



# SW MO FSA NEWS

July 2010

District 8  
USDA Service Center

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

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  
Mount 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

## FSA COC Nomination Deadline

County committees (COC) play a crucial role in helping the county office staff implement the Farm Bill. Due to the important services that COC members provide, producers are encouraged to participate in the FSA county committee election process by nominating an eligible candidate by the August 2, 2010, deadline.

To become a nominee, eligible individuals must sign form FSA-669A. The form and other valuable information about FSA county committee elections are available online at: <http://www.fsa.usda.gov>; click on News & Events, then County Committee Elections.

Nomination forms for the 2010 election must be post-marked or received in the local USDA Service Center by close of business on August 2, 2010.

FSA county committee members make decisions on disaster and conservation programs, emergency programs, commodity price support loan programs and other important agricultural issues. Members serve three-year terms. Nationwide, there are more than 7,800 farmers and ranchers serving on FSA county committees. Committees consist of three to five members who are elected by eligible local producers.

FSA will mail ballots to producers beginning November 5, 2010. **The voted ballots are due back at the local county office either via mail or in person by December 6, 2010.**

## Trade Adjustment Assistance (TAA) for Asparagus and Catfish

Educational benefits and payments under the Trade Adjustment Assistance (TAA) for Farmers Program have been approved for applicants who produced asparagus and catfish in Missouri during the 2009 marketing year. Producers who qualify attend an initial training session for orientation to TAAF, and then subsequently are provided more intensive education to produce an initial and then a long-term business plan to improve their competitiveness with the approved commodity or another commodity. Participants are eligible for a cash payment of up to \$4,000 for completing an approved initial business plan, and up to an additional \$8,000 for completing an approved long-term business plan. Plans must be completed within 36 months after the petition is certified. The business plan payments may be reduced based on the level of program participation and available funds.

To be eligible, a producer must: 1) have produced the commodity during the specific marketing year for which the commodity was determined eligible and at least one of the 3 marketing years preceding that year; and 2) answer "yes" to one of the following questions: **a)** did the applicant produce less of the commodity during the marketing year for which the petition is approved than during the most recent marketing year preceding the petition marketing year; **b)** did the applicant receive a lower price for production from the petition marketing year compared to the average price received from the production from the prior 3 years; or **c)** is the USDA-maintained county price on the petition filing date less than the average USDA-maintained county price for the prior 3 marketing years?

**Signup started June 25, 2010 and runs through September 23, 2010.**

## Crop Certification Deadline

The annual requirement of reporting to the FSA office can be referred to as crop reporting, acreage reporting, or crop certification. Filing an accurate and timely report for all crops and land uses, including 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.

**The certification form FSA-578, Report of Acreage, must account for all cropland on a farm, whether idle or planted. The producer certification deadline for all crops, other than small grains, is August 2, 2010 because July 31<sup>st</sup> falls on a Saturday.**

## Farm Safety

Summer is an exciting and hectic time on farms. **Be careful!** FSA employees care about our customers. Remember to: Walk around machinery and check shields and guards; make sure the PTO's master shield is in place; make sure Slow Moving Vehicle signs are on machinery. If you are taking medicine, take it at the appropriate time and eat on schedule.

If you are working in grain bins know that flowing grain can kill, and it can kill quickly. It takes less than five seconds for a person caught in flowing grain to be trapped. Try not to work alone in bins or confined 1

spaces, and if that's not possible let someone know where you are by checking in regularly by cell phone. The American Society of Safety Engineers (ASSE) offers the following safety tips for farmers:

1. Educate yourself on farm equipment. Read and follow instructions according to the equipment's manuals about safety.
2. Conduct regular equipment inspections.
3. Don't wear loose clothing while entering confined spaces such as grain bins, silos and hoppers as this can prevent entanglements.
4. Install Rollover Protective Structures (ROPS) on tractors.
5. Use seat belts while operating tractors with a ROPS. Do not allow additional passengers on the tractor with you.
6. While operating tractors and other farm equipment, be very cautious on rural roadways.
7. Use protective gear when operating machinery: Be familiar with hazardous chemicals. Take extra precaution when handling chemicals such as anhydrous ammonia, carbon dioxide, methane gas and hydrogen sulfide.
8. Consistently educate your family and co-workers about safety practices, especially children.

## Help Available to Stressed Farmers

Recently, the economy, inclement weather, and other factors have hurt some farming operations around the country. These events can push a producer to the emotional breaking point. Watching your livelihood being threatened is difficult for farmers and ranchers, especially for those whose income is solely dependent on agriculture. The National Suicide Prevention Hotline is available to help. If you know a farmer or rancher who is under stress and is reluctant to ask for help, or if you just need to talk to someone, call 1-800-273-TALK (8255). Your call will be routed to the crisis center nearest you, where trained staffers are available 24/7. This nationwide service is free and confidential. Help is just a phone call away. For more information, go to <http://www.suicidepreventionlifeline.org/>. This service is not affiliated with the US Department of Agriculture.



## Compliance Spot Checks

Compliance spot checks will be conducted on 2010 crops. Instead of locally selecting farms and/or contracts for review, a nationwide selection of producers is employed. 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. For more information about the spot check selection procedure, feel free to contact your local Farm Service Agency office for additional clarification.

## Farm Reconstitutions

For FSA program purposes, tracts having the same owner and the same operator are grouped under one farm serial number. When changes in ownership or operation take place, a farm reconstitution is necessary.

The reconstitution—or recon—is the process of combining or dividing farms or tracts of land based on the farming operation. Remember, to be effective for the current year, recons must be requested by

**August 2, 2010** for farms enrolled in specific programs. The following are the different methods used when doing a farm recon:

**Estate Method** — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate;

**Designation of Landowner Method** — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding;

**DCP Cropland Method** — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract;

**Default Method** — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

## Successor-In-Interest

Many FSA programs will allow payments to be made to heirs or successors when a program participant dies. 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.

## Foreign Landowner 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 percent of the fair market value of the property.

County government offices, real estate agents, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

## FSA 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 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 contact the county office staff for an appointment with a farm loan officer.

## Loans for 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 targeted 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.

For detailed information on loan eligibility or the different loan programs available, contact your local FSA office to set an appointment with the Farm Loan Team that services your county.

FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.



Selected Interest Rates for July 2010	
90-Day Treasury Bill	0.125%
Farm Operating Loans — Direct	2.875%
Farm Ownership Loans — Direct	4.875%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency Loans	3.75%
Farm Storage Facility Loans 7-yr.	2.750%
Farm Storage Facility Loan 10-yr.	3.250%
Farm Storage Facility Loan 12-yr.	3.500%
Commodity Loans 1996-Present	1.375%

## Down Payment Program

FSA has a special loan program to assist Socially Disadvantaged Applicants and Beginning Farmers in purchasing a farm. Retiring farmers may use this program to transfer their land to future generations. To qualify:

- **Applicant must make down payment of at least 5% of purchase price**
- **Maximum FSA loan amount cannot exceed 45% of the purchase price, appraised value, or \$500,000, whichever is less (NOTE: This results in a maximum loan amount of \$225,000)**
- **Term of FSA loan is 20 years with interest rate fixed at 4% below the direct FO rate, but not lower than 1.5%**
- **Remaining balance of purchase price may be obtained from commercial lender or private party**
- **Financing from participating lenders must have an amortization period of at least 30 years and cannot have a balloon payment due within the first 20 years of the loan**

In addition to meeting the definition of either a Socially Disadvantaged Applicant or Beginning Farmer, applicants must meet general farm loan program eligibility requirements. Contact your local FSA office or the Farm Loan Team that services your county for more information.

## Transition Incentives Program

The Transition Incentives Program (TIP) was created to encourage retired or retiring owners or operators to transition their Conservation Reserve program (CRP) acres to beginning or socially disadvantaged farmers or ranchers. TIP sign up began on May 17, 2010. If all program requirements are met, TIP provides annual rental payments to the retiring farmer for up to two additional years after the date of the expiration of the CRP contract, provided the transition is not to a family member.

To be eligible, TIP requires that the retired or retiring farmer or rancher:

- **Have land enrolled in CRP that is in the last year of the contract**
- **Agree to allow the beginning or socially disadvantaged farmer or rancher make conservation and land improvements**
- **Agree to sell, or have a contract to sell, or agree to long-term lease (a minimum of 5 years) the land under CRP contract to a beginning or socially disadvantaged farmer or rancher by October 1<sup>st</sup> of the year the CRP contract expires**

Generally, TIP only applies to contracts that expire on September 30, 2010 or later. However, retired or retiring owners or operators with a CRP contract that expired on September 30, 2008 and September 30, 2009, may be eligible to enroll in TIP provided all of the following apply:

- ❖ **The land has not been sold or leased before signing a CRP-TIP Contract**
- ❖ **Producers are otherwise eligible under TIP provisions**
- ❖ **The conservation plan is modified to require sustainable grazing or crop production methods**

To learn more about this program, producers interested in applying and participating in TIP should visit their local county Farm Service Agency or [www.fsa.usda.gov](http://www.fsa.usda.gov).

Dates to Remember	
July 5	Independence Day observed. County offices closed
July 6	TAP Signup Deadline for losses in Calendar year 2008
July 6	TAP Signup Deadline for losses in Calendar year 2009
July 6	TAP Signup Deadline for losses January 1, 2010 – May 7, 2010
August 2	Final acre reporting deadline for all crops other than small grains
Continues	Continuous Conservation Reserve program

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