



November 2006

# LINCOLN COUNTY FSA NEWS

## Lincoln County FSA

P.O. Box 47  
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## Office Hours

Monday – Friday  
7:00 A.M. – 4:30 P.M.

## County Committee

Allyn Hughes, Chair  
Stan Dormaier, V-Chair  
Judy Scrupps, Member

## Office Staff

Jeff Lust, CED  
Arlou Ives, Chief PT  
Debbie Sweet, PT  
Sally Simpson, PT  
Jan Bowdish, PT  
Paula Reed, PT  
Aaron Landreth, PT  
Nancy Reinbold, Temp. PT  
Deb Knight, Temp. PT

## Web Sites

National USDA  
<http://www.usda.gov>

National FSA  
<http://www.fsa.usda.gov>

Washington State FSA  
<http://www.fsa.usda.gov/FSA/stateoffapp?mystate=wa&area=home&subject=landing&topic=landing>

## Dates to Remember

Nov. 10: Veteran's Day– Office Closed  
Nov. 17: NRCS Environmental Quality Incentive Program (EQIP) Signup Deadline  
Nov. 20: NAP Coverage Deadline- Perennial Crops  
Nov. 23: Thanksgiving Day – Office Closed  
Dec. 4: Final Day to Return County Committee Election Ballots  
Dec. 7: Committee Ballots Counted

## 2006 Lincoln Co. Loan Rates

SWW Wheat:	\$2.90/Bu.
HRS and HWS Wheat:	\$3.15/Bu.
HRW and HWW Wheat:	\$3.18/Bu.
Durum Wheat:	\$3.53/Bu.
Barley:	\$2.08/Bu.
	or \$86.67/Ton
Oats:	\$1.28/Bu.
	or \$80.00/Ton
Dry Peas:	\$6.63/Cwt.

Nov. 2006 Interest Rate: 6.0%

Please contact our office regarding any direct deposit bank account and/or farm record changes.



## Arlou is Retiring

**Arlou Ives** will be retiring from FSA effective January 2, 2007. We tried hard to talk her out of it, but unfortunately we came up short! However, we are having an open house at the FSA Office in Davenport on **Thursday, December 14, 2006 from 1:00 p.m. to 4:00 p.m.**, to recognize her 30 plus years of service to county farmers and the agency. If you can, please drop by the office for this occasion and say good bye to Arlou.

## County Committee Elections

County Committee election ballots are planned to be mailed on November 3, 2006 to eligible voters in the general Almira, Wilbur, and Creston areas of the county. **Pete Carstensen** and **Mike Kuchenbuch** are the candidates in the election for this Local Administrative Area (LAA). Ballots must be returned by **Monday, December 4, 2006**, and also the **voter must sign** the certification on the **ballot return envelope** for their vote to be considered valid for counting. Producers who did not receive a ballot, but feel like they should have gotten one, need to contact our local FSA office to obtain a ballot. Please take the time to vote for the candidate of your choice.

## 2007 Direct and Counter-Cyclical Program Signup

Signup for the 2007 Direct and Counter-Cyclical Program (DCP) has begun and continues through June 1, 2007. A DCP contract must be signed each year for enrollment in the program. Producers need to schedule an appointment with our office for signup, but if it is anticipated that changes will occur to a farming operation such as the formation of new entities or selling land, it is best to wait until these changes are completed before signing a contract.

There are two types of payments available for producers who participate in the program. The first type of payment is a Direct payment which is issued annually regardless of a crop's price, and is based upon 85% of a crop's acreage base times the payment yield. Direct payment rates are \$.52/Bu. for wheat; \$.24/Bu. for barley; \$.024/Bu. for oats; \$.28/Bu. for corn; and \$.80/Cwt. for oilseeds. Advance direct payments are available at 22% of these rates, and are available beginning in December 2006.

Counter-Cyclical (CC) payments will be paid if market prices fall below certain levels during the 12-month marketing periods for each commodity. Depending on the comparison between national average market levels and target prices, it is possible that CC payments could be paid 3 times a year of which 2 are advances. Advance 2006 CC payments can be requested at the DCP signup, but no counter-cyclical payments are authorized for wheat, barley, oats, corn, or oilseeds for this 1<sup>st</sup> advance. However, again note that counter-cyclical payments are not guaranteed as they are dependent on market prices.

Finally, as mentioned before, any land divisions or additions taking place on farms, will affect the DCP signup as well as the crop acreage bases on the program contract. For program purposes, FSA adheres to a landowner designation of dividing bases in the manner agreed to by the parent farm owner and purchaser or transferee. This method of dividing the bases may be used when any part of a farm or tract is sold or ownership is transferred, an entire tract or farm is sold to two or more persons, or farm or tract ownership is transferred to two or more persons. The land sold or transferred must have been owned for at least 3 years unless the County Committee approves a waiver of this requirement.

**Revised CRP Managed Haying and Grazing Provisions**

The National Wildlife Federation filed a complaint in U.S. District Court on October 21, 2004 challenging certain provisions of managed haying and grazing on CRP contract acreage. The lawsuit alleged that the managed haying and grazing practices violated the National Environmental Policy Act (NEPA), the Food Security Act of 1985, and the Administrative Procedure Act. Specifically, the lawsuit challenged the frequency allowed for managed haying and grazing on CRP acreage, and the dates set as the primary nesting season that limits haying and grazing activities. The lawsuit specified several states including Washington State.

Consequently, the Federal government has settled with the complainant with changes affecting managed haying and grazing policies. The changes will limit managed haying and grazing to only once in 10 years, rather than the prior policy of once in 4 years for most producers. Producers who have conservation plans that already include managed haying and grazing (this is generally those who have used the managed haying and grazing option in the past) will be able to remain under the old “grandfathered” rules, and utilize managed haying and grazing on those specific contracts once in every four years. In the past, some producers who have used the managed haying and grazing provisions, have opted to have legumes such as alfalfa as part of the CRP seed mix to enhance the feed value of the hay or grazing from the CRP, so producers planning on planting this type of seed mixture on new CRP land, should probably take into consideration these new rules which are more restrictive in terms of frequency.

The settlement also changed the primary nesting season back to April 1 – August 1. The new nesting season dates **only** apply to managed haying and grazing, and do **not** apply to other activities on CRP. Thus, for operations such as weed spraying, the primary nesting period remains unchanged at April 1 – June 1, while mowing also remains the same as the previously established April 1 – July 1 dates.

**Noninsured Assistance Program**

The final date to apply for the Noninsured Assistance Program (NAP) on 2007 perennials such as berries, grapes, and orchard crops is **November 20, 2006**. The cost is \$100 per crop, not to exceed \$300 for all crops in the county. NAP covers losses in excess of 50% of the proven yield at 55% of the market price. Production evidence from 2006 should be submitted no later than June 30, 2007 for proven yield purposes. Lastly, effective for 2007 and later, first year forage crops are not eligible for NAP coverage and this includes hay and seed (grass and legumes).

**Farm Storage Facility Loans**

Commodity Credit Corporation (CCC) provides low cost financing for producers to build or upgrade farm storage and handling facilities for eligible commodities under the Farm Storage Facility Loan (FSFL) program. Eligible applicants may qualify for the 7-year loan program and may borrow up to \$100,000 per “person.” A down payment of 15% is required and a non-refundable application fee of \$45 must be paid at the time of application. Loans may be made for purchasing and installing eligible storage facilities, permanently affixed drying or handling equipment, or remodeling existing facilities. The need for more storage capacity for the farming operation must be documented. The November 2006 FSFL interest rate is 4.625 percent. Please contact the County Office for further information if interested in this program.