



November 2009

# ADAMS FSA NEWS -n- VIEWS

## Adams County FSA

506 Weber Ave. Suite A  
Ritzville WA 99169  
(509) 659-1761  
Fax (509) 659-4722

## Office Hours

Monday – Friday  
8:00 AM – 4:30 PM

## County Committee

Greg Galbreath  
Leroy Watson Jr.  
Matt Miller  
Elizabeth Lyle

## COC Meetings

Thursday of the third full week  
of each month; next meeting  
date November 19, 2009

## Office Staff

Chris Holt, CED  
Angela Melcher, PT  
Jullie Cain, PT  
Karin Talkington, PT  
Elizabeth Sitton, PT

## Farm Loan Staff

Libby Anderson FLO  
Nancy Segar FLO

Contact at (509) 754-2463

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## Committee Election Upcoming

Ballots were recently mailed to all eligible voters in Local Administrative Area (LAA) #1 (the North 1/3 of Adams County, with I-90 as the dividing line marking the southern border of the LAA). The following persons have agreed to serve on the County Committee, if elected.

**Mike Schrag** - Mike raises dryland wheat and CRP in the areas North and West of Ritzville.  
**Greg Galbreath**- Greg raises dryland wheat, irrigated crops and CRP near Ritzville.

Ballots may either be postmarked, or returned directly to the Adams County office by close of business, December 7, 2009. Ballots received after that date will be determined invalid. Election results will be tabulated on Thursday, December 10, 2009, at 9:00 A.M. at the USDA Service Center, in Ritzville. For those interested, the election process is open to the public.

County Committee members serve a valuable function in providing local input to the management and administration of federally mandated programs delivered through the Farm Service Agency. Thanks to both candidates for their willingness to serve if elected, and please, vote for the candidate of your choice.

## FSA State Director Appointed

Judy Olson of Garfield Washington was recently appointed to serve as the State Executive Director (SED) for the Washington State Farm Service Agency. A fourth generation farmer from the state, former legislative aide to U.S. Senator Patty Murray, and past president of the Washington Association of Wheat Growers, Judy brings to the position a broad range of experience from which to draw in leading the Agency, and ensuring the continued successful administration of USDA farm programs administered through FSA. Welcome Judy!

## Payment Problems and the 5% Solution

By now, many of you have learned, either through the coffee shop or personal experience, of the difficulties that Farm Service Agency encountered recently in our conversion to a “new and improved computer payment system”. County, State, and Federal staff are working diligently on solutions to a variety of payment problems encountered, and to date, we are told that over 95% of payments have been issued nationwide. While that is of little consolation for those among the 5% still in need of a solution, please know that payments will eventually be issued to all eligible recipients, with interest if applicable. In the meantime, here are a few explanations to help you understand the new payment process.

*National Payment System (NPS)* – This is our “new” system, where all payments are now paid through a national payment center. County offices still have the responsibility to “certify and sign” (the equivalent of the two signatures on paper checks previously issued through our office), after reviewing your application to see if it meets all the necessary payment criteria. Once a payment is passed from our office, we are told you should expect funds to be direct deposited within 3-5 days. Checks are issued by Treasury, and take a few days longer.

*National Receipts and Receivables System* – NRSS is the new debt collection function in USDA, and allows for real time tracking/collection of producer debts, which may then be offset from any USDA payments made nationwide. NRSS was mandated to bring USDA into compliance with the Debt Collection and Improvement Act. Unfortunately, it led to some unintended consequences, when CRP payments were offset against DCP advance payments temporarily turned into receivables to correctly calculate 2009 direct attribution payment limitation rules. NRSS should function better in the future, but will always allow the offsetting payments made in one County office or program against an entirely unrelated overpayment elsewhere, even in other County offices. We have no option to work around this process.

*Nationally prepared Producer Transaction Statements* – In prior years, producers were accustomed to receiving transaction statements for each payment, by farm, and by program, mailed from the County office generating each specific payment. Beginning this year, that will no longer occur; transaction statements are prepared at a national clearinghouse, and will reflect all the payments made to an individual on a particular day; however, this amount will arrive in your bank account as one combined deposit. This is not a function we have any control over. The statements seem to be arriving slightly later than funds are actually being posted into your bank account. Producers who wish to be able to track individual payment amounts do have the ability to sign up for on-line access to their payments by obtaining level 2 USDA computer access. Using this access, payments are individually broken out, and can be reviewed much as you would with the older paper statements. For more information on obtaining this type access, please visit our office.

*Multi-County Financial Waivers* – With payments being issued from one national site, it is no longer possible to file a waiver requesting that checks be issued from one County office, while having a direct deposit on file with a separate County office. Your direct deposit information now resides at the national level, and will direct where all payments for an entity are issued. In the event of the need to receive checks by filing a waiver, the waiver would apply in each County office where you receive payments.

## SURE Program Updates

County office training has been scheduled, and we expect an announcement on the signup for the Supplemental Revenue Assistance Payment (SURE) program, within the upcoming month. The SURE program signup will encompass 2008 crop year losses for eligible producers. Briefly, the SURE program works as follows:

- SURE is designed to provide “whole farm” disaster program coverage. SURE is available to eligible producers located in counties designated by a qualifying natural disaster designation (including counties contiguous to designated counties) who suffer a minimum of 10% loss to at least one crop of economic significance, or individual producers who experienced a 50% production loss if located in a county not determined eligible through disaster designation. For 2008, farms located within Adams County have been determined eligible for SURE based on disaster designations S-2854 and S-2766.
- The criteria to determine individual eligibility for SURE requires that a person carry crop insurance and/or noninsured assistance coverage on all crops of economic significance (any crop making up a minimum of 5% of total expected revenue) for the disaster year. In 2008, persons not meeting this criteria also had the option to “buy-in” to meet this requirement by paying a fee equal to the cost of CAT level insurance coverage or NAP coverage. The deadline to buy-in has passed, and at this point, no further changes can be made to establish eligibility.
- The calculation for SURE payments looks at two items; the **SURE Disaster Program Guarantee**, and **Total Farm Revenue** for the year. Payments are made on 60% of the difference between these two amounts. The data used to calculate each of these items is briefly described below.

**SURE Disaster Program Guarantee** – The SURE guarantee is the amount of revenue a producer expects to receive based on their individual crop insurance or NAP coverage, and/or waiver options for all eligible crop interests nationwide.

To arrive at an individual’s overall SURE guarantee, a separate guarantee calculation is made for each individual crop grown, and these amounts are then summed. The overall SURE Program Guarantee is limited to not more than 90% of the expected farm revenue for the producer for all eligible crops grown in the farming operation.

Simply stated the SURE guarantee for yield based crops is determined by multiplying:

Eligible Crop Acres x SURE Yield x Insurance/NAP/RMPR waiver coverage Level x Price x Price Election x Adjustment Factors x Producer Share of the crop x SURE multiplier.

**Total Farm Revenue** – This is a calculation based on actual production times National market year average price for each crop, plus any crop insurance indemnities, NAP payments, Market Assistance Loan gains, 15% of DCP direct payments, all ACRE or Counter Cyclical payments, and any other disaster payments issued.

Due to the fact that SURE is considered to be a “whole farm” application, producers with interests in multiple counties will have all production from all counties considered in determining any SURE payments due.

The payment limit for all 2008 Farm Bill disaster assistance programs, to include SURE, the Livestock Indemnity Program (LIP), the Livestock Forage Disaster Program (LFP), and the Emergency Assistance for Livestock, Honey Bees, and Farm Raised Fish Program (ELAP), is \$100,000 per person, per program year.

A multitude of variables can affect the SURE calculations, including type and levels of insurance carried and your individual APH. Therefore, more specific explanation of the SURE guarantee and revenue calculations are not possible here, but may be determined for your individual circumstance, by visiting the Farm Service Agency website at [http://www.fsa.usda.gov/Internet/FSA\\_File/sure\\_calculator.xls](http://www.fsa.usda.gov/Internet/FSA_File/sure_calculator.xls). *The calculator and instructions come with a disclaimer indicating that it is for informational purposes, and use of the calculator does not bind FSA to potential payments under SURE.* These calculations will be completed on your behalf in conjunction with the application process; however, it may be valuable to use the SURE calculator to educate yourself on the program, especially with respect to how differing levels of crop insurance coverage change the value of potential SURE program payments.

Please watch for further announcements, as soon as we are given an “official” date to begin SURE program signup.

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