



NEWSLETTER



January 2011

**San Joaquin,
Calaveras, Alameda,
Contra Costa Counties
USDA Service Center**

**3422 W HAMMER LN,
SUITE C
STOCKTON CA 95219**

**(209) 472-7127 EXT 2 (PH)
209 472-7890 FAX
www.fs.usda.gov**

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

County Office Committee

Patti Spence
Garrett Mussi
Johan Bartelink
Kevin Delu
Norm Hertlein
John Ginochio
Glenn Stonebarger
Dennis Lopez

County Staff

JEFFERY TORRES, CED
BELLE DAVIS, FLM
Lenore Miller, CPT
Karin Sung, FLO
Gary Ward, FLOT
Sharon Coon, PT
Mike Tanaka, PT
Erick Rodriguez, PT
Sara Bautista PT
Sonia Cochrane, PT
Sherrie Hodge, PT
Courtney Hannink, SCEP

SURE Signup

Signup for the 2009 Supplemental Revenue Assistance Program (SURE) began Jan. 10, 2011. SURE provides benefits for farm revenue losses due to natural disasters. For SURE, all crops must be covered by crop insurance, NAP or eligible for waivers.

A farm enrolled in SURE is eligible when either:

- a portion of the farm is located in a county covered by a qualifying natural disaster declaration (USDA Secretarial Declarations only) or a contiguous county; or,
- the actual production is less than 50% of the normal production.

2010 Committee Election

Congratulations to Garrett Mussi, Norman Hertlein and Dennis Lopez for winning the election in their area. The results are as follows:

Elected to County Committee (COC)

LAA 1

Garrett Mussi	Regular Member, LAA1
Bobby Costa Jr.	1 st Alternate, LAA1
Janet Del Carlo	2 nd Alternate, LAA 1

Elected to County Committee (COC)

LAA5

Norman Hertlein	Regular Member, LAA5
Talibah Al-Rafiq	1 st Alternate, LAA5

Elected to County Committee (COC)

LAA 8

*Dennis Lopez	Regular Member, LAA 8
*Scott Beyer	1 st Alternate, LAA 8
Pam Macor-Beyer	2 nd Alternate, LAA 8

*Dennis Lopez and Scott Beyer tied for Regular Member – tie settled by lot.

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. 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.

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.

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.

DCP Signups Underway

We can now issue 2011 direct payments under the Direct and Counter-Cyclical Program. The final date to sign up for the program for 2011 is **June 1, 2011**. Update your DCP contract and put the advance payment to work for your farm today. Farmers who want to update their contracts need to address land and business issues.

- Will you continue to rent the same property you rented last year? If not, notify the office so we can update your farm records or perform a reconstitution to remove land from your farming operation.
- If the land in your operation won't change, do you have a signed lease from the landowner? A signed rental agreement indicating you have cash leased land for 2011 is required to receive an advance payment. A cash-rent certification

may be used if you rented the land last year; however, an advance payment cannot be issued for the farm until **June 1, 2011**.

- Are you changing the structure of your operation? For example, is the farm converting from an individual to a partnership or limited liability company (LLC)? Are you changing shares within the business or is one of the shareholders leaving the business? These questions need to be answered prior to sign-up.

Marketing Assistance Loans

Marketing Assistance Loans for crop years 2009 through 2012 are available to producers who share in the risk of producing the crop. To be eligible, you must maintain beneficial interest in the crop through the time of application. Beneficial interest means retaining the ability to make decisions about the commodity; responsibility for loss or damage to the commodity; and title to the commodity. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan even if you regain beneficial interest.

Commodity loan eligibility also requires you comply with conservation and wetland protection requirements; beneficial interest requirements, report how you use cropland acreage on the farm and ensure that the commodity meets Commodity Credit Corporation (CCC) minimum grade and quality standards. For commodities to be eligible they must have been produced by an eligible producer, be in existence and in a storable condition and be merchantable for food, feed or other uses as determined by CCC. The quality of the commodity in farm storage must be maintained throughout the term of the loan.

Producers do not have to participate in the Direct and Counter-Cyclical Program to be eligible for commodity loans.

Violating provisions of a marketing assistance loan may trigger administrative actions, such as assessing liquidated damages, calling the loan and denial of future farm-stored loans.

The most common violations are removing or disposing of a commodity being used as loan collateral without prior authorization and providing an incorrect quantity certification.

Help Available to Stressed Farmers

In the past year, the economy, inclement weather, drought and other factors have hurt many farming operations around the country. These events pushed some farmers to the emotional breaking point. Watching their livelihood being threatened is difficult for farmers and ranchers and especially for those who care about them.

The National Suicide Prevention Hotline is available to help. If you know a farmer or rancher who is under stress and is reluctant to ask for help, or if you just need to talk to someone, call 1-800-273-TALK (8255). Your call will be routed to the crisis center nearest you, where trained staffers are available 24/7. This nationwide service is free and confidential. Help is just a phone call away.

For more information, go to: <http://www.suicidepreventionlifeline.org/>. This service is not affiliated with the US Department of Agriculture.

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.

FSA Signature Policy

For FSA and Commodity Credit Corporation programs in which either has an interest, husbands and wives may sign documents on behalf of each other. 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.

Reporting Acreage

Producers have until **April 29, 2011** to report fall seeded crops. Please call the County Office at (209) 472-7127 ext. 2 to schedule an appointment once your crops are in the ground.

Wool and Mohair LDPs

Producers have until **January 31, 2011** to submit form CCC-633EZ for Wool and Mohair for which they have not yet lost beneficial interest.

NAP Notice

The application closing date for annual crops (lettuce, peppers, beans, herbs, etc.) is **March 1, 2011**. The NAP coverage fee for 2011 is \$250.00 per crop, but not more than \$750.00 per producer per county, or not more than \$1875.00 per producer for all counties.

Production records for individual crops need to be filed with our office to establish an approved yield. Records submitted must be reliable and verifiable. ALL PRODUCTION RECORDS MUST BE SUBMITTED BY THE SUBSEQUENT CROP YEAR'S FINAL ACREAGE REPORTING DATE.

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.

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.

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.

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.

Paper Check Conversion-Over the Counter (PCC-OTC)

Over the next year, FSA/CCC is moving toward an electronic method for processing producer's checks. When producers present checks, either in person or through the mail, the checks will be converted into an Electronic Funds Transfer (EFT). The funds will be debited from the producer's account, usually within 24 hours of receipt. Please see the U.S. Department of Treasury legal notices posted in the Service Center or visit the following U.S. Department of Treasury Internet site for detailed information:

<https://www.pccotc/pcc/usingpcc/Legal%20Notices/legalnotices.htm>

Note: FSA/CCC will begin this process in the coming months.

Bank and Account Changes

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.

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 Farm Service Agency 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.

San Joaquin, Calaveras,
Alameda, Contra Costa
County FSA Office 3422 W
Hammer Ln, Suite C
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Interest Rates January 2011	
90-Day Treasury Bill	0.125%
Farm Operating - Direct	1.750%
Farm Ownership - Direct	4.500%
Conservation Loan	4.500%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.500%
Emergency – Actual Loss	3.750%
Commodity Loans 1996-Present	1.250%

Dates to Remember	
Jan. 17	Martin Luther King's Birthday
Feb. 21	George Washington's Birthday
Mar. 6-8	CA Small Farm Conf. San Jose
April 29	Fall Reported Crop Reports due
June 1	DCP Signups end

USDA is an equal opportunity provider and employer.