

Skagit-Island-San Juan County Farm Service Agency

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Committee Election Results

Election ballots for the 2009 Skagit-Island-San Juan Area Committee have been tabulated and the results are: Todd Gordon of Skagit County was re-elected to a 3-year term, and Leonard Engle of Island County was elected to a 3-year term on the Committee. We would like to thank all those in their areas for participating in the Committee Election process by returning their ballots. We also sincerely appreciate Todd and Leonard's willingness to serve the farmers and ranchers in our area by being on the Committee, and look forward to working with them over the next three years.

Skagit-Island-San Juan Area Committee:
Kris Hansen
M. R. Buffum
Leonard Engle
Todd Gordon
Mark Wesen

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

Office Staff:
Sandra Starbuck,
County Executive Director
~June Freet, Program Technician
~Susan Shackelford, Program Technician
~Mark Turner, Farm Loan Manager,
FSA Lynden, WA (360) 354-5658

Milk Income Loss Contract (MILC) Signup Begins

The 2008 Farm Bill reauthorized the MILC Program for the period beginning October 1, 2007, and ending on September 30, 2012, with some minor changes to the program's provisions. Most dairy producers have already received notification of this program signup by the Dairy Federation and are fairly familiar with the process. The initial signup period began on December 22, 2008 and will end on January 21, 2009. Producers who sign up during this phase may make the following MILC production "start month" selections:

For Fiscal Year 2009, either of the following: December, 2008, January 2009, or any month remaining in Fiscal Year (FY) 2009. FY 2009 runs through September 30, 2009.

For FY2010 through FY2012, any month for each FY may also be selected during the extended signup period, which continues until September 30, 2012. Once MILC payments begin, they will be issued based on the selected month's production and the production for each consecutive month thereafter until the applicable fiscal year ends, or the maximum payment quantity is reached, whichever

comes first. Payments will be made if rates are in effect for any given month, up to a maximum of 2,985,000 lbs per fiscal year for 2009 through 2012. Please contact us for your appointment to sign up for this program.

New Payment Eligibility and Payment Limitation Rules to Require New Forms

The 2008 Farm Bill made significant changes to Eligibility and Payment Limitation provisions for FSA and NRCS programs. Because of the changes, everyone applying for any program benefits in 2009 will be filling out new Payment Limitation and Eligibility forms. Payments are limited by direct attribution to individual and legal entities. Payments to a person as an individual are combined with that person's shares of payments from any entities in which the person holds an ownership interest. The total, both directly and indirectly, may not exceed the total allowed payment limit for the program. The intent is to eliminate the issue of producers being eligible for multiple payment limitations through various entities, and instead to attribute total payments to the actual individuals. The effect of these changes can be substantial, depending on the size of your operation, but remember these changes may not be noticeable to you if you do not come close to earning the full payment limitation on the programs in which you are participating. The bottom line is that "direct attribution" is actually a simpler concept than the payment limitation rules of the past; however that simplicity may not be evident to you when you are completing the new payment limitation forms. The forms are quite detailed, but resources are available to assist you in filling them out.

Please contact our office for information about what forms you will need to complete this year. It may be that you will want to complete this paperwork ahead of time, before the busier season, to avoid delays during upcoming program signup periods.

Payment Limitation Amounts – 2008 through 2012

The following payment limits shall apply for crop years 2008 through 2012:

- Direct and Counter-Cyclical Program (DCP) - \$40,000 Direct, \$65,000 Counter-Cyclical
- Supplemental Agricultural Disaster Assistance Programs (SURE), Emergency Livestock Assistance Program, Livestock Indemnity Program, Livestock Feed Program - \$100,000
- Tree Assistance Program - \$100,000
- Conservation Reserve Program and CREP - \$50,000 per fiscal year, including rental, SIP and PIP
- Non-Insured Assistance Program - \$100,000 per crop year
- Marketing Assistance Loans & LDP's - Unlimited

Attention - Winter Wheat Growers

Producers of winter wheat covered by insurance are reminded to report their planted acreages early. This will ensure you are in compliance with crop insurance reporting provisions, should you experience weather-related damage to your crops. Please call our office as soon as possible to schedule a time to come in and report your planted winter wheat.

New Average Adjusted Gross Income Provisions (AGI)

The 2008 Farm Bill made some significant changes to the average AGI provisions. There are now three average AGI limitations that are applicable to commodity, price support, disaster, and conservation programs. The new limitations will be implemented for 2009 and subsequent program years. Each “natural person”, legal entity, all interest holders in a legal entity, and all members of a joint operation or general partnership must certify to AGI compliance for payment eligibility. The AGI calculation skips the most recent complete tax year and looks at the three tax years immediately prior to that. For example, if applying for a 2009 program, you would skip 2008 and use the average for the 2005-2007 tax years. The three limitations to be concerned with are as follows:

IF average adjusted gross...	THEN the person or legal entity is INELIGIBLE for...
Nonfarm income exceeds \$500,000	All commodity, price support and disaster assistance benefits
Farm income exceeds \$750,000	Direct Payments under DCP
Nonfarm income exceeds \$1 million	All conservation program benefits, unless 66.66 percent or more of the average AGI was derived from activities related to farming, ranching, and forestry operations.

NOTE: Prior AGI provisions in effect on September 30, 2008, continue to apply for active Conservation Reserve Program Contracts, and CREP.

There is quite an involved definition of what is considered “Farm Income” for the purposes of AGI provisions. We will provide you with all the information we have available on this, when providing you with the form CCC-926 Average Adjusted Gross Income Statement.

Damage Reports – Physical Damage, Structures, Livestock Losses and NAP-covered crops

Remember to report storm-related damages to our office as soon as the damage is evident. We compile the reports of damage to structures, crops, livestock losses, etc. and they are submitted to the Governor and the Secretary of Agriculture, for possible disaster declarations. Each report we receive is very important.

For those with NAP-covered crops, remember that you must report damage to your crops within 15 days of the damage becoming evident. If recent storms or weather-related conditions have caused damage to your crops, or if you suspect the damage but the extent of the damage won't be evident until later in the season, you would be well-advised to file a Notice of Loss at your first suspicion of damage. If you later decide not to carry the crop to harvest, you must notify us so that we can get a Loss Adjuster to appraise your loss prior to the crop being destroyed. Failure to timely file a Notice of Loss may render you ineligible for NAP payments, so it's extremely important.

NAP Reminders

The application closing date for spring-planted crops is March 15, 2009. Spring planted crops include small grain forages (including wheat, barley, and oats including annual pea forage), mustard and summer planted buckwheat. All producers who have NAP coverage are reminded that to certify your 2008 production by June 30 of 2009.

LDP's Available on 2008 Wool, Mohair, and Unshorn Lambs until January 31, 2009

Wool and mohair producers may apply for a Loan Deficiency Payment (LDP) for their 2008 shorn wool and mohair until January 31, 2009. In addition, producers who sell unshorn lambs may be eligible for an LDP on the unshorn pelt. You must apply before losing beneficial interest in the wool, mohair, or pelts, and can help ensure eligibility by completing form CCC-666EZ before the wool, mohair, or unshorn pelts are sold. Call our office for details before your wool is sold. Rates can change weekly. The most current LDP rate for ungraded wool was \$0.26/lb., up from \$0.16.

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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.