



August 2008

# District 1 News

**Andrew County**  
105 Hwy. 71 W  
Savannah, MO  
816-324-3196

**Atchison County**  
302 E Hwy. 136  
Rock Port, MO 64482  
660-744-5328

**Buchanan County**  
3915 Oakland Ave.  
St. Joseph, MO 64506  
816-364-3927

**Clinton County**  
1800 W. Highway 116  
Plattsburg, MO 64477  
816-539-2136

**Dekalb County**  
1101 S. Polk  
Maysville, MO 64469  
816-449-2112

**Gentry County**  
512 E. Hwy. 136  
Albany, MO 64402  
660-726-5525

**Harrison County**  
1400 N. 41<sup>st</sup>. Street  
Bethany, MO 64424  
660-425-7635

**Holt County**  
118 W. Davis Street  
Mound City, MO 64470  
660-442-3134

**Nodaway County**  
502 W. South Hills Dr.  
Maryville, MO 64468  
660-582-7423

**Platte County**  
1207 Branch Street  
Platte City, MO 64079  
816-431-2101

**Worth County**  
18 West 3<sup>rd</sup> Street  
Grant City, MO 64456  
660-564-3341

## To FSA District #1 Producers,

We have chosen to send a district-wide newsletter this month to provide explanations on several programs that most producers will have to make decisions on in the near future. One of these programs is known as the SURE program. SURE is the acronym for the Supplemental Revenue Assistance Payments Program and is a new program which was included as a part of the permanent disaster legislation in the 2008 farm bill. To be eligible for this program; producers must purchase at least the catastrophic risk protection (CAT) level of crop insurance for all their insurable crops and /or Noninsured Crop Disaster Assistance Program (NAP) coverage for all non-insurable crops. For the 2008 year only producers who did not obtain these minimum levels of coverage can “buy-in” to be eligible to participate in the SURE program by paying the administrative fee that would have been applicable if the producer had timely applied for NAP or CAT. Paying these fees will not give you coverage for your 2008 crops but will make you eligible for benefits under SURE. These fees must be paid at your local FSA office by September 16, 2008. Read the article later in the newsletter for more details and information. One SURE thing you can count on is that your decisions at this time about the “buy-in” will determine whether or not you are eligible for any benefits payable to producers under the SURE program.

**On July 8<sup>th</sup> a temporary restraining order put a hold on releasing CRP for haying and grazing under the Critical Feed Use initiative.** This is where producers could release up to 50% of CRP fields for haying or grazing for a \$75 fee. On July 24<sup>th</sup> the federal court issued a permanent injunction which permits haying and grazing under the Critical Feed Use Initiative, with several restrictions. **If you have been approved or applied for haying or grazing under this release please take time to read the article on page 3. There are several changes since the initial announcement went out.**

As most of you already know the crop reporting deadline for all crops in this area was extended until August 15, 2008. If you have not reported your crops; call your local FSA office now to set up a time to report your acreage.

DCP or the annual farm program signup will continue through September 30, 2008. This sign-up period would generally have ended June 30<sup>th</sup> but due to the late passage of the farm bill is extended until September 30<sup>th</sup> this year.

Beginning farmers wishing to purchase land should talk to the Farm Loan Manager serving their area about revised loan provisions contained in the 2008 farm bill for farm ownership loans. The newly designed loans offer great interest rates, higher loan limits, lower down payment requirements, and extended terms to help beginning farmers make initial land purchases.

As always, if you have any questions about any USDA program contact your local FSA office.

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## Acres Reporting Deadline: August 15<sup>th</sup>

For 2008, the final crop reporting dates will be August 15, 2008. Late fees will not be applied if acreage reports are filed by August 15 and all other reporting requirements are met.

Filing an accurate and timely report for all crops and land uses, including prevented planted and failed acreage, can prevent loss of benefits for a variety of Farm Service Agency programs. All cropland on the farm must be reported to receive benefits from the Direct and Counter-cyclical Program, marketing assistance loans and Loan Deficiency Payments. Report of acreage must account for all cropland on a farm, whether idle or planted. Conservation Reserve Program acreage must be reported to receive annual rental payments. And, crop acreage for Non-insured Crop Disaster Assistance Program (NAP) must also be reported.

## 2008 Compliance Process

Compliance spot checks will be conducted on 2008 crops. However, instead of locally selecting farms, contracts, deficiency loans, etc. for review, a nationwide selection of producers is employed as the current sampling method. Spot check selections are to be conducted based on a producer's participation in Conservation Reserve Program, Direct and Counter-cyclical Program, Loan Deficiency Program, etc. FSA appreciates the cooperation of its customers as the agency continues to enhance its operations. Feel free to contact your local Farm Service Agency office for additional clarification.

## DCP Base Acre Erosion

Due to the number of Prevented Planted and Failed acres this year, producers are reminded that they are required to protect all base acres from erosion, including providing sufficient cover as determined necessary by the County FSA Committee, and control weeds.

## SURE Disaster Program

With all the flood damage, the late-planted crops, and the low yields expected in Northwest Missouri, producers need to understand the new disaster program that will be available during 2008. The 2008 Farm Bill created the Supplemental Revenue Assistance Payments (SURE) program. This program is very different from previous disaster programs because it is not an ad hoc program; it is a permanent disaster program that requires producers who did not obtain CAT or NAP insurance on all their crops to "buy-in" for eligibility. The weather conditions we have had this season will affect the revenues of many producers, and unlike in past years, steps must be taken this year to be eligible for disaster assistance.

To be eligible for these programs, producers must purchase at least catastrophic risk protection (CAT) level of crop insurance for all insurable crops and/or Noninsured Crop Disaster Assistance Program (NAP) coverage for non-insurable crops. **Every crop in every county that a producer has a risk in must be covered by either CAT or NAP coverage in order to be eligible for the new disaster programs.** In order for the program to take effect, producers must be in a county that has had a secretarial disaster declaration (or a contiguous county), or they must have had at least a 50% loss in farm revenue regardless of county designation.

For the 2008 crop year, the deadline to apply for crop insurance and NAP passed prior to enactment of the 2008 Farm Bill. As a result, **for the 2008 crop year only**, producers who do not have all crops on the farm covered with crop insurance and/or NAP and wish to be eligible for the SURE program in 2008, can do so by paying the applicable buy-in fee by **Sept. 16, 2008**. The fees for 2008 are \$100 per crop, but not more than \$300 per producer per county, or \$900 total per producer, for all counties. These fees and limits apply separately to both CAT and NAP covered crops, but the limits do include any previously paid fees for CAT and/or NAP. **Payment of the fees will not provide crop insurance coverage or NAP coverage. The buy-in fees for 2008 simply make you eligible for the 2008 SURE disaster program.**

Producers should be aware that the SURE disaster program is revenue based protection and will not pay on individual crop losses. The SURE program will also not be able to offer

any immediate payments. Payments will be based on average market prices after harvest and final computations will not happen until later next year. The program compares actual total revenue to the expected revenue for a producer's farming operation (this equals the sum of all crop acreage in all counties that is planted or intended to be planted for harvest, including haying and grazing.) The SURE program will pay 60% of the difference between expected revenue and actual revenue for eligible producers.

Contact your local FSA office for additional information on the SURE program.

## 2008 DCP Program Sign-up is Underway

Producers have until September 30, 2008 to sign-up for the 2008 Direct and Counter-cyclical Payment Program (DCP). Producers can fill out their 2008 DCP contract at any USDA Farm Service Agency County Office.

This program remains relatively unchanged for 2008. All payment and eligibility requirements are identical to the 2002-2007 DCP program. Most provisions from the recent farm bill will not become effective until the 2009 crop year. However, one change that is effective for 2008 is that farms with 10.0 or less base acres are now ineligible to receive payment unless they are solely owned by a socially disadvantaged producer, limited resource producer, or a beginning farmer.

FSA computes DCP payments using base acres and payment yields established for each farm. Eligible producers receive direct payments at rates established by statute regardless of market prices. For 2008, eligible producers may request to receive an advance payment of 22 percent of the direct payment for each commodity associated with the farm. FSA will issue advance direct payments as soon as practical after enrollment. Final direct payments will be issued after Oct. 1, 2008. Counter-cyclical payments vary depending on market prices, and are issued only when the effective price for a commodity is below its target price (which takes into account the direct payment rate, market price and loan rate).

For all eligibility requirements or additional information, contact your local FSA office.

## Judge Allows Some CRP Haying and Grazing to Continue

On May 27, 2008, USDA issued regulations allowing certain acreage enrolled in the Conservation Reserve Program (CRP) to be hayed or grazed under critical feed use initiatives after the ending of the primary nesting season. On July 8, 2008 a Federal court granted a Temporary Restraining Order (TRO) that suspended USDA's authority to process or approve these releases. On July 24, 2008, the same Federal court issued a Permanent Injunction which permitted certain haying and grazing under the critical feed loss initiatives to continue. **Producers that had applied and signed the CRP-1M addendum before July 8, 2008 will be allowed to continue with haying or grazing of CRP acreage under the critical feed use initiative.** Some modifications to their original conservation plan may be required which may change the ending dates of the haying and grazing for some producers. All producers will need to sign and agree that this activity on their CRP acreage will reset the calendar for the counting period for releases under managed haying and grazing activities on their contract acreage.

**Another change that the Judge's ruling required is that although only one half of each field may be hayed under critical feed loss provisions the entire field will be considered to have been released. The entire acreage will be considered as hayed in 2008 when determining eligibility for any future managed haying and grazing releases.**

Other CRP participants may be approved for release under critical feed loss regulations on their own acreage if they can document proof of an investment of \$4,500 or greater toward haying and grazing equipment or preparation as a result of the announcement that allowed haying and grazing under critical feed loss initiatives. Invoices, contracts, cancelled checks, and other forms of legal obligation that are dated between May 27, 2008 and July 8, 2008 may be considered acceptable documentation. Eligible expenses may include items such as the purchase of cattle, application of fertilizer, equipment purchased and fencing and water supplies. The producer will be required to provide documentation of the purchases and sign a declaration that the purchases were made in preparation for haying or grazing of his CRP acreage under the critical feed use provisions. Producers approved for haying and grazing under this type of situation must end haying by September 30, 2008 and grazing by October 15, 2008. No rental reductions will apply but the fields in which haying or grazing occur will have the clock restarted for future managed haying or grazing activity. No producer in this category may perform any haying or grazing until their application is approved by the County FSA Committee.

**For producers unable to qualify under critical feed use, other options are available.** Emergency grazing of CRP acreage is available which would allow grazing on CRP acreage in the following counties subject to a 25% rental rate reduction: Andrew, Atchison, Buchanan, Clinton, DeKalb, Gentry, Harrison, Holt, Nodaway, and Worth. Managed haying and grazing is also available. This would allow haying or grazing of CRP acreage not hayed or grazed in the last 3 years subject to a 25% rental rate reduction.

Producers are cautioned not to do any haying or grazing on CRP acreage until they obtain approval from the local FSA County Committee. Failure to obtain proper approval may result in penalties or termination of the CRP contract. **100% of the actions taken by producers applying for Critical Feed Use are subject to inspection of the Federal Judge that issued the court order. Any declarations made by producers are subject to review.**

### Quality Loss Crop Disaster Sign-up

Sign-up for quality losses under the Crop Disaster Program (CDP) **began on June 23, 2008.** For quality losses, producers **must have applied** for quantity loss to be eligible to apply for a quality loss. However, producers do not need to qualify for a quantity loss. Producers must have suffered quality losses of at least 25 percent to be eligible for CDP quality loss. In addition, the requirement for Crop Insurance or NAP coverage still applies.

Quality loss participants **will be required** to provide actual production evidence. The actual production evidence will need to show the total quantity, price and quality factors to receive a payment. This includes evidence showing quality grading factors of the affected production, such as university or other commercial lab test results. For instance, documentation showing only that a crop graded as "feed" **will not** be considered verifiable evidence to substantiate the quality of the crop.

The CDP provides benefits to farmers who suffered losses to their 2005-2007 crops from natural disasters. Producers who incurred qualifying quantity or quality losses in 2005, 2006 or 2007 may receive benefits for only one of these years. However, producers may apply for benefits for losses to multiple crops as long as the losses occurred in the same crop year.

For more information or to apply for crop quality losses, producers can visit their local Farm Service Agency (FSA) office.

### 2009 NAP Fee Increases

The Noninsured Crop Disaster Assistance Program (NAP) Fees will be increasing for 2009:

| Fee                         | 2008  | 2009    |
|-----------------------------|-------|---------|
| Per Crop (one county)       | \$100 | \$250   |
| Per County (all crops)      | \$300 | \$750   |
| Per Producer (all counties) | \$900 | \$1,875 |

**CHECK PAGE 3 FOR IMPORTANT CRP  
 HAYING & GRAZING INFORMATION**

**FSA Farm Loans**

The Food, Conservation, and Energy Act of 2008 modified the Farm Service Agency's (FSA) Farm Loan programs. For Direct Farm Operating and Farm Ownership loans, the maximum loan amount has been increased to \$300,000.

The FSA Farm Ownership Down Payment Loan program allows eligible family farmers to purchase farms with a 5% down payment, while financing up to 45% of the purchase price with a low interest direct loan from FSA. The remainder of the purchase price would be financed by another lender, who could qualify for a loan guarantee from FSA. The Farm Ownership Down Payment Loan program was modified in several ways:

- Expanded to include Socially Disadvantaged Applicants; Socially Disadvantaged Applicants (SDA) are one of a group whose members have been subjected to racial, ethnic or gender prejudice because of their identity as a member of the group without regard to their individual qualities. SDA groups include; Women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders.
- Interest rate reduced to the Direct Farm Ownership rate less 4% or 1.5% whichever is greater
- Maximum loan amount changed from \$100,000 to \$225,000
- There is no limitation on the purchase price of the farm.
- Loan term is extended from 15 years to 20 years; and
- Required down payment is reduced from 10% to 5%.

To find out more about the FSA Farm Ownership Down Payment Loan program, contact your local FSA county office to setup an appointment with a loan approval official.

**Dates to Remember**

|           |  |
|-----------|--|
| Aug. 15   | <b>Final reporting date</b> for all crops. Late fees assessed after Aug 15 <sup>th</sup> .               |
| Sept. 1   | <b>Labor Day Holiday.</b> FSA Offices Closed.  |
| Sept. 16  | <b>Final date</b> to pay CAT & NAP buy-in fees for disaster eligibility                                  |
| Sept. 30  | <b>Final date</b> to apply for 2008 DCP  |
| Continues | Farm Storage Facility Loan program.  |
| Continues | Continuous Conservation Reserve Program through September 30 <sup>th</sup> , under previous authorities. |

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<http://www.fsa.usda.gov/mo>



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