

November 2015



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- [Reminder to Vote - Watch for County Committee Election Ballots in November](#)
- [General CRP Signup Starts December 1](#)
- [Grasslands Initiative Offers Financial Rewards for Conservation-Minded Livestock Owners](#)
- [Annual Financial Check-Up](#)
- [Deadline Extended for Non-insured Crop Disaster Assistance Program \(NAP\) for 2016 Hay Crops](#)
- [November NAP Deadlines Loom Large](#)
- [Farmers to Receive Documentation of USDA Services](#)
- [Commodity Loans and Loan Deficiency Payments Available](#)
- [Approval Required Before Starting FSA-Funded Projects](#)
- [NASS Crop Survey Completion Improves FSA Programs](#)
- [The PNW Climate Change Hub Presents Adaptation and Mitigation Workshops](#)
- [Important Dates and Deadlines](#)

Washington FSA Newsletter

Washington Farm Service Agency

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www.fsa.usda.gov/wa

State Committee:

Don Olmstead, Jr., Chair
Larry DeHaan, Member
Steve Hair, Member
Jesus Limon, Member
Sheryl Hagen-Zakarison, Member

State Executive

Reminder to Vote - Watch for County Committee Election Ballots in November

If you benefitted from the Emergency Conservation Program (ECP) or Emergency Haying and Grazing of CRP this year, you can thank your FSA County Committee. County committees determine the need for these programs and make other important program decisions in their counties. The committees are made up of local farmers and ranchers, elected by their peers each year. The 2015 voting period begins soon.

Starting November 9, the Farm Service Agency will mail County Committee election ballots to eligible

Director:
Judy Olson

Division Chiefs:
Mike Mandere,
Administration
Rod Hamilton, Programs
Mike Mykines, Loans

Please contact your [local FSA office](#) for questions specific to your operation or county.

voters with interests in the [local administrative areas](#) (LAAs) open for election. You may submit ballots in person to local USDA service centers or mail your ballots to your local USDA service center. Ballots returned by mail must also be postmarked no later than December 7, 2015.

To be eligible to vote, you must participate or cooperate in any Farm Service Agency program or have your farm on record with FSA and be of legal voting age.

Unique in the federal government, the three-to-five person county committees ensure the fair and equitable administration of FSA programs. Committees are responsible for the hiring of the county executive directors and are the place that you can appeal most agency determinations. Voting helps guarantee the committees represent local agricultural producers' interests.

Each county committee draws its members from local administrative areas. Nominated by local farmers and ranchers, candidates must live in the county's local administrative area they will represent and must be eligible to vote in the county election. Members serve on staggered three-year terms so that one-third of the seats are up for re-election each year.

Newly elected committee members will begin their term January 1, 2016. If you did not receive a ballot or would like additional information about your local County Committee election, contact your county FSA office.

General CRP Signup Starts December 1

The Farm Service Agency will conduct a General Conservation Reserve Program signup between December 1, 2015 and February 26, 2016 in all FSA county offices.

In exchange for a yearly rental payment, applicants enrolled in the program agree to remove environmentally sensitive land from agricultural production and to plant species that will improve the environment. Contracts for land enrolled in CRP are 10-15 years in length. The long-term goal of the program is to re-establish valuable land cover to help improve water quality, prevent soil

erosion, and reduce loss of wildlife habitat.

To be eligible for CRP enrollment, you must have owned or operated the land for at least 12 months prior to the previous CRP signup period.

Exceptions to this rule include:

- Land acquired by the new owner due to the previous owner's death;
- Change in ownership due to foreclosure; or
- Land that was purchased by the new owner without the sole intention of placing it in CRP.

To be eligible for placement in CRP, land must be cropland (including field margins) that was planted to an agricultural commodity four crop years from 2008 to 2013. Land also must have a weighted average erosion index (EI) of eight or higher, be located in a state CRP conservation priority area, or be CRP set to expire September 30, 2016.

This will be the first General CRP signup since passage of the 2014 Farm Bill. The program's acreage cap is gradually being lowered to 24 million acres for fiscal years 2017 and 2018. This could result in a competitive signup this year.

FSA will rank offers for CRP contracts according to the Environmental Benefits Index (EBI). Each eligible offer will be ranked nationally in comparison to all other offers and selections made from that ranking. FSA uses the following EBI factors to assess the environmental benefits for the land offered:

- Wildlife habitat benefits resulting from covers on contract acreage;
- Water quality benefits from reduced erosion, runoff and leaching;
- On-farm benefits from reduced erosion;
- Benefits that will likely endure beyond the contract period;
- Air quality benefits from reduced wind erosion, and;
- Cost.

In addition to an annual rental rate, FSA will pay 50 percent of the cost to establish CRP practices. FSA offers an online description of CRP practices - <http://www.fsa.usda.gov/programs-and-services/conservation-programs/crp-practices-library/index>

FSA bases CRP annual rental rates on the relative productivity of the soils within each county and the average dry-land cash rent using data provided by the National Agricultural Statistics Service or cash-rent equivalent as guidelines. You may offer land at the average soil rental rate or offer a lower rental rate to increase the likelihood that your offer will be accepted.

In addition to the General CRP signup, FSA will accept offers for specific conservation practices under the Continuous CRP or Conservation Reserve Enhancement Program (CREP). If you would like to make an appointment or learn more about CRP, contact your [county FSA office](#).

2015 marks the 30th Anniversary of the Conservation Reserve program (CRP). In recognition of this milestone, FSA has launched a commemorative website - <http://www.fsa.usda.gov/crpis30>.

Grasslands Initiative Offers Financial Rewards for Conservation-Minded Livestock Owners

Farmers and ranchers have until November 20 to apply for payments to help conserve working grasslands, rangeland and pastureland while maintaining the areas as livestock grazing lands. Livestock producers who have current conservation plans may already meet the qualifications for receiving a payment.

The CRP-Grasslands initiative will provide participants who have, or who establish, long-term, resource-conserving vegetation with annual payments up to 75 percent of the grazing value of the land. There is no limit on the number of acres that may be submitted although there is an annual payment limitation of \$50,000. The annual payments for most eastern WA counties is \$15/acre. Western WA rates range between \$17-\$40/acre.

Cost-share assistance also is available for up to 50 percent of cross-fencing or livestock water developments to support rotational grazing or to improve pasture cover or for the benefit of pollinators or other wildlife. You may still conduct common grazing practices, produce hay, mow, or harvest for seed production, conduct fire rehabilitation, and construct firebreaks and fences.

Farm Service Agency will score applications against published ranking criteria and approve them based on the competitiveness of the offer. FSA accepts applications on an ongoing basis. The end of the first ranking period will be November 20, 2015. If you would like to make an appointment or learn more about the CRP Grasslands Initiative, contact your [county FSA office](#).

Annual Financial Check-Up

With the 2015 crops harvested, now is a good time for an annual financial check-up. This involves reviewing the 2015 production and financial records and preparing for 2016. One of the most important keys to success is record keeping. This must be done throughout the year, including through the busy times of the year.

Record keeping should include a detailed breakdown of all financial inflows and outflows. Some of the inflows may include production records, income, program payments, other farm income, non-farm income and capital sales (sale of equipment or real estate). Outflows that should be tracked and recorded are all annual operating expenses, living expenses and personal debt payments, loan advances and/or debt repayment, as well as capital expenses (buying equipment, real estate, etc). A capital sale or expense is a non-annual type inflow or outflow (This may include the purchase of a tractor or other farm equipment, overhauling equipment, and improving real estate.)

An annual review of your records will help you plan for the 2016 crop year. Good records will help you determine where you may need to reduce expenses or where you might want to invest more in your operation. If your financial review reveals a need for financial assistance, schedule an appointment with your loan officer and take in your financial records as soon as you know what your needs are.

Record keeping is important because it provides you, and when applicable your lender, necessary information. It tells you what your overall expenses are and where your break-even point is. It also helps when applying for a loan or preparing for your tax season.

Deadline Extended for Non-insured Crop Disaster Assistance Program (NAP) for 2016 Hay Crops

Hay producers who would like to purchase buy-up coverage under the Non-insured Crop Disaster Assistance Program (NAP) for the 2016 forage crop may still do so. The Farm Service Agency will accept applications (CCC-471) until the extended deadline of Friday, **November 13, 2015**.

Beginning with crop year 2016, hay producers with buy-up NAP coverage may be eligible for an adjustment to harvested production due to loss of quality. Loss of quality must be attributable to an eligible cause of loss during the coverage period before harvest. Also, you must have documentation, from an approved laboratory, with analysis that includes relative feed value (RFV).

Producers that file a notice of loss on forage due to an eligible disaster condition and are interested in obtaining a quality loss adjustment must obtain a sufficient number of representative samples at the time of harvest for analysis. The sampling must be done at a rate and method considered representative by the approved laboratory. The RFV analysis is to be conducted on a dry matter (DM) basis.

NAP helps producers financially recoup when natural disasters cause crop loss or damage to crops for which Federal Crop Insurance is unavailable. Prior to the 2014 Farm Bill, the Farm Service Agency offered a NAP coverage level at the basic 50 percent of the yield/55 percent of the market price of a crop. The 2014 Farm Bill authorized FSA to offer higher levels of coverage in exchange for a premium. It also allowed for adjustment of quality losses to mechanically harvested forage.

Additional coverage levels require a premium fee in addition to the NAP service fee. Payments for the additional level of assistance will be issued based on 100 percent of the average market price and between 50 and 65 percent of a farm's approved yield.

Premiums for assistance will be calculated based on the lesser of:

- The product of multiplying the producer's share, the number of eligible acres devoted to the crop, the approved yield, the coverage level, the average market price, and a 5.25 percent premium fee; or
- \$6,562.50 (the product of the applicable payment limitation of \$125,000 and at maximum a 5.25 percent premium fee).

Beginning, limited resource, and traditionally underserved farmers are eligible for a 50 percent reduction of the calculated premium. To be eligible for a reduced premium, you must provide a certification of your status (form CCC-860) at the time of application.

Contact the [county FSA office](#) if you have questions about NAP or would like to purchase buy-up coverage for your 2016 hay crop.

November NAP Deadlines Loom Large

Producers need to pay attention to a number of Non-insured Crop Disaster Program (NAP) deadlines in November.

Hay producers who would like to purchase NAP buy-up coverage for the 2016 forage crop may do so until the extended deadline of **November 13, 2015**.

Producers who obtained Non-insured Crop Disaster Assistance Program (NAP) coverage for 2015 crop year perennial forage, mixed forage, or forage seed crops should report all harvested production by the production reporting deadline of **November 15, 2015**.

The following crops in Washington have a NAP 2016 crop application deadline of **November 20, 2015**: asparagus, berries, grapes, honey, hops, tree fruit and nuts.

For more information on NAP, service fees, premiums and sales deadlines, contact your [county FSA office](#).

Farmers to Receive Documentation of USDA Services

As part of FSA's mission to provide enhanced customer service, producers who visit FSA will receive documentation of services requested and provided. The documentation is called Receipt For Service.

The 2014 Farm Bill requires a receipt to be issued for any agricultural program assistance requested from FSA, the National Resources Conservation Service (NRCS) and Rural Development (RD). Receipts include the date, summary of the visit and any agricultural information, program and/or loan assistance provided to an individual or entity.

In some cases, a form or document – such as a completed and signed program enrollment form – serves as the customer receipt instead of a printed or electronic receipt. A service is any information, program or loan assistance provided whether through a visit, email, fax or letter.

To learn more about FSA, visit www.fsa.usda.gov or contact your [county FSA office](#).

Commodity Loans and Loan Deficiency Payments Available

FSA continues to offer commodity loans and loan deficiency payments (LDPs) for 2015 crops. Commodity loans are a marketing tool allowing an influx of cash for operating expenses using the crop as collateral. This allows you to delay sale of the crop until more favorable conditions emerge, rather than selling the crop soon after harvest, when prices are traditionally at their lowest.

The LDPs are a direct payment made in lieu of a commodity loan and are available when the Commodity Credit Corporation determined value (the lesser of the 30 day or 5 day average terminal market price for the crop adjusted for differentials and market adjustments) falls below the county loan rate. To be eligible for an LDP, you must have form CCC-633EZ on file at your local county office before you lose beneficial interest in your crop.

Eligible crops for loan or LDP are barley, corn, honey, oats, grain sorghum, oilseeds (canola, crambe, flaxseed, mustard, rapeseed, safflower seed, sesame seed, soybeans, sunflower seeds), pulse crops (chickpeas, dry peas, lentils), wheat, wool, mohair and unshorn pelts located in an approved farm or warehouse storage.

National and county loan rates can be found [here](#). Daily LDP rates can be found [here](#). To inquire about commodity loans or LDPs, contact your [county FSA office](#).

Approval Required Before Starting FSA-Funded Projects

Producers are reminded that federal agencies are required by law to conduct an environmental review for projects requiring federal funding prior to their implementation. This means you must wait for the review to be completed before starting a project funded under programs such as the Emergency Conservation Program (ECP), Conservation Reserve Enhancement Program (CREP), Farm Storage Facility Loans (FSFL) and Farm Loan Programs (FLP). Failure to complete the environmental review prior to project implementation could result in the loss of program eligibility. Wait until your project proposal is approved before starting any actions, including, but not limited to, vegetation clearing or ground disturbances. If such implementation occurs, FSA's environmental review cannot be completed, which jeopardizes our ability to approve funding. For this reason, it is important that you contact your [county FSA office](#) before project commencement, if using federal funds.

NASS Crop Survey Completion Improves FSA Programs

The National Agricultural Statistics Service (NASS) field offices are currently completing 2015 small grain yield surveys and will contact growers in December to complete row crop yield surveys. If you are one of the producers contacted to complete a 2015 yield survey, FSA encourages your participation and cooperation as many USDA agencies including the Farm Service Agency (FSA) and Risk Management Agency (RMA) use the NASS yield data for your programs.

FSA uses NASS county yield data for farm credit, conservation, disaster programs, loan and commodity programs. Under the 2014 Farm Bill, FSA uses the NASS county yield data to calculate Agriculture Risk Coverage – County (ARC-CO) benchmark revenues and current year county revenues. For example, the 2014 NASS county yield, along with the crop's marketing year average price (MYA), are used to determine the county's current year revenue to determine if the county will trigger an ARC-CO payment. An ARC-CO payment is triggered for a county when the current year

revenue falls below the guarantee revenue for the crop and crop year. In cases where NASS county yield data is not available, the FSA State Committee must determine a county yield using RMA yield data or the best available yield data, including assigning a county yield using neighboring county yields from NASS or RMA.

Any information that producers provide to NASS is kept confidential and protected by federal law. NASS publishes only aggregate-level data, ensuring that no individual operation or producer can be identified. All reports are available at www.nass.usda.gov.

The PNW Climate Change Hub Presents Adaptation and Mitigation Workshops

Per directive of the Secretary of Agriculture, the USDA Pacific Northwest Climate Hub is sponsoring two greenhouse gas mitigation and adaptation workshops, one dealing with forests and a second workshop dealing with agriculture. The first workshop, addressing forests in the Pacific Northwest, is scheduled for December 2 and 3, 2015 in Corvallis, Oregon, hosted by Oregon State University. (The second workshop focusing on agriculture will be hosted by Washington State University, tentatively in March of 2016).

For more information, the agenda, and to register, see:
cpe.forestry.oregonstate.edu/climatehubworkshop

Important Dates and Deadlines

- **Nov. 2, 2015** - Final date to submit complete applications for ELAP.
- **Nov. 9, 2015** - County Committee election ballots mailed to voters.
- **Nov. 13, 2015** - Application closing date for 2016 NAP buy-up for forage quality coverage.
- **Nov. 15, 2015** - Acreage reporting deadline for perennial forage crops.
- **Nov. 15, 2015** - Production reporting deadline for 2015 NAP covered perennial forage crops.
- **Nov. 20, 2015** - Margin Protection Program for Dairy (MPP-Dairy) extended enrollment deadline.
- **Nov. 20, 2015** - Ranking period closes for CRP Grassland Initiative.
- **Dec. 7, 2015** - Deadline to vote in County Committee elections.
- **Dec. 15, 2015** - Acreage reporting deadline for fall-seeded crops. These include fall-seeded alfalfa (for seed), canola, lentils, mint, onions, peas, and small grains.

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