

January 2010

# 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 January 21, 2010

## Office Staff

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

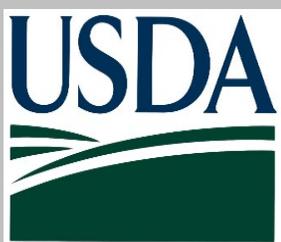
## Farm Loan Staff

Libby Anderson FLM  
Nancy Segar FLO

Contact at (509) 754-2463

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## Committee Election Results

The results of the County Committee election held recently in Local Administrative Area (LAA) 1 are as follows.

Greg Galbreath 137 votes received; elected to serve a 3 year term on County Committee  
Mike Schrag 86 votes received; elected to serve as 1<sup>st</sup> County Committee alternate

Thank you to both Mike and Greg for consenting to serve. The 2010 County Committee organizational meeting will be held on Thursday, January 21<sup>st</sup>, at the USDA Service Center, Ritzville, and is open to the public.

## Farm Storage Facility Loan Program Changes

The Farm Storage Facility Loan program has undergone a number of changes with the new farm bill that may make it more attractive to local producers. Among the most significant changes are the types of storage that may now be constructed with FSFL funds; hay storage, renewable biomass crops, and cold fruit and vegetable storage facilities have been added to whole grain storage as eligible facilities. Controlled Atmosphere (CA) facilities are specifically excluded from eligibility for FSFL at this time however. Other details of the current program include.

Loan Amounts	Loan Terms	January '10 Interest Rates
Less than \$100,000	7 years only	2.875 %
\$100,000 to 250,000	7 or 10 years	3.375 %
Up to \$500,000	7, 10 or 12 years	3.750 %

Loan requests call for a \$100 fee, and require that the applicant be able to demonstrate a need for the storage planned, and be able to demonstrate repayment and 15% down payment ability through submission of a current financial statement (within 90 days), and immediate previous years income and expenses. There are additional requirements regarding collateralization of the loan, environmental considerations, and insurance requirements, depending upon the circumstances of each loan. For a complete explanation of the FSFL program, or to file an application, please contact our office directly.

## USDA Streamlines Payment Limits to Enhance Program Integrity

Beginning in January, 2010, the Farm Service Agency (FSA) and Natural Resources Conservation Service (NRCS) will provide producers with consent forms they voluntarily complete and submit to IRS. These forms authorize IRS to disclose a very limited amount of information to USDA for 2009 and 2010 average adjusted gross income (AGI) compliance purposes. Producers must submit the applicable form to IRS, authorizing the review, in order to retain 2009 and future payments subject to current AGI requirements. The form must be mailed to the IRS within 60 days of signing the form. FSA cannot accept the consent forms.

Two consent forms, one for individuals (CCC-927) and one for legal entities (CCC-928), will be used. Every individual or entity who was required to file form CCC-926, Average Adjusted Gross Income Statement, must file the applicable consent form.

IRS will provide FSA and NRCS with a report, indicating whether or not producers met the statutory AGI limits. No actual tax data will be included in the report that IRS sends to USDA.

Producers whose average AGI appears to exceed statutory limitations will be notified by letter and provided an opportunity to submit a third party verification from a certified public accountant or attorney that demonstrates AGI limits have not been exceeded. Producers will be given 30 days to submit this verification to the Washington State FSA Office. Non-compliant participants will be required to refund applicable program payments.

The purpose of the agreement is to reduce fraud in farm programs and streamline payment limits for family farmers. The actions are intended to strengthen the integrity and defensibility of USDA farm safety net programs. This agreement will ensure that payments are not issued to producers whose adjusted gross income (AGI) exceeds limits set in the 2008 Farm Bill. The limits are \$500,000 nonfarm average AGI for commodity and disaster programs; \$750,000 farm average AGI for direct payments; and \$1 million nonfarm average AGI for conservation programs.

Consent forms can be obtained at the local USDA Service Center or online at <http://forms.sc.egov.usda.gov>.

## 2009/10 Wool and Mohair LDP Deadlines Announced

The deadline for requesting marketing assistance loans and loan deficiency payments on wool, mohair and unshorn pelts for 2009 production is February 1, 2010. 2010 crop year requests may be filed now, through December 31, 2010. Loan rates per pound for 2010 are \$1.15 for graded wool, \$0.40 for ungraded wool and \$4.20 for mohair. Unshorn pelts are only eligible for LDP, and may not be pledged for loans.

### **2010 Actively Engaged Determination Change for Certain Entities**

Beginning with the 2010 program year, FSA has amended the rules that govern the requirements to be 'actively engaged' in farming. These changes permit certain operations, including corporations and similar entities, most often family-run operations, to meet 'actively engaged' in farming requirements under less restrictive rules by no longer requiring each stockholder or member of a legal entity, such as a corporation, to contribute labor or management if both of the following apply:

- at least half of the interest in the legal entity is held by stockholders or members who are providing active personal labor or active personal management that altogether qualifies as a significant contribution to the farming operation;
- the members are collectively receiving, directly and indirectly, total payments that do not exceed \$40,000 for Direct, and ACRE Direct payments.

These rules apply to eligibility for payments under the Direct and Counter-cyclical Program (DCP) or Average Crop Revenue Election (ACRE) program.

### **SURE Program Signup Underway**

County offices are now accepting applications for assistance under the Supplemental Revenue Assistance Payment (SURE) program. The SURE program signup will encompass 2008 crop year losses for eligible producers. No deadline for signup has been announced to date.

The process for SURE is different than in past disaster programs, due to the design of SURE as "whole farm" disaster program coverage, and the program's requirement to have already obtained crop insurance, NAP coverage, or buy-in linkage for a producer to be eligible to participate.

To complete a SURE application, we ask that you call our office to notify us of your interest; we will then use data already on file to prepare your application, and upon completing the application, will schedule an appointment for you to review the data for accuracy, and sign the necessary forms. If interested in the program, please contact Karin at (509) 659-1761.

### **2009 1099-G Forms**

As you may know, FSA experienced a number of software issues in disbursing 2009 CRP and DCP/ACRE payments. Near the end of January, our Kansas City office will be issuing your CCC-1099G form with the 2009 payment data that will be reported to the IRS. It is very important this year that you closely review this document to ensure it accurately reflects the payments you received in 2009. If it does not, or if you have any questions about the data, please contact our office. We will assist you to confirm the data or obtain a corrected CCC-1099G. Also keep in mind that this form does not include any refunds you may have made to FSA in 2009. That data must be obtained directly from our office. We appreciate your patience and understanding as the agency implements our new payment system. Please contact us with any questions about your payments or tax statement.

### **FSA Is Hiring**

The Farm Service Agency will be hiring two County Office Trainees (COTs) and one Farm Loan Trainee (FLOT) in Washington state. These are full-time paid training positions eligible for benefits. The COT position follows a one-year program designed to provide managerial and program training with the goal of becoming eligible for selection to vacant County Executive Director positions within FSA. Two years are required for the FLOT training program, after which trainees may be selected for Farm Loan Officer/Managerial vacancies. Location of training sites has not been determined.

The COT position requires a four-year degree or combination of equivalent education and work experience. For the FLOT position, financial or business skills are desired. An agricultural background is also preferred for both positions.

The Farm Service Agency anticipates announcing these training positions on the agency's state website this winter. Employment opportunities with the USDA Farm Service Agency and located within Washington state are listed on the FSA website <http://www.fsa.usda.gov/wa>. Vacancies are posted on the home page and from the "Search for Job Openings Link" on the same page. Anyone interested is encouraged to frequently monitor these websites. Inquiries about these positions may be made to the FSA State Office (509) 323-3000. FSA is an Equal Opportunity Employer.