

March 2014



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## Kern County FSA Updates

- [NEW FARM BILL PROVIDES PERMANENT LIVESTOCK DISASTER ASSISTANCE PROGRAMS](#)
- [CALIFORNIA FARMERS ELIGIBLE FOR EMERGENCY LOANS](#)
- [2009, 2010, 2011, 2012 AND 2013 AVERAGE ADJUSTED GROSS INCOME COMPLIANCE REVIEW](#)
- [NONINSURED CROP DISASTER ASSISTANCE PROGRAM \(NAP\)](#)
- [GUARANTEED LOAN ELIGIBILITY](#)
- [DIRECT LOAN CHANGES](#)

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### Kern County FSA Office

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**County Executive Director:**  
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**Program Technicians:**

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**Next County Committee Meeting:** May 15 at 9:00 am

## NEW FARM BILL PROVIDES PERMANENT LIVESTOCK DISASTER ASSISTANCE PROGRAMS

The 2014 Farm Bill, formally known as the Agricultural Act of 2014, makes the Livestock Forage Program (LFP) and Livestock Indemnity Program (LIP) permanent programs and provides retroactive authority to cover eligible losses back to Oct. 1, 2011.

LFP provides compensation to eligible producers who suffered grazing losses due to drought and fire. LIP provides compensation to livestock producers who suffered livestock death losses in excess of normal mortality due to adverse weather and attacks by animals reintroduced into the wild by the Federal Government or protected by Federal law, including wolves and avian predators.

USDA is determined to make implementing the livestock disaster programs a top priority and plans to open program enrollment by April 15, 2014.

As USDA begins implementing the livestock disaster assistance programs, producers should record all pertinent information of natural disaster consequences, including:

- Documentation of the number and kind of livestock that have died, supplemented if possible by photographs or video records of ownership and losses
- Dates of death supported by birth recordings or purchase receipts

- Costs of transporting livestock to safer grounds or to move animals to new pastures
- Feed purchases if supplies or grazing pastures are destroyed
- Crop records, including seed and fertilizer purchases, planting and production records
- Pictures of on-farm storage facilities that were destroyed by wind or flood waters
- Evidence of damaged farm land.

Many producers still have questions. USDA is in the process of interpreting Farm Bill program regulations. Additional information will be provided once the enrollment period is announced. In the meantime, producers can review the [LIP and LFP Fact Sheets](#). Thanks for your patience as USDA works diligently to put Farm Bill programs into action to benefit the farmers and ranchers of rural America.

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## **CALIFORNIA FARMERS ELIGIBLE FOR EMERGENCY LOANS**

All California counties were declared a primary/contiguous disaster due to drought and heat using the streamlined Secretarial Disaster Designation process. Under this designation, producers with operations in any primary or contiguous county are eligible to apply for low interest emergency loans.

The streamlined disaster designation process issues a drought disaster declaration when a county has experienced a drought intensity value of at least a D2 (severe drought) level for eight consecutive weeks based on the U.S. Drought Monitor during the crop year.

Emergency loans help producers recover from production and physical losses due to drought, flooding and other natural disasters or quarantine.

Producers have eight months from the date of the declaration to apply for emergency loan assistance. FSA will consider each loan application on its own merits, taking into account the extent of losses, security available and repayment ability. Producers can borrow up to 100 percent of actual production or physical losses, to a maximum amount of \$500,000.

For more information about emergency loans, please contact your local FSA office or visit [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## **2009, 2010, 2011, 2012 AND 2013 AVERAGE ADJUSTED GROSS INCOME COMPLIANCE REVIEW**

The AGI verification and compliance reviews for 2009, 2010, 2011, 2012 and 2013 are conducted on producers

who the IRS indicates may have exceeded the adjusted gross income limitations described in [7 CFR 1400.500]. Based on this review, producers will receive determinations of eligibility or ineligibility.

If the producer is determined to have exceeded the AGI limitation of \$500,000 of nonfarm income, \$750,000 of farm income, \$1 million of conservation program benefits or the \$1 million total AGI, then receivables will be established for payments earned directly or indirectly by the producer subject to the applicable limitation. The California FSA State Office will begin notifying producers selected for review next month. If you have any questions about the review process or determination, please contact the California FSA State Office at 530-792-5520. Producers who receive initial debt notification letters may only appeal the amount of the debt to their local FSA office. Adverse determinations become administratively final if not timely appealed and can only be reopened if exceptional circumstances exist that prevented the producer from timely filing the appeal.

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## **NONINSURED CROP DISASTER ASSISTANCE PROGRAM (NAP)**

The noninsured crop disaster assistance program (NAP) is a federally funded program that helps producers reduce their risk when growing food and fiber crops, specialty crops and crops for livestock feed. These benefits are only available for crops for which the catastrophic level of crop insurance is not available. Application for coverage must be filed by the applicable crop's application closing date.

Production records for all crops must be reported to FSA no later than the acreage reporting date for the crop for the following year. FSA requires that any production reported in a loss year be verifiable according to Agency specifications. NAP Losses must be reported within 15 days of the date the loss became apparent.

All applications for NAP payment must be signed by the subsequent crop year's acreage reporting date in order to be considered timely. There are no late-file provisions for NAP applications for payment.

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## **GUARANTEED LOAN ELIGIBILITY**

Changes to FSA regulations have removed Guaranteed Operating term limits. Previous and current guaranteed loan borrowers who were not eligible for further guaranteed loans due to the previous 15 year eligibility term limit may now be eligible for further guaranteed loans through their commercial lender.

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## DIRECT LOAN CHANGES

Changes were made to the interest rate charged on loans where FSA provides 50 percent or less on jointly financed purchases of real estate also called Direct Farm Ownership Participation Loans. The interest rate will be the greater of 2.5 percent or the current interest rate for direct Farm Ownership loans minus 2 percent, as a fixed rate for the duration of the loan. At present, the March direct Farm Ownership rate is 4.25 percent. Because the 2.5 percent floor is greater than subtracting 2 percent from the direct farm ownership loan rate, the rate for Direct Farm Ownership Participation Loans in March is 2.5 percent.

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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).