



JANUARY 2009

STEVENS COUNTY FSA NEWS

Stevens County FSA

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Doug Falstad - Vice Chair.
Bruce Stumpf – Reg. Member
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Web Sites

National:

www.fsa.usda.gov

WA State:

www.fsa.usda.gov/wa

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COUNTY COMMITTEE (COC) ELECTION RESULTS

Ballots were counted Monday, December 8th and Bruce Stumpf of Chewelah was elected to another three year term on the committee. We would like to thank Bruce for running again and also thank all the producers that took the time to vote.

DCP SIGNUP

Signup has begun for the Direct and Counter Cyclical program (DCP) for 2009.

Producers who wish to receive advance payments will need to file a new farm operating plan and an adjusted gross income certification. As soon as all the appropriate paperwork is in, an advance payment, which is set at a rate of 22% of the total payment, will be issued. If advance payments are not requested, your entire payment will be paid in October of 2009.

Producers can also complete DCP enrollment online at <http://www.fsa.usda.gov/dcp>. To access the service, producers must have an active USDA e-Authentication Level 2 account, which requires filling out an online registration form at <http://www.eauth.egov.usda.gov> followed by a visit to the local USDA Service Center for identity verification.

Remember: The signup period will run from December 22, 2008 until June 1, 2009. Unlike previous years, the "late filed" signup period and fee is no longer permitted. **You cannot enroll after the June 1, 2009 signup deadline!**

AVERAGE CROP REVENUE ELECTION PROGRAM (ACRE)

The ACRE program was established to provide revenue protection, and is an alternative to the Direct & Counter Cyclical (DCP) Program. ACRE takes into account both price and yield **for actual planted acres**, not base acres.

Briefly, ACRE "trades" the counter-cyclical portion of your DCP, 20% of your direct payments and a 30% reduction in marketing loan assistance loan values in exchange for potential ACRE payments that are based on your current year's actual plantings, and 12 month national average prices. Generally, payments are triggered under ACRE when actual state prices/yields are less than normal and the individual farm's actual yields and national prices are below their expected yield and ACRE guaranteed price.

Producers can elect to enroll, on a farm by farm basis, in either DCP or ACRE, but not both. Once the election is made to participate in ACRE, **it is irrevocable** for the remainder of the farm bill through 2012. Participants must initially report five years of production to show proven yields in order to be eligible for the first year of the program and will need to report annual production every year thereafter. Since the ACRE program works alternatively with DCP, elections must be made by June 1 of the contract year.

The ACRE program variables are very complex and there are several factors and percentages involved with both the "triggers" or "prompts" for payments, and also for the calculations of the payments. For more detailed information, please feel free to contact us.



MILK INCOME LOSS CONTRACT PROGRAM (MILC)

Signup began on December 22, 2008 for the Milk Income Loss Contract Program (MILC) and will continue through the program's expiration date of September 30, 2012.

Three key changes have been made in the program operation:

1. The payment rate and the per-operation poundage limit are modified, depending on when the milk is produced.
2. A "feed cost adjuster" is introduced which will adjust the \$16.94 per hundredweight (cwt.) benchmark price upward depending on the cost of feed rations.
3. The payments are based on a payment rate percentage that is multiplied by the difference between a now-flexible target rate, which is \$16.94 per hundredweight (cwt.) or higher and the specific month's Boston Class I price of milk.

Keep in mind: The MILC program will permit preceding "start month selections" dating back to October 2007 if the CCC-580 (Milk Income Loss Contract) is submitted during the **Initial Signup** dates between December 22, 2008 and January 21, 2009. The **Extended Signup** (January 22, 2009 – September 30, 2012) will only permit signup from the month the CCC-580 is submitted.

PAYMENT ELIGIBILITY/LIMITATION CHANGES

Payment limitations will be determined by "Direct Attribution" and by entity. Payments to individuals are unchanged. Payments to legal entities are limited by attributing them to the "warm bodies" and entities that are interest holders. The 3-entity rule is eliminated. Producers must be "actively engaged in farming", meet cash rent tenant rules, be a U.S. citizen or legal immigrant and be at least 18 years old (with certain exceptions).

NEW AVERAGE ADJUSTED GROSS INCOME (AGI) LIMITATION PROVISIONS

There are now 3 average AGI limitations that will be implemented for 2009 and subsequent program years. The AGI limitations are applicable to the commodity, price support, disaster, and conservation programs.

1. In order to be eligible for all commodity, price support, and disaster assistance program benefits, the AGI nonfarm income should not exceed \$500,000.
2. In order to be eligible for Direct Payments under DCP, the AGI farm income should not exceed \$750,000.
3. In order to be eligible for all conservation program benefits, the AGI nonfarm income should not exceed \$1 million unless 66.66 percent or more of the average AGI is derived from activities related to farming, ranching, and forestry operations.