



# SW Mo FSA News

July/August 2008

## District 8 USDA Service Centers

Barry County FSA  
Cassville, Mo. 65625  
417-847-2862

Barton County FSA  
Lamar, Mo. 64759  
417-682-3571

Bates County FSA  
Butler, Mo. 64730  
660-679-6112

Cass County FSA  
Harrisonville, Mo. 64701  
816-884-4432

Cedar County FSA  
Stockton, Mo. 65785  
417-276-4712

Dade County FSA  
Greenfield, Mo. 65661  
417-637-5991

Hickory County FSA  
Hermitage, Mo. 65668  
417-745-6496

Jackson County FSA  
Blue Springs, Mo. 64015  
816-229-5113

Jasper County FSA  
Carthage, Mo. 64836  
417-358-8198

Lawrence County FSA  
Mt Vernon, Mo. 65712  
417-466-7107

Newton/McDonald FSA  
Neosho, Mo. 64850  
417-451-1007

St Clair County FSA  
Osceola, Mo. 64776  
417-646-8107

Vernon County FSA  
Nevada, Mo. 64772  
417-667-8137

## Revised Crop Certification Deadline

For 2008, the final crop reporting dates will be **extended to 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.

## Successor In Interest

Many FSA programs will allow payments to be made to heirs or successors when a program participant passes away. Additionally, contracts in programs such as CRP must be revised to reflect the successor(s) to a deceased participant's interest.

In the event of an FSA program participant's death, it is important that FSA be notified. Entities and joint operations that participate in FSA programs also need to notify FSA if a shareholder or member passes away. FSA benefits are reported to IRS and maintaining current, accurate records about participants is vital to ensuring that those payments are reported correctly.

## 2008 Crop Year Loans and LDP's

The Food, Conservation, and Energy Act of 2008 authorizes Marketing Assistance Loans (MAL's) and Loan Deficiency Payments (LDP's) for crop years 2008 through 2012. General provision in effect for the 2007 crop year will remain in effect for the 2008 crop year.

## 2008 DCP Program Sign-up

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. Sign-up can also be completed online by going to <http://www.fsa.usda.gov/FSA/edcp> and clicking on "Access eDCP Service." You can choose payment options, assign crop shares and sign and submit contracts. You can also view and print submitted contract options.

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 and 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).

Producers are reminded of the requirement to protect all DCP base acres from erosion, including providing sufficient cover as determined by the County FSA Committee, and to control weeds. Producers should monitor the condition of their Prevented Planted and Failed Acreage this year.

One DCP change that occurred with the 2008 Farm Bill: A producer on a farm may not receive direct payments, counter-cyclical payments, or average crop revenue election payments if the sum of the base acres of farm is 10.0 acres or less, except if the **farm** is wholly owned by either of the following:

- A socially disadvantaged farmer or rancher
- A limited resource farmer or rancher

## Buy-In Disaster Assistance For Producers Without Insurance Coverage

USDA's Farm Service Agency (FSA) will allow producers who would otherwise be ineligible for the new disaster assistance programs to become eligible by paying a fee as required by new procedure in the 2008 Farm Bill.

The 2008 Act requires that producers have either crop insurance and/or non-insured crop disaster assistance (NAP) policies for all farms, all crops, and all counties in which the producer has an interest. Complying with this regulation would make the producer eligible to participate in the Supplemental Revenue Assistance Payments (SURE) and other disaster program. Since the 2008 Act was enacted after the application periods had closed, a waiver that allows producer to pay a "buy-in" fee is available. If producers pay the "buy-in" fee they would be eligible to participate in disaster programs.

Every producer whose crops, including haying and grazing lands, are not fully covered by crop insurance and/or NAP will need to pay the "buy-in" fees to be eligible for the program. The fees will not provide the producer with crop insurance and/or NAP coverage, it only provides the opportunity to participate in the disaster programs. The "buy-in" fees are due no later than September 16, 2008.

The buy-in fee is \$100 per crop for either catastrophic risk protection (CAT) and/or NAP. The maximum fee is \$300 per producer per administrative county or \$900 total per producer and type of coverage.

Producers who meet the definition of "Socially Disadvantaged, Limited Resource," or "Beginning Farmer or Rancher," do not have to meet the Risk Management Purchase Requirement, and, therefore, are not required to pay the buy-in fee.

The SURE program will be available to eligible producers on farms in disaster counties, designated by the Secretary, including contiguous counties that have incurred crop production losses and/or crop quality losses during the crop year. The SURE program is different than programs in the past because revenue is the qualifying indicator. Having more than a 50% loss in total farm revenue for the year would make the farm eligible for participation in the SURE Program. However, Congress determined that payments would not occur until the calculation at the end of the marketing year. It also will be available to any farm where, during the calendar year, the total loss of production on the farm, because of weather, is greater than 50 percent of the normal production of the farm.

## Additional New Disaster Assistance Programs

USDA enacted into law on May 22, 2008, the Food, Conservation and Energy Act of 2008. This Act created an agricultural disaster relief trust fund and a supplemental agricultural disaster assistance program. The trust fund provides five new disaster assistance programs that may be used to make payments to farmers and producers. The new disaster assistance programs are the:

- Supplemental Revenue Assistance Payments (SURE) Program, (explained in previous article)
- Livestock Forage Disaster Program (LFP),
- Livestock Indemnity Program (LIP),
- Tree Assistance Program (TAP), and
- Emergency Assistance for Livestock, Honey Bees and Farm-Raised Fish (EALHF) Program.

The LFP program will be available to eligible livestock producers who suffered grazing losses for eligible livestock because of drought on land that is either native or improved pastureland with permanent vegetative cover or planted to a crop specifically for providing grazing. The LFP program will also be available to eligible livestock producers who suffered grazing losses for eligible livestock because of fire on rangeland managed by a Federal agency if the eligible livestock producer is prohibited from grazing the normal permitted livestock on the managed rangeland.

The LIP program will be available to eligible livestock producers on farms that have incurred livestock death losses in excess of normal mortality because of adverse weather, as determined by the Secretary during the calendar year, including losses because of hurricanes, floods, blizzards, disease, wildfires, extreme heat and extreme cold.

The TAP program is reauthorized, to provide assistance to orchardists and eligible nursery tree growers who produce nursery, ornamental, fruit, nut or Christmas trees for commercial sale that lost trees because of a natural disaster as determined by the Secretary.

The EALHF program will provide emergency relief to producers of livestock including horses, honey bees and farm-raised fish because of losses from adverse weather or other conditions, such as blizzards and wildfires, as determined by the Secretary.

Producers interested in the SURE, EALHF, LFP or TAP programs must have purchased or obtained a plan of insurance covered under the Federal Crop Insurance Act (FCIC) for each crop on the farm or if the commodity is non-insurable, be covered under the noninsured crop disaster assistance (NAP) program through FSA and have paid the applicable administrative fee set by the State Committee approved deadline date.

***However for 2008, producers who do not meet the above listed requirements may be eligible if the producer pays a fee comparable to the cost of NAP and/or FCIC coverage by no later than Sept 16, 2008.***

## Removing CCC Loan Collateral

Producers are reminded, if you have grain under Commodity Credit Corporation loan it cannot be removed or disposed of without prior county office staff authorization or repayment. The county office staff may issue release authorizations based on a telephone or in person request when you are ready to move the grain. **Call Before You Haul!**

It is also a good idea to monitor the condition of all grain stored during the summer months.

## 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 and related conditions. 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.

## 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. If an entity is selected from the national database that is no longer farming or participating in the 2008 crop year, a notation shall be made on the spot check list.

FSA appreciates the cooperation of its customers as the agency continues to enhance its operations. For more information about the spot check selection procedure, feel free to contact your local Farm Service Agency office for additional clarification.

## Foreign Landowner Notification

The AFIDA requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. FSA 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 with 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.

## 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. 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.

The Farm Ownership Down Payment Loan program was modified in several ways:

- Expanded to include Socially Disadvantaged Applicants;
  - 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 an amount not exceeding 45% of the least of:
    - (a) the purchase price of the farm; (b) the appraised value of the farm; or (c) \$500,000.
- Note:** This would result in a maximum FSA loan amount of \$225,000 and 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 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.

### Selected Interest Rates for July 2008

90-Day Treasury Bill	1.625%
Farm Operating Loans -- Direct	3.625%
Farm Ownership Loans -- Direct	5.000%
Farm Ownership Loans -- Down Payment	1.500%
Emergency Loans	3.750%
Farm Storage Facility Loans	3.625%
Sugar Storage Facility Loans	4.625%
Commodity Loans 1996-Present	3.375%



### CRP Emergency Grazing & Haying

All counties in District 8 have now been released for emergency grazing of CRP acreage. Most counties in Missouri were recently designated as Presidential Disaster Areas because of flooding.

To be approved, CRP participants must contact the FSA Office, obtain a modified conservation plan, and receive approval before beginning to graze. Participants will have a 25% reduction in their annual CRP rental payments. **This applies to grazing only.**

Haying provisions under the Critical Feed Use of CRP acreage was halted on July 8, 2008 by a court order. However, if a producer can show that they incurred atleast \$4500 in expenses from May 27, 2008 to July 8, 2008 in preparation for the CFU option, they should contact their local office for more details

### District 8 Rainfall Data

	Year to Date	Jan thru July Average
Barry	45.31	26.43
Barton	44.92	28.09
Bates	37.91	24.98
Cass	35.13	24.91
Cedar	41.66	25.12
Dade	39.93	26.40
Hickory	43.74	23.84
Jackson	35.37	24.46
Jasper	39.60	24.84
Lawrence	48.60	24.98
Newton/McDonald	43.77	25.85
St Clair	36.68	23.95
Vernon	50.97	26.49

### Dates to Remember

Aug. 15	<b>Final certification date</b> for all crops. Late fees will be assessed after Aug. 15.
Sept. 1	Labor Day Holiday. <b>FSA Offices Closed.</b>
Sept. 16	<b>Final date</b> for the SURE, EALHF, LFP or TAP programs.
Sept. 30	Continue all CRP operations.
Sept. 30	<b>Sign-up ends</b> for 2008 Direct and Counter-cyclical Payment Program.
Continues	Farm Storage Facility Loan program.
Continues	Continuous Conservation Reserve Program through September 30 <sup>th</sup> , under previous authorities.

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