



March 2009

# LINCOLN COUNTY FSA NEWS

## County Committee Elections

**Judy Scrupps** ran unopposed in the recent County Committee elections, and was reelected for a third term on the Committee to serve another 3 years beginning January 1, 2009. Thanks should be given to everyone who participated in this election process, and to Judy for her willingness to serve on the Committee. She joins current Committee members Stan Dormaier and Pete Carstensen.

## 2009 Direct and Counter-Cyclical Program (DCP) Signup

Signup for the 2009 DCP continues and runs through **June 1, 2009**. Current regulations no longer provide for a "late-filed" signup period or fee. Consequently, DCP contracts not having all required signatures of producers by June 1, 2009 cannot be considered filed and will not be approved, which is a change from previous years. Producers who have not yet signed up are encouraged to call the office for an appointment, as this process can be time consuming due to the requirement relating to the filing of new eligibility forms for 2009.

Other 2008 Farm Bill changes include pulse crops, (dry peas, chickpeas, and lentils) now being eligible for counter-cyclical payments, but not for direct payments. Also, Fruits and Vegetables (FAV), with certain exceptions are still restricted from being planted on DCP contract acres, but chickpeas (garbanzo beans) are now no longer associated to FAV planting restrictions.

Producers are still eligible for advance direct payments, but for 2009 - 2011, payment acres have been reduced to 83.3% of a farm's base acres, although in 2012 the payment acres return to 85%. Advance payments continue to be made at 22% of a crop's direct payment rate, which are the same rates used last year in 2008. Payment rates for direct payments are issued regardless of market prices, while counter-cyclical payments are only issued if effective prices are less than set target prices.

## Average Crop Revenue Election (ACRE) Program

Participation in the new ACRE program provides a revenue alternative to DCP for producers. Beginning with the 2009 crop year, producers may elect whether a farm will be in ACRE or in DCP. ACRE is similar to DCP in that it provides a direct payment, but has a potential payment component called the ACRE payment. However, for ACRE participants, direct payments are reduced by 20 percent, and the loan rate on any marketing assistance commodity loan is reduced by 30 percent.

ACRE payments are revenue protection on actual *planted* crops rather than on base acres. However, the direct payment if enrolled in ACRE will still be calculated on a farm's base acreage and current payment yields. ACRE participants need to provide 5 years of production evidence for calculations, and submit production records every year thereafter. A farm must pass a State trigger and a farm trigger, and both must indicate that a revenue loss has incurred before an ACRE payment is issued. If these conditions are met, a 2009 ACRE payment can be made calculated on the *lesser* of (83.3% of the acres planted, 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). This formula is complex, but Tom Platt of the Lincoln County Extension will be conducting 3 workshops in Davenport at the Lincoln County Public Works meeting room from 10:30 a.m. to 12:30 p.m. on **Friday, March 13, Tuesday, March 17, and Friday, March 27**, to help farmers analyze how this ACRE calculation works.

Producers elect whether to participate in ACRE or DCP. The election is made on a farm number basis, and a producer may select DCP or ACRE but not both. However, producers may first enroll in DCP, elect to receive advance direct payments, and then later modify their enrollment to include the ACRE program. If a producer has multiple farms, the producer may choose to participate in ACRE on one farm, and DCP on another farm. If ACRE is elected, all owners and operators on a farm must agree to participate. If one of these producers on a farm refuses to elect ACRE, the farm will be limited to enrolling in DCP for that year. The ACRE election may be filed in any year from 2009 – 2012, but once filed, the election is irrevocable, and the farm will remain in ACRE through the end of the Farm Bill (2012), regardless of operator or owner changes. However, there is an exception to this during the *initial* year of ACRE election *only*, when a producer may withdraw the ACRE election prior to June 1, to reverse the election. Finally, a signup beginning date for ACRE has not been announced, but it will be sometime this spring of 2009, and notification will then be given to producers.

### Lincoln County FSA

P.O. Box 47  
1310 W. Morgan St.  
Davenport, WA. 99122-0047  
(509) 725-4501  
(509) 725-4515 (FAX)

### Office Hours

Monday – Friday  
7:00 a.m. – 4:30 p.m.

### FSA Farm Loan Office

Steve King, Farm Loan Manager  
8815 E. Mission Ave; Suite B  
Spokane Valley, WA. 99212-2532  
(509) 924-7350

### County Committee

Stan Dormaier, Chairperson  
Judy Scrupps, Vice Chairperson  
Pete Carstensen, Regular Member

Committee Meetings: 8:00 A.M. on  
Wed. of 3<sup>rd</sup> full week of the month.

### Office Staff/Phone Extension

Jeff Lust, CED /	102
Debbie Sweet, PT /	101
Sally Simpson, PT /	108
Jan Bowdish, PT /	107
Paula Reed, PT /	106
Aaron Landreth, PT /	124
Janet O'Neil, Temp. PT /	105
Nancy Reinbold, Temp. PT /	109

### Web Sites

National USDA  
<http://www.usda.gov>

National FSA  
<http://www.fsa.usda.gov>

Washington State FSA  
<http://www.fsa.usda.gov/wa>

### 2008 Lincoln Co. Loan Rates

SWW Wheat:	\$2.65/Bu.
HRS and HWS Wheat:	\$3.23/Bu.
HRW and HWW Wheat:	\$3.27/Bu.
Durum Wheat:	\$2.90/Bu.
Barley:	\$2.15/Bu.
Oats:	\$1.26/Bu.
Canola:	\$7.22/Cwt.
Dry Peas:	\$6.58/Cwt.
Small Chickpeas:	\$7.43/Cwt.

### Dates to Remember

March 13, 17, and 27: ACRE  
Workshops

March 16: Final NAP Application  
Date for Spring Seeded  
Crops

March 31: 2008-Crop Commodity  
Loan Deadline

Please contact our office regarding  
any direct deposit bank account,  
and/or farm record changes.



### **Pulse Crop Base Establishment**

The new Farm Bill authorized base acreage establishment for the pulse crops of dry peas, lentils, and chickpeas (large and small). Producers will have the option of adding pulse crop base to 2009 tracts of land on the basis of the tract's 1998 -2001 acreage history.

### **Noninsured Assistance Program (NAP) Application Deadline**

The final date to apply for NAP on most 2009 spring planted crops is **March 16, 2009**. The \$250/crop administrative fee must be paid by March 16, to provide disaster coverage on those crops that are not eligible for protection under Federal Crop Insurance. Some spring planted NAP crops in the county tied to this March 16, sales closing date are small grain hay (wheat, barley, etc.) and mustard seed. Also, of importance is that 2009 NAP coverage is *required* on all crops of economic significance to be eligible for most of the new corresponding supplemental disaster programs. A copy of the NAP Basic Provisions is now available to producers by request at the county FSA office.

### **Disaster Designations**

Due to several disaster designations, producers in Lincoln County may be eligible for emergency loans under the following disaster declarations and causes of loss:

1. Freeze occurring April 22, 2008 through May 15, 2008 – Applications accepted through June 3, 2009.
2. Winter storms causing physical losses occurring December 14, 2008 through January 15, 2009 – Applications accepted through September 26, 2009.
3. Winter storms, landslides, mudslides, and flooding occurring January 6, 2009 through January 16, 2009 – Applications accepted through October 13, 2009.
4. Weather events of cool weather and freeze including drought in 2008– Applications accepted through October 13, 2009.

Producers on family sized farms suffering such losses may qualify for emergency loans of up to \$500,000 with 3.75% interest, and payment terms of up to 20 years for production losses, and 40 years with real estate losses. Additional information can be obtained by contacting the FSA Farm Loan Division in Spokane at (509) 924-7350.

### **Commodity Marketing Loans**

Commodity marketing loans are available on 2008 crops through **March 31, 2009**. Warehouse-stored and Farm-stored loans mature 9 months following the month disbursed. The March 2009 interest rate is 1.50 percent.

### **2008 Payment Reports and Statements**

Form CCC-1099G, Report of Producer Payments and FSA-2065, Annual Statement of Loan Account (Direct and Guaranteed Farm Loan Program), were mailed in January 2009 to those producers who received a 2008 calendar year program payment, and/or have a FSA farm loan. Applicable producers who did not receive these statements, or the information listed does not match their records, should contact our county office immediately so that corrective action can be taken. It is important that they be accurate, since the data is reported to the Internal Revenue Service (IRS). It is important to realize that producer *refunds* made to FSA will *not* be shown on any CCC-1099G.

### **Average Adjusted Gross Income (AGI) Limitations**

There are now 3 new average AGI limitations that will be implemented for 2009 and future year benefits as follows:

Eligibility for commodity, price support, and disaster assistance programs – AGI *nonfarm* income should not exceed \$500,000.

Eligibility for direct payments under DCP – AGI *farm* income should not exceed \$750,000.

Eligibility for conservation programs – AGI *nonfarm* income should not exceed \$1 million, unless 66.66% or more of the average AGI is derived from activities related to farming, ranching, and forestry operations.