



Buchanan County News

September 2010

**Buchanan County
USDA Service Center**

Buchanan County FSA
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www.fsa.usda.gov/mo

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

County Committee
Gayle Delaney
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Staff
Debbie Johnson
Becky Kelly

Field Assistants
Nate Parry
Devin Ferguson

Farm Loan Manager
Charlotte Holeman

County Director
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New Conservation Loan Program

The Farm Service Agency is now making direct and guaranteed conservation loans on farms to help conserve our natural resources. The Conservation Loan (CL) Program provides farmers with the credit necessary to implement conservation measures on their land.

FSA's traditional loan programs eligibility loan requirements for family farm size, test for credit, and graduation requirements do not apply to the CL program. These exceptions will allow FSA to provide access to conservation financing to more farmers.

Applicants will work with Natural Resources and Conservation Service (NRCS) staff to develop a conservation plan. Conservation practices must be approved by NRCS before FSA can provide financing. Examples of conservation practices include installation of conservation structures; establishment of forest cover; installation of water conservation measures; establishment or improvement of permanent pastures; transitioning to organic production; manure management, including manure digestion systems; etc.

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.

Marketing Assistance Loans

A Marketing Assistance Loan (MAL) is available for producers who share in the risk of producing the crop. To be eligible, a producer must maintain continual beneficial interest in the crop from harvest through the earlier of the date the loan is repaid or CCC takes title to the commodity. Beneficial interest means retaining the ability to make decisions about the commodity; responsibility for loss or damage to the commodity; and title to the commodity. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan even if the producer regains beneficial interest.

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. For commodities to be eligible, they must have been produced by an eligible producer, be in existence and in a storable condition and be merchantable for food, feed or other uses as determined by CCC. The quality of the commodity in farm storage must be maintained throughout the term of the loan. Producers do not have to participate in the Direct and Counter-Cyclical and/or ACRE Programs to be eligible for commodity loans. 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.

Buchanan County Loan Rates

Corn	Soybeans	Grain Sorghum
\$2.00/bu.	\$5.16/bu.	\$3.14/bu.

For loans disbursed in September, the interest rate is 1.25%.

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
- Be 10 years to 20 years of age
- Comply with FSA's general eligibility requirements
- Reside in a rural area, city or town
- Be unable to get a loan from other sources
- Conduct a modest income-producing agricultural project in a supervised program of work as out-lined above.
- Demonstrate capability of planning, managing, and operating the project

SURE

Producers will be able to apply for the Supplemental Revenue Assistance Payments (SURE) Program which provides benefits on crop disaster through September 30, 2010.

The SURE Program assists producers with payments on farms that have incurred crop production or crop quality losses. All crops the producer has planted, across the nation, are taken into consideration when looking at the loss. SURE provides assistance in an amount equal to 60 percent of the difference between the SURE farm guarantee and total farm revenue. The amount of crop insurance and Non-insured Crop Disaster Assistance Program (NAP) that covers the farm, will determine farm guarantee. Total farm revenue takes into account the actual value of production on the farm as well as insurance indemnities and certain farm program payments.

Producers must have had at least a 10 percent loss of production on a crop of economic significance. A producer must also be covered by insurance, under the Federal Crop Insurance Act or NAP coverage, for all economically significant crops.

Additional requirements include, the producer must have a farming interest physically located in a county that was declared a primary disaster county or contiguous county by the Agriculture Secretary under a Secretarial Disaster Designation (SDD). Regardless of the SDD individual producers may also be eligible for SURE if the actual production on the farm is less than 50 percent of the normal production on the farm due to a natural disaster.

This year's SURE program only applies to 2008 crop losses.

Livestock Indemnity Program (LIP)

The Livestock Indemnity Program (LIP) provides assistance to producers for livestock deaths that result from **extreme** adverse weather/natural disaster events. LIP compensates livestock owners and contract growers for livestock death losses in excess of established normal mortality rates due to natural disasters, including losses due to floods, blizzards, wildfires, extreme heat, extreme cold, tornados, and lightning. **The natural disaster must be a direct cause of the livestock death.**

It will be the producers' responsibility to notify the county FSA office about their livestock deaths. Payments are based on 75% of the fair market value for each type and weight range of livestock as determined by FSA. Producers are reminded that LIP regulations require that they **must file a notice of loss within 30 calendar days of when the livestock died** in order to be eligible for LIP. Producers are also responsible for providing documentation of proof of death (pictures and veterinary inspections are suggested). Beginning inventory (as of the date of the adverse weather event) is also required. **Verifiable evidence of normal mortality throughout the calendar year will be required with an LIP Application.** Deaths due to normal mortality will be used in calculating eligibility percentages when a natural disaster occurs.

The program is intended to compensate producers for livestock deaths that are caused by abnormal weather-related events and many losses may have weather as a factor, but not qualify as an eligible adverse weather event. **Please call 816-364-3927 ext.2 for complete LIP eligibility details.**

Highly Erodible Land & Wetland Conservation Compliance

Conservation compliance is still required for participation in farm programs. Producers, as you visit your county office this spring, make sure to review your Conservation Plan of Operation (CPO) with NRCS. Extra tillage trips to remove ruts and level fields may require revisions to the CPO in order not to be in violation of conservation compliance. Contact your local FSA or NRCS before fieldwork begins to protect program eligibility.

Banking Changes

If you have changed banks or bank accounts and have not notified this office your payments could be delayed. Payments are electronically transferred into your bank account and if we are not notified of a change the payment would be forwarded to the old routing number which would deny the deposit.

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. If you've had a setback and your lender is reluctant to extend or renew your loan, ask your lender about an FSA loan guarantee.

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. Producers are encouraged to apply early so that a loan can be processed and funded in a timely manner.

Emergency loans are available only as direct loans from FSA with a maximum of \$500,000. These loans assist farmers who have suffered physical or production losses in disaster designated areas. In order to qualify, a farmer must have suffered a 30 % loss in production or an actual physical loss that was essential to the successful operation of the farm. Emergency loans for actual losses are made at an interest rate of 3.75% to those eligible applicants unable to obtain the actual credit needed from another source.

FSA employees will help you complete the necessary application and other forms, and help you understand what information is required, where to find it or who to contact to get it. To find out more about FSA loan programs, contact the county office staff.

Adjusted Gross Income

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. You can get these forms at the local FSA office or online at www.fsa.usda.gov/mo.



Power of Attorney

For those who find it difficult to visit the county office personally because of work schedules, distance, health, etc., FSA has a power of attorney form available that enables you to designate another person to conduct your business at the office. If you are interested, please contact our office or any Farm Service Agency office near you for more information. Spouses may sign for each other automatically without executing a power of attorney document.

Tobacco Quota Buyout

Any transfers of Tobacco Transition Program contracts to family members needs to be reported to this office as soon as possible when the successor is known. The process to change the entity and /or shares on a contract takes some time.

Transition Incentives Program

The Transition Incentives Program (TIP) encourages retired or retiring owners or operators to transition their Conservation Reserve Program (CRP) acres to beginning or socially disadvantaged farmers or ranchers. 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 the Conservation Reserve Program (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 Oct. 1 of the year the CRP contract expires.

Mrs. Smith Goes to Washington

Program Technician Gina Smith has accepted a position in Washington D.C. Gina will be a member of a team consisting of national, state and county FSA employees that will work on what is called the MIDAS Project. MIDAS is an initiative to “Modernize and Innovate the Delivery of Agricultural Systems”. Its objective is to streamline FSA business processes and develop an effective long-term IT system and architecture for FSA farm program delivery. Midas will support reengineered business processes to improve efficiencies, reduce errors, and increase compliance with modern security, financial and privacy goals. Gina’s appointment will last anywhere from 2 to 5 years. So the next time any of you producers who are sitting at our desks signing up for the program asks “why in the world would that program be designed that way” you’ll now know who was responsible for it. We here at the office will miss Gina’s superior expertise, work ethic, wit, and pleasant demeanor. We wish her and her husband Lyle the best.

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

Dates to Remember	
September 6	Labor Day – FSA offices closed
September 30	NAP Application Closing Date for strawberries & fall-seeded small grains
September 30	Signup ends for 2008 SURE Program
October 11	Closed due to Columbus Day
October	Balance of DCP payments will be paid
Continuous	Farm Storage Facility Loan Program
Continuous	Continuous Conservation Reserve program

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