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Colusa County FSA Updates

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2013 FSA County Committee Elections

The election of agricultural producers to the Farm Service Agency (FSA) county committees is important to all farmers and ranchers, whether beginning or long-established, large or small operation. It is crucial that every eligible producer participate in these elections because FSA county committees are a link between the agricultural community and the U.S. Department of Agriculture.

County Committee (COC) members are a critical component of FSA operations. The intent is to have the COC reflect the makeup of the producers and represent all constituents. This means wherever possible, minorities, women or lower income producers need to be on the committee to speak for these underrepresented groups.

County committees provide local input on:

- Commodity price support loans and payments
- Conservation programs
- Incentive, indemnity and disaster payments for some commodities
- Emergency programs
- Payment eligibility.

FSA county committees operate within official regulations designed to carry out federal laws and members apply their judgment and knowledge to make local decisions.

Election Period

June 17, 2013 – The nomination period begins.

Aug. 1, 2013 – This is the last day to file nomination forms (FSA-669A) at the local USDA Service Center.

Nov. 4, 2013 – Ballots mailed to eligible voters.

Dec. 2, 2013 – Last day to return completed ballots to the USDA Service Center.

Jan. 1, 2014 – Newly elected county committee members take office.

Who Can Hold Office

To hold office as a county committee member, a person must meet the basic eligibility criteria:

- Participate or cooperate in a program administered by FSA
- Be eligible to vote in a county committee election
- Reside in the local administrative area (LAA) in which the person is a candidate.

Not have been:

- Removed or disqualified from the office of county committee member, alternate or employee
- Removed for cause from any public office or have been convicted of fraud, larceny, embezzlement or any other felony
- Dishonorably discharged from any branch of the armed services.

Nominations

To become a nominee, eligible individuals must sign nomination form FSA-669A. The form includes a statement that the nominee agrees to serve if elected. This form is available at USDA Service Centers and online. Nomination forms for the 2013 election must be postmarked or received in the local USDA Service Center by close of business on Aug. 1, 2013.

Agricultural producers who participate or cooperate in an FSA program may be nominated for candidacy for the county committee. Individuals may nominate themselves or others as a candidate. Additionally, organizations representing minority and women farmers or ranchers may nominate candidates. Nomination forms are filed for the county committee of the office that administers a producer's farm records.

Natural Disaster Losses? Contact FSA

The Farm Service Agency administers agricultural assistance for natural disaster losses, resulting from drought, flood, fire, freeze, tornadoes, pest infestation, and other calamities. If you have experienced a loss on your farm or ranch due to a natural disaster, be sure to contact your local FSA office right away to report your loss and discuss possible FSA assistance eligibility.

Note that some FSA disaster assistance programs require advance enrollment and payment of a service fee. The Noninsured Crop Disaster Assistance Program (NAP) covers key crops and forage crops for which there is no program of commercial insurance. NAP Forage requires advance enrollment by Dec. 1 prior to the crop year and also requires that the producer notify FSA within 15 days of the loss event or when the loss first becomes evident. Federal Crop Insurance Corporation contracts may also require that the producer file a report of loss with the FSA in a timely manner.

In addition to NAP, currently funded FSA Programs that assist in natural disasters include the Emergency Conservation Program (ECP) and the Emergency Loan Program (EM) which is triggered by the USDA Secretary's Disaster Declaration.

DCP/ACRE Deadlines Approach

The sign-up period for DCP and ACRE is still open. Producers are encouraged to sign up for DCP before the Aug. 2, 2013, deadline. An even earlier deadline is for ACRE, which will end June 3, 2013.

The 2013 DCP and ACRE program provisions are unchanged from 2012, except that all eligible participants in 2013 may choose to enroll in either DCP or ACRE for the 2013 crop year. This means that eligible producers who were enrolled in ACRE in 2012 may elect to enroll in DCP in 2013 or may re-enroll in ACRE in 2013. Likewise producers who were enrolled in DCP may opt for ACRE enrollment.

Please contact the County Office to make an appointment to enroll your farms. It is your responsibility to ensure that you have enrolled in the program. Read more about DCP and ACRE or contact the FSA county office for more information, or an appointment to enroll.

Payment Limitations

All payment eligibility and payment limitation provisions, including Adjusted Gross Income (AGI) limitations, are extended for the 2013 crop year, program year, and fiscal year.

All rules and requirements effective for 2012 program payments and benefits are applicable to eligible recipients of 2013 program payment and benefits. This includes the requirements of actively engaged in farming, cash-rent tenant, substantive change, minor child, and spousal provisions. Payments will continue to be limited by direct attribution to person and legal entity.

Contributions

All partners, stockholders or members with an ownership interest in the legal entity must make a contribution, whether compensated or not compensated, for:

- Active personal labor,
- Active personal management,
- A combination of active personal labor and active personal management to the farming operation

Note that there are exceptions for spouses. Additional information on payment limitations is available at FSA county offices or online at: www.fsa.usda.gov

Crop Certification

After spring planting, producers should certify their 2013 acreage. Filing an accurate acreage report for all crops and land uses, including failed acreage and prevented planting acreage, can prevent the loss of benefits for a variety of programs.

Failed acreage must be reported within 15 days of the disaster event and before disposition of the crop. Prevented planting must be reported no later than 15 days after the final planting date.

Acreage reports are required for many Farm Service Agency programs. For crops enrolled in programs other than NAP (Noninsured Crop Disaster Assistance Program), acreage reports are to be certified by the March 15 deadline on small grains and a July 15 deadline on all other crops.

Please Contact the county Office to make an appointment to certify your acres.

Sod busting

Farmers and ranchers should be aware that if they use highly erodible land for crop production without proper conservation measures, they risk losing eligibility to participate in Farm Service Agency programs. Before producers clear, plow or otherwise prepare areas not presently under crop production for planting, they are required to file an AD-1026, indicating the area to be brought into production.

If Natural Resources Conservation Service indicates that the area will be highly erodible land, the producer will be required to develop and implement a conservation plan on the affected acreage before bringing land into production if they wish to protect their farm program eligibility.

Direct and Guaranteed Loans

The Farm Service Agency is committed to providing family farmers with loans to meet their farm credit needs. If you are having trouble getting the credit you need for your farm, or regularly borrow from FSA, direct and guaranteed loans are currently available.

Ask your lender about an FSA loan guarantee if you've had a setback and your lender is reluctant to extend or renew your loan. Guaranteed loans have a maximum limit of \$1,302,000. This makes the maximum combination of direct and guaranteed loan indebtedness \$1,602,000.

The one-time loan origination fee charged on FSA guaranteed farm ownership and operating loans is 1.5 percent of the guaranteed portion of the loan. To find out more about FSA loan programs, contact the county office staff.

Beginning and Limited Resource Loans

FSA has a program to assist beginning farmers and or members of socially disadvantaged groups to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- § Has operated a farm for not more than 10 years

- § Will materially and substantially participate in the operation of the farm

- § Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA

- § Does not own a farm in excess of 30 percent of the county's median size.

Each member of an entity must meet the eligibility requirements. Loan approval is not guaranteed. Additional program information, loan applications and other materials are available at the local USDA Service Center or visit www.fsa.usda.gov and www.nrcs.usda.gov.

Loans for the Socially Disadvantaged

FSA has farm operating loans as well as loans to purchase or improve farms or ranches to assist applicants to begin or continue in agriculture production. While all qualified producers are eligible to apply for these loan programs, FSA has priority funding for socially disadvantaged applicants.

A socially disadvantaged applicant is a person who is a member of a group that has been subjected to racial, ethnic or gender prejudice without regard to the members' individual qualities. For purposes of this program, socially disadvantaged groups are women, African-Americans, American Indians, Alaskan Natives, Hispanics, Asian-Americans and Pacific Islanders. FSA loans are available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

Adjusted Gross Income

USDA and the Internal Revenue Service have established an electronic information exchange process for verifying compliance with the adjusted gross income (AGI) provisions for farm programs. Written

consent is required from each producer or payment recipient for the tax review process. No actual tax data will be included in the report that IRS sends to FSA.

This ensures that payments are not issued to producers whose AGI exceeds certain limits. The limits set in the 2008 Farm Bill are \$500,000 nonfarm average AGI for commodity and disaster programs; \$750,000 farm average AGI for direct payments; and \$1 million nonfarm average AGI for conservation programs.

Participants in CCC programs subject to average AGI rules must submit form CCC-931 to their local FSA County Office to avoid interruption of program benefits. This form may be obtained from local FSA and NRCS offices or online at: <http://forms.sc.egov.usda.gov/eforms/mainervlet>.

Farm Storage Facility Loans

The Farm Storage Facility Loan Program (FSFLP) allows producers of eligible commodities to obtain low-interest financing to build or upgrade farm storage and handling facilities.

The new maximum principal amount of a loan through FSFL is \$500,000. Participants are now required to provide a down payment of 15 percent, with CCC providing a loan for the remaining 85 percent of the net cost of the eligible storage facility and permanent drying and handling equipment. New loan terms of seven, 10 or 12 years are available depending on the amount of the loan. Interest rates for each term rate may be different and are based on the rate which CCC borrows from the U.S. Treasury Department.

Funding is available in the form of a partial disbursement and the remaining final disbursement. The partial disbursement will be available after a portion of the construction has been completed. The final fund disbursement will be made when all construction is completed. The maximum amount of the partial disbursement will be 50 percent of the projected and approved total loan amount.

Applications for FSFL must be submitted to the FSA county office that maintains the farm's records. An FSFL must be approved before any site preparation or construction can begin. For more information about FSFL please visit your FSA county office or www.fsa.usda.gov.

Controlled Substances

Program participants convicted under federal or state law of any planting, cultivating, growing, producing, harvesting or storing a controlled substance are ineligible for program payments and benefits. If convicted of one of these offenses, the program participant shall be ineligible during that crop year and the four succeeding crop years for Direct and Counter-Cyclical payments, price support loans, loan deficiency payments, market loan gains, storage payments, farm facility loans, Non-Insured Crop Disaster Assistance Program payments or disaster payments.

Program participants convicted of any federal or state offense consisting of the distribution (trafficking) of a controlled substance shall, at the discretion of the court, be ineligible for any or all program payments and benefits:

§ For up to 5 years after the first conviction

§ For up to 10 years after the second conviction

§ Permanently for a third or subsequent conviction.

Program participants convicted of federal or state offense for the possession of a controlled substance shall be ineligible, at the discretion of the court, for any or all program benefits as follows:

§ Up to one year upon the first conviction

§ Up to five years after a second or subsequent conviction.

Farm Reconstitutions

For FSA program purposes, tracts having the same owner and the same operator are grouped under one farm serial number. When changes in ownership or operation take place, a farm reconstitution is necessary.

The reconstitution or “recon” is the process of combining or dividing farms or tracts of land based on the farming operation. Remember, to be effective for the current year, recons must be requested by Aug. 1 for farms enrolled in specific programs.

The following are the different methods used when doing a farm recon:

Estate Method — The division of bases, allotments and quotas for a parent farm among heirs in settling an estate

Designation of Landowner Method — May be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding

DCP Cropland Method — The division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract

Default Method — The division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

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.

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 your local FSA office.

Unauthorized Disposition of Grain

If loan grain 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 and a producer's name will be placed on a loan violation list for a two-year period. Always call before you haul any grain under a loan contract.

Marketing Assistance Loans (MAL)

Short-term financing is available by obtaining low interest commodity loans for eligible harvested production. A nine-month Marketing Assistance Loan provides financing that allows producers to store production for later marketing. The crop may be stored on the farm or in the warehouse.

Loans are available for producers who share in the risk of producing the eligible commodity and maintain beneficial interest in the crop through the duration of the loan. Beneficial interest means retaining the ability to make decisions about the commodity, responsibility for loss because of damage to the commodity and title to the commodity. Once beneficial interest in a commodity is lost, it is ineligible for a loan, even if you regain beneficial interest.

Banking Changes?

If you changed banks and did not notified FSA, your payments could be delayed. Payments are electronically transferred into your bank account, if we are not aware of changes to your account and routing numbers, there could be problems. In order to make timely payments, you need to notify the office if you close your account or if another financial institution purchases your bank. It is important that any changes in a producer's account such as type account, bank mergers, routing number or account numbers, be provided to the county office promptly to avoid possible payment delay.

Special Accommodations

Reasonable accommodations will be made, upon request, for individuals with disabilities, vision impairment, or hearing impairment to attend or participate in meetings or events sponsored by the Farm Service Agency. If you require special accommodations to attend or participate in one of our events, please call the FSA county office and we will make any needed arrangements.

USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay),

(866) 377-8642 (Relay voice users).