllis Caldwell
Sara McGee
Shelley Pitts
Julie Van Der Schaaf

Compliance Ass't

Fred Feldmann
Kent Wright

EXPANDED CRP PROGRAM ANNOUNCED OCT 16 CONS. RESERVE ENHANCEMENT PROGRAM (CREP)

The expanded CREP program includes land in 79 counties in Missouri including all of Vernon and adjoining Bates, St Clair and Cedar and the North part of Barton for our area. CREP acreage includes land in designated watersheds surrounding public water drinking reservoirs. Acreage in these watersheds that meets the cropping history (4 of 6 yr '96-'01) is eligible to enroll in a 15yr contract. This acreage does not have to meet the soil erodibility, environmental factors and cost requirements as in past general signups. There are 13 conservation practices authorized on CREP, most include a mixture of native grasses and wildflowers. Regular cropland acreage seeded only to a grass/wildflower mixture is limited to 100 ac per farm. Other practices include waterways, filter strips, buffers, wetland restoration, bottomland timber establishment and habitat buffers along crop fields or pasture land adjacent to a water body. CREP offers a 25% cost-share paid by DNR in addition to the 50% regular cost-share. Also special incentive payments, which vary by practice, are available at signup. The annual payment rate is the average rental values of your 3 predominate soils (Co.Avg. is \$68). The Mo. Dept. of Cons. (MDC) is paying a \$100/ac Wildlife Habitat incentive payment on the first 20,000ac enrolled in the state. Other incentives include \$140/ac on waterways, filter strips and buffers and a 25% of cost incentive for wetland restoration. There is a maximum 40,000ac that can be signed up in CREP in the state.

Some CREP contracts are required to complete management practices of strip disking, prescribed burning, or chemical application on one third of the acreage for six years over the term of the contract. Mowing is no longer allowed unless as a component of an approved management practice. Contracts will be effective the first day of the month after your contract is approved.

An applicant must have owned the land for at least 12 months prior to sign-up - exceptions may apply. Tenants on the acreage may be required to sign the contract with a reasonable share unless they provide a statement that they no longer have an interest in the acreage. Reminder - if you sell CRP land and the buyer does not continue the CRP contract you may be required to refund all CRP payments made on acres sold. All applicants will need to bring a copy of their deed to verify ownership.

CRP CONTINUOUS SIGN-UP PROGRAM

Producers may continue to enroll highly erodible acreage such as waterways, filter strips and riparian buffers in the continuous CRP program anytime. Incentive payments are available to encourage enrollment - (1) additional 20% incentive on annual payment (2) \$100/ac incentive payment at sign-up (2) additional 40% cost-share incentive for establishment plus 50% normal c/s. Practice CP-33 for Quail Habitat continues to be a popular practice. It allows for 30 - 120' field borders to be planted to native grasses and forbs.

MOWING LIMITATIONS ON CRP CONTRACTS

Remember, due to new wildlife habitat regulations, CRP contracts effective prior to Oct '03 are limited to mowing only up to 1/2 of their CRP acreage in each field each year and mowing should only be done between July 15 and August 15. Acreage mowed in excess of the 50% limit will be ineligible for payments the year it is mowed. Noxious weeds (multiflora rose, musk thistle, field bineweed, marijuana) are required to be controlled and can be mowed anytime with written approval by NRCS and FSA. Also if weeds are inhibiting the seeded CRP approved cover then mowing or chemical application may be approved any time with written approval by NRCS and FSA. Mowing is not an approved practice or authorized on CRP contracts effective Oct '03 and after. These new CRP contracts require Maintenance Practices including prescribed burns, chemical application, or light disking per your management plan.

Most extended contracts are still subject to the original conservation plan allowing mowing (per limitations above) New CRP, CREP and re-enrollments require the maintenance requirements and no mowing is allowed except during establishment or with written approval by NRCS for noxious or heavy weed infestation..

CRP EXTENSIONS AND RE-ENROLLMENTS OFFERED FOR CRP EXPIRING IN 2008 - 2010

Producers with contracts expiring 2008 - 2010, who signed an intention to extend or re-enroll their CRP acreage, need to stop by the office and complete their paper work before Dec 31, 2006. Contracts not approved by this date will not be extended or re-enrolled - reminders should be mailed.

To get out of an extended contract requires repayment of all CRP payments back to the original approval date plus cost shares paid and 25% of annual payment in liquidated damages. To get out of a re-enrollment after the original contract expires only requires payment of 25% of annual payment for liquidated damages. These contracts or expiring contracts could be eligible for CREP. The earliest you can sign up expiring CRP acreage in CREP is 6 months prior to the expiration date.

EMERGENCY LIVESTOCK WATER (ECP)

Due to the continuing drought, Vernon County has requested a 60 day extension for the Emergency Livestock Water program to assist with the construction of wells or waterlines for livestock water. The sign-up period will be announced in the Nevada Daily Mail when approval is received from Washington.

Cost shares of 50% should be available soon for eligible components. Some provisions are: There must have been an adequate watering system (pond, stream, well etc) at the pasture location before the drought which is dry or no longer available due to the drought. Producers must sustain a minimum of \$1000 expense on eligible cost share items such as tank, pad, gravel, pipe, and trenching (cost of water meters is not an eligible

expense). Cost shares of up to 90% are available for limited resource producers with adjusted gross income of less than \$19,350 and gross farm sales of less than \$113,600 in each of the last 2 years.

An application should be completed before starting the practice however, due to the extreme severity of the drought and emergency need for livestock water producers who have installed emergency water in the last 60 days should still apply – if you meet the above requirements cost-shares may be approved by our State Office.

DCP Program Payments

All final 2006 DCP payments and the final 2005 crop counter-cyclical payments (CCP) were mailed the 1st week in Oct. The CCP rates vary each year and are paid only when the average effective price for the marketing year is below the target price. The 2005 CCP rate for corn was \$0.35/bu, for milo \$.27/bu. The Soybean price stayed above the target price and did not earn any CCP in 2005. The CCP for Barley was \$.025 (paid in July) and none were earned for 05 wheat or oats.

For 2007 the advance payment rate for Direct Payments (DP) will be 22% and may be requested after Oct 1 for any month Dec 06 – Sept 07. The balance of the direct payment is made in October. DC payment rates per bu are Wheat \$.52, Corn \$.28, Milo \$.35, Soybeans \$.44. Oats \$.024 and, Barley \$.24, DP rates are based on 85% of the farms establish yield for each crop x base x price. The deadline to sign up in DCP Program each year is June 1. The COC may approve late filed DCP contracts up to Sept. 30 of the contract year if producer pays \$100 late file fee per farm and producer must be in compliance with all other eligibility requirements per spot-check. The final date to correct shares on your 2007 DCP contract will be Sept. 30.

2007 CROP ACREAGE REPORTS

Producers may want to report 2007 wheat acres when you sign-up for the 2007 DCP program. June 30, 2007 is the final date to report fall seeded crops - wheat and oats. Acreage reports are required if you participate in DCP, CRP or apply for grain loans or LDP payments. July 31 is the final date to report corn, grain sorghum, soybeans, NAP crops (pecans, grass, etc), CRP and other spring crops and land uses. All cropland on the farm must be reported in order to be eligible for program benefits. Acreage reported after the deadline will be considered late filed and a measurement service fee (minimum \$27) will be charged for a field visit to verify physical evidence.

FARM RECONSTITUTION & RECORD CHANGES

Any ownership, operator, or address changes should be reported timely to the FSA office to keep records current. Adding or dropping a farming interest will also require you to update your conservation plan and payment limitation requirements.

A reconstitution (farm combination or division) may be requested by the farm owner or operator whenever a change is made in the operation of the land. To be effective for the current fiscal year, a reconstitution must be requested by August 1. If DCP advance payments have already been made on a farm, the payment must either be refunded or the reconstitution will be effective for the following year. Non-participating and total CRP farms may be reconstituted at any time. Participating farms can now be combined with non-participating farms. Land in contiguous counties may be combined in one county if land is owned or operated by the same person.

FSA FARM LOAN PROGRAMS

EM Loan Designation for Drought – Vernon County was included in the listing of Missouri counties designated natural disaster areas on October 10, 2006, making all qualified farm operators in the designated areas eligible for low interest emergency (EM) loans, provided eligibility requirements are met. Farmers have eight months from the date of the designation to apply for loans to help

cover part of their actual losses. FSA will consider each loan application on its own merits, taking into account the extent of losses, security available and repayment availability.

Farm Loan Program: The FSA office has both direct and guaranteed loans available to assist family farmers' credit needs. These programs are available to those who are unable to obtain financing through the normal lenders in the area. Loans can be made as operating loans for annual lines of credit, operating loans for chattels (livestock and equipment), and farm real estate loans. Producers having difficulty in obtaining conventional credit should inquire about the various programs available.

Youth Loans: Rural Youth ages 10-20 may be eligible for loans to establish and operate income-producing projects such as livestock and crop production, lawn and garden services, repair shops, etc. These projects must be in connection with FFA, 4-H or other similar organizations and be part of an organized and supervised plan of work. The maximum loan amount is \$5,000.

2007 EQIP and WHIP Signup and Ranking Period

The Natural Resources Conservation Service (NRCS) is currently taking applications to be considered for funding in the 2007 Environmental Quality Incentive Program (EQIP) and the Wildlife Habitat Incentive Program (WHIP). EQIP has a continuous application sign up time period, however the ranking period to be considered for 2007 funding ends on November 17, 2006. Cost share may be available for conservation practices such as manure management facilities, irrigation system efficiency conversion and irrigation water management, filter strips, pasture and hayland planting, prescribed grazing, and many other practices. Incentive payments may be made to encourage a producer to perform land management practices such as nutrient management, waste utilization, integrated pest management and wildlife habitat management. WHIP offers practices such as forest stand improvement, upland wildlife habitat improvement and wetland wildlife habitat improvement. For further information call the NRCS office at 417-667-8137 ext.3 or stop by at 102 West Allison in Nevada.

LDP REQUEST REQUIREMENTS - CCC-633 EZ

Remember to indicate your intention to receive loan deficiency payments for all your crops at the beginning of the crop year before you've lost beneficial interest. By signing the first page of the 633 you indicate your intentions to receive LDP benefits which covers all counties and all eligible harvested commodities for the entire crop year, for the individual, joint operation or entity identified on the form. Then page 2, 3 or 4 is used to request an LDP any time during the loan/LDP availability period before or after losing beneficial interest. Remember - page 1 of the 633 form must be signed by the producer before beneficial interest in the commodity is lost. Producers should complete the 633 when you report your acreage or sign up in DCP Program each year.

MILC MILK PROGRAM SIGNUP

Milk Income Loss Contract Program (MILC) compensates dairy producers when domestic milk prices fall below a specified level. The MILC was authorized in 2002 and reauthorized in 2005 to run through Sept. 30, 2007. The extended program period is called MILCX. The program is available to dairy producers who commercially marketed milk during the period Oct 1, 2005 – Sept 30, 2007.

Producers who did not signup during the regular signup period ending May 17 can elect to start payment any month but before the 14th of the month. Producers receive payments until up to 2.4 million pounds of milk is marketed in one fiscal year. The following payment rates per cwt have been set for the following months: Dec.'05-\$0.4, Jan.'06-\$1.0, Feb \$.10, Mar.-\$.40, Apr.-\$.83, May \$.92, Jun \$.99, Jul \$.79, Aug \$.92, Sep \$.96, Oct \$.43.

LIVESTOCK ASSISTANCE GRANT PROGRAM - SIGN UP OCT. 16 –NOV 17

The Missouri Department of Agriculture (MDA) is administering a total of \$2.7 million in USDA Livestock Assistance grants to help livestock producers in 30 counties in SW Missouri partially recover forage production losses due to drought conditions in 2006. Sign-up began Oct. 16 and will end Nov 17, 2006. Eligible producers must complete a one-page application that includes self-certification of livestock herd numbers. The application process is not a first come, first serve basis. Once the application period closes, the number of eligible livestock certified to the Missouri Department of Agriculture will be calculated and the \$2.7 million will be prorated on a per-head basis. Applications may be picked up at the Vernon County FSA Office or the Vernon County Extension Office at the Court House or may be printed on line at <http://www.mda.mo.gov> and must be mailed to the MDA address on the application and postmarked no later than Friday, Nov. 17, 2006. For questions regarding the grant program call the Mo. Dept. of Agric. at (573) 526-4727 or send questions to lagp@mda.mo.gov. It is a very simple form but please read the instructions on the back before completing.

The eligible counties in Missouri are: Barry, Barton, Bates, Benton, Camden, Cass, Cedar, Christian, Cooper, Dade, Greene, Henry, Hickory, Jackson, Jasper, Johnson, Lafayette, Lawrence, McDonald, Miller, Moniteau, Morgan, Newton, Pettis, Polk, Ray, St. Clair, Saline, Stone & Vernon. USDA has selected these counties based upon the drought severity as described by the U.S. Drought Monitor from Mar. 7, 2006 - Aug. 31, 2006.

Female Reproductive Foundation Stock that were 1 yr old on March 7 and were owned between March 7 and Aug. 31, 2006 and are kept for the purpose of breeding and reproduction can be claimed on the application. Eligible livestock include: adult - beef cows, dairy cows, sheep ewes, goat does, equine mares, elk cows and bison cows.

There have been several complaints that the LAGP is inadequate. The LAGP provisions allotted \$2,726,909 for the 30 eligible counties in Missouri. In the last Livestock Assistance Program Vernon County alone paid \$1,047,243 on about 63,000 head or about \$16.00/head. Per the National Ag Statistics figures on cattle numbers the total cattle numbers for the 30 approved counties is 1,751,500 which, when compared to the money allocated under the LAGP program, it would pay producers, if all apply, a total of \$1.56 per head for losses suffered due to the 2 year continuing drought. Even though the payment on this program may be small we encourage all eligible producers to send in the application as it only takes a few minutes to complete and in the past eligibility for additional assistance programs may be tied to your participation to this one.

The county office has received 6 to 10 requests daily all summer for assistance for hay as most hay supplies have been depleted. Our County has suffered an estimated 50 to 75% loss in pasture and hay production both in 2005 and in 2006. Actual losses suffered by producers on a 2.5ac/head basis, calculates out to about a \$55.00 per head loss each year. Since the LDGP is extremely inadequate as a disaster assistance program, the County Committee has requested implementation of a regular Livestock Assistance Program (LAP) similar to previous drought years. Livestock Assistance Programs have been established in the farm bill by congress to reasonably compensate producers for such disaster losses to avoid liquidation of herds and loss of farms. The county met all the requirements for a LAP program for losses suffered in 2005 and submitted a request in March of 2006 but since the program was not funded the request is still pending. The county again meets all the requirements for a LAP for 2006 losses and requests for assistance have been submitted but again the program has not been funded. The only way assistance can be approved is for producers to contact your congressman and request they fund a program to reasonably compensate producers

for a portion of their hay and pasture losses suffered to avoid further liquidation of herds.

NAP Non-Insured Crop Disaster assistance Program (Pecans Losses)

There have been many reports of pecan losses due to the drought. Producers with NAP Insurance on their Pecans need to file a notice of loss with in 15 days of when the disaster occurred or when the loss became apparent to them. Since this is a drought loss the date may vary but should be filed now or soon after harvest starts so a field inspection can be made to verify the damage. Qualifying disaster yields for payment vary with proven yields but the county average yield for pecans is 104 lbs for Native and 183 lbs for Improved. The 2006 Established Price is \$.75 for Native and \$1.16 for Improved. NAP payments are made when yields fall below 50% of your proven yield and are paid at 65% of the price. Production for loss claims should be submitted by mid Dec or contact the FSA office by then if extended harvest is necessary. March 15 is the deadline to purchase NAP coverage on pecans at a cost of \$100/crop per county. There is about 5300ac of pecans in the county.

Emergency and Managed Haying and Grazing of CRP

We had about 80 requests for haying and grazing of CRP acreage due to the drought. Before Emergency Haying was approved for a fee of 10% of the CRP payment a fee of 25% was charged producers. An approval was later made to change the 25% fee to 10% and to be retroactive so producers CRP payments were only reduced 10%. Those who paid upfront will receive a refund on the 15% extra charge. Reminder –Hay must be removed by Oct 31 and cattle removed from grazing requests by Nov. 12.

2006 CROP LOAN AND LDP REMINDERS

The final date to obtain a loan or LDP on 2006 grain is March 31 for wheat and May 31, 2007, for spring crops. 2006 crop loan rates are: Wheat SRW \$2.59/bu., Wheat HRW \$2.80/bu Corn \$2.04/bu., Milo \$3.44/cwt., and Soybeans \$4.98/bu. The Oct interest rate is 6.0%. Producers who have reported their crop acres and are in compliance with their conservation plan are eligible to apply for a loan or LDP on their warehouse or farm stored grain. Grain loans are for a 9-month period following the month the loan was disbursed and may be redeemed at any time during the term of the loan at principle + interest; or at the maturity date of the loan you may request to deliver the grain to CCC and the loan will be settled at the loan rate based on quality with applicable price discounts for grade and quantity delivered; or you may request to repay the loan at the Posted County Price (PCP) through the maturity date of the loan. LDP and PCP Rates are online –at www.fsa.usda.gov. Rates are also posted daily at the FSA office. Currently no crops are paying an LDP. Corn was paying from Aug 14 to Sept 18, soybeans from Aug 1to Oct 3 and Milo from Aug 18 to Aug 30 so if you sold any during that time and had a 633 on file you may be eligible for an LDP.

If your loan is certified, you must still furnish production evidence such as: warehouse receipts, load summary sheets, or evidence of sales when repaying at the PCP. Evidence is not needed if you are repaying at principle + interest. And only evidence of delivery date is needed for measured loans with a locked-in rate. Also, on farm-stored loans, you could request release – lock in a rate (good for 60 days) and if you do not get it sold and the market price goes down, you have the option to pay off the loan at principle + interest and are then eligible to take an LDP at the current higher LDP rate or take out another loan on that grain . (Must be before the final loan availability date and cannot lock-in a rate again.) This could be of help if markets drop a lot in a few weeks after you locked in your LDP rate and you haven't moved your grain

Vernon County FSA Office
102 W Allison
Nevada, Missouri 64772



**PRESORTED STANDARD
U.S. POSTAGE PAID
COLUMBIA, MO
PERMIT #230**

NRCS - VERNON COUNTY SWCD:

The Vernon County Soil & Water Conservation District has the following equipment available for rent to aid in developing conservation practices:

NO-TILL DRILLS: Capable of seeding annual crops, food plots, cool and warm season grasses and legumes. The two sizes available are a 7 ft. drill rented for \$7/acre and two 10 ft. drills rented for \$8.50/acre. All 3 drills have a minimum charge of \$75/day.

ROOT PLOWS for use along hedge rows to allow higher crop production giving an incentive for farmers to leave hedge rows for wildlife cover and help prevent soil erosion. Available for \$10.00/day.

PASTURE RENOVATOR: \$5.00/ac plus \$75.00/day

SCRAPER: Needs a 120 h.p. tractor, holds 8 yds. and rents for \$75.00/day.

MULCHER: Handles large round bales. Rents for \$75.00/ac with a \$75.00/day minimum.

BROADCAST SEEDER: Holds 5 bushel of seed. Rents for \$.75/ac with a \$20.00/day minimum.

RAINFALL REPORT

Rainfall for Vernon County from March – Dec 2005 was 19.1” or 64% below normal. Normal is 41.1”. Rainfall to Oct 15 for 2006 is 18.9” or 49% below normal - Normal to date is 36.8”. We are 83% below normal for the last 3 months or since July 15. We are 39.9” below normal since March 1, '05. The 30-year average annual rainfall for the county is 44.8”. This Rainfall data is from near Moundville – about 5” more was received through Nevada in May 06.

Monthly totals were:

Mar 05	1.26”	Oct	1.43”	May	3.12”
Apr	2.48”	Nov	.62”	Jun	2.84”
May	1.35”	Dec	.45”	Jul	4.49”
Jun	5.51”	Jan '06	.72”	Aug	.97”
Jul	1.42”	Feb	.00”	Sep	.73”
Aug	3.17”	Mar	1.72”	Oct-15	.27”
Sep	1.44”	Apr	4.08”		

You may also obtain rainfall data on the Internet at: www.agebb.missouri.edu/mass

DATES TO REMEMBER

June 1	Final date to signup in the DCP Program.	Ongoing	CRP continuous Signup – (For waterways, filter strips, buffers, etc.)
June 30	Final date to report wheat, oats	Sep 30	Deadline to revise shares and successor-in-interest changes in your DCP contract.
July 15-Aug15	CRP Mowing Period (Limited as noted above)	Nov. 15 Jun. 20	Ending planting date for Wheat. (Jun. 5 Corn.) Ending planting date for Soybeans, Gr Sorg.
July 16- Oct 13 July 16- Nov 12	CRP managed haying period CRP managed grazing period (10% reduction in CRP payment in '06 & requires approved plan)	Mar 1 - May 15 Aug15 -Oct 15 Apr 1 – Jun 15	Spring Cool Season Grass Seeding Period Fall Cool Season Grass Seeding Period Spring Warm Season Grass Seeding Period
July 31	Final date to report CRP, corn, grain sorghum, soybeans, NAP crops, and other spring crops.	Dec 15-Mar 1 Nov 15-Mar31	Dormant Cool Season Grass Seeding Period Dormant Warm Season Grass Seeding Period
July 31	Final date to provide production evidence for NAP Crops (Pecans) for proven yields.	Feb 1-May 15 May 1-Jul 15	Spring Tree planting period for CRP. Fall Tree planting period for CRP Wildlife Nesting Season (No Mowing)
August 1	Final date to request Farm Reconstitution for current year	Ongoing	CREP continuous Signup--75% cost share an \$\$\$ incentives for warm season grass, etc

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communications of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (Voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.