



NEWSLETTER



January 2013

Kittitas County Farm Service Agency

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Kittitas Co. Office Hours:

Wed. & Thurs. 9:00a.m. - 3:30p.m.

Yakima County Farm Service Agency

1606 Perry Street, Suite A
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Phone – 509-454-5746 x 2
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Yakima Co. Office Hours:

Mon. – Fri. 8:00a.m. – 4:30p.m.

County Committee

John Dyk, Chair
Rick Haberman, Vice Chair
Brent DeKoning, Member
Cristi Eaton, Advisor

Office Staff

Nathan D. Boguslawski, CED
Maria De La Mora, PT
Jennifer DeWeese, PT
Kimberly Miller, PT

Farm Loan Staff

Lisa Ruff, FLM
Scott Smith, FLO
Crispin Garza, SCL
Sandy Christensen, FLPT

Next COC Meeting

March 7, 2013 – 9:00 a.m.

Dates to Remember

February 18, 2013 - Office closed
for President's Day holiday

Congress Extends Farm Bill

The 2008 Farm Bill was extended through September 30, 2013. Most major programs were extended including DCP/ACRE, MILC, commodity loans and CRP. All producers will have the option to choose either DCP or ACRE for 2013. Adjusted gross income (AGI) provisions will continue to apply. Some minor program changes have been made and rules to implement those changes are being developed now.

Signup for DCP/ACRE and MILC is expected to begin in the near future, but no dates have been announced. No decision on a general CRP signup for 2013 has been made yet. Watch future newsletters for details on all these programs as they are announced.

County Committee Election Results

Congratulations to Brent DeKoning. Brent was elected to represent farmers located in the area known as the Denmark Area and encompasses the area east of Canyon Road (Alt. Route 821) to Grant County boundary line and south of Whisky Dick Mountains to Military or Yakima County boundary line. Brent was elected to his second consecutive term. The election results for Local Administrative Area # 2 are:

Brent DeKoning - Elected to the County Committee (COC).
Matt Eslinger - 1st alternate to COC.

Farm Service Agency (FSA) appreciates all of the voters for taking the time to complete the election ballot. The county committee system works only because of your participation.

The committee members held their organizational meeting in December to determine who will serve as the county committee chair and vice-chair.

2011 Supplemental Revenue Assistance Program (SURE) Applications

The FSA will continue to accept SURE applications for 2011 crop losses through June 7, 2013. The SURE Program provides payments to producers when crop revenues are less than the crop guarantee. The SURE Program payment are equal to 60 percent of the difference between the crop guarantee and revenue. To be eligible, the producer must have at least one crop with a 10 percent production loss.

To determine the guarantee and revenue for the SURE Program, all crops on all farms for a producer are included in the calculation. Payments under the SURE Program are limited to \$100,000.

To be eligible for the 2011 SURE Program, producers must have crop insurance on all insurable crops. For crops that are not covered by crop insurance such as hay or fresh vegetables, producers must have purchased Non-Insured Crop Disaster Assistance Program (NAP) coverage from FSA. The Crop Insurance and NAP purchase requirements is waived for crops that are not economically significant to the farming operation. For more information concerning the 2011 SURE program or other Farm Service Agency programs, contact your local FSA office or visit the Farm Service Agency website at www.fsa.usda.gov/pas.

New Microloan Program

Starting in January, FSA will offer more flexible access to credit through the new Microloan program. The program is an attractive loan alternative for smaller farming operations like specialty crop producers and operators of community supported agriculture (CSA).

Microloans can be used for all approved operating expenses as authorized by the FSA Operating Loan (OL) Program, including but not limited to:

- Initial start-up expenses.
- Annual expenses such as seed, fertilizer, utilities, and land rents.
- Marketing and distribution expenses.
- Purchase of livestock, equipment, and other materials essential to farm operations.
- Minor farm improvements such as wells and coolers.
- Hoop houses to extend the growing season.

The application process for microloans will be simpler than the regular FSA loan application process, requiring less paperwork to fill out. Requirements for managerial experience and loan security have been modified to accommodate smaller farm operations, beginning farmers, and those with no farm management experience. However, applicants will need to have some farm experience. FSA will consider an applicant's small business experience as well as any experience with a self-guided apprenticeship as a means to meet the farm management requirement.

Eligible applicants may obtain a microloan for up to \$35,000. The repayment term may vary and will not exceed seven years. Annual operating loans are repaid within 12 months or when the agricultural commodities produced are sold. Interest rates are based on the regular OL rates that are in effect at the time of the microloan approval or microloan closing, whichever is less. Currently the rate is 1.25%. Contact the county office for more information.

Noninsured Crop Disaster Assistance Program (NAP)

The noninsured crop disaster assistance program (NAP) is a federally funded program that helps producers reduce their risk when growing food and fiber crops, specialty crops, and crops for livestock feed. These benefits are only available for crops for which the catastrophic level of crop insurance is not available. Application for coverage must be filed by the applicable crop's application closing date.

Production records for all crops must be reported to FSA no later than the acreage reporting date for the crop for the following year. FSA requires that any production reported in a loss year be verified according to agency specifications. *NAP losses must be reported within 15 days of loss.*

Noninsured Crop Disaster Assistance Program (NAP) Closing Dates

March 15, 2013 – NAP Application Closing Date spring 2013 planted crops.

March 31, 2013 – Application closing for commodity loan and/or LDP for 2012 crops of barley, canola, crambe, flax seed, honey, oats, rapeseed, sesame seed, and wheat.

May 31, 2013 – Application closing for commodity loan and/or LDP for 2012 crops of corn, dry peas, grain sorghum, lentils, mustard seed, rice, safflower seed, chickpeas, soybeans, and sunflower seed.

Milk Income Loss Contract (MILC) Program

February 5, 2013 USDA will issue payments to dairy farmers enrolled in the Milk Income Loss Contract (MILC) program for the September 2012 marketing. The American Taxpayer Relief Act of 2012 extended the authorization of the Food, Conservation, and Energy Act of 2008 (the 2008 Farm Bill) through 2013 for many programs administered by FSA including MILC. The 2008 Farm Bill extension provides for a continuation of the MILC program through September 30, 2013.

MILC payments are triggered when the Boston Class I milk price falls below \$16.94 per hundredweight after adjustment for the cost of dairy feed rations. MILC payments are calculated each month using the latest milk price and feed cost. As announced by FSA on January 22, 2013 all dairy producers' MILC contracts are automatically extended to September 30, 2013. Eligible producers therefore do not need to re-enroll in MILC. MILC operations with approved contracts will continue to receive monthly payments, if available.

The payment rate for September 2012 is approximately \$0.59 per hundredweight. The payment rate for October 2012 marketing is approximately \$0.02 per hundredweight. The payment rate for November 2012 marketing is zero.

Before the October MILC payment can be issued, dairy farmers must complete a new Average Adjusted Gross Income (AGI) form for 2013. The new form, CCC-933 Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information, must be completed by producers before they can receive payments for a variety of programs administered by FSA and USDA's Natural Resources Conservation Service. Producers may obtain CCC-933 at their local USDA Service Center or online at www.fsa.usda.gov/cc933.

Dairy operations may select a production start month other than October 2012. Producers who want to select a production start month other than October 2012 must visit their local FSA office between February 1 and February 28, 2013, also known as a relief period.

FSA will provide producers with information on program requirements, updates, and signups as the information becomes available. For more information on MILC, contact a local FSA county office or visit the FSA website at www.fsa.usda.gov.

Hispanic and Women Farmer and Rancher Claims Period

Hispanic and women farmers and ranchers who allege discrimination by the USDA in past decades can file claims until March 25, 2013.

The process offers a voluntary alternative to litigation for each Hispanic or female farmer and rancher who can prove that USDA denied their applications for loan or loan servicing assistance for discriminatory reasons within certain time periods between 1981 and 2000.

As announced in February 2011, the voluntary claims process will make available at least \$1.33 billion for cash awards and tax relief payments, plus up to \$160 million in farm debt relief to eligible Hispanic and women farmers and ranchers. There are no filing fees to participate in the program.

USDA will continue reaching out to potential Hispanic and female claimants around the country to inform those who may be eligible for this program.

Website: www.farmerclaims.gov

Phone: 1-888-508-4429

Deadline for Claims: March 25, 2013.

Claimants can obtain a claims package in the mail by calling 1-888-509-4429 or by visiting the website www.farmerclaims.gov. Public meetings are also being held in many areas to share further information. Contact your nearest FSA office to get a schedule of meetings in your area.

Marketing Assistance Loans

Short-term financing is available through FSA's low interest commodity loans for eligible harvested production. A nine-month Marketing Assistance Loan provides financing that allows producers to store production for later marketing at a potentially better price. The crop may be stored on a farm or in a warehouse.

Loans are available for producers who share in the risk of producing the eligible commodity and maintain beneficial interest in the crop through the duration of the loan. Beneficial interest means retaining the ability to make decisions about the commodity, responsibility for loss because of damage to the commodity, and title to the commodity. Once beneficial interest in a commodity is lost, it is ineligible for a loan, even if you regain beneficial interest.

The deadline to request a grain loan is March 31, 2013, for wheat and barley and May 31, 2013, for corn, soybeans and sorghum.

Controlled Substance

Any person convicted under federal or state law of a controlled substance violation could be ineligible for USDA payments or benefits. Violations include planting, harvesting, or growing a prohibited plant. Prohibited plants include marijuana, opium poppies, and other drug producing plants.

Special Accommodations

Special accommodations will be made upon request for individuals with disabilities, vision impairment, or hearing impairment. If accommodations are required, individuals should notify the county FSA office staff in person or by phone.

Electronic News Delivery

The USDA Farm Service Agency offices have moved to a paperless news distribution system. Producers are asked to enroll in the new *GovDelivery* system which provides notices, newsletters, and electronic reminders instead of a hard copy through the mail. FSA, like many other organizations, is trying to work smarter and be more efficient. Moving to electronic notifications via email helps conserve resources and save taxpayer dollars. Producers can now subscribe to receive free email updates by going to www.fsa.usda.gov/subscribe or contact the FSA office for assistance.

Foreign Buyers Notification

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their purchases or sales of property to the Secretary of Agriculture. The Farm Service Agency administers this program for USDA.

All individuals who are not U.S. citizens and have purchased or sold agricultural land in the country are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form FSA-153 could result in civil penalties of up to 25 percent of the fair market value of the property. County government offices, realtors, attorneys, and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

Farming Operations Changes

Producers who have bought or sold land, or added or dropped rented land from their operation, must report those changes to the FSA office as soon as possible. A copy of the deed or recorded land contract for purchased property is needed to maintain accurate records with FSA. Failure to report changes can lead to possible program ineligibility and penalties. While making record updates, be sure to update signature authorizations. Making record changes now will save time in the spring.

Power of Attorney

For those who find it difficult to visit the county office because of work schedules, distance, health, etc., FSA has a power of attorney form available that allows producers to designate another person to conduct business at the office. If interested, contact our office or any Farm Service Agency office for more information.

Highly Erodible and Wetland Compliance

Landowners and operators are reminded that in order to receive payments from USDA, compliance with Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions is required. Farmers with HEL determined soils must comply with tillage, crop residue, and rotation requirements as specified in their conservation plan.

Producers should notify FSA prior to conducting land clearing or drainage projects to insure compliance. If you intend to clear any trees to create new cropland, these areas will need to be reviewed to ensure any work will not jeopardize your eligibility for benefits.

Landowners and operators can complete form AD-1026 Highly Erodible Land Conservation (HEL) and Wetland Conservation (WC) Certification to determine whether a referral to Natural Resources Conservation Service (NRCS) is necessary.

For more information on Highly Erodible Land and Wetland Conservation provisions, contact a FSA County Office or visit the FSA website at www.fsa.usda.gov/.

Bank Account Changes

Current policy mandates that FSA payments be electronically transferred into a bank account. In order for timely payments to be made, producers need to notify the FSA county office when an account has been changed or if another financial institution purchases the bank where payments are sent. Payments can be delayed if the FSA office is not aware of updates to bank accounts and bank routing numbers.

FSA Signature Policy

Husbands and wives may sign documents on behalf of each other for FSA and Commodity Credit Corporation programs in which either has an interest. This option is automatically available unless a written request for exclusion is made to the county office staff by either spouse.

There are exceptions to the rule. Spouses may not sign on behalf of each other for partnerships, joint ventures, corporations, or other similar entities.

Individual signatures are also required on certain Farm Loan Program and Farm Storage Facility Loan documents. For more clarification on spousal signature authority, contact your local FSA office.

IRS 1099 Changes

Calendar year 2012 brought changes to the way FSA reports farm program payments to the producer and to the IRS. In past years, IRS Forms 1099-G would be issued to show all program payments received from the Farm Service Agency, regardless of the amount.

For calendar year 2012, producers whose total reportable payments from FSA were less than \$600 will not receive IRS Form 1099-G. Also, producers who receive payments from more than one county will only receive one Form 1099-G if the total of all payments from all counties is \$600 or more.

The same changes will apply to producers and vendors who normally receive IRS Form 1099-MISC from FSA.

Women in Agriculture Conference

A statewide Women in Agriculture conference will take place in 20 locations throughout the state on Saturday, February 23. The conference, "Growing Your Successful Farm Business," will feature a national speaker by videoconference in addition to local speakers at each site. For more information and to register, check the website www.womeninag.wsu.edu.

Beginning and Limited Resource Farmers

FSA assists beginning farmers and members of socially disadvantaged groups to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more than 10 years.
- Will materially and substantially participate in the operation of the farm.
- Agrees to participate in a loan assessment, borrower training, and financial management program sponsored by FSA.
- Does not own a farm in excess of 30 percent of the county's median size.

Additional program information, loan applications, and other materials are available at your local USDA Service Center. You may also visit www.fsa.usda.gov.

2012 Census of Agriculture Arriving in Mailboxes in January

It's not every day that a walk to your mailbox leads to an opportunity to help shape farm programs, boost rural services, and grow your farm future. However, for producers across the country, that opportunity will soon become a reality. The 2012 Census of Agriculture, the only source of consistent and comprehensive agricultural data for every state and county in the nation, is currently being mailed to millions of farmers and ranchers across the United States. Conducted every five years by the U.S. Department of Agriculture's National Agricultural Statistics Service (NASS), the Census provides detailed data covering nearly every facet of U.S. agriculture. For complete information, go to www.agcensus.usda.gov.