



January 5, 2009

GARFIELD/ASOTIN COUNTY FSA NEWS

Garfield County FSA

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Office Hours

Monday – Friday
8:00 AM – 4:30 PM

Garfield County FSA Committee

Diane Koller
Max Scoggin
Chris Wolf

Asotin County FSA Committee

Casey Hagenah
Susie Appleford
Earl Fitzgerald

Office Staff

Nick Waldher, CED
Jon Wilson, Farm Loan
Manager (Pasco Office)
Kathi Ledgerwood
Sherri Meacham
Emily Ruchert
Lorelei McNamee
Sherri Maki

Next FSA County Committee Meetings

Garfield County, Jan. 20
Asotin County, Jan. 14

2008 Loan Rates

SWW Wheat	\$2.70/Bu
HRS Wheat	\$3.23/Bu
HRW Wheat	\$3.31/Bu
Barley	\$2.16/Bu or \$90.00/Ton

Contact the county office for loan rates for other crops for other counties.

National FSA Website

www.fsa.usda.gov

Washington State FSA Website

www.fsa.usda.gov/wa

2008 ELECTION RESULTS

Thanks to all who took time to vote in the County FSA Committee elections that were completed in December. Chris Wolf was elected to a three year term on the Garfield County Committee and Earl Fitzgerald was elected to a three year term on the Asotin County Committee. Thanks to Chris & Earl for their willingness to serve the farmers in our area.

Keith Claassen completed 9 years of service on the Asotin County FSA Committee. Many thanks are due Keith for his years of dedicated service. Keith's experience and expertise will be missed.

2009 DCP SIGNUP ANNOUNCED

Our offices are now taking Direct and Counter-Cyclical Program (DCP) signup appointments. Signup suddenly began on December 22, 2008 and will end on June 1, 2009. The Food, Conservation, and Energy Act of 2008 re-authorized the DCP program providing an income safety net in the form of annual direct payments. The counter-cyclical payments add an additional safety net during depressed market conditions. Eligible crops include: wheat, barley, oats, corn, grain sorghum, soybeans, rice, canola, crambe, flax, mustard, rapeseed, safflower, sesame, and sunflowers. Pulse crops are now covered for Counter-Cyclical purposes only. Direct payments are not authorized under the 2008 Act for Pulses. The 2008 Act reduced payment acres from 85% of Base Acres to 83.3% of Base Acres for Direct payments in crop years 2009-2011. Paid acres return to 85% of Base Acres in crop year 2012. Paid acres for Counter-Cyclical payments under DCP remain at 85% of Base Acres for crop years 2009-2012. Contrary to previous years CCC-509's **not signed** by the June 1 deadline will not be considered submitted to CCC for any purpose and will not be accepted or approved - there will not be a late filing option. Erosion and weeds are required to be controlled on DCP acreage. Wild rice and fruits and vegetables, with certain exceptions, are restricted from DCP acreage. The 2008 Act changed the status of Large and Small Chickpeas (garbanzo beans) from Vegetable Crops to Covered Commodities. There are no longer Fruit & Vegetable planting restrictions on garbanzo beans under the 2008 Act. Producers have the option of selecting the month in which to receive DCP Direct advance payments. Advance payments are made at 22% of the Direct Payment Rate. Advance Direct payments are not authorized in crop year 2012. Payment rates for Direct Payments are established under the 2008 Act and are issued regardless of market prices. Direct payment rates are as follows:

Wheat \$0.52 per bu.	Barley \$0.24 per bu.	
Oilseeds \$0.80 per cwt.	Oats \$0.024 per bu.	Corn \$0.28 per bu.

Producers are also eligible for Counter-Cyclical Payments, but these payments are only issued if effective prices are less than the Target Price set in the 2008 Farm Bill. The effective price is equal to the higher of the National Average Loan Rate or National Average Market Price received by farmers, plus the direct payment rate. Target Prices are as follows:

2008-09		
Wheat \$3.92 bu.	Barley \$2.24 bu.	Oilseeds \$10.10 cwt.
Oats \$1.44	Corn \$2.63	Dry Peas \$8.32 cwt.
Lentils \$12.81 cwt.	Small Chickpeas \$10.36 cwt.	Large Chickpeas \$12.81 cwt.

Under the 2008 Act, Target Prices increase for crop years 2010-12. Advance payments can be requested on DCP Counter-Cyclical Payments. No advance Counter-Cyclical payments are available in crop years 2011 and 2012.

ACRE Signup Status

FSA has been in the process of conducting public meetings on the provisions and changes included in the 2008 Act. One of the new program options covered has been the Average Crop Revenue Election (ACRE) program. Although 2009 DCP signup has been announced, ACRE signup is not expected to begin until spring, 2009. We will announce ACRE program details such as election and enrollment dates, ACRE Guarantee Prices, and State Benchmark Yields in the near future.

ACRE Program Details

The ACRE program provides an alternative to DCP participation. Beginning with the 2009 crop year, producers may elect whether the farm will be in ACRE or in DCP. The election is made on a farm number basis, and a producer may select DCP **or** ACRE but not both. However, if a producer has multiple farms, the producer may choose to participate in ACRE on one farm and DCP on another farm. All producers (operator, owners, and any other tenants) on the farm must agree to elect ACRE. If even one producer on the farm refuses to elect ACRE, the farm will be limited to enrolling in DCP for the year. The ACRE election may be filed in any year from 2009-2012. Once filed, the election is irrevocable, and the farm will remain in ACRE through the end of the Farm Bill (2012). During the initial year of ACRE election only, any producer may withdraw the election prior to the established deadline.

Once ACRE has been **elected** for a farm, the farm can be **enrolled** in ACRE. As with DCP, ACRE enrollment is optional and is completed annually. The ACRE program provides Direct Payments at a level of 80% of the Direct Payments under DCP. In addition, ACRE participation requires a 30% reduction to the CCC loan rate on any applicable commodity production from the farm. This reduction is not applied to the CCC-Determined Value (Posted County Price) only to the loan rate.

Producers in ACRE will not receive Counter-Cyclical payments under the DCP formula involving target prices. Producers instead **may** receive an "ACRE payment". ACRE payments are revenue based and are calculated using both yields and prices. ACRE provides revenue protection on actual **planted** crops rather than on base acres. However, ACRE Direct payments will still be calculated on the farm's base acreage and current payment yields. ACRE participants will need to provide five years of production evidence for calculations and production records every year thereafter.

Unlike DCP Counter-Cyclical payments, ACRE payments are triggered when both Actual State Revenue is less than the State ACRE Guarantee and Actual Farm Revenue is less than the Farm ACRE Benchmark Revenue. Once these two triggers are met, ACRE payments are issued for farms enrolled in ACRE. The payment is calculated from the lesser of 83.3% of the acres planted (85% in Crop Year 2012) or the farm's total base acres times the Farm's Expected Yield divided by the State Benchmark Yield times the lesser of the difference between the State ACRE Guarantee and Actual State Revenue or 25% of the State ACRE Guarantee. More details on ACRE will be forthcoming once FSA has published the Federal Regulations for the program and announced a 2009 Election and Enrollment period.

PULSE CROP BASE ESTABLISHMENT

The Food, Conservation, and Energy Act of 2008 has authorized Base Acreage establishment for Dry Peas, Lentils, Small Chickpeas and Large Chickpeas (Pulse Crops). Producers will have the option of adding Pulse Crop Base to 2008 tracts based on the tract's 1998-2001 acreage history.

COMMODITY LOANS

Commodity loans are available on 2008 crops through March 31, 2009. Loans mature 9 months following the month disbursed. Current interest rate is 2.25% (may be slightly different when the January rate is announced).

REPORTING PAYMENTS TO IRS

Near the end of January, producers who received FSA payments will receive a CCC-1099G Report of Payment to IRS from our Kansas City Office. It shows the total amount of payments made by FSA to you in 2008. Check these notices carefully. Contact our office if you do not agree with the amount listed.