



April 10, 2009

GARFIELD/ASOTIN COUNTY FSA NEWS

Garfield County FSA

PO Box 18
Pomeroy, WA 99347-0018
(509) 843-1997
FAX (509) 843-1168

Asotin County FSA

720 6th St. Ste. B
Clarkston, WA 99403-2012
(509) 758-7821
FAX (509) 758-7533

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
Kathi Ledgerwood
Sherri Meacham
Emily Ruchert
Lorelei McNamee
Sherri Maki

Farm Loan Staff

Pam Castoldi – Walla Walla
Phone 509-522-6347 Ext 111
Steve King – Spokane
Phone 509-924-7350 Ext 108

Next FSA County Committee Meetings

Garfield County & Asotin
County, April 22 in Clarkston

National FSA Website

www.fsa.usda.gov

Washington State FSA Website

www.fsa.usda.gov/wa

Deadline Extended for DCP and ACRE Signup

The June 1 deadline to signup for the Direct and Counter-Cyclical Payment (DCP) program and the Average Crop Revenue Election (ACRE) program has been extended to August 14, 2009 to allow producers more time to evaluate their options. The DCP signup has already begun and the start for ACRE is expected soon. ACRE is a new revenue assurance program authorized by the 2008 Farm Bill. Through ACRE, producers may choose an alternative to DCP payments. ACRE payments are made when both state and farm revenues are below historic levels. By participating in ACRE, producers elect to forgo counter-cyclical payments, receive a 20-percent reduction in direct payments and a 30-percent reduction in loan rates. The election of ACRE is made on a farm basis. A producer may participate on one farm in ACRE and participate on another in DCP. All producers on a farm must agree to elect ACRE and the decision to elect ACRE binds the producers to the program from the program year elected by the producers through the 2012 crop year.

DCP Federal Land Rule Rescinded

USDA has rescinded the Direct and Counter-Cyclical Payment (DCP) rule terminating base acres on federal land. Farmers who lease federal land are again considered eligible to receive payments under the Direct and Counter-Cyclical Program (DCP) on federal land with base acres. Until now, the rule directed that beginning in crop year 2009, producers who leased federal land would no longer be eligible for DCP payments authorized under the 2008 Farm Bill. Base acres that were terminated under that rule will be restored.

Deadline Extended for 2008 Disaster Program Buy-In

Producers who did not obtain crop insurance or Non-insured Crop Disaster Assistance Program (NAP) coverage for 2008 can pay a buy-in fee through May 18, 2009, to become eligible for 2008 disaster assistance programs authorized by the 2008 Farm Bill. These include: Supplemental Revenue Assistance Program (SURE), Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish (ELAP), and the Tree Assistance Program (TAP). This is the second opportunity to pay the buy-in fee for 2008. Producers who buy in will not be eligible for actual crop insurance or NAP benefits for the 2008 crop. The buy-in option enables producers to meet the eligibility requirement for the new disaster assistance programs.

Highly Erodible Land & Wetland Provisions

Most FSA programs require compliance with Highly Erodible Land and Wetland Provisions. These provisions require producers to follow an approved conservation system on all highly erodible land planted to an annual crop as determined by the Natural Resources Conservation Service. Wetland regulations prohibit the conversion or the manipulation of any wetland that would make possible the planting of a crop. Producers may be ineligible for all program benefits if found out of compliance. Most violations of these provisions in our area are the result of not maintaining adequate residue on summer-fallow acreage that is normally planted in the fall. This is just a friendly reminder to handle your stubble from last year's crops in a manner that will leave adequate residue to meet compliance. This may be especially true in situations where crop yields were adversely affected from hot, dry weather conditions last year, leaving little stubble to start your fallow year.

Farm Loans

Are you looking to expand your operation, buy some new equipment, begin your farming or ranching career, or have children that would like to finance a 4-H or FFA project? We may be able to help you. Guaranteed loans available up to \$1,094,000 can include operating lines of credit, for operating or loans for real estate purchase. There are 15 different banks in the area involved in making guaranteed loans. Direct loans are now available up to \$300,000 for operating or real estate purposes. Operating loan interest rate in April is 2.25% while the rate for real estate loans in April is 4.125%. The Farm Loan Program (FLP) for Asotin and Garfield Counties is currently being serviced out of our Walla Walla Office by Farm Loan Officer Pam Castoldi. Pam can be reached in Walla Walla at 509-522-6347 Extension 111. In addition to the Walla Walla FSA Office, producers in Asotin and Garfield Counties can contact Farm Loan Manager Steve King in our Spokane Service Center at 509-924-7350 Extension 108.

Stimulus Funding for FLP Loans

As part of the recently approved economic stimulus package, FSA's Farm Loan Program (FLP) is scheduled to receive an extra \$173 million in funding for the direct operating loan program. Many states have a backlog of approved operating loans waiting on funding. Producer's financial needs have increased significantly with the elevated costs of production inputs and the downturn in the agricultural economy. This growing need has generated increased demand for FSA operating loans as well as farm ownership loans.

Payment Limitation & Eligibility – Annual Notice to Producers

Producers participating in certain FSA programs are subject to limitations on the total annual payments that can be received. Under the 2008 Farm Bill, payments are limited by direct attribution. The maximum amount persons or entities can receive per year are: Direct payments - \$40,000; Counter-Cyclical (CC)/ACRE payments - \$65,000; SURE, LFP, LIP, and ELAP - \$100,000 combined; TAP - \$100,000; NAP - \$100,000; CRP and CREP rental/incentive payments - \$50,000; GRP - \$50,000; LDP and market loan gains - unlimited. With ACRE participation, the direct payment limitation will reflect a 20% direct payment reduction. The DCP CC/ACRE payment limitation will then be increased by the direct payment reduction amount.

The following provisions apply to certain programs: actively engaged in farming, cash rent tenant, foreign person, and average adjusted gross income (AGI). No program benefits will be provided until all required forms are filed and determinations are complete. Producers determined **not** actively engaged in farming are ineligible for any payment which requires such a determination. Determinations may be initiated by COC or requested by a producer.

All payment eligibility forms are subject to spot check through the end-of-year review process. Producers selected for spot check must provide adequate documentation to support that: inputs used to determine contributions to the farming operation were significant; contributions were at risk and were commensurate with claimed shares of the farming operation; applicable "common attribution" determinations were correct; land ownership was accurately reported when the landowner rule was used; the producer was in compliance with applicable AGI limits; and any other factors pertinent to the original determinations are substantiated.

Statute requires that entities earning program benefits that are subject to limitation provide members' names, addresses, and tax identification numbers to COC. After 2009, a farm operating plan is **not** required to be filed annually, if the farming operation continues to be conducted as reflected on the operating plan and supporting documents are on file in the County Office. If any changes occur that could affect the determinations, producers must timely notify the County Office by filing revised forms and applicable supporting documentation.

AGI noncompliance, either by exceeding applicable limitations or failure to submit a certification statement, will result in ineligibility for **all** program benefits subject to AGI provisions. Program benefits to legal entities shall be reduced by an amount that is commensurate with the direct and indirect interest held by ineligible members.

CREP & Continuous CRP Available

At this time, USDA has no general signups scheduled for the Conservation Reserve Program (CRP) in 2009. However, environmentally sensitive land may qualify for the Conservation Reserve Enhancement Program (CREP) or the Continuous CRP Program (CCRP). These targeted programs continue to remain funded. However, in Garfield and Asotin Counties, enrollment is limited to non-cropland areas due to both counties currently exceeding 25% of the cropland enrolled in CRP. Practices eligible for enrollment are limited to buffers on non-cropland along seasonal or perennial streams.

HANDICAPPED ACCOMODATIONS

Special accommodations will be made for the physically handicapped, vision-, or hearing-impaired person upon request. If accommodation is required, please contact Nick Waldher at 509-843-1997.

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