



November 2006

WHITMAN COUNTY FSA NEWS

2007 DCP Signup – Expect Delays

Required Review of Eligibility Documentation to be Conducted

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.

So what does all that mean for FSA and the DCP program? FSA's Administrator and National management have determined that FSA County Offices shall review all applicable eligibility forms with producers to ensure that they are not only accurately reflecting current farming interests but that the forms have been completed correctly.

FSA will run an edit on the nationwide eligibility system that will remove eligibility determination flags for 2007. FSA County Office staff will restore these flags to their eligible condition after conducting the review of the producer's; AD-1026 HELC/WC Certification (Sod/Swamp Buster form), CCC-502 Farm Operating Plan (Payment Limitation form), CCC-526 Adjusted Gross Income Certification (\$2.5 Million Form).

This may have an impact on producers selecting December advance payments under the 2007 DCP contract. Unless your eligibility review is completed and flags restored to their eligible conditions, advance payments will not be issued. This will also require you and FSA staff to spend more time on the 2007 DCP signup than we have on DCP signups in the past. We appreciate your patience and some extra time from you as we go through your eligibility forms with you.

Which Eligibility Forms and What Criteria is FSA using in this Review?

AD-1026, Highly Erodible Conservation (HELC) and Wetland Conservation (WC) Certification

No, the Sodbuster/Swampbuster provisions of the 1985 Food Security Act did not go away! These provisions were continued and extended under the 1996 Act and the current 2002 Act. The AD-1026 form will be reviewed to ensure it is accurately reflecting all farms in your farming operation as well as ensuring all applicable items are filled in and it is signed by an authorized person. **Please keep in mind that if you plan to clean out your ditches, maintain waterways, or breakout old grass that you will need to file a new AD-1026 prior to conducting this work.** NRCS will work with you to evaluate and approve any of this type of activity but the request must be made on an AD-1026. Failure to comply under HELC/WC provisions may result in loss of farm program payments for not only the operator but owners as well. Always check with us and complete an AD-1026 prior to initiating any work like this. Two big items to be aware of on HELC/WC is digging too deep when cleaning out drainage ditches or removal of woody vegetation. Removal of woody vegetation from a wetland is a violation regardless of whether it is done all at once by bulldozing them over or slowly killing them off over years with damage from burning or spraying.

CCC-502, Farm Operating Plan for Payment Eligibility

The Payment Limitation form will be reviewed to ensure it accurately reflects all farms and lease arrangements in your farming operation, other farming interests, and contributions of capital, land, equipment, management and labor. We will need to ensure all applicable items have been completed and it has been signed by an authorized person. This form is extremely important because it establishes the basis for determining how many "Persons" you are for payment limitation purposes and whether you are considered "Actively Engaged in Farming."

CCC-526, Payment Eligibility Average Adjusted Gross Income Certification

AKA the \$2.5 million form. This form was new under the 2002 Act. 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

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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

November 10 – Veterans' Day,
Office Closed

November 17 – 2007 EQIP
Signup Deadline

November 23 – Thanksgiving,
Office Closed

December 4 – County
Committee Election ballot
deadline

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.)

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 applies to programs such as CDP, LAP and NAP. 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.

CONSERVATION PROGRAM HELPS CONVERT TO MULCH-TILL

The USDA's Natural Resources Conservation Service set a cutoff for applications to participate in the 2007 EQIP for November 17, 2006. Those wanting to apply for assistance with crop residue practices including Mulch-till and Direct Seed should contact the Whitman county NRCS office at: (509) 397-4301 well before the November 17 cutoff. Applications which propose the greatest benefit on cropland, forestland, and grazing lands will be awarded in multiyear EQIP contracts that fund management practices, like Direct Seed and Mulch till at 100% of cost repeated for three consecutive years. Other structural practices typically receive 50% of cost. Emphasis is again on soil and water quality, air quality, and wildlife habitat, in that order of priority. Cropland residue management practices will again be funded at rates of \$20 per acre for No-Till/Direct Seeding and \$10 for Mulch-Tillage Seeding. Also new this year is a Mulch-Tillage Seeding for Organic Matter Improvement at \$15/ acre.

2006 County Committee Elections

Ballots for Committee Elections in Local Administrative Area 1 (Western Whitman County) will be mailed November 3, 2006. This area is currently represented by County Committee Chairperson Gracie Miller. Unfortunately, due to term limit restrictions Gracie will be unable to run in this election. **Ballots must be returned by December 4, 2006. Please remember to sign your ballot return envelope.** Ballots are not permitted to be signed by Power-of-Attorney's. The following have been nominated and have agreed to serve if elected to the County Committee:

Clark Miller

Kim Pitts

David Swannack

2006 Advance Counter-Cyclical Payments

The Farm Security and Rural Investment Act of 2002 provides for Counter-Cyclical Payments for covered commodities and oilseeds beginning with crop year 2002. The 2002 Act provides for 2 advance counter-cyclical payments, in October and February, and a final payment after the close of the marketing year in July. The 2006 Marketing year began June 1, 2006 and ends May 31, 2007. USDA has projected that the Average Price Received by Farmers for Wheat and Barley in the 2006 marketing year will be above the respective threshold prices. That would equate to no Counter-Cyclical payment if that price projection is accurate through the remainder of the 2006 marketing year. Counter-Cyclical payments are made when the higher of the Average Price Received by Farmers or the National Average Loan Rate for a covered commodity is below the applicable target price minus the DCP Direct Payment Rate.

Notable Quotes

"In the United States, five crops receive more than 90 percent of the subsidy payments. Meanwhile, other crops, like specialty crops, which are now equal in value to the program crops, receive no cash subsidies. In fact, 60 percent of all farmers receive little cash support - in fact, virtually no cash support from the farm bill." - **Agriculture Secretary Mike Johanns At the Grow America Project Indianapolis, Indiana October 26, 2006**

By the Numbers

Only 21% of the US's 2.1 million farms have total sales exceeding \$50,000 per year. In fact, 63% of US farms could be considered more "rural residences" and not actual for-profit farm operations as most of the proprietors' income comes from off the farm. The 21% of US farms with sales exceeding \$50,000 per year produce 94% of the market value of US ag production and receive 92% of the farm program payments. **Numbers from the 2002 Census of Agriculture for more information on the Ag Census go to <http://www.usda.gov>.**

Whitman County 2006 Crop Loan Rates
Loans disbursed in November 2006 will mature August 31, 2007.
November 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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