



Andrew County FSA Office

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Hours

Monday - Friday
7:30 a.m. - 4:30 p.m.

January 2011

County Office Staff Bob Caldwell County Ex. Director

Charlotte Holeman
Farm Loan Manager

Sindy Barr
Allyson Wells
Carrie Noland
Martie Schuman, Tp.
Program Technicians

County Committee
Jim Steeby
Karen Strasser
Tommi Herbster

Meets 3rd Friday of
each month - 8:30 am

John Wheeler, Field

District Director
Jim Nance

Visit our Website at:
www.fsa.usda.gov/mo

As we head into 2011, we find the weather more agreeable than this time last year. It appears a quite a bit of field work was done in the fall, which should make the planting process go a little quicker this spring. Before you get in the field again though, please take time to read this newsletter and take care of items that need your attention, such as signing up for the 2011 DCP or ACRE programs, reporting your planted wheat, checking out the 2009 SURE program, and watching for a possible CRP sign up in late winter or early spring. To be eligible for certain programs like SURE, you need to have all crops insured or purchase NAP insurance through our office. March 15 is the deadline for insurance and NAP on spring seeded crops.....*Bob Caldwell, CED*

DCP/ ACRE Signup & Advance Payments

Enrollment for the 2011 Direct and Counter-cyclical Program (DCP) or ACRE has begun and will continue through June 1, 2011. Advance payments of 22 % on the 2011 DCP program are available at the time of sign up. The remainder will be issued after October 1, 2011.

Eligible producers receive direct payments at rates established by statute regardless of market prices. DCP contract signatures for enrollment are due by the signup deadline of June 1, 2011. For more information producers can contact their local FSA office.

IRS Form 1099-G

Producers annually receive CCC-1099-Gs detailing payments producers have received from the Commodity Credit Corporation. The annual report of program payments on CCC-1099-Gs is a service intended to help our customers report taxable income. It is not intended to replace the producers' responsibilities to report income to IRS. FSA staff cannot interpret IRS regulations or advise producers about which payments to report on their income tax returns. However, county office staff can review payments for accuracy.

Commodity Loans

Commodity loans, also referred to as Marketing Assistance Loans, are available to producers who

share in the risk of producing the crop. To be eligible, you must maintain beneficial interest in the crop through the time of application. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan — even if you regain beneficial interest. Violating provisions of a marketing assistance loan may trigger administrative actions, such as assessing liquidated damages, calling the loan and denial of future farm-stored loans. The most common violations are removing or disposing of a commodity being used as loan collateral without prior authorization and providing an incorrect quantity certification.

Maintaining the Quality of Loaned Grain

This year's large grain crop has its obvious up side, but there is a downside too. Many producers are hard pressed to find adequate storage for every bushel harvested. Overfilled grain storage bins can lead to grain quality problems. Bins are ideally designed to hold a level volume of grain. When bins are overfilled and grain is heaped up, airflow is hindered and the chance of spoilage increases. Producers who take out marketing assistance loans and use the farm-stored grain as collateral should remember that they are responsible for maintaining the quality of the grain through the term of the loan.

We will be spot checking some loans soon!

LDP Deadline on Unshorn Lamb Pelts

Eligible producers have until Jan. 31, 2011, to apply for Loan Deficiency Payments (LDP) for unshorn pelts produced during the 2010 crop year. Eligible producers must have beneficial interest in the pelts, owned the lamb for at least 30 calendar days before the date of slaughter and sell the unshorn lamb for immediate slaughter. Producers must also comply with wetland conservation and highly erodible land conservation provisions on all lands they operate or in which they have an interest. To qualify for payment, pelts must have been produced by an eligible producer from live unshorn lambs of domestic origin in the United States.



Farm Loan Programs

The Farm Service Agency is committed to providing family farmers with loans to meet their farm credit needs. If you are having trouble getting the credit you need for your farm, or regularly borrow from FSA, direct and guaranteed loans are currently available. Ask your lender about an FSA loan guarantee if you've had a setback and your lender is reluctant to extend or renew your loan. Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of up to \$300,000. Guaranteed loans can reach a maximum indebtedness of \$1,119,000. Producers are encouraged to apply early so that a loan can be processed and funded in a timely manner. To find out more about FSA loan programs, contact the county office staff.

Conservation Loan Program

The Conservation Loan (CL) Program provides farmers with the funding necessary to implement conservation measures on their land. The available limit for a direct CL is \$300,000, and the limit for a guaranteed CL is \$1,119,000. The Natural Resources Conservation Service (NRCS) will work with applicants to develop a conservation plan containing approved conservation practices. Examples of some conservation practices are: water conservation structures, forest cover, permanent pastures, manure digesters, and other installations. For more information on a potential Conservation

Loan, call the local FSA office and make an appointment with a loan officer.

Rural Youth Loans

The Farm Service Agency makes loans to rural youths to establish and operate income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5,000.

Beginning and Limited Resource Farmers

FSA assists beginning farmers and or members of socially disadvantaged groups to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more that 10 years
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
- Does not own a farm in excess of 30 % of the county's average size.

Additional program information, loan applications, and other materials are available at your local USDA Service Center.

Northwest Corn / Soybean Grower Meeting – January 24, 2011

The winter grower meeting for Northwest Missouri corn and soybean producers will be held at the Ramada Inn in St. Joseph on Monday, January 24, 2011. Registration will begin at 8:30 am. An interesting collection of speakers will address timely production issues. Lunch will be provided along with valuable door prizes.

Spousal Signatures

Husbands and wives may sign documents on behalf of each other for FSA and Commodity Credit Corporation programs in which either has an interest. This option is automatically available unless a written request for exclusion is made to the county office staff by either spouse. There are exceptions to the rule, where spouses may not sign on behalf of each other for partnerships, joint ventures, corporations or other similar entities. Individual signatures are also required on certain Farm Loan Program and Farm Storage Facility Loan documents. For more clarification on spousal signature authority, feel free to contact your local FSA office.

Paper Check Conversion (PCC)

Over the next year, the Farm Service Agency (FSA) and the Commodity Credit Corporation (CCC) is moving toward an electronic method for processing producers' checks. This will allow FSA/CCC to process collections faster. When producers present checks, either in person or through the mail, the checks will be converted into an Electronic Funds Transfer (EFT). The funds will be debited from the producer's account, usually within 24 hours of receipt. Please see the U.S. Department of Treasury legal notices posted in the Service Center or visit the following U.S. Department of Treasury Internet site for detailed information:

<https://www.pccotc.gov/pccotc/pcc/usingpcc/Legal%20Notices/legalnotices.htm>

Continuous CRP

The Continuous Conservation Reserve Program allows participants to enroll acreages in conservation practices that will reduce soil erosion, improve water and soil quality and provide wildlife habitat and food sources. Continuous CRP program participation is voluntary. Eligible landowners enter into contracts that range from 10 to 15 years in length. In return, the landowners will receive annual rental and maintenance payments, incentive payments for certain activities, and cost share for establishment.

CRP Waterways

You may want to consider CRP waterways in fields that need terracing. If the area has been cropped, a waterway can be constructed for terraces to drain into and receive an annual payment on the area seeded down. Producers can receive cost share equal to 50% of the state average cost for the construction and seeding of

the waterway. This could provide a more economical way to terrace a field, compared to tile outlets, which can be very expensive and have maintenance issues. For more information on how this could work for you, contact the FSA or NRCS office for more details.

FSA Targets Funds for Socially Disadvantaged Farmers

Charlotte Holeman, Farm Loan Manager of the USDA Farm Service Agency for Andrew, Buchanan and Nodaway counties, announced the availability of farm operating and farm ownership loans for women and members of minority groups who want to purchase or operate a family-size farm. Each year, the Farm Service Agency earmarks a portion of its farm loan funding for socially disadvantaged applicants, people who have been subjected to racial, ethnic or gender inequality without regard to their individual qualities. Socially disadvantaged applicants may be women, African Americans, American Indians, Hispanics, Asian and Pacific Islanders and Alaskan Natives. While funding is earmarked for loans to socially disadvantaged applicants, loan approval is neither automatic nor guaranteed. Socially disadvantaged applicants must meet the same eligibility criteria as other applicants. Applicants must be U.S. citizens; have a satisfactory history of meeting credit obligations; have sufficient education, training or experience managing or operating a farm; possess legal capacity to incur debt; and be unable to obtain credit elsewhere. The agency can make direct loans to applicants who are unable to get commercial credit or provide loan guarantees to commercial lenders. Guaranteed loans may be made by any lending institution subject to Federal or state supervision (banks, savings and loans, and units of the Farm Credit System). FSA typically guarantees 90 or 95 percent of the loan against any loss that might be incurred if the loan fails.

Applicants can use operating loans to purchase livestock, equipment, feed, seed or pay other business related expenses. Operating loans are usually repaid in one to seven years. Ownership loans provide capital to purchase or enlarge a farm, construct or improve buildings, promote soil and water conservation and pay closing costs. Direct ownership loan terms are up to 40 years while guaranteed loan terms are established by the lender. Qualified applicants receive information and assistance to develop sound management practices, analyze problems and utilize available resources essential for successful farming operations to cope with the changing agricultural environment. To learn more about FSA Farm Loan programs, contact your local Farm Service Agency office.

2009 SURE Program Signup Begins

Producers who had all crops insured in 2009 and had at least a 10% loss on any one crop, should inquire about a possible SURE payment.

Livestock Indemnity Program (LIP)

Livestock that is lost due to adverse weather, may qualify for a payment if all requirements are met. Proof of death and the cause of death must be documented and reported to the FSA office within 30 days. Contact the office for more details.

County Committee Election

During the recent election, Tommi Herbster of King City was elected to serve for a 3-year term. Tommi will replace Roger Scott, who had served for 3 terms, which is the maximum that can be served without a break. We would like to thank Roger for his 9 years of service to the Andrew FSA Committee. Tommi farms with her husband Steve and is the owner of Praire Flowers and Baskets, which consists of several greenhouses where many types of flowers and plants are raised and sold.

Dates to Remember	
Jan. 17	Martin Luther King Jr. Birthday – USDA Service Center Closed
Jan. 24	NW MO Corn / Soybean Growers Mtg. Ramada Inn, St. Joe, 8:30 am
Feb. 21	President’s Day – USDA Service Center Closed
March 15	Crop Insurance Purchase Deadline
June 1	DCP / ACRE Deadline

Selected Interest Rates for January 2011	
Farm Operating Loans — Direct	1.75%
Farm Ownership Loans — Direct	4.5%
Limited Resource Loans	5.00%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency Loans	3.75%
Farm Storage Facility Loans 7-yr.	2.50%
Farm Storage Facility Loan 10-yr.	3.125%

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