

February 2008

San Joaquin/Calaveras/ Alameda/Contra Costa County News

**San Joaquin/
Calaveras/Alameda/
Contra Costa
County USDA
Service Center**

**San Joaquin County
FSA**
3422 W HAMMER LN
(209) 427-7127 (ph)
(209) 472-7890 (fax)
www.fsa.usda.gov

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

County Committee
Patti Spence, Chair
Glenn Stonebarger,
V. Chair
Kenny Watkins, Reg.
Rudy Mussi, Reg.
Anthony Castello,
Reg.

**County Committee
meets 4th Thursday
of each month**

Program Staff
Jeffery J Torres, CED
Lenore Miller, CPT
Jonna Spaletta, COT
Michael Tanaka, PT
Sharon Coon, PT
Parveen Bains, PT
Erick Rodriguez, PT
Sara Bautista, PT

Farm Loan Staff
Belle Davis, FLM
Karin Sung, FLO
Sue Gribben, FLO
Terrick Boley, FLOT
Rosie Pombo, PT

NAP Coverage Deadline

March 1, 2008 is the deadline date for producers to apply for Noninsured Crop Disaster Assistance Program (NAP) coverage using form CCC-471 (Application for Coverage). Related service fees are due when the application is filed. The application and service fee **MUST** be filed **by 03/01/2008**, the closing date for 2008 spring seeded crops including vegetables.

The service fee is \$100 per crop per county or \$300 per producer per county. The fee cannot exceed a total of \$900 per producer for individuals with farming interests in multiple counties. Limited resource producers may request a waiver for service fees.

To qualify, a producer must be a landowner, tenant or sharecropper who shares in the risk of producing an eligible crop.

NAP Production Reporting

Production records for individual crops need to be filed with our office to establish an approved NAP yield. Records submitted must be reliable and verifiable. *All production records must be submitted by the subsequent crop year's final acreage reporting date.*

Disaster Eligibility Date Extended

Eligible farmers and ranchers who suffered livestock, livestock feed and crop losses that occurred before Dec. 31, 2007, can now apply to receive disaster payments.

The Farm Service Agency (FSA) is accepting applications and making payments for quantity losses under CDP that occurred before Dec. 31, 2007 for crop years 2005, 2006, and 2007. FSA is currently issuing LCP and LIP payments for losses that occurred up to Feb. 28, 2007, and will soon issue payments for losses incurred during the remainder of 2007. FSA will conduct sign-up and begin making payments for quality losses under CDP this spring. More information about

CDP, LCP and LIP is available online at:
<http://disaster.fsa.usda.gov>.

The Dairy Disaster Assistance Payment (DDAP-III) Program, which provides benefits to eligible dairy producers for production losses suffered as a result of natural disasters since Jan. 1, 2005, has also been extended to include disasters occurring before Dec. 31, 2007.

As a result, DDAP-III sign-up, which began Dec. 3, 2007, has been temporarily suspended until such time as automation, policy, procedure and other administrative items can be updated accordingly. FSA will announce when DDAP-III program sign-up will resume.

If you are a dairy producer considering sign up for the Dairy Disaster Program, check with your nearest Service Center office for resumption of sign up. Or you can visit the website www.fsa.usda.gov/ca where the DDAP III sign up resumption announcement will be posted.

Payment Limitation

Changes in the administration of payment limitation provision were made in 2005 that may significantly affect your eligibility to receive FSA payments. Farming operations which cash rent land or obtain a significant amount of contribution, such as capital, equipment, and labor, from another farming operation may be subject to a more restrictive determination.

Cash Rent Tenant Provisions

Cash rent tenants who do not provide a significant contribution of active personal labor are required to provide a significant contribution of equipment and management. If the equipment comes from the same or similar source as the labor, then there must be separate contracts that reflect fair market value and the cash-rent tenant must exercise complete control over the use of a significant

amount of the equipment during the current crop year. Equipment leased with labor for only a portion of the year will not qualify as a contribution of equipment and may result in ineligibility under this provision unless additional equipment is provided.

Borrowed Capital

If capital is borrowed by one farming operation using the collateral from other operations, a commensurate amount of the loan proceeds must be subsequently deposited in a commercial bank account for each of the operations in order for the capital to be considered as a contribution to the farming operation. If the funds are distributed through lines of credit or through accounting methods, the farming operations may not be considered separate and distinct or may be ineligible to receive benefits. Also, capital which is obtained from, secured by (including cross-collateralization), or guaranteed by an individual, joint operation, or entity that has an interest in the farming operation will not be considered as a capital contribution for the “actively engaged” determination. Example: Three partnerships obtain a single loan using assets from each partnership. If a commensurate amount of the loan proceeds is distributed to each partnership’s bank account, then the partnerships will not be considered separate and distinct and may be ineligible to receive benefits.

General Eligibility

Farming operations may be determined to be ineligible to receive benefits if a significant amount of contributions (capital, equipment, land, labor, and/or management) is provided by another farming operation. FSA will be conducting end of year reviews to ensure farming operations are eligible to receive benefits in accordance to payment limitation provisions. Example: Individual A applies for benefits and is financed by XYZ Corporation. Individual A also leases equipment and labor from XYZ Corporation. In this case, FSA will have to consider if Individual A is eligible to receive benefits or if XYZ Corporation is the proper applicant.

Other Payment Limitation Provisions

Custom Farming or Custom Services

Equipment used in the performance of custom farming services cannot be considered a significant contribution of equipment for the “actively engaged in farming” determination or to meet the “cash-rent tenant” provision.

Scheme or Device

Any producer who has adopted or participates in adopting a scheme or device that is designed, or has the effect of evading, the rules of the payment limitation and payment eligibility provisions shall be ineligible to receive payments for the applicable year and the succeeding year.

ANNUAL NOTIFICATION OF PAYMENT LIMITATION PROVISIONS

Determinations

Payments and benefits under certain programs are subject to some or all of the following: “person” determinations, payment limitations, “actively engaged in farming” requirements, cash-rent tenant rule, permitted entity restrictions, foreign person rule, and the average adjusted gross income limitation. These determinations may be initiated by producers or the local County Committee. Below are the programs, the payment limitation amount, and the applicable provisions. Provisions and limitations for other programs will be included with the program announcements.

Program	Amount	Determinations
DCP	\$40,000 Direct \$65,000 CC (Counter Cyclical)	Person (P), Actively Engaged (AE), Cash-Rent Tenant (CRT), Foreign Person (FP), and Adjusted Gross Income (AGI)
Commodity Loans	\$75,000	FP
Marketing Loan Gains	Total of \$75,000	P, AE, CRT, PE, FP, AGI
LDP		P, AE, CRT, PE, FP, AGI
EQIP	\$450,000 Total (2002-2007)	AGI
CRP	\$50,000	P, AE, CRT, PE, FP, AGI
NAP	\$100,000	P, \$2.0 Million Qualifying Gross Revenue (QGR)
TAA	\$10,000	P, AGI
TAP	\$75,000	P

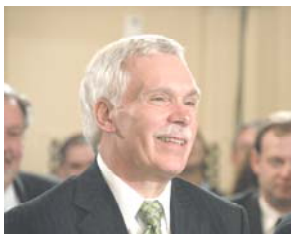
Foreign Buyers Notification

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 country are required to report the transaction to FSA within 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.

Spousal Signatures

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.

New Secretary of Agriculture



Ed Schafer was sworn in as the 29th Secretary of the U.S. Department of Agriculture on January 28, 2008. Secretary Schafer brings a record as an innovative two-term governor of North Dakota to USDA along with extensive private sector experience as both an entrepreneur and a business executive. For Secretary Schafer's complete background, visit "About USDA" at www.usda.gov.

2002 Farm Bill Extension

The 2008 catch all spending bill signed by President Bush on Dec. 26, 2007, extends FSA's authority to administer the Conservation Reserve Program and marketing loan benefits for wool and mohair through March 15, 2008. It also allows the Milk Price Support Program to continue operating at current price support levels through March 15, 2008. Under the 2002 Farm Bill, USDA's authority to administer these three programs expired on Dec. 31, 2007.

The law also provides \$3.3 billion in direct and guaranteed loan funds for FSA's Farm Loan Programs.

Conservation Compliance

All participants in USDA programs are required to have a conservation system in place on all the highly erodible land (HEL) that they operate. Several areas where problems can arise with complying with a conservation system are: renting new cropland, purchasing new land, breaking out additional cropland, planting different crops such as soybeans, and changing or removing existing conservation practices.

It is very important that you contact the FSA office before doing any of the above. Also, it is very important that you contact our office before modifying - tiling, draining, dredging, filling, or leveling - any wetland or drainage ditch. Failure to obtain advance approval for any of these situations can result in loss of all Federal payments and eligibility.

COC Election

Congratulations to Rudy Mussi, who was re-elected as a representative for the farmers and ranchers of LAA 1 on the San Joaquin/Calaveras/Alameda/Contra Costa County Committee.

SCHEDULING APPOINTMENTS

Please contact your local FSA Office to schedule an appointment for 2005/2006/2007 Livestock Programs (LCP & LIP) and Crop Disaster Programs (CDP), if you have not already done so. For San Joaquin, Calaveras, Contra Costa and Alameda counties, please call (209) 472-7127, ext. 2.

Selected Interest Rates for February 2008		Dates to Remember	
90-Day Treasury Bill	3.0%	March 1, 2008	2008 NAP Annuals, Squash, Carrots
Farm Operating Loans — Direct	3.875%		
Farm Ownership Loans — Direct	5.0%	April 30, 2008	Last Day to timely file fall-seeded report of acreage
Limited Resource Loans	5.0%		
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	4.0%		
Emergency Loans	3.75%	Visit our Web site at www.fsa.usda.gov/ **	

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