



February 2009

# Whitman County FSA News

## Whitman County FSA

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## Office Hours

Monday – Friday  
8:00 AM – 4:30 PM

## County Committee

David Swannack, Chair  
Larry Schroetlin, Vice-Chair  
Greg Hall, Member  
Gracie Miller, Committee  
Advisor

## Office Staff

Mike Mandere, CED  
Ann Holbrook, CPT  
Fred Hendrickson, PT  
Bonnie Riebold, PT  
Kathy Carothers, PT  
Doreen Riedner, PT  
Nancy Doege, PT  
Jonelle Olson, PT

## Farm Loan Manager

Steve King  
(509) 924-7350

## Important Dates

February 2 – Lamb  
referendum begins

February 10 – County  
Committee Meeting

February 16 – Office Closed,  
Presidents' Day

February 27 – Lamb  
referendum ends

## Get Your Payments Timely & Accurately

Changes in your Bank Account  
or has your Bank merged or  
changed names?

Don't Forget – Update your  
Direct Deposit Form.

## Handicapped

**Accommodations:** Special  
accommodations will be  
arranged for those persons  
with a physical, vision, or  
hearing impaired disability. If  
special accommodations are  
needed, please contact our  
office.

## 2009 DCP Signup Continues

The county office continues taking 2009 Direct and Counter-Cyclical Program (DCP) signup appointments. Signup ends June 1, 2009 and there are no provisions for a late-filing period. Contrary to earlier information, FSA does not need copies of farm leases for the 2009 signup. Leases are only needed if you are a cash rent tenant and you do not want to have to obtain the zero share signature on the DCP contract for the landlord.

The signup will take a little more time than normal. New eligibility forms are being completed for all participants this year and FSA staff must review existing power-of-attorney forms to ensure they are still valid for programs under the 2008 Farm Bill. The new eligibility forms include the CCC-926, Average Adjusted Gross Income Statement and the CCC-902, Farm Operating Plan for Payment Eligibility.

The ACRE program has not yet been announced but we anticipate that the program will be made available in the spring. We are also still waiting for procedure and software for calculating and adding pulse crop base to farms. We anticipate the ability to calculate and add pulse crop base to be released shortly.

Advance Direct Payments are issued on DCP contracts at 22% once a contract is approved and the participant has completed the new eligibility forms and is coded as eligible. Please contact our office to set your appointment date.

## Payment Limitations and Eligibility

The 2008 Farm Bill altered payment limitation and eligibility provisions for FSA programs. These changes apply to 2009 and subsequent years. Multi-year conservation contracts such as CRP approved before Oct. 1, 2008, will remain subject to 2002 Farm Bill payment limitation rules. The three-entity rule is eliminated. Instead, payments will be limited by direct attribution to an individual or entity. An individual's payments will be combined from all entities in which he has an interest. An individual may belong to an unlimited number of entities, but his total payments from all shares will be held to the payment limit for the program in which he is participating. For example, the most an individual can receive from direct payments under the Direct and Counter-Cyclical Payment (DCP) program is \$40,000, no matter how many legal entities with which he is associated.

Payments are attributed through four levels of ownership in an entity. Shares not held by an individual at the third member level are ineligible for payment. For joint operations, including general partnerships, payments will be attributed to legal entity and individual members, but not the joint operation.

Spouses will no longer receive a combined payment limitation. If other eligibility requirements are met, each spouse may earn payments subject to separate program limits. Payments to minor children are still combined with the payments of the parent receiving the larger amount of program payments, unless the minor meets requirements to be separate. State, local governments, political subdivisions and agencies are not eligible for program payments unless payments are used for the support of public schools and are earned on state-owned land.

Payment eligibility still requires being actively engaged in farming, defined by significant contributions of land, capital, equipment, personal labor and personal management. Landowners are still considered actively engaged in farming on the land that they own without having to provide significant contributions of active personal management or labor. New provisions make it easier for spouses to meet active personal labor and active personal management requirements.

**Operators and tenants need to be aware that changes were recently made to Actively Engaged in farming provisions. Each stockholder, partner, or member with an ownership interest in a corporation or other similar entity must make a contribution, whether compensated or not, of active personal labor, active personal management or a combination thereof to the farming operation. The contribution of active personal management and/or labor must be performed on a regular basis, be identifiable and documentable, and be separate and distinct from the contributions of any other member, stockholder, or partner. – cont. on next page...**

**Payment Limitation (cont.)**

The failure of any partner, stockholder, or member to meet this requirement **will result in a reduction of payments** to the payment entity commensurate with the ownership share held by that interest holder. Please note this does not apply to landowning entities because the landholding entity is considered actively engaged in farming under the landowner exemption.

Payment eligibility also relies on not exceeding average Adjusted Gross Income (AGI) levels. Starting in 2009, AGI will be computed using the three tax years preceding the most recently completed tax year (for 2009 – use 2005, 2006, 2007). The Farm Bill also changes the AGI levels. Three qualifying levels will be used: \$500,000 average adjusted gross non-farm income for commodity programs; \$750,000 average adjusted gross farm income for DCP/ACRE direct payments; and \$1 million average adjusted gross non-farm income for conservation programs, unless 2/3 or more of average AGI is from farm income. The 2009 changes include an expanded definition of farm income to incorporate processing, packing, storing, shedding, and transporting of farm, ranch and forestry commodities and on-farm renewable energy production.

**2008 Buy-In and 2009 NAP Refunds**

To be eligible for the disaster programs under the 2008 Act, such as the SURE program, producers were required to purchase crop insurance or NAP coverage on all crops within their farming operation. Congress made a technical correction to the 2008 Act that now allows producers to opt out of purchasing crop insurance and/or NAP coverage for crops intended for grazing or De Minimis crops. De Minimis crops are defined as crops that are either not economically significant or for which the NAP fee exceeds 10 percent of the value of the NAP coverage. Producers that purchased NAP policies or paid 2008 Buy-in fees for De Minimis or crops intended for grazing may request a refund of these fees. Eligibility for refunds is determined on a case-by-case basis. Please contact the County Office if you want to request a refund of 2008 Buy-in or 2009 NAP fees.

**2008 County Committee Election Results**

We would like to express our appreciation for those who took the time and effort to vote in this year’s County Committee election. We are especially thankful to the candidates who showed dedication to the FSA Committee system by agreeing to run for the Committee position in Local Administrative Area 2 (Central Whitman County). Ballots were counted on December 8<sup>th</sup> and the following were elected:

Greg Hall, County Committee Member                      Corde Siegel, 1<sup>st</sup> Alternate

**2008 Earning Statement**

Form CCC-1099G, Report of Producer Payments, was mailed in January to all FSA program participants who received payment in 2008. These reports are mailed from FSA’s Kansas City Office, please watch your mail for your report. If you do not receive it, or it does not match your records, contact our office immediately so that corrective action can be taken. It is important that the 1099G be accurate, since the data is reported to the Internal Revenue Service. **Please remember, refunds made to FSA will not show on your CCC-1099G.** Please contact us if you need a CCC-1099G Refund Report. Producer’s with eAuthentication Level 2 accounts can login online and obtain a 1099G report showing any refunds made to FSA.

**USDA to Conduct Referendum on Lamb Checkoff Program**

A referendum will be conducted at FSA County Offices between February 2 and February 27, 2009 on the Lamb Checkoff Program. The order would continue if a majority of persons voting who represent a majority of the volume of lambs owned and produced, owned and fed, or slaughtered, vote in favor of continuing the Lamb Checkoff Program. Eligible voters must provide documentation with their ballot when voting. Please contact our office about voting if you were engaged in the production, feeding, or slaughtering of lambs in calendar year 2008.

| <b>Whitman County 2008 Crop Loan Rates</b>   |                                   |                          |
|--|-----------------------------------|--------------------------|
| <b>Loans disbursed in February 2009 will mature November 30, 2009. February CCC Interest Rate 1.375%</b> |                                   |                          |
| SWW: \$2.70 per bu   | BLY: \$2.14 per bu (\$89 per ton) | DPEAS: \$6.58 per cwt    |
| HRS & HWS: \$3.23 per bu   | Oats: \$1.26 per bu               | LENTILS: \$14.23 per cwt |
| HRW & HWW: \$3.27 per bu   | Canola: \$7.30 per cwt.           | S. Chickpeas \$7.43/cwt. |

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