

December 2016



NEWSLETTER

Missouri FSA Newsletter

*Missouri Farm Service Agency wishes you and your family Happy Holidays!
We look forward to serving you in 2017!*

Missouri Farm Service Agency

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Click [here](#) for the Missouri
Department of
Conservation Covey
Headquarters newsletter.

Certain FSA Disaster Payments Now Exempt from Missouri State Income Taxes

In September, the Missouri Legislature passed Senate Bill 641 which makes certain disaster payments exempt from state income tax. The bill states any income received as payment from a program compensating agricultural producers from a loss due to a disaster or emergency can be subtracted from the producers' federal adjusted gross income, as it relates to Missouri state income tax only. This provision is for all tax years beginning on or after Jan. 1, 2014. This adjustment to the state tax code applies to the following USDA programs:

- Livestock Forage Disaster Program (LFP);
- Livestock Indemnity Program (LIP);
- Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish (ELAP);
- Emergency Conservation Program (ECP);
- Noninsured Crop Disaster Assistance Program (NAP);
- Pasture, Rangeland, Forage Pilot Insurance Program;
- Annual Forage Pilot Program;
- Livestock Risk Protection Insurance Plan; and

- Livestock Gross Margin Insurance Plan.

Please consult your tax preparer for information on how this may impact your operation. Your local FSA county office can assist you with your payment history information.

USDA Announces Additional Financial Incentives for Conservation Reserve Program Participants to Improve Forest Health and Enhance Wildlife Habitat

In an effort to improve wildlife habitat and the health of private forest lands, the U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) today announced additional incentives available for Conservation Reserve Program (CRP) participants to actively manage forest lands enrolled in the program.

Under the provisions of the 2014 Farm Bill, \$10 million is available nationwide to eligible CRP participants. Those selected will be encouraged to thin, prescribe burn or otherwise manage their forests in order to allow sunlight to reach the forest floor. This will encourage the development of grasses, forbs and legumes, benefitting numerous species including pollinators and grassland-dependent birds such as the northern bobwhite.

Eligibility is limited to landowners and agricultural producers already enrolled in CRP with conservation covers primarily containing trees. Incentive payments, not to exceed 150 percent of the cost to implement a particular customary forestry activity as described, have been established. CRP participants meeting eligibility requirements and interested in making offers to participate should visit their local FSA county office.

For more information about FSA conservation programs, visit the FSA office at the local USDA service center or go to www.fsa.usda.gov/conservation. To locate the nearest FSA office, go to <http://offices.usda.gov>.

Cover Crop Guidelines

Recently the Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS) and Risk Management Agency (RMA) worked together to develop consistent, simple and a flexible policy for cover crop practices.

The termination and reporting guidelines were updated for cover crops.

Termination:

The cover crop termination guidelines provide the timeline for terminating cover crops, are based on zones and apply to non-irrigated cropland. To view the zones and additional guidelines visit <https://www.nrcs.usda.gov/wps/portal/nrcs/main/national/landuse/crops/> and click "Cover Crop Termination Guidelines."

Reporting:

The intended use of cover only will be used to report cover crops. This includes crops that were terminated by tillage and reported with an intended use code of green manure. An FSA

policy change will allow cover crops to be hayed and grazed. Program eligibility for the cover crop that is being hayed or grazed will be determined by each specific program.

If the crop reported as cover only is harvested for any use other than forage or grazing and is not terminated properly, then that crop will no longer be considered a cover crop.

Crops reported with an intended use of cover only will not count toward the total cropland on the farm. In these situations a subsequent crop will be reported to account for all cropland on the farm.

Cover crops include grasses, legumes, and forbs, for seasonal cover and other conservation purposes. Cover crops are primarily used for erosion control, soil health improvement, and water quality improvement. The cover crop may be terminated by natural causes, such as frost, or intentionally terminated through chemical application, crimping, rolling, tillage or cutting. A cover crop managed and terminated according to NRCS Cover Crop Termination Guidelines is not considered a crop for crop insurance purposes.

Cover crops can be planted: with no subsequent crop planted, before a subsequent crop, after prevented planting acreage, after a planted crop, or into a standing crop.

Unauthorized Disposition of Grain

If loan grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties for unauthorized dispositions are severe and a producer's name will be placed on a loan violation list for a two-year period. Always call before you haul any grain under loan.

Sign Up for 2017 ARC/PLC Programs is Underway

Producers on farms with base acres under the safety net programs Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs can now sign contracts and enroll for the 2017 crop year. The enrollment period will continue until Aug. 1, 2017.

Since shares and ownership of a farm can change year-to-year, producers on the farm must enroll by signing a contract each program year.

If a farm is not enrolled during the 2017 enrollment period, the producers on that farm will not be eligible for financial assistance from the ARC or PLC programs for the 2017 crop should crop prices or farm revenues fall below the historical price or revenue benchmarks established by the program. Producers who made their elections in 2015 must still enroll during the 2017 enrollment period.

For more information, producers are encouraged to visit their local FSA office. To find a local FSA office, visit <http://offices.usda.gov>.

Preauthorized Debit Available for Farm Loan Borrowers

USDA Farm Service Agency (FSA) has implemented pre-authorized debit (PAD) for Farm Loan Program (FLP) borrowers. PAD is a voluntary and alternative method for making weekly, bi-weekly, monthly, quarterly, semi-annual or annual payments on loans.

PAD payments are pre authorized transactions that allow the National Financial and Accounting Operations Center (NFAOC) to electronically collect loan payments from a customer's account at a financial institution.

PAD may be useful for borrowers who use nonfarm income from regular wages or salary to make payments on loans or adjustment offers or for payments from seasonal produce stands. PAD can only be established for future payments.

To request PAD, customers, along with their financial institution, must fill out form RD 3550-28. This form has no expiration date, but a separate form RD 3550-28 must be completed for each loan to which payments are to be applied. A fillable form can be accessed on the USDA Rural Development (RD) website at <http://www.rd.usda.gov/publications/regulations-guidelines>. Click forms and search for "Form 3550-28."

If you have a "filter" on the account at your financial institution, you will need to provide the financial institution with the following information: Origination ID: 1220040804, Agency Name: USDA RD DCFO.

PAD is offered by FSA at no cost. Check with your financial institution to discuss any potential cost. Preauthorized debit has no expiration date, but you can cancel at any time by submitting a written request to your local FSA office. If a preauthorized debit agreement receives three payment rejections within a three month period, the preauthorized debt agreement will be cancelled by FSA. The payment amount and due date of your loan is not affected by a cancellation of preauthorized debit. You are responsible to ensure your full payment is made by the due date.

For more information about PAD, contact your local FSA office. To find a local FSA office, visit <http://offices.usda.gov>.

2017 Acreage Reporting Dates

Here's a reminder of the 2017 acreage reporting dates.

- Jan. 15, 2017 - Apples, grapes and peaches
- May 15, 2017 - Spring oats and potatoes
- July 15, 2017 - CRP, burley tobacco, corn, cotton, grain sorghum, hybrid corn seed, popcorn, rice, soybeans & all other crops.

The deadline to report hay, pasture, rangeland, forage and apiculture was November 15, 2016, and the deadline for barley, fall wheat, and all other fall-seeded small grains was December 15, 2016. Late file fees now apply.

Remember, an accurate and complete crop certification report is required to be eligible for FSA programs including, Marketing Assistance Loans (MALs), Loan Deficiency Payments (LDPs), Conservation Reserve Program (CRP), Noninsured Crop Disaster Assistance Program (NAP), Livestock Forage Disaster Program (LFP) and the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs.

MDC Accepting Applications for MRAP Walk-in Hunting, Fishing, Wildlife Viewing Program

The Missouri Department of Conservation (MDC) invites eligible private landowners to apply for its Missouri Outdoor Recreational Access Program (MRAP). The program provides incentive payments to private landowners who open their properties to the public for walk-in hunting, fishing, or wildlife viewing. More than 6,300 acres are currently enrolled in MRAP.

Most participating landowners earn \$15-\$25 per acre each year they participate, and are also offered liability protection under Missouri's Recreational Use Immunity Law. Enrolled lands are open to foot traffic only and area users self-register at designated entry points. Landowners determine the type of activities that will be permitted on their land by selecting one of six public-access options, and parking typically occurs along public roadsides.

Offered lands must contain minimum amounts of quality wildlife habitat such as native grass fields, crop-field buffers, restored wetlands, or managed woodlands. MDC encourages landowners who participate in conservation programs, such as the Conservation Reserve Program, to apply. For more information and an MRAP application, visit mdc.mo.gov/mrap, or contact local MDC staff. MDC is accepting MRAP applications from private landowners through Jan. 17.

Interest Rates and Dates to Remember

Selected Interest Rates for December 2016	
90-Day Treasury Bill	.250
Farm Operating Loans — Direct	2.25
Farm Ownership Loans — Direct	3.25
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50
Emergency Loans	3.25
Farm Storage Facility Loans (3 years)	1.125
Farm Storage Facility Loans (5 years)	1.375
Farm Storage Facility Loans (7 years)	1.750
Farm Storage Facility Loans (10 years)	2.000
Farm Storage Facility Loans (12 years)	2.000
Commodity Loans 1996-Present	1.750

Dates to Remember	
Dec. 26	Christmas Day Holiday (observed). USDA Service Center closed.
Dec. 31	NAP application closing date for potatoes.
Jan. 2	New Year's Day Holiday (observed). USDA Service Center closed.
Jan. 15	Final date to report apples, grapes and peaches.
Jan. 16	Birthday of Martin Luther King, Jr. USDA Service Center closed.

USDA is an equal opportunity provider, employer and lender. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).