



July 2007

WHITMAN COUNTY FSA NEWS

Whitman County FSA

805 Vista Point Drive
Suite 1
Colfax, WA 99111
(509) 397-4301
Fax (509) 397-6763

Email:
mike.mandere@wa.usda.gov

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

Office Hours

Monday – Friday
8:00 AM – 4:30 PM

County Committee

Larry Schroetlin, Chair
Greg Hall, Vice-Chair
David Swannack, 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
Candi Wilson, Student Intern

Farm Loan Manager

Steve King
(509) 924-7350

Important Dates

July 18 – County Committee
Meeting

August 1 – Deadline for
submitting nomination for 2007
Committee Elections

August 3 – Deadline for 2007
DCP Enrollment without a late
filing fee

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 Projected for 2006
Wheat: **\$4.26**



2007 Loan Deficiency Payment (LDP) Mailing

Every year the Whitman County FSA Office sends an annual mailing of basic LDP information and the LDP forms. However, this year due to higher commodity prices and a tighter postage budget we have decided not to send out the annual LDP mailing. However, we do have copies here at the office for use as a handout. To obtain the CCC-633EZ Page 1 or Page 2 LDP request form you can either give us a call, stop by the office, or access the form online at USDA's form site: <http://forms.sc.egov.usda.gov>. Please contact us with any questions you have regarding the LDP. While currently there are no LDP rates in effect as of this writing, you may want to monitor Posted County Prices by calling us or visiting FSA's website at: <http://www.fsa.usda.gov>.

2007 Crop Marketing Assistance Loan Requests

Marketing Assistance Loan requests can be made for either farm or warehouse stored commodities. Lien Searches and UCC filings will need to be completed prior to disbursement of farm stored loans. Please give us at least a half day notice prior to coming in to sign loan forms. We need time to complete your lien search and get the results back. Producers are responsible for obtaining all lien waivers prior to loan disbursement.

Warehouse-stored loans are secured with a warehouse receipt. Farm-stored loans are secured with a UCC filing. Producers requesting Marketing Assistance Loans will need to file a CCC-10 (If not already on file). The CCC-10 authorizes CCC to file financing statements and serves notice that CCC intends to perfect its security interest.

Marketing Assistance Loans mature on demand, but no later than the last day of the ninth calendar month after the month in which the loan is disbursed. For example, loans disbursed in July 2007 will mature April 30, 2008. Loan service fees (not applicable to LDP's) are the smaller of 1/2 of 1 percent of the gross loan amount or \$45 per loan plus \$3 for each bin or warehouse receipt over 1.

Interest rates have stabilized somewhat over the last few months. Loans disbursed in July 2007 will have an interest rate of 6.0%, this is the highest we have seen interest rates on CCC loans in several years. When a Marketing Assistance Loan is taken the rate remains fixed until January 1. On January 1 any outstanding balances will be adjusted to the January rate and remain at that rate until loan maturity.

Producers may certify to the quantity on farm-stored loans or measurement service is available for a fee. There is a \$30 basic farm charge plus \$16 per hour for staff time, \$8 every 30 minutes after the first hour. Minimum 1 hour. The mileage charge is included in the basic farm rate; there is no charge for mileage. Certified farm-stored loans are subject to spot check. Producers storing farm-stored commodities commingled with landlords in the same bin must obtain signatures from all producers with an interest in the commodity stored in the bin being offered for loan collateral.

Warehouse-stored loans may be subject to a loan rate reduction if storage has not been paid through maturity. The loan rate is reduced to reflect any unpaid storage and is done to ensure that CCC will not be held liable for unpaid storage in the event of forfeiture.

CRP Participants: Dalmatian Toadflax Alert!

The scourge of Spokane County is coming south. The County Committee has noticed a much higher infestation this year than in the past. In particular, Lancaster to Endicott and the Lamont area north to the Spokane County line. The weed has bright yellow flowers and resembles a snapdragon. This is a highly aggressive and invasive noxious weed. Please be vigilant and check your CRP stands regularly. Consult with your agronomist as to the most effective methods of control. Uncontrolled weeds in CRP such as Dalmatian Toadflax may result in contract violations that range from payment reductions to contract termination.

2006 Counter-Cyclical Final Payments Announced

The Farm Security and Rural Investment Act of 2002 (2002 Act) provides for CC payments for covered commodities and oilseeds beginning with crop years 2002

Counter-Cyclical Final Payments (cont.)

through 2007. Wheat, barley, and oats did **not** receive advance CC payments. Final 2006 CC payment rates for wheat, barley, and oats are zero because their effective price exceeds their respective target prices. The effective price equals the direct payment rate, plus the higher of the national average loan rate or the national average farm price.

Program Compliance Spot Checks

FSA policy for conducting compliance reviews to ensure program compliance has been enhanced. The new policy means FSA will do fewer but more comprehensive reviews. Previously, reviews were done for a random sample of 15 percent of the acreage reported to the FSA office. The reviews were completed using high altitude photography to ensure acreage reports were filed correctly. Producers will still be selected randomly for reviews, however the selection will be made at the national level. The selection will be made from participants in CRP, DCP, NAP, Marketing Assistance Loans and LDPs, and HEL/wetland compliance. FSA will look at acreage compliance, production records and compliance with program rules. Reviews may involve field visits. Depending on crops grown, multiple visits may be required. Program compliance reviews are necessary to ensure the integrity of the farm programs, which is vital for continued public support. Your cooperation, if you are selected, is appreciated.

Payment Limitation and the Husband and Wife Rule

One of the more frequent questions we hear in the office has to do with husband and wife status under payment limitation rules. The general rule is that a husband and wife are considered 1 "person" for payment limitation purposes. However, they may be considered separate "persons" if they request to be considered separate and one of the following exceptions applies:

- Both spouses were separately engaged in unrelated farming operations before their marriage and the farming operations of both spouses have been maintained as totally separate and distinct farming operations after their marriage.
- Neither spouse holds, directly or indirectly, a substantial beneficial interest in more than one entity receiving payment as a separate "person" (including an interest as an individual), and they meet all other requirements to be considered separate "persons."

FSA defines a substantial beneficial interest as a 10% interest or more in an entity. However, the County Committee may determine that an interest of 10% or less constitutes a substantial beneficial interest if the Committee determines that the participant is attempting to circumvent payment limitation rules. A husband and wife are considered 1 "person" for payment limitation purposes, unless they **specifically** request and are determined to be separate "persons" from each other.

Husband and wife joint ventures or husband and wife joint tenancies are very common in Whitman County. However, participants must be aware that when changes occur to your farming operation that impacts your "person" determination status you are responsible for notifying FSA immediately. A spouse that obtains (whether through inheritance or purchase) an interest of 10% or more in another entity receiving payment very well might jeopardize the ability to be considered separate "persons" for payment limitation purposes.

If you have questions concerning "person" determination status and the husband and wife rule please contact our office.

Whitman County 2007 Crop Loan Rates
Loans Disbursed in July will Mature April 30, 2008
July CCC Interest Rate 6.0%

SWW: \$2.79 per bu HRS & HWS: \$3.07 per bu HRW & HWW: \$3.24 per bu	BLY: \$2.11 per bu (\$88 per ton) Oats: \$1.30 per bu Canola: \$7.30 per cwt.	DPEAS: \$6.63 per cwt LENTILS: \$13.31 per cwt S. Chickpeas \$7.43/cwt.
--	---	---

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).