

Skagit-Island-San Juan County Farm Service Agency

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Office Hours: 8:00 a.m. - 4:30 p.m.

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

“Doing Business As” – Are You a DBA?

The Washington State FSA Committee recently addressed several issues concerning the participation of DBA's in FSA Programs. It appears many producers have obtained an employer tax identification number, and in some cases developed a DBA name for use with the number, for employee tax withholding or State labor and industry purposes. Reviews have revealed that DBA participation varies significantly between producers and counties. Producers utilize their DBA's in a variety of ways, from formal to informal.

Skagit-Island-San Juan Area Committee:

Kris Hansen, Chairperson
Wilbur Bishop, Vice-Chairperson
M. R. Buffman, Member
Todd Gordon, Member
Mark Wesen, Member

Committee Meeting Date:
Thursday of the 3rd full week of the month

Office Staff:
Sandra Starbuck,
County Executive Director
June Freet, Program Technician
Marlene Garber, Program Technician

Mark Turner, Farm Loan Manager,
FSA Lynden, WA (360) 354-5658

The wide differences in the way DBA's are used have led to some improper payments where eligibility documents have not been completed properly or where there is a lack of consistency. FSA payments must be based on FSA program regulations, therefore the following policy will apply to 2008 and later participation:

Participation in FSA programs is limited to legally recognized participants, such as individuals, joint operations, and entities. Individuals can not participate or receive payments through a DBA or a DBA tax identification number. Only the legally recognized participant such as an individual, joint operation or entity may participate. Eligibility documents shall be completed for, and submitted by, the individual or other legally recognized participant, and payments will be issued to the same. If you do business as a DBA, be aware that we will be paying you as an individual or whatever other legal entity you have, and will ask you to document and provide eligibility information for that legal entity or individual, not for the DBA.

Non-Insured Assistance Program (NAP) Deadlines

NAP participants should be aware of several important upcoming deadlines. **1)** Crop acreage reports must be submitted by the crop reporting deadline of June 30, 2008 on all crops with 2008 NAP coverage. **2)** Each crop that is covered by NAP and for which an acreage report was filed in 2007 **must** report all production for that acreage by June 30, 2008. Failure to report acreage and production information may result in reduced or zero NAP assistance. **3)** Producers who have purchased 2008 NAP coverage for seed crops should submit copies of their seed contracts as soon as they become available.

New County Executive Director

Effective March 2, 2007, the Skagit-Island-San Juan County FSA Office has a new CED. Sandra Starbuck was hired to fill the position vacancy left by Ellen Madeiros last September. Sandra has worked for FSA for 24 years, and transferred to Mount Vernon from Brush Prairie, Washington, where she has been the CED for Clark, Cowlitz, Skamania, and Wahkiakum Counties. She started her career working in the Flathead County, Montana FSA Office in Kalispell and transferred to the Clark County, WA office in 1990. Sandra is looking forward to meeting the local producers and is busy getting acquainted with the area. Be sure to stop by the office and introduce yourself.

Three Disaster Assistance Programs Available for 2005, 2006 and 2007

The **Livestock Compensation Program (LCP)** helps livestock producers with feed losses which occurred due to an eligible disaster and the **Livestock Indemnity Program (LIP)** helps compensate producers for the physical loss of livestock. In order to qualify, you must have lost your feed or your livestock due to an eligible disaster that occurred up to December 30, 2007. Please call the office for details regarding disaster designations.

The **Crop Disaster Program (CDP)** provides payments to producers who suffered damage to their crops. Damage includes decreased yields or prevented plantings. It also includes lower prices received due to impaired crop quality. The program covers losses that occurred in 2005, 2006 or 2007 if the crop was planted, or prevented from being planted, before December 30, 2007. Producers may claim losses for multiple crops in multiple years with payments paid for the most beneficial year. One caveat with the Crop Disaster Program is that producers must have obtained crop insurance or coverage under the Noninsured Crop Disaster Assistance Program (NAP) for the year in which the loss occurred. Yield loss must exceed 35 percent due to eligible conditions, in order to qualify for the Crop Disaster Program.

The Crop Disaster Program also covers damage which results in crops being sold for lower prices than they would be sold had the natural disaster not taken place. Rules for the "quality loss" portion of the Crop Disaster Program have not been finalized and the agency will be announcing a program sign-up date in the future.

For the crop disaster program, producers who suffered losses due to disasters in 2005 or 2006, as well as 2007 will receive payments for the year they had the greatest loss. Producers may receive payments from each of the three disaster programs, however, provided their losses support it and they meet all the qualifiers. Contact our office for more information, and to sign up for these programs.

Dairy Disaster Assistance Program (DDAP-III) Signup March 5, 2008 Thru May 5, 2008

The DDAP-III program provides benefits to eligible dairy producers who suffered dairy production losses as a result of a natural disaster. The objective of the DDAP-III program is to compensate producers for production losses that resulted from lost herds or dumped milk when dairy plants closed or the natural disaster damaged containment equipment. Additionally, power outages, fuel shortages, and infrastructure damage may have temporarily interrupted the flow of dairy products to markets. Production losses must be directly associated to the loss conditions identified in the declaration or designation during the eligible period. The natural disaster declarations by the Secretary or the President must have been issued between January 1, 2005 and December 31, 2007, and the dairy producers must be in either primary disaster counties or counties contiguous to primary counties. If your dairy experienced a loss of this type, you may want to check in to this program. If so, please call our office for more information and guidance. Signup for this program is from March 5 to close of business on May 5, 2008. Payments will be calculated for all applicants prior to the issuance of any DDRP payments, in order to ensure that the total amount to be paid nationwide does not exceed the total dollars (\$16 Million) allocated for this program.

USDA Rural Development's Value Added Producer Grant Program

The Value Added Producer Grant Program (VAPG) for 2008 was announced in the Federal Register on January 28th, 2008.

The primary objective of the VAPG is to help producers of agricultural commodities, agriculture producer groups, farmers and rancher cooperatives, and majority owned producer based business ventures develop business plans for viable marketing opportunities and develop strategies to create marketing opportunities in emerging markets. It is designed to help farmers and ranchers expand the customer base for their products or commodities and ensure that a greater portion of the revenues derived from the value-added activity is available to the producer.

Grant funds may be used to fund planning activities such as to complete a feasibility study, business plan or marketing plan, or legal activities. Grant funds may also be used to establish a working capital account to operate the new venture and pay normal expenses associated with the operation of the new business. Funds may not be used for both planning activities and working capital. Funds may not be used to plan, repair, rehabilitate, acquire, or construct a facility, or equipment, buy land, purchase or rent equipment, or pay for any purpose related to agriculture production. Applicants must match at least 50% of the total project cost with cash or third party in-kind services.

Applications must be postmarked and mailed, shipped or sent overnight by March 31, 2008 to be eligible for FY 2008 grant funding. Late applications are not eligible for FY 2008 grant funding.

For more information on this program as well as information on who is eligible to apply, please see <http://www.rurdev.usda.gov/rbs/coops/vadg.htm> or contact Sharon Exley, USDA Rural Development Business Programs Specialist, at the USDA Service Center in Mount Vernon, or call 360-428-7758 Ext. 159.

Crop Insurance Compliance

In June 2000, Congress passed the Agricultural Risk Protection Act. It requires the Risk Management Agency (RMA) with the assistance of the Farm Service Agency (FSA) to improve program compliance and integrity of the Federal Crop Insurance Program. RMA has been given the authority to request assistance from FSA in conducting reviews of insured crops during the growing season.

RMA has requested FSA to perform a minimum of two field inspections: one within 30 calendar days of the final planting date and one before the general harvest date in the area for those producers selected. These inspections will be thoroughly documented and reported to the appropriate RMA Regional Compliance Office.

If your insurance policy is selected, our staff will contact you and request you provide the location of your insured crops. You will also be asked to indicate whether a soil test has been completed for the crop locations identified and include a written statement providing what method of chemical and fertilizer treatment is being implemented for the growing season.

Producers who suspect cases of fraud, waste, and abuse in the Federal Crop Insurance Program may file a notice to our FSA office. All producer referrals are maintained in complete confidence, and anonymity will be protected.

The US Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotapes, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W Whitten Building, 14th and Independence Ave. SW, Washington D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.