

March 2013



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## Yakima County FSA Updates

DEAR PRODUCERS: Welcome to the new GovDelivery bulletins and updates service from your Yakima County FSA office. Note that you are welcome to request to receive bulletins from more than one state and/or county and can add or remove individual subscriptions at any time.

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### Yakima County Farm Service Agency

1606 Perry Street, Suite A  
Yakima, WA 98902

Phone: 509-454-5746 ext. 2  
Fax: 509-454-5682

#### Office Hours:

Monday - Friday  
8:00 a.m. - 4:30 p.m.

#### County Committee:

Brad Bonny, Chair  
Carol Hull, Vice-Chair  
Mark Barrett, Member  
Steve Isaac, Advisor  
Sergio Marquez, Advisor

#### County Executive Director:

Nathan D. Boguslawski

#### Program Technicians:

Maria De La Mora, PT  
Jennifer DeWeese, PT  
Kimberly Miller, PT

#### Farm Loan Staff:

Lisa Ruff, FLM  
Scott Smith, FLO  
Crispin Garza, SCL  
Sandy Christensen, FLPT

#### Next COC Meeting:

March 26, 2013 - 9:00 a.m.

#### Dates to Remember:

March 25 - Hispanic and Women Farmer and Rancher

### FSA Adopts a New Check Processing Method

Producers who make payments by check to the Farm Service Agency can expect to see a change soon in how those checks are processed. FSA is adopting an electronic method for processing check payments from customers.

Using the electronic method, if you submit a paper check payment, either in person or through the mail, the check will be converted into an Electronic Funds Transfer (EFT) using Over the Counter Channel (OTCnet), a web-based application.

The transfer of funds will be reflected on your account statement. The transaction may be recorded in a different place on your statement than where your checks normally appear, such as under "other withdrawals" or "other transactions." You have protections under Federal law for an unauthorized electronic fund transfer from your account. You should contact your financial institution immediately if you believe that the transaction reported on your account statement was not properly authorized or is otherwise incorrect.

It is important for you to have sufficient funds in your bank account because the electronic transfer of funds could occur within 24 hours. FSA will hold the paper check for up to 14 calendar days to ensure that the transaction was successfully processed and then the check will be shredded. You will not receive the paper check back from FSA.

The agency is implementing the new system to reduce the possibility of losing or misplacing checks, speed up the check clearing process and to reduce the potential for human error.

For more information regarding electronic check processing, contact the Yakima County FSA Office or see the U.S. Department of Treasury Internet site <http://fms.treas.gov/otcnet/legal.html>.

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### Noninsured Crop Disaster Assistance Program (NAP) Closing Dates

- **May 1, 2013** – 2014 coverage on ornamental nursery.
- **Aug. 31, 2013** – 2014 coverage of canola & rapeseed; onions, carrots and cabbage (for seed or fresh); value loss crops (aquaculture, Christmas trees, turf grass sod, floriculture, mushrooms); artichokes and any fall planted crops.

Claims Period Ends

**May 20** - CRP Sign up Starts

**June 3** - ACRE Sign up Ends

**June 7** - SURE Sign up  
deadline

**July 15** - ACRE Production  
Reporting Requirement

**August 3** - DCP Sign up  
Deadline

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## Commodity Loan/LDP Deadlines

March 31, 2013 – Application closing for commodity loan and/or LDP for 2012 crops of barley, canola, crambe, flax seed, honey, oats, rapeseed, sesame seed and wheat.

May 31, 2013 – Application closing for commodity loan and/or LDP for 2012 crops of corn, dry peas, grain sorghum, lentils, mustard seed, rice, safflower seed, chickpeas, soybeans and sunflower seed.

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## ACRE and DCP Deadlines and Details Announced

As a result of the 2008 Farm Bill extension, producers may choose to enroll in either the Direct and Counter Cyclical Payment (DCP) program or the Average Crop Revenue Election (ACRE) program for the 2013 crop year. This means that producers who enrolled in ACRE for 2012 may elect to enroll in DCP in 2013, or vice versa. The deadline for ACRE sign up is **June 3**. The deadline for DCP sign up is **August 2**.

Direct payments are limited to \$40,000 per person or entity minus the 20 percent direct payment reduction for ACRE farms, and ACRE payments are limited to \$65,000 plus the 20 percent direct payment reduction amount. Adjusted Gross Income limits apply to the DCP and ACRE programs.

There will be no advance direct payments in 2013. Producers will receive the entire 2013 direct payment in Oct. 2013. Final counter-cyclical payments are made beginning in October 2014, or as soon as practical after the end of the marketing year for the crop.

### ACRE

ACRE provides revenue protection against low market prices or low state and farm yields. A farm must pass two triggers before an ACRE payment is paid:

State Trigger - the actual state revenue must be less than the state ACRE Guarantee

Farm Trigger - the actual farm revenue must be less than the farm ACRE Benchmark Revenue.

Once these two triggers are passed, a farm that has elected and enrolled in ACRE is eligible for a payment.

The sign up period to enroll in ACRE ends on **June 3, 2013**. Farms that are enrolled in the ACRE program cannot receive counter-cyclical payments. Farms that have enrolled in DCP for 2013 may elect to switch to ACRE, but must do so by June 3, 2013. Since the decision to participate in ACRE is for 2013 only, the owner does not need to agree to participate. Also, farms are enrolled on a farm basis so a producer does not need to enroll all farms in ACRE.

Producers who enroll a farm in ACRE agree to the following 1. to forgo counter-cyclical payments, 2. a 20-percent reduction in their direct payments, and 3. a 30-percent reduction in the Marketing Assistance Loan (MAL) rates for all commodities produced on the farm. The maximum ACRE payment acreage is equal to 85 percent of the total planted and considered planted acreage, not to exceed the total amount of base acres on the farm.

### DCP

There are two types of DCP payments: direct payments and counter-cyclical payments. Both are calculated using the base acres and payment yields established for the farm. For each commodity, the total direct payment for producers on a farm is determined by multiplying 85 percent of the farm's base acreage times the farm's direct payment yield times the direct payment rate. The DCP sign up deadline is **August 2, 2013**.

Direct payment rates for the eligible DCP commodities are:

Wheat - \$0.52 per bushel;

Corn - \$0.28 per bushel;

Barley - \$0.24 per bushel;

Oats - \$0.024 per bushel;

Other oilseeds - \$0.80 per hundredweight

Counter-cyclical payments for a commodity are only issued if the effective price for a commodity is below the target price for the commodity. Target prices for each commodity are as follows:

Wheat - \$4.17/bushel  
Barley - \$2.63/bushel  
Chickpeas, large (Garbanzo bean, Kabuli) - \$12.81/hundredweight  
Chickpeas, small (Garbanzo bean, Desi) - \$10.36/hundredweight  
Corn - \$2.63/bushel  
Dry Peas - \$8.32/hundredweight  
Lentils - \$12.81/hundredweight  
Oats - \$1.79/bushel  
Other Oilseeds - \$12.68/hundredweight

For more information about ACRE or DCP, contact the Yakima County FSA Office. Producers are encouraged to make appointments allowing plenty of time before sign up deadlines.

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## 2012 ACRE Production Reporting Requirement

If your farm participated in the 2012 ACRE program you are reminded that as a condition of eligibility for payment, either the operator, owner, or producer with a share of the crop must submit production reports. Production reports are needed for all 2012 ACRE program commodities for which an acreage report greater than zero was submitted. The deadline for submitting production reports is **July 15, 2013**.

Production reports are submitted on form FSA-658 by commodity and are reported by farm and by tract to calculate the farm average yield. You may certify your production information, so actual production sheets are not required. Remember, all production certifications are subject to spot check for a three year period.

Failure to timely complete production reports (FSA-658) will result in a request for refund of all Direct and ACRE program payments issued for the farm's 2012 ACRE Program participation. Contact the Yakima County FSA Office for needed forms and acres planted by tract to complete the form.

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## FSA Signature Policy

Husbands and wives may sign documents on behalf of each other for FSA and Commodity Credit Corporation programs in which either has an interest. This option is automatically available unless a written request for exclusion is made to the county office staff by either spouse. There are exceptions to the rule. Spouses may not sign on behalf of each other for partnerships, joint ventures, corporations, or other similar entities.

Individual signatures are also required on certain Farm Loan Program and Farm Storage Facility Loan documents. For more clarification on spousal signature authority, contact the Yakima County FSA Office.

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## New Micro Loan Program

Starting in January, FSA will offer more flexible access to credit through the new Micro Loan program. The program is an attractive loan alternative for smaller farming operations like specialty crop producers and operators of community supported agriculture (CSA).

Micro loans can be used for all approved operating expenses as authorized by the FSA Operating Loan (OL) Program, including but not limited to:

- Initial start-up expenses.
- Annual expenses such as seed, fertilizer, utilities, and land rents.
- Marketing and distribution expenses.
- Purchase of livestock, equipment, and other materials essential to farm operations.
- Minor farm improvements such as wells and coolers.

- Hoop houses to extend the growing season.

The application process for microloans will be simpler than the regular FSA loan application process, requiring less paperwork to fill out. Requirements for managerial experience and loan security have been modified to accommodate smaller farm operations, beginning farmers, and those with no farm management experience. However, applicants will need to have some farm experience. FSA will consider an applicant's small business experience as well as any experience with a self-guided apprenticeship as a means to meet the farm management requirement.

Eligible applicants may obtain a microloan for up to \$35,000. The repayment term may vary and will not exceed seven years. Annual operating loans are repaid within 12 months or when the agricultural commodities produced are sold. Interest rates are based on the regular OL rates that are in effect at the time of the microloan approval or microloan closing, whichever is less. Currently the rate is 1.25%. Contact the Yakima County FSA Office for more information.

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## Rural Youth Loans

The U.S. Department of Agriculture's Farm Service Agency (FSA) makes operating loans to individual rural youths age 10 through 20 to establish and operate income producing projects. These projects must be of modest size and be initiated, developed, carried out by rural youths participating in 4-H Clubs, FFA, or a similar organization or with a vocational teacher or county extension agent. The project must be an organized and supervised program of work. It must be planned and operated with the assistance of the organization advisor, produce sufficient income to repay the loan, and provide the youth with practical business and educational experience. Contact the Yakima County FSA Office for more details.

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## Marketing Assistance Loans

Marketing Assistance Loans, also referred to as commodity loans, are available to producers who share in the risk of producing the crop. To be eligible, you must maintain beneficial interest in the crop through the time of application.

Commodity loans are a marketing tool which can provide an influx of cash for operating expenses, using the crop as collateral. This allows you to delay sale of the crop until more favorable market conditions emerge, rather than selling the crop soon after harvest, when market prices are typically at their lowest. Eligible crops for loan are barley, corn, honey, oats, oilseeds (canola, crambe, flaxseed, mustard, rapeseed, safflower seed, soybeans, sunflower seeds), pulse crops (chickpeas, dry peas, lentils), wheat, and wool located in approved farm or warehouse storage.

**Maintaining the Quality Crop** - Producers who take out marketing assistance loans and use the farm-stored crop as collateral should remember that you are responsible for maintaining the quality of the crop through the term of the loan.

**Unauthorized Disposition of Loan Commodity** - If the crop under loan has been disposed of through feeding, selling, or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties for unauthorized dispositions are severe. A violating producer's name will be placed on a loan violation list for a two-year period. Always call before you move or dispose of any crop under loan.

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## CRP General Sign up 45 Announced

The Conservation Reserve Program (CRP) general sign up starts May 20 and ends June 14, 2013. Producers that are accepted in the sign up can receive cost-share assistance to plant long-term, resource-conserving covers and receive an annual rental payment for the length of the contract (10-15 years). Rental rates are based on the relative productivity of the soils within each county and the average dryland cash rent or cash rent equivalent. In general, no other income can be derived from the land while under contract.

The application process involves submitting a bid that outlines the conservation practices a producer will implement and the annual payment rate they will receive. CRP sign up is a competitive process in which the bids producing the highest environmental benefits per taxpayer dollars spent are accepted into the program.

Offers will be ranked using the Environment Benefits Index. Points will be awarded based on the environmental and habitat benefits of the proposed cover planted. More points are awarded for native vegetation. Existing CRP covers may need to be replanted to maximize the score. Extra points will be awarded for the most erosive land and bids that include pollinator habitat on 10% of the acreage.

Eligibility is based on several factors. Eligible land must have been planted to an annual crop for at least four years during 2002 to 2007. In addition, the land must be considered highly erodible, be in the state Conservation Priority Area, which encompasses portions of central Washington with soils susceptible to wind erosion or be in an expiring CRP contract in 2013. Alfalfa or other multiyear grasses and legumes grown in a rotation not to exceed 12 years may be eligible for CRP sign up 45.

There are 4,318 acres in Yakima County expiring from CRP this year. Producers with expiring contracts or producers with environmentally sensitive land are encouraged to evaluate their options under CRP.

Producers also are encouraged to look into CRP's other enrollment opportunities offered on a continuous, non-competitive, sign up basis and that often provide additional financial assistance. Continuous sign up dates will be announced at a later date.

Agency fact sheets, including a complete list of eligibility criteria, may be obtained at the FSA website [www.fsa.usda.gov](http://www.fsa.usda.gov) or through the Yakima County FSA Office.

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## CRP Field Borders

Landowners can now profit from helping Washington's upland birds. Washington has been authorized to enroll up to 5,000 acres of land in Conservation Reserve Program (CRP) field borders to provide habitat for upland birds.

Sign up for the program is year round and is non-competitive, unlike the general CRP application process. Offers will be enrolled on a first come, first served basis so long as acreage is available. Enrollment is limited to cropland with annual cropping history during 2002-2007, or expiring CRP.

As with general CRP, landowners enter into a 10-year contract and receive annual rental payments. Payments are based on the full calculated CRP rental rate for the enrolled land. Signing Incentive Payments (SIPs) equal to \$150/acre are paid at the time of contract approval. In addition, 50 percent cost share is provided to install the required vegetative cover. Another 40 percent Practice Incentive Payment (PIP) is paid after the vegetative cover is completely installed. Thus, a landowner's installment costs are 90 percent paid. Rental, SIP and PIP payments are subject to the normal CRP \$50,000 payment limitation along with all other CRP enrollments.

Field borders must generally be located around the entire perimeter of a field, but at a minimum along the edges where runoff enters or leaves the field. The borders must have a minimum average width of 30 feet and cannot exceed a maximum average width of 120 feet. Fields of less than 5 acres are not eligible. Interested landowners may contact the FSA office to learn more about enrolling land in a CRP field border.

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## CRP Maintenance

The primary nesting season for Washington is April 1 through July 1. During this time period, prior approval of the County Committee is required to spot treat weeds by mowing, burning, or spraying after the stand is established. Treatment must be limited to areas that have weed problems. Treatment of entire fields for cosmetic purposes is not allowed.

Outside the nesting period, you are allowed to control weeds without any prior approval from FSA. Other restrictions apply until July 1, 2013.

Weed control is a must on CRP land. While prior approval may be required during certain times, FSA will grant it for any legitimate weed problems. Also, activities such as harrowing or chopping of dried up mustards and Russian thistle after the nesting period has ended can keep these weeds from getting on your neighbor's property. These activities help maintain grass vigor and ensure that you have a viable cover for the entire contract period. Some existing stands will be old by the time your contract expires, so helping them to maintain vigor and generating new growth periodically is time well spent.

For stands that have been newly planted or are in the first 1-2 years after seeding, weed control during the nesting season is permitted without prior FSA approval. Weed control when the stand is young is important for successful establishment. Weed control that does not maintain the required stand diversity is not permitted.

Failure to control weeds on CRP can result in payment reductions and even termination. CRP contracts may be revised mid-contract to add certain maintenance practices to maintain stand vigor and diversity. Fifty percent cost-sharing is available if these activities are included in your conservation plan and approved by FSA before work begins. Examples of practices include: mowing, herbicide application, and fertilization.

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## 2011 Supplemental Revenue Assistance Program (SURE) Applications

The FSA will continue to accept SURE applications for 2011 crop losses through June 7, 2013. The SURE Program provides payments to producers when crop revenues are less than the crop guarantee. The SURE Program payment is equal to 60 percent of the difference between the crop guarantee and revenue. To be eligible, the producer must have at least one crop with a 10 percent production loss.

To determine the guarantee and revenue for the SURE Program, all crops on all farms for a producer are included in the calculation. Payments under the SURE Program are limited to \$100,000.

To be eligible for the 2011 SURE Program, producers must have crop insurance on all insurable crops. For crops that are not covered by crop insurance such as hay or fresh vegetables, producers must have purchased Non-Insured Crop Disaster Assistance Program (NAP) coverage from FSA. The Crop Insurance and NAP purchase requirements is waived for crops that are not economically significant to the farming operation. For more information concerning the 2011 SURE program or other Farm Service Agency programs, contact the Yakima County FSA Office or visit the Farm Service Agency website at [www.fsa.usda.gov/pas](http://www.fsa.usda.gov/pas).

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## Farm Record Changes Delayed and MIDAS Transition

The FSA is currently moving all farm records to a new computer software environment called MIDAS. FSA employees will be unable to process any changes to producers' farm records until sometime after mid-April. Examples of changes include adding or dropping leases, buying or selling land, or changing field boundaries.

The transition will not impact program payments but could affect program sign ups. Producers who do have farm changes are encouraged to schedule Direct and Counter-Cyclical Payment (DCP) and Average Crop Revenue Election (ACRE) program sign up appointments after mid-April. Those who do not have farm changes and would like to sign up for DCP or ACRE can do so prior to mid-April and reduce the demand on staff after the transition.

The transition of farm records into MIDAS is scheduled to be completed by April 8. FSA employee training will take place shortly afterwards. At least one employee from each county office will be trained as soon as possible in an effort to quickly open up the system in each office.

In recent years when serving its customers, FSA has relied on aging technology and equipment to do its work. This outdated infrastructure created inefficiencies and threatened the delivery of farm program benefits. Currently, FSA is making great strides in modernizing the information technology (IT) platform and systems needed to support program delivery.

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## Hispanic and Women Farmer and Rancher Claims Period

Agriculture Secretary Tom Vilsack reminds Hispanic and women farmers and ranchers who allege discrimination by the USDA in past decades that the filing period will close March 25, 2013. USDA urges potential claimants to contact the Claims Administrator for information and mail their claim packages on or before the deadline.

The process offers a voluntary alternative to litigation for each Hispanic or female farmer and rancher who can prove that USDA denied his or her application for loan or loan servicing assistance for discriminatory reasons for certain time periods between 1981 and 2000. As announced in February 2011, the voluntary claims process will make available at least \$1.33 billion for cash awards and tax relief payments, plus up to \$160 million in farm debt relief, to eligible Hispanic and women farmers and ranchers. There are no filing fees to participate in the program.

Claimants may register for a claims package by calling the telephone number below, Monday through Friday, 9 a.m. to 8 p.m. Eastern Time or by downloading the forms from the website.

Website: [www.farmerclaims.gov](http://www.farmerclaims.gov)

Phone: 1-888-508-4429

Claims Period: September 24, 2012 - March 25, 2013.

An independent adjudicator will administer the claims process and adjudicate the claims. Although there are no filing fees to participate and a lawyer is not required to participate in the claims process, persons seeking legal advice may contact a lawyer or other legal services provider. Legal resources ready to assist nationwide can be found at [www.nationalaglawcenter.org](http://www.nationalaglawcenter.org)

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## Reporting Weather Damage

Prompt weather-related disaster reporting is crucial for FSA to determine the need for disaster declarations. Disaster declarations trigger availability of emergency loans and in some instances, additional disaster assistance programs.

Damage reports are not just limited to crops. They can include damage to structures, eroded farmland, or livestock mortality. Helpful documentation includes the specific location of farm damage, date and time of the disaster event, the type of damage (hail, wind, etc), what was affected, and the estimated percent of loss. Photographic evidence of significant damage will also be helpful as both FSA and insurance agents use them in support of future program applications and cumulative damage reports.

Disaster designation triggers availability of low-interest loans and direct payments under the Supplemental Revenue Assistance Payment Program (SURE) for farmers and ranchers in the county. SURE benefits help offset the loss of farm revenue associated with the disaster year. Emergency loans may be used to replace essential property or pay production costs associated with the disaster year. They may also be used to pay essential living expenses, reorganize a farming operation, or refinance certain debts.

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## Electronic News Delivery

The USDA Farm Service Agency offices have moved to a paperless news distribution system. Producers are asked to enroll in the new GovDelivery system which provides notices, newsletters, and electronic reminders instead of a hard copy through the mail. FSA, like many other organizations, is trying to work smarter and be more efficient. Moving to electronic notifications via email helps conserve resources and save taxpayer dollars. Producers can now subscribe to receive free email updates by going to [www.fsa.usda.gov/subscribe](http://www.fsa.usda.gov/subscribe) or contact the Yakima County FSA Office for assistance.

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## Bank Account Changes

Current policy mandates that FSA payments be electronically transferred into a bank account. In order for timely payments to be made, producers need to notify the FSA county office when an account has been changed or if another financial institution purchases the bank where payments are sent. Payments can be delayed if the FSA office is not aware of updates to bank accounts and bank routing numbers.

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## Direct Deposit

Have you changed your checking account? Have you changed banks in the last year or has your bank been purchased? Please notify the Farm Service Agency of any banking changes that you have made. Remember that FSA assistance payments go to you Direct Deposit. Make sure you provide FSA with up-to-date bank records to avoid lengthy payment delays.

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## FSA Supports National Ag Day

The Farm Service Agency joins the rest of the agriculture industry in celebrating National Ag Day on March 19. This year marks the 40th anniversary of National Ag Day and the theme is "Generations Nourishing Generations." FSA invites everyone to take a moment to celebrate agriculture and honor our hard-working farmers and ranchers in Yakima County.

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USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9450, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish)

Federal-relay).