



# NEWSLETTER



March 2011

## Happy New Year and Welcome 2011!

### USDA/FSA Office

Farm Service Agency  
San Benito/Santa Clara  
2337 Technology Pkwy  
Suite A  
Hollister, CA 95023  
831.637.4360 (phone)  
831.636.7643 (fax)

### Websites:

FSA: [www.fsa.usda.gov](http://www.fsa.usda.gov)  
USDA: [www.usda.gov](http://www.usda.gov)

### Hours:

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

### County Committee

Melinda Casillas, LAA1  
Nenette Corotto, LAA2  
Ralph Santos, Jr., LAA3  
Joseph Gonzales, Advisor

### County Executive Director

Jeannine Leyva

### Office Staff

Rebekah Reische

NRCS is co-located in the  
Hollister Service Center, in  
Suite C. Dial extension 3 to  
reach NRCS staff.

### Farm Loan Staff

are headquartered in the  
Salinas Service Center 831  
424-7377 (phone)

### County Committee Election Results

Congratulations to Melinda Casillas! Melinda was elected to represent farmers and ranchers from within the Hollister city limits on the county committee. Melinda was elected to her first consecutive term. The election results for Local Administrative Area 1 are:

Melinda Casillas — Elected to the county committee (COC),

Linda Chu — 1<sup>st</sup> alternate to COC,

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.

### SURE – 2009 and Later

The Supplemental Revenue Assistance Program (SURE) provides benefits for farm revenue losses due to natural disasters. **SURE sign up for crop year 2009 losses runs from Jan. 10 to July 29, 2011. Deadlines for 2010 and 2011 crop years will be announced later.**

To be eligible for SURE payments, a producer is required to obtain crop insurance on all crops in all counties or, if crop insurance is not available, to participate in the Non-Insured Assistance Program (NAP) except for grazed acreage. This requirement does not apply for crops that are not of economic significance or where the administrative

fee required to buy NAP coverage exceeds 10% of the value of the crop coverage.

Eligible farmers and ranchers who meet the definition of Socially Disadvantaged, Limited Resource, or Beginning Farmer or Rancher are exempt from the risk management purchase requirement.

The following conditions are required to trigger SURE payments:

- at least one crop of economic significance must suffer a 10% production loss due to an eligible disaster condition
- crop of economic significance is a crop that has contributed or would have contributed at least 5% or more of the total expected revenue from all crops on the farm
- producers in counties declared disaster counties by the Secretary of Agriculture, or in contiguous counties, or those who show proof of an individual loss of at least 50% are eligible to receive SURE payments for crop producer or crop quality losses. Losses are measured with consideration to the whole-farm revenue, which includes crop insurance indemnities and commodity program payments, so that producers are not paid more than once for the same loss.

If you would like additional clarification, please contact (831) 637-4360 ext. 100 and speak with Jeannine Leyva.

**Note:** *due to the need to wait for end of year market price data to make SURE final calculations, SURE assistance payments lag the crop years end by one full year.*

## 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 those who find it difficult to visit the county office personally because of work schedules, distance, health, etc., 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 FSA office near you for more information.

## Appeal Process

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

Generally, program participants 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.

## Acreage Reporting

Don't forget to call for an appointment to certify all crops and the acreage of each field after finishing planting. The deadline for reporting fall-planted crops is **April 30, 2011**. The final reporting deadline for all spring-planted crops is **July 15, 2011**.

Crop and acreage reporting is required for many programs and it's a good way to maintain history. Certified acreage reports are used to determine compliance with certain farm programs and, perhaps, the eligibility level in future programs. Measurement service can be requested to determine exact acreage for reporting purposes. FSA is now using satellite information to measure crop acreages.

***If you have not yet reported your 2011 plantings, call the office without delay to schedule an appointment by the deadlines!***

## 2011 DCP Signup

Enrollment for the 2011 Direct and Counter-cyclical Program (DCP) has begun and will continue through June 1, 2011. USDA urges producers to make use of the eDCP automated website to sign up, or producers can visit any USDA Service Center to complete their 2011 DCP contract.

USDA 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 2011, eligible producers may request partial direct payments as an advance on the total amount.

## NAP Carrying Capacities

FSA has established native pasture carrying capacities for ranchers in San Benito and Santa Clara Counties. Carrying capacities are: 10, 15, 20, 25, and 35 acres per animal unit.

## 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 loss.*

## Farming Operation Changes

If you have bought or sold land, or if you have added or dropped rented land from your operation, make sure you report the changes to the office as soon as possible. You need to provide a copy of your deed or recorded land contract for purchased property. Failure to maintain accurate records with FSA on all land you have an interest in can lead to possible program ineligibility and penalties. Making the record changes now will save you time in the spring. Update signature authorization when changes in the operation occur. Producers are reminded to contact the office of a change in operations on a farm so that records can be kept current and accurate.

## Farm Loan Programs

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.

For more information, contact (831) 424-7377 ext.110 and speak with Enoy Guevara.

## Adjusted Gross Income

USDA has a Memorandum of Understanding with the Internal Revenue Service to establish an electronic information exchange process for verifying compliance with the adjusted gross income (AGI) provisions for farm programs. Written consent from the IRS to verify AGI compliance will be required from each producer or payment recipient. No actual tax data will be included in the report that IRS sends to USDA.

The agreement 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-927 (Individual) and/or CCC-928 (Legal Entity) to the Internal Revenue Service by June 15. These forms may be obtained from local FSA and NRCS offices or online at:

<http://forms.sc.egov.usda.gov/eforms/mainervlet>.

## 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, where 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, feel free to contact your local FSA office.

## Customer Statement

January signals the beginning of a new year, and a time to starting thinking about filing taxes. Producers who have signed up for a 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.

## 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.

## Highly Erodible Land and Wetland Conservation Compliance

Landowners and operators are reminded that in order to receive payments from USDA, compliance with Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions are required. Farmers with HEL determined soils are reminded of tillage, crop residue, and rotation requirements as specified per their conservation plan.

Producers are to notify the USDA Farm Service Agency prior to conducting land clearing or drainage projects to insure compliance. Failure to obtain advance approval for any of these situations can result in the loss of eligibility and all Federal payments.

## 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. FSA administers this program for USDA.

All individuals who are not U.S. citizens, and 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 (FSA-153) 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.

## IRS Form 1099-G

Producers annually receive CCC-1099-Gs detailing payments producers have received from the Commodity Credit Corporation. The annual report of program payments on CCC-1099-Gs is a service intended to help our customers report taxable income. It is not intended to replace the producers' responsibilities to report income to IRS.

FSA staff cannot interpret IRS regulations or advise producers about which payments to report on their income tax returns. However, county office staff can review payments for accuracy.

San Benito/Santa Clara Co. FSA Office  
2337 Technology Pkwy., SuiteA  
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**PRESORTED STANDARD**  
**U.S. POSTAGE PAID**  
Davis, CA  
PERMIT #22

Interest Rates February 2011	
90-Day Treasury Bill	0.125%
Farm Operating - Direct	2.250%
Farm Ownership – Direct and Conservation Loan	4.750%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.500%
Emergency	3.750%

Dates to Remember	
April 30	Deadline to file acreage report for all fall-planted crops
May 30	Memorial Day Holiday
June 1	Deadline to sign-up for 2011 DCP
July 4	Independence Day Holiday
July 15	Deadline to file acreage report for all spring-planted crops
July 29	Deadline to sign-up for 2009 SURE