



**FARM SERVICE
AGENCY**

JANUARY 2009

Nodaway County News

LEAD STORY HEADLINE

Nodaway County

FSA

Nodaway County FSA
502 W. South Hills Drive
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Maryville, MO 64468
660-582-7423 (phone)
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Hours

Monday - Friday
8:00 a.m. - 4:30 p.m.

County Committee

Joyce Ecker, Chairperson
Larry Tobin, Vice Chair
Richard Fletchall, Member

Staff

Tim Dreier, CED
Charlotte Holeman, FLM
Tom Shelton, FLO
Brian Wheeler, FLOT
Marianne Adkins, PT
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Judy Fast, PT
Tammy Luke, PT
Re'nee Schrader, PT
Norma Kenny, PT
Andrew Lance, FA
Eric Redden, FA
Cassie Walker, Intern



New Year – New Farm Bill

Nodaway County Producers:

The turning of the calendar to a new year also means the implementation of a new Farm Bill at your local FSA office. The new bill will combine the old (DCP) with the new (ACRE & SURE) to provide you the producer with some new options in regards to your operation and how you utilize FSA programs. As always your Nodaway County FSA staff will do it's best to communicate the options to you so that you can make informed decisions. To that end, as it is with anything new, there are some changes that we want each of you to be aware of before you come by the office. Such things as the removal of checks from the office and the requirement of new eligibility paperwork for each producer are just a couple of the changes that we will be working with in 2009. Please continue to read this newsletter as we explain the programs and the changes that you can expect to find at the office.



Changes

There will be four major changes that producers will notice immediately in 2009:

1. In early December the office ability to write checks locally was taken away. Thus, if you do not have direct deposit it will take 5-7 days longer for you to receive your Treasury Dept. issued check. This is especially important when taking CCC loans, and repaying those loans when the buyer's check is a joint payee. Because we can't issue checks locally your initial disbursement as well as your refund will take longer.
2. For 2009, farms with 10 acres of base or less will not be eligible to enroll in DCP. This rule was waived in late 2008 but will be in effect for 2009. However, those farms can be reconstituted with other farms if the combination meets FSA provisions.
3. Every producer will be required to complete and sign all new forms for 2009 to be eligible to receive payments. There will be more on this to follow but new Eligibility documentation is a requirement for the new farm bill.
4. Appointments have never been a requirement in Nodaway County but with the onset of the new program we would highly recommend them. Because of the requirement for new Eligibility forms we are expecting an increase in the amount of time it will take to get signed up this year. The office feels that appointments will help both the office and you expedite the process as much as possible. We will still accept walk-in traffic but a producer with an appointment will be given priority.

F **Supplemental Revenue (SURE)**

SURE is a revenue based program which uses the entire marketing year's prices for crops plus the occurrence of natural disaster(s) to be implemented. It does not offer immediate payments. Producers are eligible for SURE if they have all crops insured or NAP policies purchased for non-insurable crops (including hay). It has been determined that pasture will not be required to be insured. If a producer has mixed grass hay, alfalfa, and alfalfa mixed hay, that would be three policies at \$250 each. NAP fees are due by March 15, 2009 at the FSA Office. Insurable crops must be covered by at least a CAT (catastrophic) level policy, but can be covered by multi-peril, crop revenue coverage, group risk plans, or other policies. These policies must be purchased from a local crop insurance agent. The CAT fee for these crops is \$250 each. For 2009-2012, there is a cap of \$750 for CAT and the same for NAP per county, or \$1875 for all counties.

At the end of the marketing year after the national average monthly price for each crop is calculated, the SURE program compares actual revenue for a producer's farming operation (all crops in all counties planted or intended to be planted for harvest including hay) to the revenue that was expected at the beginning of the year. SURE pays 60% of the difference between the two if revenue is below expectations. There are several points to keep in mind:

- Every crop has a deadline to purchase insurance or NAP coverage. For spring crops including hay, the date is **March 15, 2009**. It is too late to purchase CAT or other insurance for 2009 wheat.
- In order for SURE to take effect, the county must have had a secretarial declaration of disaster or be a contiguous county, or must have incurred a 50% loss in total farm revenue regardless of county designation.
- An exception to the above rules are crops that would not make at least 10% of the value of all crops grown by the producer.

New Payment Limitation Rules

There has been a lot of news coverage lately about farm program payments and eligibility to receive those payments. The Farm Bill has made some changes in how those determinations will be made. Gone from FSA language this year will be the terms "persons" and "permitted entities". Husbands and wives will no longer be combined as one "person". Each "warm body" stands alone except in the case of minor children. FSA will use a new term called "attribution" which simply means that the portion of each farm's payment will be attributed to each producer who is a part of that farming operation whether it is as an individual or a member of a joint operation such as a partnership, or a member of a corporation, trust, estate, or other entity. This means that if a producer operates as an individual and receives the payment limitation in that operation, his share of any other entity in which he has a share would not be paid. Previously this was not the case because they were separate entities, or may have been. A producer can be involved in as many operations as he wants to, but is limited to the payment limitation for that program:

- DCP Direct \$40,000
- Counter-Cyclical and ACRE \$65,000
- NAP \$100,000
- SURE, LIP, LFP, ELAP \$100,000
- CRP Annual Rental \$50,000
- LDP and Market Gains -- Unlimited

There are many different scenarios that can apply when a producer is involved in several different types of farming operations. Contact our office with questions about your situation.

Producers will still be required to be "actively engaged" in farming, and meet certain other rules such as the cash rent tenant rule. This will require all new forms for 2009.

Unauthorized Disposition of Loaned Grain

If loan grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties for unauthorized dispositions are severe. Additionally, producer could be subject to criminal prosecution under federal law. Always call

FSA County Committee

Congratulations to Joyce Ecker, who has been re-elected to the County Committee for another 3-year term and to Nell Cowden who was elected as first alternate. We thank you for serving!



DCP Sign-up Underway



The Direct and Counter-cyclical Program was extended by the 2008 Farm Bill. The sign-up runs from now until June 1, 2009. Advance direct payments of 22% of the farm's total direct payments are available. The total direct pay-

ments per farm for the 2009 program will be approximately 98% of what that farm received in 2008. Direct payments are guaranteed payments for participation in the program. Counter-cyclical payments are also a component of the 2009 DCP. Current price levels suggest there will be no counter-cyclical payments made, but the safety net is still there for participants, likewise Loan Deficiency Payments are still available if market conditions warrant them.

**"DCP Sign-up
deadline June 1."**

A new option for 2009 is the Average Crop Revenue Election (ACRE). This option's benefits are calculated on crop revenue for each of the farm's base commodities. A participant who chooses this option would forgo any potential counter-cyclical payments, have their guaranteed direct payment reduced by 20% and be subject to a 30% reduction in commodity loan rates.

Banking Changes?

If you have changed banks and not notified FSA, your payment could be delayed. Payments are electronically transferred into your bank account, if we are not aware of changes to your account and routing numbers, there could be problems. In order to make timely payments, you need to notify the office if you close your account or if another financial institution purchases your bank. It is important that any changes in producer's account such as type account, bank mergers, routing number or account numbers, be provided to the county office promptly to avoid possible payment delay.



Adjusted Gross Income

The Farm Bill also made some changes in the maximum adjusted gross income a producer can have and still qualify for farm payments. First, in 2009, certification will be for the years 2005, 2006, and 2007. Limitations are:

\$500,000 – The limit for non-farm income. Above that, ineligible for all commodity program payments and benefits.

\$750,000 – The limit for farm income. Above that, ineligible for direct payments only.

\$1,000,000 – The limit for non-farm income. Above that, ineligible for all conservation program benefits unless 66.66% of the total adjusted gross income is average adjusted gross farm income.

Average Crop Revenue (ACRE)

ACRE is a new component of the Farm Bill that protects against a shortfall resulting from price and/or production declines at the state and farm level. With ACRE, you will become familiar with two terms, "election" and "enrollment". You can only elect ACRE once. Once the farm is in, it is always in. However, each year, by June 1, you can enroll the farm in ACRE. If you do, your DCP (Direct Counter-Cyclical) payments are reduced by 20%, and the loan rate for any crop on which you want to obtain a CCC marketing loan is reduced 30%. In return, you could receive both DCP payments and ACRE payments. Payments are based on planted acres, but the planted acres on which payment is made cannot exceed the total base acres on the farm. Five years of production data will be needed to establish yields and production evidence will be required annually.

ACRE payments are made when two "triggers" are met. 1) The actual state yield for that crop times the higher of a calculated average market price or 70% of the national loan rate falls below 90% of the benchmark state yield (5 year Olympic average yield) times guarantee price (2 year national average market price); and 2) The actual farm yield for a crop times a calculated national average market price or 70% of the national loan rate falls below the farm's expected yield (5 year Olympic average planted yield times guarantee price (2 year national average market price) plus the per acre producer paid crop insurance premium. If you can fight through the jargon, actual revenue on the farm for the crop actually planted must fall below what was expected early in the crop year. This could be due to price or production or both.

**"Once the farm is
in, it is always in."**

Enrollment in ACRE means that you are giving up some benefit in DCP and marketing assistance loan rates in return for protection against a drop in crop price or a disaster causing low yield or both. This does not eliminate the counter-cyclical payments on the DCP. It is simply another option in farm management. There are still decisions to be made, such as which years to use for guarantees and benchmarks. When we know what those decisions are, we will let you know. That information will likely come when we publish the sign-up dates for 2009.

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Record Changes

If you have bought, sold or are renting different land, make sure you report the changes to the Farm Service Agency office as soon as possible after they occur. For farm ownership changes you will need to provide a recorded deed or recorded land contract. 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 our program.



Special Accommodations

Special accommodations will be made upon request for individuals with disabilities, vision or hearing impairment. If accommodations are required, individuals should contact the County Executive Director of their local Farm Service Agency office.

Dates to Remember	
Jan. 19	Martin Luther King Day-Office Closed
Jan. 31	Deadline for 2008 Wool, Mohair, and Unshorn Pelt LDP's
March 15	Final date to purchase NAP
March 15	Final date to purchase FCIC crop insurance from spring seeded crops
March 31	Final date for 2008 Wheat Loans
May 31	Final date for 2008 Corn and Soybean Loans
June 1	Final date for DCP Sign-Up
Ongoing	CRP and SAFE Continuous Sign-up
Ongoing	Farm Storage Facility Loan Sign-up

Farm Service Agency



The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, or marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication 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, 14th and Independence Avenue, SW, Washington, D.C., 20250-9410, or call 202-720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.