



# FSA Program Updates

## Farm Service Agency California

**Kings County**  
680 Campus Dr Ste C  
Hanford, CA 93230  
(559) 585-8732  
(559) 584-8715  
www.fsa.usda.gov

### Hours

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

### County Committee

Peter Rietkerk  
Ceil Howe III  
Vicki Dias  
Michael Miya -Advisor

### County Director

Kathy Sargent

### Staff

Joan Avila  
Winifred Brogan  
Nathan Olson  
Lillian Sanchez  
Julie Thomas  
Lance Carter

For a list of local offices,  
visit [www.fsa.usda.gov/ca](http://www.fsa.usda.gov/ca)

2009 Newsletter #1

## DCP Signup Underway

Signup has started for the 2009 Direct and Counter-cyclical Payment (DCP) Program for farms with base acres. Contact your local USDA office or service center now. Signup will continue until June 1, 2009. The June 1, 2009 deadline is mandatory for all participants. FSA will not accept any late-filed applications.

An electronic application is also available for DCP (or eDCP) for those who wish to register and explore this option. Contact your local FSA office for more information and to establish the required *eAuthentication Level 2* account.

FSA computes DCP Program payments using base acres and payment yields established for each farm. Eligible producers receive direct payments at rates established by statute regardless of market prices. For 2009, you may request to receive advance direct payments based on 22 percent of the direct payment for each commodity associated with the farm. FSA will issue advance direct payments later this month. Counter-cyclical payment rates vary depending on market prices and are issued only when the effective price for a commodity is statutorily set below its target price.

Producers who are eligible for the DCP Program will also be eligible to enroll in the Average Crop Revenue Election (ACRE) Program. The enrollment period for the ACRE Program will begin in the spring. You may first enroll in the DCP Program, receive advance direct payments and then later modify your enrollment to include the ACRE program or you may wait and elect to enroll in DCP and ACRE at the same time in spring 2009.

**In order to provide you with the best customer service, please call the office for an appointment for signup.**

## MILC Sign Up Begins

Signup for the Milk Income Loss Contract Program (MILC) is underway and will continue through the program's expiration date, Sept. 30, 2012.

The 2008 Farm Bill reauthorizes the MILC Program, which operates similarly to the counter-cyclical payment program for crops, and makes three key changes in program operation. Under the Farm Bill, the MILC payment rate and the per-operation poundage limit are modified, depending on when the milk is produced. In addition, a "feed cost adjuster," is introduced over the life of the 2008 Act, which adjusts the \$16.94 per hundredweight (cwt.) benchmark price upward depending on the cost of feed rations. When available, MILC payments are based on a payment rate percentage that is multiplied by the difference between a now-flexible target (\$16.94 per cwt. or higher) and the specific month's Boston Class I price of milk.

The 2008 Farm Bill made changes to the provisions for payment eligibility and adjusted gross income (AGI). If the individual or entity has non-farm AGI greater than \$500,000, the individual or entity is not eligible for MILC benefits. Please call for an appointment if you wish to enroll in this program.

## Payment Limits & Direct Attribution

To qualify for commodity and disaster programs under the new farm bill, applicants now must adhere to new **Adjusted Gross Income (AGI)** restrictions. The AGI ceiling limitation was reduced from \$2.5 million from all sources to a three-year average **non-farm AGI of \$500,000**. Also, under the new regulations, an individual or entity must have a 3-year average AGI less than or

equal to \$750,000 per year from farm income in order to qualify for direct payments issued under the Direct and Counter-cyclical Program (DCP).

For conservation programs, the average non-farm AGI limitation is \$1 million or less for eligibility. However, an individual or entity who has non-farm AGI in excess of \$1 million remains eligible for conservation programs only if 66.66 percent or more of the total AGI is derived from farming, ranching and forestry operations. In addition, the AGI limitation for conservation programs may be waived on a case-by-case basis if it is determined that environmentally sensitive land of special significance would be protected.

Another change in eligibility is that program payments are limited by direct attribution of payment totals directly to individuals or indirectly to individuals through entities.

A legal entity is defined as an entity created under Federal or State law that owns land or an agricultural commodity, product or livestock. Through direct attribution, payment limitation is based on the total payments received by the entity and also the individual, both directly and indirectly as an officer, partner or shareholder in an entity. Qualifying spouses are eligible to be considered separate persons for payment limitation purposes, rather than being automatically combined under one limitation.

Also, individuals and entities must be "actively engaged in farming" with respect to a farming operation in order to be eligible for specified payments and benefits. To be "actively engaged in farming," the individual or entity must make significant contributions to the farming operation of: (1) capital, equipment, land, or a combination; and (2) personal labor or active personal management, or a combination. For more information on how these provisions apply to your own situation, contact your local FSA office.

## County Committee Election Results

Congratulations to Vicki Dias! Vicki was elected to represent farmers from the Hanford-Kingsburg area on the county committee. Vicki was elected to her 1<sup>st</sup> term.



FSA appreciates all of the voters for taking the time to complete the election ballot. The county committee system works only because of your participation.

The committee members will hold their organizational meeting in January to determine who will serve as the county committee chairman and vice-chairman.

## Foreign Buyers Notification

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. The Farm Service Agency administers this program for USDA.

Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA with 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25 percent of the fair market value of the property. County government offices, Realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

## Controlled Substance

Any person who is convicted under federal or state law of a controlled substance violation could be ineligible for USDA payments or benefits. Violations include planting, harvesting or growing a prohibited plant. Prohibited plants include marijuana, opium, poppies and other drug producing plants.

## Special Accommodations

Special accommodations will be made upon request for individuals with disabilities, vision impairment or hearing impairment. If accommodations are required, individuals should contact the county FSA office staff directly or by phone.

## Power of Attorney

For experiencing difficulties visiting the county office because of work schedules, distance, health or other reasons, FSA has a power of attorney form available that enables you to designate another person to conduct your business at the office. If you are interested, please contact our office or any Farm Service Agency office near you for more information.

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## Payment Deposits – New

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



## Appeal Process

After an FSA official makes a decision on your request or application for USDA services, you will be sent a letter informing you of the decision and options you can pursue if you disagree.

Generally, appellants have three choices — an informal review with the original agency decision-maker, an opportunity for mediation and finally an appeal to the next level of authority within the agency.

## FSA Signature Policy

Using the correct signature when doing business with FSA can save time and prevent a delay in program benefits. The following are FSA signature guidelines:

- A married woman shall sign her given name: Mrs. Mary Doe, not Mrs. John Doe
- For a minor, FSA requires the minor's signature and one from an eligible parent. Note, by signing the applicable document, the parent is liable for actions of the minor and may be liable for refunds, liquidated damages, etc
- When signing on one's behalf the signature must agree with the name typed or printed on the form, or be a variation that does not cause the name and signature to be in disagreement. Example - John W. Smith is on the form. The signature may be John W. Smith or J.W. Smith or J. Smith. Or Mary J. Smith may be signed as Mrs. Mary Joe Smith, M.J. Smith, Mary Smith, etc
- FAXED signatures will be accepted for certain forms and other documents provided the acceptable program forms are approved for FAXED signatures. Producers are responsible for the successful transmission and receipt of FAXED information.

Examples of documents **not** approved for FAXED signatures include:

- Promissory note

- Assignment of payment
- Joint payment authorization
- NAP actual production history and approved yield record
- Acknowledgement of commodity certificate purchase
- Financing statement
- UCC financing statement

- Spouses may sign documents on behalf of each other for FSA and CCC programs in which either has an interest, unless written notification denying a spouse this authority has been provided to the county office
  - Spouses shall not sign on behalf of each other as an authorized signatory for partnerships, joint ventures, corporations, or other similar entities
  - All members of a general partnership must sign for the general partnership unless an individual is authorized to act on the behalf of the general partnership and bind all members
  - Spouses may sign on behalf of each other's individual interest in a partnership, unless notification denying a spouse that authority is provided to the county office
  - Acceptable signatures for general partnerships, joint ventures, corporations, estates, and trusts shall consist of an indicator "by" or "for" the individual's name, individual's name and capacity, or individual's name, capacity, and name of entity
- For additional clarification on proper signatures contact your local FSA office.

## Customer Statement

It's a new year and time to think about filing taxes. Producers with an USDA eAuthentication Level 2 account will be able to access their farm data via their Customer Statement. The Customer Statement puts a range of USDA services and programs into a single report that's at your fingertips and available online, 24 hours a day, seven days a week.

It allows USDA customers to view their participation, application and payment status in various commodity and conservation programs; information on farm loans; and conservation plan and land unit information.



Selected Interest Rates for January 2009	
90-Day Treasury Bill	0.50 %
Farm Operating Loans — Direct	3.00 %
Farm Ownership Loans — Direct	4.875 %
Limited Resource Loans	5.00 %
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50 %
Emergency Loans	3.75 %

Dates to Remember	
Jan. 19	Martin Luther King Day - Office Closed
Jan. 31	<b>NAP Deadline</b> – 2009 Apple Crop
Jan. 31	<b>Crop Insurance Deadlines</b> – 2009 AGR, Fruit/Nut Trees, Fresh/Processed Tomatoes, Table Grapes

Please call for an appointment if you wish to enroll in the  
 Milk Income Loss Contract (MILC) program  
 or  
 the 2009 Direct and Counter Cyclical Program (DCP)

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