

March 2009

County Committee Election

Greene County USDA Service Center

Greene County FSA
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Hours
Monday – Friday
8:00 a.m. - 4:30 p.m.

County Committee
David Trogdon – Chm
Judy Spencer – VChm
Larry White - Mem

County Committee
meets the first
Wednesday of each
month at 10:00 a.m.
in the county office.

Staff
Barbara Ingerson – PT
Brenda Maggard – PT
Sharon Pettibon - FLT
Jim Kyle – DD
Ron Keith – AFLPS
Mark Aycock – FLS
Wyman Miller -CED



Congratulations to David Trogdon. David was re-elected to the county committee to represent Local Administrative 2 which includes Walnut Grove, Pond Creek, and 1st, 2nd, 3rd Center townships. David lives on a farm in the Ash Grove area and is a beef producer .

On January 7, 2009 the committee met to organize for the 2009 year. David Trogdon was elected Chairperson, Judy Spencer was elected Vice Chairperson and Larry White member.

FSA appreciates all of the voters for taking the time to complete the election ballot. The county committee system works only because of your participation.

Dairy Prices Trigger MILC Payments

Due to low milk prices FSA will be making payments in April to producers through the FSA's Milk Income Loss Contract, or MILC, program. The 2008 Farm Bill made changes to the MILC program, most notably the addition of a dairy feed ration cost adjustment in addition to changes to the payment rate and modifications to the per-operation poundage limit, depending on when the milk is produced.

FSA makes MILC payments on a monthly basis when the Boston Class I milk price falls below \$16.94 per hundredweight (cwt) as adjusted for feed costs. The monthly Boston price is posted online at: http://www.fmmone.com/North-east_Order_Prices/NE_Prices_mainnew.htm#Advance. FSA determines the per hundredweight payment rate for the applicable month by subtracting the Boston Class I price for that month from the \$16.94 MILC payment trigger price, and multiplying the difference by 45 percent. The payment factor of 45 percent will decline to 34 percent on September 1, 2012.

FSA issues payments no later than 60 calendar days after FSA receives production evidence for the applicable month or the entire month's National Average Dairy Feed Ration Cost is posted for the applicable month, whichever is later.

FSA makes payments on up to the maximum eli-

gible pounds of milk produced and marketed by each operation per fiscal year. The annual maximum eligible pound limit per dairy operation is 2.985 million pounds per fiscal year. The amount drops to 2.4 million pounds per fiscal year on September 1, 2012.

MILC participants must select a month for which FSA will begin issuing payments for each fiscal year. Starting with the dairy operation's selected month, FSA will issue MILC payments based on that month's milk production and the milk production for each consecutive month thereafter with the effective payment rate until the operation reaches the production cap or the fiscal year ends. The 2008 Farm Bill also excludes producers whose non-farm average adjusted gross income (AGI) exceeds \$500,000 from receiving MILC payments. Producers will have to sign an AGI statement when signing up for the program. More information about the MILC program can be found on the FSA website <http://www.fsa.usda.gov>.

Livestock Indemnity Program (LIP)

LIP will compensate producers for livestock death losses in excess of normal mortality rates due to adverse weather that occurred on or after 01/01/2008 and before 10/01/2011. Producers who had livestock deaths due to adverse weather conditions should document these losses as to the kind, weight range, number of livestock, and the date the animals were lost. Producers must have proof of death of livestock by the following:

- Rendering truck receipts or certificates
- Veterinary records
- Dairy herd improvement records
- Third-party verification

The third party must certify in writing name, address, and telephone number, affiliation of the third party to the participant, details of knowledge of livestock deaths, and the number and kinds of livestock. The third party may not be someone who is affiliated with the operator, such as a hired hand or family member. Producers should take photos, keep veterinary records, disposal costs, and third-party verification. At this time, the forms and procedure for taking loss applications are not yet available at your county FSA office.

Maintain records of your losses in order to be eligible when all requirements are known.

DCP Sign-up Continues

Sign-up for the 2009 Direct and Counter-cyclical Payment (DCP) Program continues **until June 1, 2009**. The June 1, 2009 deadline is mandatory for all participants. FSA **will not** accept any late-filed applications.

FSA computes DCP Program 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 2009, you may request to receive advance direct payments based on 22 percent of the direct payment for each commodity associated with the farm. FSA began to issue advance direct payments in December 2008. Counter-cyclical payment rates vary depending on market prices and are issued only when the effective price for a commodity is statutorily set below its target price.

The electronic DCP (or eDCP) service will save you time, reduce paperwork and speed up contract processing at FSA offices. It is available to anyone eligible to participate in the DCP Program. To access this online service, you must have an active USDA eAuthentication Level 2 account, which requires filling out an online registration form at <http://www.eauth.egov.usda.gov> followed by a visit to the local USDA Service Center for identity verification.

Producers eligible for the DCP Program are also able to enroll in the Average Crop Revenue Election (ACRE) Program or the Counter-cyclical Program. The enrollment period for the ACRE Program will begin in the spring. You may first enroll in the DCP Program, receive advance direct payments and then later modify your enrollment to the ACRE program or you may wait and elect to enroll in DCP and ACRE at the same time in spring 2009.



Payment Limitation Comment Period Extended

The Farm Service Agency (FSA) has announced that the comment period for the regulation defining actively engaged participation in a farming operation has been extended for an additional 60 days, FSA is seeking a diverse range of comments from different areas of the United States and farming communities.

With this extension, the public may continue to submit comments until April 6, 2009. The extension document is available at <http://www.fsa.usda.gov/FSA/federalNotices?are=home&subject=lare&topic=frd-ii>.

The regulation, published Dec. 29, 2008, invited comments on the interim rule for implementation of key eligibility requirements for many FSA and Natural Resources Conservation Service (NRCS) programs. The regulations were

revised as mandated by the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill) to make changes in payment eligibility, payment attribution, maximum income limits and maximum dollar benefit amounts for participants in CCC-funded programs. In addition, certain provisions were incorporated that are discretionary.

The actively engaged provision requires that individuals and entities must be "actively engaged in farming" with respect to a farming operation in order to be eligible for specified payments and benefits. To be "actively engaged in farming," the individual or entity must make significant contributions to the farming operation of (1) capital, equipment, land, or a combination; and (2) personal labor or active personal management, or a combination.

NOTICE: The new rules require each partner, stockholder, or member with an ownership interest to make a contribution of active personal labor or active personal management. The contribution must be regular and substantial, and documented as well as separate and distinct from any other member's contribution. The rule limits the ability of passive stockholders to continue to realize benefits from the entity.

The substantive rule changes make the requirement for adding new persons to a farming operation more restrictive. The addition of a person to an existing farming operation can be met through an increase of 20 percent of base acres to the operation; previously the requirement was an increase of 20 percent in cropland.

NAP Application Deadline

The deadline to sign up for Noninsured Crop Disaster Assistance Program, or NAP coverage is **March 16, 2009**. Producers are reminded about the need for insurance coverage on crops in order to remain eligible for the agency's Disaster Assistance Programs such as SURE, LFP, TAP, and ELAP. Producers must purchase at least catastrophic (CAT) level of insurance for all insurable crops.

NAP is a federally-funded program that provides coverage to producers for non-insurable crops when low yields, loss of inventory or prevented planting occurs due to natural disasters. Crops eligible for NAP coverage are those for which crop insurance is not available, including fruits and vegetables, aquaculture, pecans, turf grass and forage crops just to name a few. Producers must apply for coverage before a disaster strikes. NAP applications for coverage must be filed using Form CCC-471 and pay the applicable service fees by the closing date. Application closing date for spring planted crops, including hay and pasture is March 16. The new farm bill increased the administrative service fees for NAP from \$100 to **\$250** per crop, from \$300 to **\$750** per county, and from \$900 to **\$1,875** per producer

for all counties. The administrative service fee requirement is waived for limited resource producers. A limited resource producer is a producer with both of the following:

- direct or indirect gross farm sales not more than \$155,200 in both of the previous 2 years
- a total adjusted gross income (AGI) total household income at or below the national poverty level for a family of 4, or less than 50 percent of county median household income in both of the previous 2 years. For Greene and Webster Counties this is \$21,200.

More information about NAP may be found on the FSA web site located at <http://www.fsa.usda.gov>

FSA Payment Record (1099-G)

During the last week of January, producers who have received payments from FSA should have also received a CCC-1099-G from the Kansas City office. A CCC-1099-G is a report to the Internal Revenue Service about FSA payments made to you during the previous calendar year. The CCC-1099-G is a service to help participating producers report taxable income. It is not intended to replace the program participant's responsibility to report income to the IRS.

If you received a CCC-1099-G, we recommend that you check the amounts shown with those in your records to see that the amounts are correct. Refunds will no longer be reported on the 1099-G, but will be available online from the FSA Financial Inquiries (FSA-FI) web-based database. Program participants with eAuthentication user ID's and passwords can access their refund information at FSA-FI and select "Inquiry Type 1099/Refund Reports". Refund amounts are displayed on the Producer's Year-to-Date Activity web page.

If you have a question concerning the 1099-G refund information, you may contact your local FSA office for assistance locating the correct payment data. If you choose to visit the office, bring your CCC-1099-G with you.

Flexible or Combination Crop Lease Agreements

Producers should be aware that FSA rules on how lease agreements are treated have changed. Crop lease agreements that provide for incentives, or combination leases that provide both a fixed amount and also a share of the crop or crop proceeds, should be brought to the attention of the FSA office so that the correct determination can be made.

Honey Loans

Marketing assistance loans and loan deficiency payments for 2008 crop year honey are available until March 31, 2009. The national loan rate for honey is \$0.60 per pound.

Market prices currently exceed the loan rate, so LDPs are not available at this time.

To be eligible for a loan, the producer must have produced honey in the United States during the calendar year for which the loan is requested, and extracted the honey on or before Dec. 31 of the applicable crop year; have continuous beneficial interest in the honey through date of repayment of the loan; and been responsible for the financial risk of keeping. Producers are responsible for maintaining the quality of farm-stored honey during the term of the loan.

The honey must be produced in the United States by an eligible producer, from an approved floral source, and stored in approved containers.

The containers must be marked with the producer's name, type of honey, number of container and net weight. Pre-loan inspections are required before the loans can be disbursed.

Honey used as collateral may not be disposed of without approval of the county office staff.

CREP, SAFE & Continuous CRP Available

At this time USDA has no general signups scheduled for the Conservation Reserve Program (CRP) in 2009. However, environmentally sensitive acreage qualifying for the Conservation Reserve Enhancement Program (CREP), and Continuous CRP will still be eligible for enrollment. These targeted programs remain funded, and continue to provide a heightened environmental benefit on select areas.

Sodbuster, Swampbuster

Most Farm Service Agency programs require compliance with sodbuster and swampbuster provisions. These provisions require producers to follow an approved conservation system on all highly erodible land planted to an annual crop as determined by the Natural Resources Conservation Service.

Be sure to have determinations made on any new land you plan to plant to annual crops. If you plan to plant a different crop on your current cropland, check with NRCS to assure the new crop will qualify under your conservation system.

Selected Interest Rates for March 2009	
90-Day Treasury Bill	.125%
Farm Operating Loans — Direct	2.00%
Farm Ownership Loans — Direct	3.50%
Farm Ownership Loans — Beginning Farmer Down Payment	1.50%
Emergency Loans	3.75%
Farm Storage Facility Loans	2.25%
Commodity Loans 1996-Present	1.50%

Dates to Remember	
Mar. 16	Deadline to obtain 2009 NAP coverage on spring-seeded crops, forages, and pecans
Mar. 31	Final Availability for 2008 crop wheat, barley, oats, honey loans and LDPs
Continues	Farm Storage Facility Loan Program.
Continues	Continuous Conservation Reserve Program.

Foreign Buyers Notification

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. The Farm Service Agency 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% of the fair market value of the property. County government offices, Realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

Spousal Signature

A husband and wife 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 from either spouse. Exceptions include: claim settlements and lien filings.

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

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