



Franklin County FSA News

Franklin County FSA

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Office Hours

Monday – Friday
8:00 AM – 4:30 PM

County Committee

Mike Corrales– Irrig. (LAA-1)
Terri Hayles– Irrig. (LAA-2)
Kurt Harder– Dryland (LAA-3)

Office Staff

Farm Programs:

Bruce Clatterbuck, CED
Lynda O'Connor, PT
Bonnie Riehle, PT
Patty Welch, PT
Patsy Beck, PT (Temporary)

Farm Loan Program:

Jon Wilson, FLM
Pam Castoldi, FLO
Joyce Nevins-Ginsberg, FLO
Beth Farias, PT



QUICK LOOK KEY DATES AND REMINDERS:

**SERVICE CENTER
CLOSED FOR
LABOR DAY –
MONDAY,
SEPTEMBER 4, 2006**

LAA-1 ELECTION CALENDAR:

- Ballots to be mailed to eligible district voters by: **November 3, 2006**
- Ballots to be returned to this office by: **December 4, 2006**

Franklin County 2006

Commodity Loan Rates:

SWW Wheat -	\$3.00/bu.
HRS Wheat -	\$3.20/bu.
HRW Wheat-	\$3.22/bu.
Barley-	\$2.12/bu.
Oats-	\$1.28/bu.
Corn-	\$2.33/bu.

FSA WEB SITES:

State: <http://www.fsa.usda.gov/wa>
National: <http://www.fsa.usda.gov>
USDA: <http://www.usda.gov>



**WHEAT HARVEST IS NEARLY COMPLETE -
NEED LOW INTEREST FINANCING?**



THE BASICS OF PRICE SUPPORT PROGRAMS:

2006 agency price support provisions include benefits through the use of “marketing assistance loans” or MAL’s and loan deficiency payments (LDP’s). Benefits are available on **wheat, feed-grains (corn, barley and oats), oilseeds, pulse crops (peas and lentils), honey, wool & mohair**. Commodity loans provide the opportunity to hold crops for sale later in the year while providing operating capital after harvest. Marketing loan provisions allow producers to repay loans at the posted county price (PCP) when prices fall below the principal plus interest due on the loan. In these cases, some or all of the interest accrued can be “forgiven” and in worse case market scenarios can provide an actual gain through some principal forgiveness as well.

“BI” - THE PRIMARY ELIGIBILITY RULE:

Producers who wish to utilize the loan and/or LDP programs must meet the “Beneficial Interest” (BI) requirement. This requirement states that the producer maintains title to the commodity from harvest through the date the LDP is requested or the loan is repaid. To retain beneficial interest, producers must have **title** to the commodity and **control** over the commodity (i.e. ability to make all decisions regarding the crop and retain all risk of loss associated to it). For warehouse stored commodities, proof of BI is that a negotiable warehouse receipt can be issued in the name of the producer.

New policy on BI and “Open Storage”: Producers who deliver grain to a Commodity Credit Corporation (CCC) approved warehouse under an “open storage” agreement for a term of 15 calendar days or more, will be considered to have lost beneficial interest in the commodity on the 16th day of the physical delivery of the commodity unless an approved warehouse receipt can be provided to the producer.

New policy on BI and Deliveries to facilities other than approved storage facilities:

Deliveries of a commodity to entities such as a dairy, feedlot, pit, ethanol plant, wool pool, feed mill, or another unapproved facility, will result in the loss of BI on the date of delivery, regardless of any other action or agreement between such an entity and the producer.

Seed and Hybrid Seed Contract Producer BI Exception: Commodities produced under a contract in which the title to the seed remains with the entity and the entity provides the seed to the producer, including contracts for the production of hybrid seed and other specialty seeds, are eligible to be pledged as collateral for an MAL and/or LDP. BI in the commodity will be considered lost the earlier of:

- a payment being received for the commodity (including advances)
- the commodity’s delivery to the contract company

FARM AND WAREHOUSE LOANS – MORE DETAILS:

Commodities stored in farm storage or approved warehouse storage are eligible for loans. Farm stored bins must protect the grain from rodents, weather, insects, etc. and be safe for FSA inspectors to access. Producers are responsible for the quantity and quality of grain in the bin. Warehouse stored grain must be in an approved UGSA warehouse. Loan service fees are \$45 per loan plus \$3 for each bin or warehouse receipt in excess of one. Loans mature at the end of the ninth month following the month of disbursement. The interest rate for loans is currently 6.125%. The initially disbursed rate of interest applies through the end of the calendar year and if still an active loan will see one additional rate change from January 1 through loan maturity. Loans can generally take two to three days to disburse depending on factors like requested bin measurements, number of lienholders, etc. Loan rates are listed in the shaded side column.

For farm stored loans:

- Bins must have safe and secure ladders and allow for safe access to the grain.
- Certified loans are available based on producer measurements. FSA measurement service is available for a fee. Producers may obtain a loan for 100% of the quantity in the bin in either case.
- A crop lien is filed by FSA on the crop and is secured by a continuous lien filing authorization form (CCC-10) and a bin seal must be placed on the outside of the bin with the mortgaged collateral for identification.
- Producers must obtain authorization from FSA to remove grain from the bin. Producers who remove grain mortgaged commodities without authorization or certify to incorrect quantities may be subject to liquidated damages and/or other administrative actions.

For warehouse stored loans:

- A properly completed negotiable warehouse receipt must be issued to the producer.
- Storage through loan maturity must be pre-paid or provided for and documented to the FSA office or storage charges will be reduced from the loan proceeds. Producers are required to arrange for and maintain storage with the warehouse.
- Premium rates on top of the standard loan rate for commodities like red wheat will apply if the grading certificate accompanies the warehouse receipt.
- Individual warehouse receipt quantities cannot be split later for repayment purposes, so be sure they’re issued in quantities desirable for marketing purposes.

"Return Service Requested"

CONSERVATION RESERVE PROGRAM

INSPECTIONS: FSA is required to make a field visit to check compliance and eligibility for each CRP contract that has been offered for Re-enrollment or Extension (REX) in the program. More than 6,000 contracts covering more than a million acres in the state must be checked (at this time before the end of this calendar year). To tackle this extensive task, FSA (in this state) has chosen to contract with an agriculturally experienced helicopter service. This will also allow us to minimize driving into CRP fields during the fire season. Don't be alarmed if you see a helicopter hovering over your fields. This will be the preliminary inspection over the majority of Franklin County's CRP REX acres as well as adjacent filter strip contract acres that expire during the REX expiration years. We understand the helicopter should be over Franklin County the week you receive this newsletter. Field visits will be conducted for problem sites as identified by the helicopter process and will be prioritized by a County Committee field visit plan of action. Producers will be contacted when the inspection process is complete and notified of any actions necessary to remain in compliance with the current contract and extension or re-enrollment. Please be patient with us during this process as with 430+ REX contracts to check as well as half again as many or more filter strip contracts we'd like to check, this will prove to be a very tedious task at best.

REX PAPERWORK: We recently sent out packets of Washington Department of Fish and Wildlife habitat contract extension forms to contract operators. The one page state form lists one or more CRP contracts that the original habitat agreement applied to. This is a preliminary requirement for CRP contract extension (not 10-year re-enrollment) that must be completed in order for the future FSA CRP extension form to be approved. Please return these forms asap as they must still be sent to WDFW in Olympia for review and approval. Post inspection contracts with no adverse findings will be run through the process of producing the FSA REX forms in the near future and will be sent out in the coming months. Problem acreage contracts will be addressed after COC determinations are made and will go through the same process with an added requirement for a Conservation Plan of Operations in the event specific on-the-ground activities are required. Extension and Re-enrollment contract forms and other related eligibility forms will be bundled by contract number. We ask that you please review these bundled items carefully, complete and sign and/or obtain signatures where indicated and return by contract number as soon as possible no later than the deadlines specified in the cover letter that come with each mailing. The more you stay organized with this process (by contract number), the quicker we'll be able to process your extension. We can produce a list of contract numbers by producer to match with actual contract copies you should already have in your files, as a check off sheet for the REX process. Contact Lynda here at the office if you'd like a copy.

NEW DEADLINE FOR NRCS "EQIP" CONSERVATION PROGRAM ANNOUNCED

SPOKANE, Wash. (Aug. 10, 2006) - USDA's Natural Resources Conservation Service (NRCS) today announced a new deadline - November 17 - for Washington producers interested in participating in a popular cost-share program called the Environmental Quality Incentives Program (EQIP). "In order to improve the quality of conservation practices, the new application deadline is two months earlier than previous years," said Dave Brown, assistant state conservationist for programs in Washington. "Better planning makes for better contracts and better planning takes time," he said. According to Brown, NRCS wants to help producers develop a sound conservation plan as the basis for their cost-share contracts. In an effort to provide more time for applicants and NRCS staff to work together on this plan, the new November 17 deadline is critical for producer participation, he said. "All applications received by November 17, 2006 will be considered for funding in 2007," he said. But due to the high level of interest in this program, Brown is urging interested applicants not to delay submitting their applications. EQIP is a voluntary, cost-share assistance program that funds conservation practices including those aimed at helping farmers get better use of irrigation water; managing run-off nutrients and/or animal waste; improving the health of native plant communities; and reducing soil loss. Last year Washington agricultural producers qualified for more than \$20 million in cost-share assistance through the program. Interested producers can contact the Franklin County NRCS at 509-545-8546, ext. 3 and/or visit their website at www.wa.nrcs.usda.gov.



Important Reminders

DCP & Crop Acreage Reports: Contact us by 9/30/06 to late file (with assessed fees) in the DCP program and crop acreage reports. Over 200 reminders and other notification letters regarding these two activities were recently mailed out. Please read these immediately if you have not done so already and respond as applicable. No additional reminders will be sent for 2006.

2007 FSA NAP & Federal Crop Insurance Sales Closing Dates Near: Please note that a number of FCIC insurable (through private agents) and NAP covered crop sales closing dates are fast approaching.

August 31, September 30 and November 20 are all key dates for many perennial crops like forage, tree fruit, mint, tree nursery and other crops like honey production. Contact your private agent for FCIC coverage and/or our office regarding NAP - Do not delay.