



December 31, 2008

Columbia/Walla Walla County News

2009 DCP Signup Announced

The county office is now taking Direct and Counter-Cyclical Program (DCP) signup appointments from December 22, 2008 – 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. 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**. As you make plans to come in and sign up keep in mind that you will be **required to fill out all new forms** including all Payment Limitation, Adjusted Gross Income, and Highly Erodible Land Conservation forms and appropriate time should be allotted to signup. Every program participant will need to go through this process so we also ask for your patience as we work to get everyone in and signed up as quickly as possible. Your understanding is very much appreciated!

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% in crop year 2012. Paid acres for Counter-Cyclical payments under DCP remain at 85% of Base Acres for crop years 2009-2012. Pulse crops are now a covered commodity for Counter-Cyclical purposes, but are not authorized for direct payments. The 2008 Act changed the status of Large and Small Chickpeas (garbanzo beans) from Vegetable Crops to Covered Commodities so there are no longer Fruit & Vegetable planting restrictions on garbanzo beans. As in previous years erosion and weeds are required to be controlled on DCP acreage. Producers will continue to have the option of selecting the month in which to receive DCP Direct advance payments and those payments will be 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, and no advance Counter-Cyclical payments are available in crop years 2011 or 2012.

ACRE Program Status

FSA has been in the process of conducting public meetings on the provisions and changes included in the 2008 Act. One of the program options covered has been the ACRE program. While signup has now been announced for the 2009 DCP Program, the ACRE election process has not, and is not expected to begin for at least another few months. Please stay tuned for ACRE program details such as Election and Enrollment dates, ACRE Guarantee Prices, and State Benchmark Yields. Below is a brief summary of how the ACRE program works.

ACRE Program

The ACRE program or Average Crop Revenue Election Program is an alternative to the Direct and Counter-Cyclical (DCP) program that was included in the 2008 Act. Beginning with the 2009 crop year producers will have the choice of electing whether the farm will be in ACRE or in DCP. The election is made on a farm number basis and a producer must 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

Julie Himmelberger, CED
Julie.himmelberger@wa.usda.gov

Walla Walla County FSA
1501 Business One Circle #100
Walla Walla WA 99362-9526
(phone) 509-522-6347
(FAX) 509-525-2811

County Committee
Steve Bughi, Chair
Steve Hair, V-Chair
Jack McCaw, Member
Valerie Cochran, Advisor

Office Staff
Nicole Armijo Jeri Casali
Norma Colunga Lee Walters
Ray Painter

Columbia County FSA
202 South Second St
Dayton WA 99328-1327
(phone) 509-382-2421
(FAX) 509-382-4084

County Committee
Dan McKinley, Chair
Jay Penner, V-Chair
Valerie Turner, Member

Office Staff
Christy Bell
Gerri Richter

Office Hours
Monday – Friday
8:00 AM – 4:30 PM

Farm Loan Staff
Jon Wilson, Farm Loan Mgr.
Franklin County FSA Office
Phone: (509) 545-8543

Dates to Remember:

- Jan. 1 **New Years**
Office Closed
- Jan. 19th **Martin Luther King Jr**
Office Closed
- Feb. 16th **President's Day**
Office Closed

- **The Ag Service Center is scheduled to move in January; exact date will be provided in the local newspapers. Stay tuned!**



ACRE (cont.) DCP on another farm. All producers (operator, owners, and any other tenants) on the farm must agree to participate in ACRE and file the ACRE election. If even one producer on the farm refuses to elect ACRE the farm will be limited to enrolling in DCP for the year. Once the election is made to participate in ACRE it is irrevocable and the farm will remain in ACRE until the end of the farm bill (2012). A farm can make an ACRE election in any year of the 2008 Farm Bill but once elected it is irrevocable. Elections for ACRE must be made by June 1 of the contract year and if any producer objects prior to June 1 of the year of election the farm will not go into ACRE.

Once a farm has elected ACRE it can enroll in ACRE. Enrollment in ACRE is similar to enrollment in DCP and is completed annually. The ACRE program provides Direct Payments at a level of 80% of the Direct Payments under DCP. In addition, participation in ACRE requires a 30% reduction to the CCC loan rate on any applicable commodity production from the ACRE farm. This reduction is not applied to the CCC-Determined Value (Posted County Price) only the loan rate so it will make it much more difficult to receive an LDP payment on production from an ACRE farm.

Producers in ACRE will not receive Counter-Cyclical payments under the DCP formula involving target prices. Producers instead will be paid ACRE payments. The ACRE payments are revenue based and factor into the formula both yield as well as price. ACRE provides protection on actual planted crops on the farm as opposed to the farm's base acres. However, the ACRE Direct payments will still be calculated on the farm's base acreage and current payment yields. Under ACRE, the farm's planted yield will be used to calculate payments; so an ACRE farm will be required to provide five years of production evidence for calculations and production records every year thereafter.

As opposed to the target price under DCP for 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 calculated on farms enrolled in ACRE. The formula used to calculate payments is derived from the lesser of 83.3% of the acres planted (85% in Crop Year 2012) or the Farm's total base acres times Farm's Expected Yield divided by 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 completed 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. Producers will have the option of adding Pulse Crop Base to 2008 tracts based on the tract's 1998-2001 acreage history. The farm must have available cropland in order to add Pulse Crop Base (Total Base Acres on the farm are less than Effective DCP Cropland). Payment yields will also be established for Pulse Crops by using the average planted yield 1998-2001 excluding any years the crop wasn't planted. Yields will be factored by taking the average planted yield times the 1981-85 national average yield divided by the 1998-2001 national average planted yield. If the payment yield is less than 75% then 75% of the county yield will be used. Base and yield establishment rules are essentially the same rules used to establish bases and yields under the 2002 Act. Remember, Pulse Crop Base will be used for Counter-Cyclical purposes only.

Pork Promotion Research and Consumer Information Order

(USDA) Agricultural Marketing Service (AMS) will be conducting a Request for Referendum of the Pork Checkoff Program from **Dec. 8, 2008 through Jan. 2, 2009**. Those eligible include importers/producers of hogs, pigs, pork, and pork products. Participation is voluntary, and only individuals who desire a referendum on the Pork Checkoff Program should participate; interested persons shall contact the FSA office for more information.

Happy Holidays!

The Walla Walla & Columbia County Offices would like to wish you the very best this holiday season and a prosperous New Year!