



# Holt County News

February 2010

Holt County  
USDA Service Center

Holt County FSA  
118 West Davis St  
Mound City, Mo 64470  
660-442-3134 (phone)  
660-442-5376 (fax)  
[www.fsa.usda.gov/mo](http://www.fsa.usda.gov/mo)

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

County Committee  
Karl Noellsch  
Karen Ingram  
Dean Johnson

County Committee  
meets 1<sup>st</sup> Wednesday  
of the month

## Office Staff

Kami Hubach, PT  
Kim Meyer, PT  
Wendy Tubbs, PT  
Marcia Geib, temp

County Executive  
Director  
Jackie J VanGundy

Farm Loan  
Bob Dreyer, FLM  
Roger Uptergrove, FLO  
Tuesday Mornings

Fieldmen  
Mark Buntz  
Stan Seitz

District Director  
Jim Nance



## SURE

The Supplemental Revenue Assistance Program (SURE) provides benefits for farm revenue losses due to a natural disaster that occurred in the crop years 2008 through September 30, 2011. To be eligible for SURE payments, a producer is required to obtain crop insurance on all crops in all counties or, if crop insurance is not available, to participate in the Non-Insured Assistance Program (NAP) except for grazed acreage. However, crop insurance or NAP coverage is no longer required for crops that are not of economic significance or those where the administrative fee required to buy NAP coverage exceeds 10% of the value of the coverage. Eligible farmers and ranchers who meet the definition of Socially Disadvantaged, Limited Resource, or Beginning Farmer or Rancher are exempt from the risk management purchase requirement. The following are the conditions that trigger SURE payments:

- at least **one** crop of economic significance must suffer a **10% production loss** due to an eligible disaster condition
- crop of economic significance is a crop that has contributed or would have contributed at least 5% or more of the total expected revenue from all crops on the farm
- producers in counties declared disaster counties by the Secretary of Agriculture, or in contiguous counties, or those who show proof of an individual loss of at least 50% are eligible to receive SURE payments for crop producer or crop quality losses. Losses are measured with consideration to the whole-farm revenue, which includes crop insurance indemnities and commodity program payments, so that producers are not paid more than once for the same loss. A SURE calculator is available at: [http://www.fsa.usda.gov/Internet/FSA\\_File/sure\\_calculator\\_2008.xls](http://www.fsa.usda.gov/Internet/FSA_File/sure_calculator_2008.xls). The calculator is not official, but is intended for educational use. A fact sheet and background are also available online.

If you believe that you might be eligible for SURE, please call 600-442-3134 ext 2. We will access you RMA (crop insurance) informational downloads and discuss the applicable eligibility requirements with you prior to your office visit.

Since the SURE program is available through 2011, as a producer, you can prepare your operation for SURE eligibility by insuring all economically significant crops in all counties each year.

The deadline to purchase crop insurance and NAP (Noninsured Crop Disaster Program) is **March 15**.

## 2010 DCP Signup

Enrollment for the 2010 Direct and Counter-cyclical Program (DCP) has begun and will continue through **June 1, 2010**. USDA urges producers to make use of the eDCP automated website to sign up, or producers can visit any USDA Service Center to complete their 2010 DCP contract. USDA 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 2010, eligible producers may request advance direct payments based on 22 percent of the direct payment.

**It is important to remember that for 2010 the final date to obtain all signatures for DCP is Jun 1. There are no late filed provisions.**

It won't be long before field work will begin so we strongly encourage producers to call and sign up now.

## ACRE

The optional ACRE Program provides a safety net based on state revenue losses and acts in place of the price-based safety net of counter-cyclical payments under DCP. The **June 1, 2010**, signup deadline is mandatory for all participants. USDA will not accept any late-filed applications. A farm's payment is based on a revenue guarantee calculated using a 5-year average state yield and the most recent 2-year national price for each eligible commodity. For 2010, the 2-year price average will be based on the 2008 and 2009 crop years. An ACRE payment is issued when both the state and the farm have incurred a revenue loss. Payment is based on 83.3% (85% in 2012) of the farm's planted acres times the difference between the state ACRE guarantee and the state revenue times the ratio of the farm's yield divided by the state expected yield. The total number of planted acres for which a producer may receive ACRE payments may not exceed the total base on the farm. In exchange for participating in ACRE, in addition to not receiving counter-cyclical payments, a farm's direct payment is reduced by 20%, and marketing assistance loan rates are reduced by 30%. The decision to enroll in the ACRE Program is irrevocable. The owner of the farm and all producers on the farm must agree to enroll in ACRE. Once enrolled, the farm shall be enrolled for that initial crop year and will remain in ACRE through the 2012 crop year.

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## Adjusted Gross Income

USDA has a Memorandum of Understanding with the Internal Revenue Service to establish an electronic information exchange process for verifying compliance with the adjusted gross income (AGI) provisions for farm programs. Written consent will be required from each producer or payment recipient for the tax review process. **No actual tax data will be included** in the report that IRS sends to USDA. The agreement ensures that payments are not issued to producers whose AGI exceeds certain limits. The limits set in the 2008 Farm Bill are \$500,000 nonfarm average AGI for commodity and disaster programs; \$750,000 farm average AGI for direct payments; and \$1 million nonfarm average AGI for conservation programs. Participants in CCC programs subject to average AGI rules must submit form CCC-927 (Individual) and/or CCC-928 (Legal Entity) to the Internal Revenue Service by **June 15** to avoid interruption of program benefits. These forms may be obtained from local FSA and NRCS offices or online at: <http://forms.sc.egov.usda.gov/eforms/mainservlet>.

## Actively Engaged

USDA has amended the rules that govern the requirements to be 'actively engaged' in farming. These rules apply to eligibility for payments under the Direct and Counter-cyclical Program (DCP) or Average Crop Revenue Election (ACRE) program administered by the FSA. Normally the stockholder or a member of a legal entity **must** make contributions of active personal labor and/or active personal management for the farming operation. The contributions are to be performed on regular basis, must be identifiable, and separate from the contributions of others. The exception to this rule for a stockholder or member of a legal entity only occurs if both of the following apply:

- At least half of the interest in the legal entity is held by stockholders or members who are providing active personal labor or active personal management; and
- The total direct payments received, both directly and indirectly, by the legal entity and each of the members cannot exceed \$40,000.

## Highly Erodible Land & Wetland Conservation Compliance

During last fall's harvest season, Missouri received excessive amounts of rainfall. Many landowners and operators were forced to complete their harvest under extremely wet conditions that resulted in ruts. Producers will soon be forced to decide how to maintain their approved conservation system during planting time.

Those that participate in USDA programs are required to stay in compliance with the highly erodible land conservation provisions of the Farm Bill. One way to maintain compliance and resolve their problem with ruts involves the USDA program participant requesting a **temporary variance** due to wet weather. As deemed appropriate, NRCS District Conservationists can grant such a variance that would allow producers to till rutted areas prior to planting and avoid noncompliance. It is imperative that you contact the local NRCS office to request this variance prior to 2010 spring fieldwork. Contact NRCS at 442-3134 ext 3 for more info.

## Renewable Energy Program

USDA Rural Development is helping to lead the way in the agriculture sector finding energy solutions in our fields and helping rural residents and communities access renewable energy systems and use energy more efficiently. Rural Development provides funding for the development and commercialization of renewable energy sources including wind, solar, geothermal, hydrogen, hydroelectric, biomass, and biofuel (ethanol, biodiesel, etc.) – to change the way people power their cars, homes, businesses, and industries. Energy efficiency is also an eligible use of funds. Many new energy efficient grain handling, storage and drying facilities have been funded across the country.

The Rural Energy For America Program (REAP) provides loan guarantees (up to 50% of the project) and grants (up to 25% of eligible expenses) to agricultural producers and rural small businesses to purchase and install renewable energy systems and make energy efficiency improvements. Additional funding is available for feasibility studies and energy audit programs.

For more information please contact Stan Wolfe or Barbara Ross at the RD office located at 3915 Oakland Ave, St Joseph, Mo 64506, (816) 364-3767 Ext 4. You can also obtain additional information on this program at the following website: <http://www.rurdev.usda.gov/mo/fact energy.htm>.

This program can be used in conjunction with the Farm Storage Facility Program administered by FSA for grain facilities.

## Marketing Assistance Loans

A Marketing Assistance Loan (MAL) is available for producers who share in the risk of producing an eligible commodity. To be eligible, a producer must maintain continual beneficial interest in the eligible commodity. Commodity loan eligibility also requires compliance with conservation and wetland protection requirements; beneficial interest requirements, acreage reporting, and ensuring that the commodity meets Commodity Credit Corporation minimum grade and quality standards. 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. For more details on marketing assistance loans, contact your local FSA office.

**Reminder:** Producers with grain under loan need to check their bins to ensure the quality is being maintained. With the fluctuation in the weather it is easy for the grain to go out of condition.

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## Farm Loan Programs

The Farm Service Agency (FSA) offers loans for farmers and ranchers to purchase farmland and finance agricultural operations. FSA loan programs are designed to help producers who are temporarily unable to obtain private or commercial credit. In many cases, applicants are beginning farmers who have insufficient net worth to qualify for financing through a commercial lender. In other instances, borrowers might have suffered setbacks from natural disasters or might be persons with limited resources. 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 \$1,112,000. Emergency loans are always direct loans for farmers who may have suffered physical or production losses in disaster areas designated by a Presidential or Secretarial disaster declaration. Rural Youth Loans, Loans to Beginning Farmers and loans for socially disadvantaged applicants are also available through FSA. For details, just contact the county office staff for an appointment with the farm loan staff.

## 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 \$5000.

### Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Comply with FSA's general eligibility requirements
- Reside in a rural area, city or town with a population of 50,000 or fewer people
- Conduct a modest income-producing agriculture-related project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the project and the loan, along with providing adequate supervision.

Stop by the county office for help preparing and processing the application forms.

## 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 than 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 percent of the county's median size (for a Farm Ownership loan)
- Meets all loan eligibility requirements.

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

[www.fsa.usda.gov](http://www.fsa.usda.gov)

## Loans for the Socially Disadvantaged

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or purchase or improve farms or ranches. While all qualified producers are eligible to apply for these loan programs, the FSA has provided priority funding for socially disadvantaged applicants. A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities. For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans, and Pacific Islanders. If producers or their spouses believe they would qualify as socially disadvantaged, they should contact their local FSA office for details. FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

<b>Dates to Remember</b>	
March 15	Final date to purchase NAP Ins coverage on hay & other NAP crops
March 15	Final date to purchase FCIC Crop Ins on Corn & Beans
March 31	Final date to obtain a Loan or LDP on wheat & oats
June 1	DCP/ACRE sign up ends
June 1	Final date to obtain a loan or LDP on corn & beans
Continues	Farm Storage Facility Loans
Continues	Continuous Conservation Reserve Program.

<b>Selected Interest Rates for    February 2010</b>	
90-Day Treasury Bill	0.125%
Farm Operating Loans — Direct	2.625%
Farm Ownership Loans — Direct	4.875%
Limited Resource Loans	5.00%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency Loans	3.75%
7-year Farm Storage Facility Loan	3.25%
10-yr. Farm Storage Facility Loan	3.75%
12-yr. Farm Storage Facility Loan	4.00%
Commodity Loans	1.375%

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