



November 2008

ADAMS FSA NEWS -n- VIEWS

County Committee Elections Upcoming

Ballots have been mailed to all eligible voters in Local Administrative Area (LAA) 2, for the upcoming County Committee election. LAA 2 is the central portion of Adams County, divided on the North by I-90, and on the South by the line created by Providence Road, extended East to the Whitman County line. The final date to return ballots, either in person to the USDA Service Center, at 506 Weber Ave. Ritzville, or through the mail postmarked by, is Monday, December 1, 2008. Ballots will be tabulated on Thursday, December 4, at the regular session of the County Committee meeting, at the same address. This meeting is open to the public.

The following persons have been nominated and have agreed to serve on the County Committee if elected.

Matt Miller Matt raises dryland grain crops in the area Southwest of Lind.

Derek Schafer Derek and his wife Susan raise dryland grain crops and CRP in the area Southwest of Ritzville.

Thanks to both Derek and Matt for consenting to serve their fellow producers on the Committee, and also to Randy Franz, who is retiring from the Committee after completion of nine years of service.

County Committees serve as the local link to USDA programs, providing input to help ensure the effectiveness of national programs administered to local conditions. Please exercise your right to vote for the candidate of your choice in this important election.

New Farm Bill Programs Begin to Arrive

With passage of the 2008 farm bill, a number of new programs were authorized, and others have been revamped. Unfortunately, it takes time to "roll out" new programs, with agency effort needed to write procedure, accept public comments, do environmental studies, etc. The following programs will be the first ones requiring eligibility or participation decisions.

Supplemental Revenue Assistance Program (SURE)-

The 2008 farm bill created standing disaster program authority. This authority will be offered through a number of different programs. For crop production losses due to natural disasters, SURE provides this coverage. SURE is available to producers who have obtained at least a catastrophic (CAT) level of multi-peril crop insurance on all insurable crops, and NAP coverage on all crops where insurance is not available. An exception, known as the "deminimus exception", will allow producers growing one or more minor crops not expected to generate at least 10% of the total revenue for the farm, to opt not to obtain crop insurance or NAP coverage on those minor crops, while still maintaining SURE eligibility.

SURE provides "whole farm" disaster protection, meaning that benefits are not crop, unit, or even county specific, but look at a comparison of the "SURE guarantee" for the producer, on all farms on which they are involved, in all counties, if you have farming interests in more than one county, versus "expected revenue" for the same farming interests.

Generally, the SURE "guarantee" is calculated by using an individual's insurance price and yield elections, planted acreage and share, and the higher of your Counter-cyclical DCP program yield, or your crop insurance Actual Production History. For noninsurable crops, similar calculations are made using your NAP data. Insurable crop guarantee is then multiplied by 115%, and NAP guarantees are multiplied by 120%, and the sum of these amounts for all crops grown constitutes your SURE guarantee.

Generally, SURE "expected revenue" is calculated based on your actual crop yields, national average marketing prices for the 12 month period for each commodity, any crop insurance indemnity or NAP payments received for the crop, 15% of direct, and all counter-cyclical or ACRE payments received, and any LDP or marketing gains received.

SURE availability is triggered in one of two ways, requiring either a Secretarial disaster declaration for the county based on a natural disaster, or through an individual who suffers significant individual production losses, of greater than 50%. In the event of Secretarial disaster declaration, individual producers will still have to be able to demonstrate a minimum 10% production loss on at least one economically significant crop(s) to trigger SURE. Benefits are earned by eligible producers in an amount equal to 60% of the difference between the SURE guarantee, and SURE expected revenue.

As you can see, the SURE guarantee and expected revenue calculations are in depth, and can only be estimated using a "best guess" of many variables, including next year's yields, and national average prices. The only certainty at this point is the requirement of having multi-peril crop insurance or NAP on all significant crops to establish eligibility. A SURE calculator tool is available at <http://www.fsa.usda.gov/FSA/fbapp?area=home&subject=landing&topic=landing>.

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Adams County FSA

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Office Hours

Monday – Friday
8:00 AM – 4:30 PM

County Committee

Randy Franz
Greg Galbreath
Leroy Watson Jr.
Elizabeth Lyle

COC Meetings

Next meeting date December
4, 2008

Office Staff

Chris Holt, CED
Rae Ann Telecky, PT
Jullie Cain, PT
Angela Melcher, PT
Karin Talkington, PT

Farm Loan Staff

Everett Purrington, FLM
Libby Anderson FLO
Nancy Segar FLO

Contact at (509) 754-2463

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Livestock Forage Disaster Program (LFP)

This program is designed to provide compensation to eligible livestock producers suffering grazing losses due to drought within their normal grazing period, or naturally occurring fires on Federally managed lands. The program covers the period of January 1, 2008 through October 1, 2011.

Drought losses are determined by using U.S. Drought Monitor data <http://www.drought.unl.edu/dm/monitor.html> and require a sustained 8 week rating of D-2 "Severe Drought" within the normal grazing period, or lesser duration of more significant levels of drought for consideration. Payments are calculated at 60% of the monthly feed cost for eligible livestock, and may be for up to 3 months, depending upon the severity of the drought. NAP coverage on all grazing land is required to participate in this program.

Livestock Indemnity Program (LIP)

This program is designed to provide compensation for loss of eligible livestock, in excess of normal mortality rates, due to adverse weather events occurring between January 1, 2008 and October 1, 2011. County disaster declarations, are not required for LIP; however, producers must file a notice of loss within 30 days of when losses are apparent, and applications for assistance must be completed within 30 days of the end of the calendar year in which the adverse weather event occurred.

NAP Purchase Deadline Extended

Sales closing dates for NAP have been extended until December 1, 2008, for all perennial and fall planted crops covered by NAP. Sales closing date for spring planted crops eligible for NAP remains at March 15, 2009. This change was implemented to assist producers in obtaining coverage necessary to establish producer eligibility to participate in future disaster program benefits under the SURE program. It is important however to remember, that coverage under NAP policies does not "attach" until the later of 30 days after the policy is purchased, or the sales closing date. With this in mind, you may wish to consider purchase of required coverage prior to the sales closing date.

SURE is limited to producers who have obtained multi-peril crop insurance, or noninsured assistance program (NAP) coverage for the current crop year. More details on the SURE program will be forthcoming, as program regulations are established.

2008 Commodity Loans Available

Recent events with the price of grain crops have left some producers with difficult marketing choices. Marketing loans available through the Farm Service Agency are one tool available to assist you. Nonrecourse loans are available on wheat, barley, field corn, oats, and minor oilseeds. Loans have a term of 9 months, and carry interest rates based on the month of approval. The interest rate for November 2008 is 2.5%. Loan rates for commonly grown commodities are as follows.

Soft White Wheat	\$ 2.68 per bushel	Oats	\$ 1.26 per bushel
Hard Red Winter Wheat	\$ 3.27 per bushel	Corn	\$ 2.38 per bushel
Hard Red Spring Wheat	\$ 3.23 per bushel	Barley	\$ 2.16 per bushel

Loan rates for oilseeds and other infrequently grown commodities are available by contacting the County office.

More New Programs and Changes on the Horizon

Two other farm bill related changes for 2009 will revolve around the changing rules in payment limitations, and implementation of the Average Crop Revenue Election or ACRE program. Unfortunately, there is not an adequate amount of space to devote to either subject in this newsletter.

Briefly however, producers will be required to complete new payment limitation forms and adjusted gross income certifications to establish payment eligibility for 2009 and beyond, on most programs. Existing CRP will continue under current payment limit rules. New forms have been developed and are in the process of being cleared through our agency to accomplish this process.

ACRE signup is also on the horizon and producers will have the opportunity to participate in that program instead of the Direct Counter-Cyclical Program, as early as the 2009 program year. Briefly, ACRE "trades" the counter-cyclical portion of your DCP, 20% of your direct payments and a 30% reduction in marketing loan assistance loan values in exchange for potential ACRE payments that are based on your current year's actual plantings, and 12 month national average prices. Generally, payments are triggered under ACRE when state actual prices/yields are less than normal and the individual farms actual yields and national prices are below their expected yield and ACRE guaranteed price. Watch for a schedule of upcoming meetings to explain these programs in detail, once forms are released and signup dates are established.