



August 2008

# ADAMS FSA NEWS -n- VIEWS

## Adams County FSA

506 Weber Ave. Suite A  
Ritzville WA 99169  
(509) 659-1761  
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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

Thursday of the third full week  
of each month; next meeting  
date August 14, 2008

## Office Staff

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

## Farm Loan Staff

Everett Purrington, FLM  
Libby Anderson FLO  
Nancy Segar FLO

Contact at (509) 754-2463

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### Breaking News 7-29-2008

**USDA Secretary Ed Schafer announces there will be no penalty free early release of CRP approved this year. For text, <http://www.usda.gov> under newsroom tab.**



## Direct Counter-Cyclical Program Signup Underway

Signup has begun for producers interested in enrolling into the 2008 Direct Counter-Cyclical Program (DCP), and will continue through September 30, 2008. Most of the program remains unchanged; however, there are a few significant changes, highlighted below.

- DCP payments will no longer be issued on farms with collective base of less than 10 acres, unless the farm is wholly owned by person(s) qualifying as a socially disadvantaged (SDA), or limited resource farmer. In event that an entity owns land, all entity members must meet one of these exceptions to qualify. SDA and Limited Resource definitions for DCP are contained within Section 3-P of CCC-509 DCP Contract appendix. An additional tool to assist in making limited resource certification is available by accessing <http://www.lrftool.sc.egov.usda.gov/tool.asp> SDA and limited resource determinations are made by producer certification on CCC-509 DCP contract.
- Adjusted Gross Income (AGI) provisions apply for 2008, and limits have been unchanged, for the current year. Producers with AGI form CCC-526 previously on file may certify to continued compliance with AGI requirements by signing CCC-509 DCP contract, and receipt of CCC-509 appendix, unless there has been a change in income which would require a new AGI form to be filed.

As a result of the late passage of the farm program, harvest activities and the limited amount of time allowed for completion of enrollment, we are conducting a mail-out of those contracts where we were reasonably sure that contract participant and share information could be determined. Contracts are being mailed to the operator, who is being asked to obtain necessary signatures from landowners, and then to return all information to the County Office. **Please review any contracts received very carefully, and if you have any questions, or see discrepancies in the person(s) on the contract, or assigned shares, contact our office for correction.** In those instances where person(s) have changed on the farm, reconstitutions have occurred, or in those farms with historical yearly changes, such as irrigated farms with cash rent tenants and no current lease on file, we will not be able to complete contracts without your input. In those instances, we ask that you call the office to schedule an appointment to complete enrollment.

Advance direct payments of 22% may be elected by marking the month of request on CCC-509. Final payments will be issued on all contracts, less any advance payments, after October 1, 2008. A fact sheet containing payment rates is available at <http://www.fsa.usda.gov/DCP>.

## Crop Acreage Reporting Deadlines Approach

August 15, 2008 is the final date to timely file and report acreage. Many USDA programs, including participation in CRP, DCP, and NAP require the filing of an acreage report. Acreage reports are also an important tool for you as a producer, providing a historical record of your farm and crops and can be beneficial to your participation in future FSA programs.

Reports may be filed after August 15, under late filing provisions, so long as evidence of the crop(s) grown can still be verified by an on-site inspection. Late filing for CRP, DCP, NAP and commodity loans requires producers to pay the cost of this inspection to qualify for use with programs requiring an acreage report. Due to late farm bill passage, and the requirement to report all acreage on all farms to qualify for the new Supplemental Revenue Assistance Program, (SURE), late filing fees are waived for 2008, if the late filed acreage report is to be used only to qualify for SURE, and existence of, or disposition of the crop can be verified.

## County Committee Elections Set

The period for filing nomination petitions to serve on the Adams County FSA Committee closed August 1, and we are pleased to announce the following persons as candidates expressing a willingness to serve, if elected, in Local Administrative Area (LAA) #2 for the upcoming three year term.

**Matt Miller:** Matt is involved with dryland grain production West of Lind.

**Derek Schafer:** Derek is involved with dryland grain production, and also participates in the Conservation Reserve Program primarily Southwest of Ritzville.

Ballots will be sent out in early November to all eligible voters, and ballots must be either submitted to the County Office, or postmarked by December 1, 2008. Election results will be tabulated on December 4, 2008. The meeting to tabulate ballots is held at the USDA Service Center in Ritzville, and is open to the public for viewing.

Thanks to both Matt and Derek for their willingness to represent the farmers of Adams County in this position. A special thank you also goes out to Randy Franz, who has served as the representative of LAA #2 for the past 9 years, and will reach his term limit in December.

## **CRP Haying and Grazing Under Critical Use Provisions**

As a result of the settlement of legal action taken against FSA in this matter, haying and grazing under Critical Use provisions has been reauthorized, according to the following specific criteria.

For those producers with applications approved and authorized for use of haying and grazing prior to the initiation of the temporary restraining order, placed July 8, 2008, (Group A Participants) Critical Feed Use (CFU) of CRP will be allowed under the following terms. A fee of \$75 per contract utilized still applies, with grazing according to an approved plan to begin not earlier than August 2, and to be concluded by November 10, 2008, at no more than 75% of calculated stocking rate. Haying may be conducted on up to half acreage, and must be concluded by that date also. Under the settlement provisions, use of CRP under CFU will restart the waiting period for using managed haying and grazing provisions previously made a part of CRP contracts, meaning that haying and grazing may not occur again on the same contract acreage until the full cycle of time applicable to managed haying and grazing has elapsed. There will be no reduction in rental payments for use of CFU.

Producers who applied for, but had not yet been approved for CFU haying and/or grazing, as of the July 8, 2008 restraining order, (Group B Participants) will also be allowed to use the program under the terms mentioned above, with the added restriction that grazing must be concluded not later than October 15, 2008, and may begin no earlier than August 2, or when all necessary signatures are obtained and CFU application is approved. Haying must be concluded by September 30, 2008.

Finally, for persons who did not initiate the request process for CFU prior to the July 8 2008 date, (Group C Participants), demonstration must be made of intention to use CRP, by documentation showing expenditure of a minimum of \$4,500 for purchase of equipment, fencing, or other necessary means to utilize CRP, no later than July 8, 2008. In the event of approval, this group of participants would be limited to the same use criteria as specified above for Group B Participants.

## **Establishing Eligibility For the New 2008 Disaster Program, SURE**

The 2007 farm bill authorized permanent disaster programs, many of which will be different from the previous versions offered by FSA. One program of particular note is the Supplemental Revenue Assistance Program (SURE). Eligibility for SURE requires that you have crop insurance, or NAP coverage on *all crops harvested*. Since insurance and NAP sales closing dates have already passed on crops for 2008, a one time "buy-in" provision has been established, allowing you to pay the equivalent of a NAP or CAT fee, \$100, per crop, on those crops where you did not timely purchase coverage, to establish eligibility for SURE. The deadline for payment of any required "buy-in" fees is September 16, 2008, and this is done through the FSA office administering your farm(s). "Buy-in" fee establishes eligibility for SURE; however, it does not attach coverage under NAP, or multi-peril crop insurance for 2008. Of specific note, grazing is considered to be harvest of a crop; therefore, if you have rangeland or pastures in your farming operation, and graze domestic livestock, to include horses, a NAP policy covering grazing, or payment of a "buy-in" fee for this grazing would be required to establish eligibility for SURE for 2008 and future years.

For the 2009 crop year, insurance coverage or NAP will be required by the sales closing date on all crops, as a precondition for SURE eligibility. 2009 NAP sales closing date for all crops with fall sales closing dates is December 1, 2008; spring crop deadline is March 15, 2009. NAP coverage does not attach until the later of 30 days after purchase, or the date the crop is planted, not to exceed the final planting date.

SURE is a revenue based "whole farm" policy, to include all crops produced, on all farms, and all Counties in which the "producer" is involved. Coverage is based on a percentage of producer actual yields if available, or County average yields, and revenue is calculated based on harvested production and national average marketing rates. With these variables, we cannot make any estimate at this point on the applicability of this program for an individual operation. We recommend that you call our office to discuss the requirements for establishing eligibility for SURE if you have suffered significant yield losses during 2008.

## **Carbon Sequestration on CRP**

Inquiries have been made through our office regarding a recent mailing from private industry to CRP contract holders on the possibility of contracting to sequester carbon in exchange for carbon payments. USDA has no official role in determining the eligibility for or contracting for sale of carbon credits, or for compliance with terms of carbon sequestration contracts. However, the practice of carbon sequestration is considered a permissive use of CRP, allowing CRP participants to sell carbon sequestration credits without being considered a violation of CRP-1 contract. Certain restrictions apply, and not all CRP is automatically considered to be eligible to participate in a carbon sequestration contracts. Specifically, land must have been *seeded to grassland* during applicable time periods. If you are considering this program, and have generalized questions on the effect of carbon contracts on CRP participation, or future enrollment, our office can assist you. Specific information on your eligibility to participate in a carbon sequestration contract must be obtained through the contracting firm offering this service.