

January 2017



## Missouri FSA Newsletter

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### Missouri Farm Service Agency

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To find contact information for your local office go to [www.fsa.usda.gov/mo](http://www.fsa.usda.gov/mo).

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

### Pigweed: Public Enemy #1

Palmer amaranth, also known as Palmer pigweed, is a new and real threat to Missouri. Producers are encouraged to learn about this invasive species and diligently monitor their fields. Producers establishing cover for the Conservation Reserve Program should ensure your seed provider has tested for pigweed, and specifically Palmer amaranth. If your seed lot information shows the presence of pigweed species, additional testing is needed to determine if it is Palmer pigweed. Learn more about this invasive species from the following resources:

<http://weedsience.missouri.edu/extension/extension.cfm>

<http://weedsience.missouri.edu>

<http://weedid.missouri.edu>

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### USDA Makes it Easier to Transfer CRP Enrolled Land to the Next Generation of Farmers and Ranchers

**Allows for Transfer of Certain Conservation Reserve Program Land to New Farmers; Provides Priority Enrollment in Working Lands Conservation Programs**

Beginning Jan. 9, 2017, the U.S. Department of Agriculture (USDA) will offer an early termination opportunity for certain Conservation Reserve Program (CRP) contracts, making it easier to transfer property to

the next generation of farmers and ranchers, including family members. The land that is eligible for the early termination is among the least environmentally sensitive land enrolled in CRP.

Normally, if a landowner terminates a CRP contract early, they are required to repay all previous payments plus interest. The new policy waives this repayment if the land is transferred to a beginning farmer or rancher through a sale or lease with an option to buy. With CRP enrollment close to the Congressionally-mandated cap of 24 million acres, the early termination will also allow USDA to enroll other land with higher conservation value elsewhere.

Acres terminated early from CRP under these land tenure provisions will be eligible for priority enrollment consideration into the CRP Grasslands, if eligible; or the Conservation Stewardship Program or Environmental Quality Incentives Program, as determined by the Natural Resources Conservation Service.

According to the Tenure, Ownership and Transition of Agricultural Land survey, conducted by USDA in 2014, U.S. farmland owners expect to transfer 93 million acres to new ownership during 2015-2019. This represents 10 percent of all farmland across the nation. For more information about CRP and to find out if your acreage is eligible for early contract termination, contact your local Farm Service Agency (FSA) office or go online at [www.fsa.usda.gov/crp](http://www.fsa.usda.gov/crp). To locate your local FSA office, visit <http://offices.usda.gov>.

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## **USDA Offers Targeted Farm Loan Funding for Underserved Groups and Beginning Farmers**

The USDA Farm Service Agency (FSA) reminds producers that FSA offers targeted farm ownership and farm operating loans to assist underserved applicants as well as beginning farmers and ranchers.

USDA defines underserved applicants as a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of the group without regard to their individual qualities. For farm loan program purposes, targeted underserved groups are women, African Americans, American Indians and Alaskan Natives, Hispanics and Asians and Pacific Islanders.

Underserved or beginning farmers and ranchers who cannot obtain commercial credit from a bank can apply for either FSA direct loans or guaranteed loans. Direct loans are made to applicants by FSA. Guaranteed loans are made by lending institutions who arrange for FSA to guarantee the loan. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan. The FSA guarantee allows lenders to make agricultural credit available to producers who do not meet the lender's normal underwriting criteria.

The direct and guaranteed loan program provides for two types of loans: farm ownership loans and farm operating loans. In addition to customary farm operating and ownership loans, FSA now offers Microloans through the direct loan program. The focus of Microloans is on the financing needs of small, beginning farmer, niche and non-traditional farm operations. Microloans are available for both ownership and operating finance needs. To learn more about microloans, visit [www.fsa.usda.gov/microloans](http://www.fsa.usda.gov/microloans).

To qualify as a beginning producer, the individual or entity must meet the eligibility requirements outlined for direct or guaranteed loans. Additionally, individuals and all entity members must have operated a farm for less than 10 years. Applicants must materially or substantially participate in the operation.

For more information on FSA's farm loan programs and targeted underserved and beginning farmer guidelines, visit [www.fsa.usda.gov/farmloans](http://www.fsa.usda.gov/farmloans).

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## 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.

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## USDA Encourages Producers to Consider Risk Protection Coverage before Crop Sales Deadlines

Federal crop insurance covers crop losses from natural adversities such as drought, hail and excessive moisture. FSA's Noninsured Crop Disaster Assistance Program (NAP) covers losses from natural disasters on crops for which no permanent federal crop insurance program is available, including perennial grass forage and grazing crops, fruits, vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

February 28, 2017, is the sales closing date for 2017 NAP coverage for **rice**. March 15, 2017, is the sales closing date for 2017 NAP coverage for many crops, including most **fruits and vegetables** and **forage and pasture**.

Eligible producers can apply for 2017 NAP coverage at their local FSA Office. The service fee for basic NAP coverage is the lesser of \$250 per crop or \$750 per producer per administrative county, not to exceed a total of \$1,875 for a producer with farming interest in multiple counties.

USDA has partnered with Michigan State University and the University of Illinois to create an online tool at [www.fsa.usda.gov/nap](http://www.fsa.usda.gov/nap) that allows producers to determine whether their crops are eligible for

federal crop insurance or NAP and to explore the best level of protection for their operation. NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production, with higher levels of coverage, up to 65 percent of their expected production at 100 percent of the average market price available, including coverage for organics and crops marketed directly to consumers. Crops intended for grazing are not eligible for additional NAP coverage.

Federal crop insurance coverage is sold and delivered solely through private insurance agents. Agent lists are available at all USDA Service Centers or at USDA's online Agent Locator: <http://prodwebnlb.rma.usda.gov/apps/AgentLocator/>. Producers can use the USDA Cost Estimator, <https://ewebapp.rma.usda.gov/apps/costestimator/Default.aspx>, to predict insurance premium costs.

For more information on NAP, service fees, premiums and sales deadlines, contact your local FSA office or visit the web at [www.fsa.usda.gov/nap](http://www.fsa.usda.gov/nap).

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## Got a Minute or Two? 2017 ARC/PLC Contracts Are Ready

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.

Call your local FSA office to set up a time to enroll your farm.

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## Missouri Ag Mediation Program

The Missouri Ag Mediation Program, housed within the Missouri Department of Agriculture, has been the USDA approved mediation service for Missouri since 2002. The mediation service is available to all USDA program participants as a means of dispute resolution a participant may have with USDA.

You may view our brochure at <http://agriculture.mo.gov/grains/pdf/mediationbrochure.pdf>. If you have any questions not answered by the brochure, please contact Joe Walker at [mediate@mda.mo.gov](mailto:mediate@mda.mo.gov) or 573-751-5517.

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## USDA Climate Hub 'Energy Generation and Efficiency' Building Block

Through the Agricultural Act of 2014, USDA has several authorities that encourage the adoption of renewable energy and energy efficiency technologies. The Energy Generation and Efficiency Building Block supports energy efficiency improvements in rural homes and on farm operations, for example, through EQIP's National On-Farm Energy Initiative. This Building Block also provides opportunities to reduce Greenhouse Gas (GHG) emissions from energy generation and use, for example, through the Rural Energy for America Program. To learn more about energy generation

and efficiency opportunities from USDA click the following link:  
[http://www.usda.gov/oce/climate\\_change/building\\_blocks/10\\_EnergyGenerationEfficiency.pdf](http://www.usda.gov/oce/climate_change/building_blocks/10_EnergyGenerationEfficiency.pdf)

For more information about the USDA Climate Hubs click here:  
<http://www.climatehubs.oce.usda.gov/>.

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## Interest Rates and Dates to Remember

Selected Interest Rates for January 2017	
90-Day Treasury Bill	.375
Farm Operating Loans — Direct	2.375
Farm Ownership Loans — Direct	3.625
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50
Emergency Loans	3.375
Farm Storage Facility Loans (3 years)	1.500
Farm Storage Facility Loans (5 years)	1.875
Farm Storage Facility Loans (7 years)	2.250
Farm Storage Facility Loans (10 years)	2.375
Farm Storage Facility Loans (12 years)	2.500
Commodity Loans 1996-Present	1.875

Dates to Remember	
Jan. 31	Final availability date for 2016 Marketing Assistance Loans & LDPs for wool & unshorn pelts.
Feb. 20	George Washington's Birthday. USDA offices are closed.
Feb. 28	NAP application closing date for rice.
Mar. 15	NAP application closing date for many NAP crops, including forage and pasture.
Mar. 31	Final availability date for 2016 Marketing Assistance Loans & LDPs for small grains & honey.

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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).