

March 2013



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Skagit-Island-San Juan County FSA Updates

DEAR PRODUCERS: Welcome to the new GovDelivery bulletins and updates service from Skagit County FSA office. Note that you are welcome to request bulletins from more than one state and/or county and can add or remove individual subscriptions at any time.

Skagit-Island-San Juan County FSA Office

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MR Buffum, Member
Kristi Gundersen, Advisor

FSA Adopts a New Check Processing Method

Producers who make payments by check to the Farm Service Agency (FSA) can expect to see a change soon in how those checks are processed. FSA is adopting an electronic method for processing check payments from customers.

Using the electronic method, if you submit a paper check payment, either in person or through the mail, the check will be converted into an Electronic Funds Transfer using Over the Counter Channel a web-based application.

The transfer of funds will be reflected on your account statement. The transaction may be recorded in a different place on your statement than where your checks normally appear, such as under "other withdrawals" or "other transactions." You have protections under Federal law for an unauthorized electronic fund transfer from your account. You should contact your financial institution immediately if you believe that the transaction reported on your account statement was not properly authorized or is otherwise incorrect.

It is important for you to have sufficient funds in your bank account because the electronic transfer of funds could occur within 24 hours. FSA will hold the paper check for up to 14 calendar days to ensure that the transaction was successfully processed and then the check will be shredded. You will not receive the paper check back from FSA.

The agency is implementing the new system to reduce the possibility of losing or misplacing checks, speed up the check clearing process and to reduce the potential for human error.

For more information regarding electronic check processing, contact the

County Committee:

Len Engle, Chairperson
Mark Wesen, Vice-Chair
Todd Gordon, Member
MR Buffum, Member
Kristi Gundersen, Advisor

Skagit County FSA Office or see the U.S. Department of Treasury Internet site <http://fms.treas.gov/otcnet/legal.html>.

Bank Account Changes

Next COC Meeting:

Joint Mtg. Wednesday, April 24, 2013 in the Lk. Steven's Office.

FSA payments must 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.

Dates to Remember:

March 25, 2013

Hispanic and Women Farmer and Rancher Claim Period ends.

June 7, 2013

SURE Signup Deadline

More Information may be found at:

<http://www.fsa.usda.gov/wa>.

ACRE and DCP Deadlines and Details Announced

As a result of the 2008 Farm Bill extension, producers may choose to enroll in either the Direct and Counter Cyclical Payment (DCP) program or the ACRE program for the 2013 crop year. This means that producers who enrolled in ACRE for 2012 may elect to enroll in DCP in 2013, or vice versa. The deadline for ACRE sign up is **June 3**. The deadline for DCP sign up is **August 2**.

Direct payments are limited to \$40,000 per person or entity minus the 20 percent direct payment reduction for ACRE farms, and ACRE payments are limited to \$65,000 plus the 20 percent direct payment reduction amount. Adjusted Gross Income limits apply to the DCP and ACRE programs.

There will be no advance direct payments in 2013. Producers will receive the entire 2013 direct payment in October 2013. Final counter-cyclical payments will be made beginning in October 2014, or as soon as practical after the end of the marketing year for the crop.

ACRE

ACRE provides revenue protection against low market prices or low state and farm yields. A farm must pass two triggers before an ACRE payment is paid:

State Trigger – the actual state revenue must be less than the state ACRE Guarantee
Farm Trigger - the actual farm revenue must be less than the farm ACRE Benchmark Revenue.

Once these two triggers are passed, a farm that has elected and enrolled in ACRE is eligible for a payment.

The sign up period to enroll in ACRE ends on **June 3, 2013**. Farms that are enrolled in the ACRE program cannot receive counter-cyclical payments. Farms that have enrolled in DCP for 2013 may elect to switch to ACRE, but must do so by June 3, 2013. Since the decision to participate in ACRE is for 2013 only, the owner does not need to agree to participate. Also, farms are enrolled on a farm basis so a producer does not need to enroll all farms in ACRE.

Producers who enroll a farm in ACRE agree to the following; 1. to forgo counter-cyclical payments, 2. a 20-percent reduction in their direct payments, and 3. a 30-percent reduction in the Marketing Assistance Loan (MAL) rates for all commodities produced on the farm. The maximum ACRE payment acreage is equal to 85 percent of the total planted and considered planted acreage, not to exceed the total amount of base acres on the farm.

DCP

There are two types of DCP payments: direct payments and counter-cyclical payments. Both are calculated using the base acres and payment yields established for the farm. For each commodity, the total direct payment for producers on a farm is determined by multiplying 85 percent of the farm's base acreage times the farm's direct payment yield times the direct payment rate. The DCP sign up deadline is **August 2, 2013**.

Direct payment rates for the eligible DCP commodities are:

Wheat - \$0.52 per bushel;
Corn - \$0.28 per bushel;
Barley - \$0.24 per bushel;
Oats - \$0.024 per bushel;
Other oilseeds - \$0.80 per hundredweight

Counter-cyclical payments for a commodity are only issued if the effective price for a commodity is below the target price for the commodity. Target prices for each commodity are as follows:

Wheat - \$4.17/bushel
Barley - \$2.63/bushel
Chickpeas, large (Garbanzo bean, Kabuli) - \$12.81/hundredweight
Chickpeas, small (Garbanzo bean, Desi) - \$10.36/hundredweight
Corn - \$2.63/bushel
Dry Peas - \$8.32/hundredweight
Lentils - \$12.81/hundredweight
Oats - \$1.79/bushel
Other Oilseeds - \$12.68/hundredweight

For more information about ACRE or DCP, contact the Skagit County FSA Office. Producers are encouraged to make appointments allowing plenty of time before sign up deadlines.

Farm Record Changes Delayed and MIDAS Transition

The FSA is currently moving all farm records to a new computer software environment called MIDAS. FSA employees will be unable to process any changes to producers' farm records until sometime after mid-April. Examples of changes include adding or dropping leases, buying or selling land, or changing field boundaries.

The transition will not impact program payments but could affect program sign ups. Producers who do have farm changes are encouraged to schedule DCP and ACRE program sign up appointments after mid-April. Those who do not have farm changes and would like to sign up for DCP or ACRE can do so prior to mid-April and reduce the demand on staff after the transition.

The transition of farm records into MIDAS is scheduled to be completed by April 8. FSA employee training will take place shortly afterwards. At least one employee from each county office will be trained as soon as possible

in an effort to quickly open up the system in each office.

In recent years when serving its customers, FSA has relied on aging technology and equipment to do its work. This outdated infrastructure created inefficiencies and threatened the delivery of farm program benefits. Currently, FSA is making great strides in modernizing the information technology platform and systems needed to support program delivery.

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. 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 Whatcom County FSA Office for more information at (360) 354-5658.

Noninsured Crop Disaster Assistance Program (NAP) Closing Dates

- **May 1, 2013** - Value Loss crops (ornamental nursery).
- **Aug. 31, 2012** - Canola & rapeseed; onions, carrots and cabbage (for seed or fresh); value loss crops (aquaculture, Christmas trees, turf grass sod, floriculture, mushrooms); artichokes and any fall planted crops.

Reporting Weather Damage

Prompt weather-related disaster reporting is crucial for FSA to determine the need for disaster declarations. Disaster declarations trigger availability of emergency loans and in some instances, additional disaster assistance programs.

Damage reports are not just limited to crops. They can include damage to structures, eroded farmland, or livestock mortality. Helpful documentation includes the specific location of farm damage, date and time of the

disaster event, the type of damage (hail, wind, etc), what was affected, and the estimated percent of loss. Photographic evidence of significant damage will also be helpful as both FSA and insurance agents use them in support of future program applications and cumulative damage reports.

Disaster designations trigger availability of low-interest loans and direct payments under the Supplemental Revenue Assistance Payment Program (SURE) for farmers and ranchers in the county. SURE benefits help offset the loss of farm revenue associated with the disaster year. Emergency loans may be used to replace essential property or pay production costs associated with the disaster year. They may also be used to pay essential living expenses, reorganize a farming operation, or refinance certain debts.

Hispanic and Women Farmer and Rancher Claims Period

Agriculture Secretary Tom Vilsack reminds Hispanic and women farmers and ranchers who allege discrimination by the USDA in past decades that the filing period will close March 25, 2013. USDA urges potential claimants to contact the Claims Administrator for information and mail their claim packages on or before the deadline.

The process offers a voluntary alternative to litigation for each Hispanic or female farmer and rancher who can prove that USDA denied his or her application for loan or loan servicing assistance for discriminatory reasons for 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.

Claimants may register for a claims package by calling the telephone number below, Monday through Friday, 9 a.m. to 8 p.m. Eastern Time or by downloading the forms from the website.

Website: www.farmerclaims.gov

Phone: 1-888-508-4429

Claims Period: September 24, 2012 - March 25, 2013.

An independent adjudicator will administer the claims process and adjudicate the claims. Although there are no filing fees to participate and a lawyer is not required to participate in the claims process, persons seeking legal advice may contact a lawyer or other legal services provider. Legal resources ready to assist nationwide can be found at www.nationalaglawcenter.org

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 the Skagit-Island-San Juan County FSA Office.

USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9450, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay).



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