



January 2007

# LINCOLN COUNTY FSA NEWS

## Lincoln County FSA

P.O. Box 47  
1310 W. Morgan St.  
Davenport, WA. 99122-0047  
(509) 725-4501  
(509) 725-4515 (FAX)

### Office Hours

Monday – Friday  
7:00 A.M. – 4:30 P.M.

### County Committee

Stan Dormaier  
Judy Scrupps  
Pete Carstensen

### Office Staff

Jeff Lust, CED  
Debbie Sweet, PT  
Sally Simpson, PT  
Jan Bowdish, PT  
Paula Reed, PT  
Aaron Landreth, PT  
Nancy Reinbold, Temp. PT  
Deb Knight, Temp. PT

### Web Sites

National USDA  
<http://www.usda.gov>

National FSA  
<http://www.fsa.usda.gov>

Washington State FSA  
<http://www.fsa.usda.gov/FSA/stateoffapp?mystate=wa&area=home&subject=landing&topic=landing>

### Dates to Remember

Jan. 1: New Year's Day – Office Closed  
Jan. 2: President Ford Funeral - Office Closed  
Jan. 15: Martin Luther King, Jr. Birthday – Office Closed

2006 Lincoln Co. Loan Rates  
SWW Wheat: \$2.90/Bu.  
HRS and HWS Wheat: \$3.15/Bu.  
HRW and HWW Wheat: \$3.18/Bu.  
Durum Wheat: \$3.53/Bu.  
Barley: \$2.08/Bu.  
or \$86.67/Ton  
Oats: \$1.28/Bu.  
or \$80.00/Ton  
Dry Peas: \$6.63/Cwt.

Jan. 2007 Interest Rate: 6.0%

This 6.0% interest rate will be in effect on 2006 crop-year crops taken in Jan. 2007, and also for existing 2006 crop-year loans which will now convert to this rate.

Please contact our office regarding any direct deposit bank account and/or farm record changes.



## Internal Payment Reviews

The Improper Payment Act of 2002 requires Federal agencies including the Farm Service Agency (FSA), to conduct internal reviews to determine if program controls are sufficient to prevent improper payments. Most producers have recently received a notification in the mail by our FSA State Executive Director, Jack Silzel, that some reviews have already taken place nationwide. These reviews in selected FSA County Offices around the country were performed to obtain a representative sample of business conducted by the agency. There were not any counties reviewed in Washington State, but it is anticipated that some of our counties will be reviewed in 2007. Results of these reviews indicate that most of the findings are due to incomplete forms, improper signatures, and signature authority documents that were not on file. The actual program payments were issued for the proper amounts in most cases, and they were paid to the correct producers. However, our administrator has determined that considerable effort must be made to ensure that steps are taken to correct the problems identified in the review report.

Consequently, all FSA County Offices are currently conducting a review of certain payments that were issued in fiscal year 2006. This includes all payments relating to the Direct and Counter-Cyclical Program (DCP), Conservation Reserve Program (CRP), Crop Disaster Program (CDP), Non-Insured Assistance Program (NAP), Marketing Assistance Loans (MAL), and Loan Deficiency Payments (LDP). All eligibility forms for producers must be reviewed and corrected if they are not accurate, or completed in their entirety. These forms include those associated to Payment Eligibility and Limitation, Highly Erodible and Wetland Determinations, Gross Income Certification, Power of Attorney, and signature authority documentation. This review is required to be completed by January 31, 2007. It is a very large undertaking in our county, and given the short deadline, our ability to take new program applications and issue payments to producers from now until then will be limited. However, we will try to accommodate producers in those situations where an undue hardship would be created. We ask for your help and patience as we work through this review in order that we can get back to the applications and payments that are important to you.

Many producers have been sent or requested to complete forms, and/or provide documentation to our office as a result of this review. **If you are contacted to complete a form or supply documentation that is necessary for the review, please respond as soon as possible.** This will aid our office in completing the review process as quickly as possible. Thank you in advance for your cooperation.

## Proper Signature Format

One of the main concerns in regard to the internal review has been producers signing program forms in the proper format. When signing for corporations, partnerships, joint ventures, limited liability companies, trusts or estates, the person signing must write the word "by" in front of their name. In addition, it is required to state your title with respect to the applicable entity, following your signature as for example: *by John Doe, President*. When signing on behalf of someone else with an approved Power of Attorney, please sign as in the following format: *by John Doe, P.O.A.*

Although these examples above may seem to be very insignificant, the Office of General Counsel (OGC) has determined that signatures not properly formatted are considered improper signatures. Consequently, our office will have to be very particular in the future that the signatures of producers are done in the proper format, so please pay special attention to this requirement.

### **County Committee Elections**

Ballots were counted on December 7, for the County Committee election. Pete Carstensen was elected to a 3-year term on the County Committee representing the general Almira, Wilbur, and Creston Local Administrative Area (LAA). Mike Kuchenbuch will serve as the Alternate to the Committee in this area. Recognition and thanks should also be attributed to Allyn Hughes who served on the County Committee from this area for several years, but was unable to run in this election due to term limits.

Stan Dormaier, Judy, Scrupps, and Pete Carstensen are now the members of the Lincoln FSA County Committee for the upcoming year.

### **New FSA State Executive Director**

Jack Silzel was recently appointed State Executive Director (SED) for FSA in Washington State. He had served former Congressman, George Nethercutt and current Congresswoman, Cathy McMorris in Washington, D.C. for more than 10 years. Prior to that time, Jack had farmed near Oaksdale, Washington.

### **Payment Limitation and Eligibility**

Program participants are reminded of the requirements to timely and accurately file payment limitation forms. If you have a change in your farming operation that could affect existing determinations, producers are required to provide the names, addresses, and ID numbers of the members. The members of entities are required to designate which permitted entities are to receive USDA benefits. Spouses may be considered separate "persons" for payment limitation purposes if applicable requirements are met. The payment limitation status date for 2007 is April 1, 2007. The following is a list of applicable programs subject to payment limitation, and the limit for each "person" for 2007: DCP Direct \$40,000; DCP Counter-Cyclical \$65,000; LDP/Market Loan Gains \$75,000; CRP \$50,000; NAP \$100,000; and CDP \$80,000.

Also, the Farm Bill of 2002 created a new eligibility rule for some of the programs. This is the Adjusted Gross Income (AGI) rule which requires an individual or entity to certify whether their average adjusted gross income from the 3 previous years' tax returns exceeds \$2.5 million, and if it exceeds that amount, whether more than 75% of the AGI is derived from farming, ranching, or forestry operations.

### **Foreign Investor Report**

Foreign owners of U.S. agricultural land are required by law to report land holdings, acquisitions, leases of 10 years or more, and land use changes within 90 days of these transactions. Failure to report these changes to their local FSA Office can result in a civil penalty of up to 25% of the fair market value of the interest in the agricultural land.

### **Measurement Service Rate Changes**

Measurement service rates charged to recover the County Office's cost to perform this service have been changed. This basic farm fee is now \$30 per farm, plus \$16 for the first hour and \$8 every 30 minutes after the first hour, with a minimum of 1 hour being charged. There is no charge for mileage as it is included in the basic farm rate.