



December 2006

## WHITMAN COUNTY FSA NEWS

### Internal Payment Reviews Underway

The Improper Payments Act (IPIA) of 2002 requires Federal agencies to evaluate programs to determine if internal controls are sufficient to prevent improper payments. OMB defines an improper payment as any payment that should not have been made or was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirement.

By now, many of you have received a letter from State Executive Director Jack Silzel. We appreciate your patience as we work through this review. This review is not isolated to Whitman County nor is it something specific to Washington State. The mandate for FSA to make this internal review comes all the way from the Secretary's office. There is considerable concern by the office of the Secretary that we need to make every effort to ensure all required forms for making payment requests in Fiscal Year 2006 were completed and filed correctly.

On the eve of the 2007 Farm Bill debate, we want to ensure that we cannot be criticized for substandard work in our implementation of the programs. We understand how important these programs are to you and your operation and we take the responsibility of administering these programs very seriously. We do not want to jeopardize the ability of these programs to continue to be offered so we will make the effort to review files and make corrections where necessary.

A couple of common items that we run into that we could use your assistance on:

- Correct signature format: When signing in representative capacity for an entity or an individual please remember to sign "**by**" and then your name or your name "**for**" the individual or entity.
- When a form asks for name, address, and phone number. Please complete all these items. That goes for anything on the form that is being asked and/or requested. Please make sure all forms are completed entirely for all entries that apply.

We ask for your continued patience as we work through this review. We hope to be completed by the end of January. If there is business with our office that you can put off until that time we would really appreciate it. We also appreciate your promptness in responding back to us when contacted about corrections or updates that need to be made on any of your paperwork. **We would also request that whether it be for a commodity loan, cost share or other work you need to conduct with the office to please call ahead before coming in.**

We understand that there are situations where you may need cost share payments, commodity loans or DCP advances to meet obligations that you have. We do not want to create an undo hardship for you as we go through this review. If you are in need of a payment or loan we will accommodate you as best possible. However, keep in mind the amount paid under advance payments is less this year. The Agricultural Reconciliation Act of 2005, which was signed into law last February, lowered advance Direct payments to only 22% for 2007. While the remaining 78% will be paid in October 2007, advances will be less than half of what you normally receive.

### Assignments and Joint Payments

Changes to your farming operation that impact the name or ID number under which you are paid may require you to update assignment (CCC-36) or joint payment (CCC-37) authorizations you may have with a financial institution. It is a producer's obligation to inform their financial institution of any changes and to ensure a new assignment or joint payment authorization is completed.

### Adjusted Gross Income

Under the 2002 Farm Bill, producers are ineligible for certain FSA program payments and benefits if their adjusted gross income (AGI) is in excess of \$2.5 million; unless, 75 percent of the AGI is from farming, ranching or forestry operations. This is based on an average of the 3 previous years' tax returns. AGI is effective through 2007. Entities and all ownership members must certify individually on form CCC-526 before payments can be issued. AGI is not to be confused with the gross revenue limit which

#### Whitman County FSA

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Fax (509) 397-6763

Email:  
mike.mandere@wa.usda.gov

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

#### Office Hours

Monday – Friday  
8:00 AM – 4:30 PM

#### County Committee

Gracie Miller, Chair  
Larry Schroetlin, V-Chair  
Greg Hall, Member

#### 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  
Wes Taylor, PT

#### Farm Loan Manager

Steve King  
(509) 924-7350

#### Important Dates

December 25 – Office closed,  
Christmas

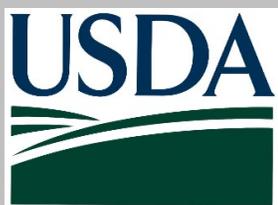
January 1 – Office closed,  
New Year's

#### 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.

USDA Avg Price Received by Farmer's for 2006 Wheat: **\$4.35**



**(AGI cont.)**

applies to programs such as CDP, LCP and LAP. The gross revenue limit restricts eligibility for benefits if a “person” has gross revenue in excess of \$2.5 million for a previous tax year.

**2006 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 1 (Western Whitman County). Ballots were counted on December 11<sup>th</sup> and the following were elected:

- David Swannack, County Committee Member
- Clark Miller, 1<sup>st</sup> Alternate
- Kim Pitts, 2<sup>nd</sup> Alternate

We would also like to express our appreciation for the many years of hard work and service that Gracie Miller gave to Whitman County producers and FSA. Gracie has served on the County Committee since 1991. Her dedication, knowledge, experience and judgment will be greatly missed. Gracie was unable to run in this election due to term limits.

**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 you are required to complete new forms. Entities are required to provide names, addresses, and ID numbers of 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 2006 is April 1, 2006. 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.

**Spousal Signatures**

A husband and wife may sign on behalf of each other on most program documents unless denial has been provided to the County FSA Office. Husbands and wives may not sign for each other on some Farm Loan Program documents.

**Farm Storage Facility Loan Program**

The Farm Storage Facility Loan Program (FSFL) is a program where Commodity Credit Corporation provides low cost financing for producers to build or upgrade farm storage and handling facilities for eligible commodities. Eligible applicants may qualify for the 7-year loan program and may borrow up to \$100,000 per “person.” A down payment of 15% is required and a non-refundable application fee of \$45 must be paid at the time of application. Application must be made and approved prior to installing or building. Loans may be made for purchasing and installing eligible storage facilities, permanently affixed drying or handling equipment, or remodeling existing facilities. Loans cannot be made for the purchase of existing facilities but can be made to upgrade existing facilities. The need for more storage capacity for your farming operation must be documented. Please contact the County Office for further information. The December FSFL interest rate is 4.625%.

**Whitman County 2006 Crop Loan Rates**  
**Loans disbursed in December 2006 will mature September 30, 2007.**  
**December CCC Interest Rate 6.0%**

SWW: \$2.90 per bu HRS & HWS: \$3.15 per bu HRW & HWW: \$3.18 per bu	BLY: \$2.07 per bu (\$86 per ton) Oats: \$1.28 per bu Canola: \$7.32 per cwt.	DPEAS: \$6.63 per cwt LENTILS: \$12.76 per cwt S. Chickpeas \$7.43/cwt.
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The US Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisals, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotapes, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).