



July 2009

LINCOLN COUNTY FSA NEWS

Lincoln County FSA

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(509) 725-4515 (FAX)

Office Hours

Monday – Friday
7:00 a.m. – 4:30 p.m.

FSA Farm Loan Office

Steve King, Farm Loan Manager
8815 E. Mission Ave; Suite B
Spokane Valley, WA. 99212-2532
(509) 924-7350

County Committee

Stan Dormaier, Chairperson
Judy Scrupps, Vice Chairperson
Pete Carstensen, Regular Member

Committee Meetings: 8:00 A.M. on
Wed. of 3rd full week of the month.

Office Staff/Phone Extension

Jeff Lust, CED / 102
Debbie Sweet, PT / 101
Sally Simpson, PT/ 108
Jan Bowdish, PT/ 107
Paula Reed, PT / 106
Aaron Landreth, PT / 124
Nancy Reinbold, Temp. PT / 109

Web Sites

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

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

Washington State FSA
<http://www.fsa.usda.gov/wa>

2009 Lincoln Co. Loan Rates

SWW Wheat: \$3.12/Bu.
HRS and HWS Wheat: \$3.81/Bu.
HRW and HWW Wheat: \$2.94/Bu.
Durum Wheat: \$4.90/Bu.
Barley: \$2.11/Bu.
Oats: \$1.30/Bu.
Canola: \$7.22/Cwt.
Mustard Seed: \$8.82/Cwt.
Dry Peas: \$6.12/Cwt.
Small Chickpeas: \$7.43/Cwt.
Large Chickpeas: \$11.48/Cwt.

Dates to Remember

July 3: Office Closed - 4th of July

Aug. 3: County Committee Nomin-
ation Petition Deadline

Aug. 14: DCP and ACRE Signup
Deadline

Aug. 14: Pulse Crop Acreage Base
Establishment Deadline

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

DCP and ACRE Signup

Signup is now underway for the 2009 Direct Counter-Cyclical Program (DCP), and will continue through **August 14, 2009**. This deadline *also* applies to producers choosing to elect and enroll into the Average Crop Revenue Election (ACRE) program. The opportunity to elect ACRE will be offered each year starting in 2009 and continuing through 2012, but once elected in a given year, the decision is irrevocable through 2012. All producers on a farm must agree to the ACRE election.

ACRE is a voluntary program that is designed to provide revenue based protection that reflects the program crops actually planted in a given year, while taking into account a guarantee. ACRE participants still receive a direct DCP payment for a farm, but it is reduced by 20 percent, and there is also a 30 percent reduction with regards to marketing assistance loan rates for all commodities produced on the farm.

Producers enrolling in ACRE for 2009 are required to provide 5 years of production records to calculate a farm yield, and are also required to provide production records each year once they are enrolled. Producers may either prove their yields for ACRE, or use the county "plug" yield. The following *county plug yields* in bushels per acre for wheat and barley are available for producers to use in ACRE:

<u>Crop</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
All Wheat	50.9	59.2	60.8	51.4	38.1
Barley	54.0	53.8	57.7	45.7	41.7

ACRE guarantee prices and state yields have also been released. Below are the projected 2009 *Guarantee Prices* which is the average National Average Market Price from the 2 most recent crop years (2007 and 2008), and the *Benchmark State Yields*:

<u>Crop</u>	<u>Preliminary 2009 Guarantee Price</u>	<u>Benchmark State Yield</u>
Wheat (All)	\$6.67 Bu. / Ac.	61.0 Bu. / Ac.
Barley	\$4.10 Bu. / Ac.	61.0 Bu. / Ac.

ACRE payments are tied to statewide yield performances and national average prices, for a given year, and are issued if both the *State Trigger* and *Farm Trigger* are met. Advance ACRE payments are not available, but are paid rather in October following the end of the applicable marketing year. For wheat and barley, the 12-month marketing year for 2009 began on June 1, 2009, and will conclude May 31, 2010.

Tools are available for producers that are interested in ACRE to analyze the program. An FSA calculator has been developed, and can be found on the FSA website at <http://www.fsa.usda.gov/dcp>. Also, more information can be obtained by contacting the County FSA Office. Finally, if interested in ACRE, please do not wait until the last minute to get started in the process.

Establishment of Pulse Crop Bases

Producers with a history of raising dry peas, lentils, or chickpeas (garbanzo beans) have the opportunity to add these pulse crops as crop acreage bases to their farm based on the planted history from 1998 – 2001. Producers on farms with a history of these crops will be sent a notice showing the history based on FSA records. If adding pulse crop bases to the farm, all owners must sign a Form CCC-524 by **August 14, 2009**. These producers have 3 options: 1) Do not add pulse crop bases, 2) add pulse crop bases up to the effective cropland available, or 3) add pulse crop bases with a corresponding reduction in other bases on the farm. Producers who do not make an election by August 14, will default to Option 2.

All previously approved 2009 DCP contracts will be required to be revised if pulse bases are added, and the operator and all owners whose bases changed will need to sign the revised contract.

There is also the option of proving yields for pulse crop bases, or using a "plug" yield for a farm. Pulse crop yields and bases are used only in the calculation of counter-cyclical payments under DCP, and ACRE payments. No direct payments are associated with pulse crop bases under DCP or ACRE.



10-Acre Contract Rule Revised

Farms with 10 acres of crop acreage base or less may not receive payments under the DCP or ACRE programs unless the owners meet certain exceptions. Previously, farm bill legislation stated that owners on farms with 10 acres of base or less could not receive the program payments unless *all* of the owners met the requirements of socially disadvantaged or limited resource producers. The revised rule now allows farms to receive payments if only 50% of the ownership is represented by one of the above groups, which means that land owned by a husband and wife (or other group of individuals that are at least 50% female), would now qualify for 2009 DCP or ACRE payments since the land is owned 50% by a female (member of a socially disadvantaged group).

Certain CRP Contracts Extended

USDA recently announced that certain Conservation Reserve Program (CRP) contracts would be extended for 3 or 5 years. Producers with contracts that expire on September 30, 2009 have been notified whether they have received one of the extension offers. The 2008 Farm Bill requires a *reduction* in the total CRP nationwide to 32.0 million acres. If all of the contracts in the country that were scheduled to expire came out of CRP, the national level would have been reduced to approximately 30.5 million acres. Rather than conducting a general signup to fill the 1.5 million acres available, USDA determined that contract extensions would be offered to the highest ranking contracts based on the *original* Environmental Benefits Index (EBI) score, which was used when the contracts were enrolled initially. The thought is using this method will ensure that the most environmentally sensitive land will remain in CRP.

Options for Expiring CRP Contracts

Producers with expiring CRP contracts on October 1, 2009 that did not receive an extension offer, have a couple of options if the land is going to be returned to annual crop production. If a fall-seeded crop will be planted on the expiring CRP, a request to start field work can be filed on July 1, 2009, and there will not be any reduction in the final annual rental payment. If a spring-seeded crop is going to be planted on the expiring CRP, a chemical application could be done to the land after August 1, 2009, and the final annual rental payment would be made in full. Both of these activities require that an application be made with the County FSA Office, and approval granted by the County Committee prior to performing any actions that would destroy the current CRP vegetative stand. Finally, those expiring CRP contracts that are going to remain in their permanent cover must wait until October 1, 2009 before taking any actions on those contract acres.

Annual Payment Limitation Notice

A number of significant revisions were made to Payment Limitation (PL) rules as a result of the 2008 Farm Bill. Payments for all new contracts and programs approved after this passage date, are now "directly attributed" to the natural person(s) ultimately responsible for payment shares. For example, in a corporation, with two 50% members, each individual stock holder is "attributed" their share of the corporation's program earnings, and the total of all payments "attributed" cannot be in excess of the payment limitation for the applicable program. However, CRP contracts approved and in place prior to October 1, 2008 are covered under the previous PL rules, and eligibility for those payments continues to be governed by the filing of Form CCC-502. Payment limitations for programs are as follows:

Counter-Cyclical and ACRE	\$65,000	Noninsured Assistance Program	\$100,000
Direct Payment under DCP and ACRE	\$40,000	EQIP (2009-2012)	\$300,000
CRP	\$50,000	Disaster, including SURE, ELAP, LFP, LIP	\$100,000

Actively engaged determinations are still required to participate in most programs, requiring a contribution of a combination of land/capital or equipment to meet "left hand" and labor and/or management to meet "right hand" contributions. Landowner exception still applies to producers share renting their land, making them actively engaged on share rented land without further contribution needed. A tenant cash-renting land must meet cash-rent tenant eligibility, by providing either active personal labor, or a combination of management and equipment to be actively engaged on cash-rented land. Foreign person rules are applicable, and limit the eligibility of foreign persons to receive benefits under many of the programs administered through FSA. No program benefits subject to limit can be provided until all required forms are provided, and determinations are completed.