

**May 2013**



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## **Stanislaus-Tuolumne County FSA News**

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### **Office Location**

3800 Cornucopia Way, Suite E  
Modesto, CA 95358  
Phone (209) 491-9320 ext 2  
Fax (209) 491-9331

### **Hours**

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

### **County Committee (COC)**

Dave Wheeler, Chairperson  
Larry Byrd, Vice Chair  
Stuart Crook, Member  
Dale Matney, Member  
Miguel Garcia, Advisor

### **Next COC Meeting:**

June 6, 2013

### **Farm Program Staff:**

Jonna Spaletta, CED  
Carmen Cardenas, PT  
Maria Juárez, PT  
Latisha Kahn, PT  
Joni Christensen, PT

### **Farm Loan Staff:**

Deanna Martin, FLM  
Amy Cody, FLO  
Alma Jaquez, PT  
Lupe Mims, PT

For further details and to discuss your own operation's eligibility for any program, contact your nearest FSA office.

For a list of local offices, visit

## **Hispanic and Women Farmers and Ranchers Claims Process Extended**

Agriculture Secretary Tom Vilsack has announced an extension of the voluntary claims process for Hispanic and women farmers and ranchers who allege discrimination by the USDA in past decades. All claims must now be filed by **May 1, 2013.**

The process offers a voluntary alternative to litigation for each Hispanic or female farmer and rancher who can prove that USDA denied his or her application for loan or loan servicing assistance for discriminatory reasons for certain time periods between 1981 and 2000. As announced in February 2011, the voluntary claims process will make available at least \$1.33 billion for cash awards and tax relief payments, plus up to \$160 million in farm debt relief. There are no filing fees to participate in the program.

Claimants may register for a claims package by calling the telephone number below Monday through Friday 9 a.m. to 8 p.m. Eastern Time or by downloading the forms from the website.

**Website:** [www.farmerclaims.gov](http://www.farmerclaims.gov)

**Phone:** 1-888-508-4429

**Fax:** (855) 626-8343

**Email:** [claims@hwfr.org](mailto:claims@hwfr.org)

**Claims Period:** September 24, 2012 – May 1, 2013.

Claim packages and other documentation may be mailed to Hispanic and Women Farmers and Ranchers Claims Administrator, PO Box 4540, Portland, OR 97208-4540. Claim packages and other documentation may also be emailed to [claims@hwfr.org](mailto:claims@hwfr.org). Claimants may also fax claims packages and other documentation to (855) 626-8343. Completed forms and documentation must be received no later than 11:59 p.m. PDT on May 1, 2013.

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## **Microloan Program**



## Hay Net

The USDA has created a way for Farmers and/or Ranchers to make connections with other Farmers and/or Ranchers who are in need of purchasing or selling Hay. Producers are encouraged to utilize Hay Net on the FSA website ([www.fsa.usda.gov/haynet](http://www.fsa.usda.gov/haynet)). This online service allows producers with hay and those who need hay to post ads so they can make connections. Hay Net is a popular site for farmers and ranchers who have an emergency need. Individual ads can be posted free of charge by producers who complete a simple online registration form the first time they use the site.

## Dates to Remember

**May 15, 2013**- Final day to timely certify grapes & table grapes for 2013

**June 3, 2013**- Deadline to enroll in 2013 ACRE program

**June 6, 2013**- Next County Committee Meeting

**June 7, 2013**- Deadline to apply for 2011 SURE benefits

**July 15, 2013**- Final day to timely certify corn, beans, tomatoes, onions & rice crops for 2013

**August 1, 2013**- Deadline to submit nominations for LAA #1

The Farm Service Agency (FSA) developed the Microloan (ML) program to better serve the unique financial operating needs of beginning, niche and small family farm operations.

FSA offers applicants a Microloan designed to help farmers with credit needs of \$35,000 or less. The loan features a streamlined application process built to fit the needs of new and smaller producers. This loan program will also be useful to specialty crop producers and operators of community supported agriculture (CSA).

Eligible applicants can apply for a maximum amount of \$35,000 to pay for initial start-up expenses such as hoop houses to extend the growing season, essential tools, irrigation and annual expenses such as seed, fertilizer, utilities, land rents, marketing, and distribution expenses. As financing needs increase, applicants can apply for a regular operating loan up to the maximum amount of \$300,000 or obtain financing from a commercial lender under FSA's Guaranteed Loan Program.

Individuals interested in applying for a microloan or who would like to discuss other farm loan programs available, should contact the FSA Loan Team to setup an appointment at (209) 491-9320 ext 2.



## Annual Notification of Payment Limitation and Payment Eligibility Requirements

Program rules and guidelines established through the Food, Conservation, and Energy Act of 2008 were extended to the 2013 program year through the American Taxpayer Relief Act of 2012, and are applicable to both payment eligibility and payment limitation provisions. Payment eligibility requirements extended include the requirements of actively engaged in farming, cash-rent tenant, substantive change, minor child, spousal provisions & foreign person. Payment limitation provisions extended include all average AGI limitations for commodity, price support, disaster assistance, and conservation programs. Payments will also continue to be limited by

County Committee Candidates

**August 2, 2013-** Deadline to enroll in 2013 DCP program

direct attribution. The following information details the above mentioned rules and guidelines that have been extended through the 2013 program year. If you have any questions or would like more information regarding any of the payment limitation & payment eligibility requirements, please contact the Stanislaus-Tuolumne County FSA Office at (209) 491-9320 ext 2.

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#### **Average Adjusted Gross Income Requirements**

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

This agreement ensures that payments are not issued to producers whose AGI exceeds certain limitations. The limits set are:

- \$500,000 nonfarm average AGI for commodity and disaster programs
- \$750,000 farm average AGI for direct DCP payments
- \$1 million nonfarm average AGI for conservation programs (unless 66% or more comes from farming).
- \$1 million average AGI limitation for 2013 direct DCP payments (added through the Consolidated and Further Continuing Appropriations Act of 2012)

**Participants in CCC programs subject to average AGI rules must submit form CCC-933 to FSA (to forward to the IRS) each year to avoid interruption of program benefits.** These forms may be obtained from your local FSA and NRCS offices or online at: <http://forms.sc.egov.usda.gov/eForms/>

#### **Direct Attribution & Payment Limitations**

USDA limits producers on the amount of benefits they can receive through Direct Attribution which is a process that tracks payment limitations. Payment limitations affect individuals, as well as, legal entities and members. Through direct attribution, payment limitation is calculated based on the total payments received, directly or indirectly, by individuals, as well as, legal entities and partners, members or shareholders. Qualifying spouses are eligible to be considered separate persons for payment limitation purposes, rather than being automatically combined under one limitation.

#### **Example:**

ABC, Inc. has 2 members each holding 50% ownership interests. ABC, Inc. received a \$40,000 payment for the Direct & Counter-Cyclical Program (DCP). Each member of the corporation will be attributed \$20,000 worth of program benefits for DCP. This will allow each individual member to receive up to \$20,000 more of DCP payments individually or through another entity.

The following are the annual payment limitations set for USDA Programs for the years 2009-2013:

<b>Program</b>	<b>Limitation</b>
DCP / ACRE - Direct Payments	\$40,000
DCP Counter-Cyclical / ACRE Payments	\$65,000
SURE & NAP (each)	\$100,000
CRP, GRP, WRP (each)	\$50,000
TAAF	\$10,000

#### **Actively Engaged in Farm Provisions**

To be eligible for payments and benefits under specified programs, all program participants, either individuals or legal entities, must provide significant contributions to the farming operation to be considered as "actively engaged in farming." Contributions can consist of capital, land, and/or equipment, as well as active personal labor and/or active personal management. The management contribution must be critical to the profitability of the farming operation and the contributions must be at risk.

Each partner, stockholder or member with an ownership interest must contribute active personal labor and/or

active personal management to the farming operation on a regular basis. The contribution must be identifiable and documentable, as well as separate and distinct from the contributions made by any other partner, stockholder or member. If any partner, stockholder or member with an ownership interest fails to meet this requirement, program payments will be reduced by the corresponding share held by that partner.

An exception to this rule has been created for a stockholder or member of a legal entity only if **both** of the following apply:

- At least half of the interest in the legal entity is held by stockholders or members who are providing active personal labor or active personal management
- The total direct payments received, both directly and indirectly, by the legal entity and each of the members do not exceed \$40,000.

### **Cash Rent Tenant Rule**

If a producer wants to participate in the Direct & Counter-Cyclical program on cash rented land, then they must meet certain eligibility requirements to be considered a cash-rent tenant. A cash-rent tenant is defined as a producer that rents land from another producer for cash or a guaranteed crop share (which is the amount of the commodity to be paid in rent). These provisions also apply to tenants who rent land for \$0 or farm the land in exchange for compensation other than cash, such as controlling weeds or barter arrangements.

To qualify as a cash-rent tenant, producers must make either of the following contributions to their farming operation:

- a significant contribution of active personal labor (personally providing physical activities such as irrigating, harvesting, planting, etc.)
- a significant contribution of **both** active personal management (personally providing general supervision, direction of activities, decision making, etc.) and owned equipment

Producers who do not meet this provision will not be able to receive benefits on cash rented land. However, if a producer also owns land, they will still be able to receive benefits on their owned property.

### **Foreign Person Rule**

Before making any actively engaged in farming or other eligibility determinations, FSA must establish whether a person or legal entity's projected share in applicable program benefits fall under the foreign person rule.

- A Foreign Entity is a corporation, trust, estate or other similar organization, that has more than 10% of its beneficial interest held by individuals who are **NOT** citizens of the US and are **NOT** lawful aliens possessing valid Permanent Resident Cards or Resident Alien Cards
- A Foreign Person means someone who is **NOT** a citizen of the US and is **NOT** a lawful alien possessing a valid Permanent Resident Card or Resident Alien Card

Any person applying for FSA benefits as an individual or through an entity is required to certify their US citizenship. Producers who certify on being a lawful alien must submit valid proof. Acceptable proof of being a lawful alien would include a valid Permanent Resident or Resident Alien Card.

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## **Quick Recap of Active Programs**

**Direct & Counter-cyclical Program (DCP)**- Enrollment period opened Feb. 19, 2013 and will close Aug. 2, 2013. The Stanislaus-Tuolumne County FSA Office is presently contracting producers to complete payment eligibility and contract information. Please be prepared to supply updated partnership papers/operating agreements including members & share changes, bank account information (if changed) & current lease agreements or proof of ownership on participating ground. For more information or to check eligibility for enrollment in DCP, please contact Maria Juarez or Carmen Cardenas at (209) 491-9320 ext 2.

**Average Crop Revenue Election (ACRE)-** Enrollment period opened Feb.19, 2013 and will close June 3, 2013. As an alternative to DCP, payments are based on yields and market prices, so if your respective crop revenues are predicted to drop for 2013 crop year, this program may be beneficial. In order to participate in ACRE, producer elect to forgo counter-cyclical payments, receive a 20% reduction in direct payments and a 30% reduction in loan rates. Crops eligible for ACRE payments include wheat, barley, oats, grain sorghum, corn, pulse crops (dry peas, lentils, chickpeas or garbanzo beans) and rice. For more information or to check eligibility for enrollment in ACRE, please contact Maria Juarez or Carmen Cardenas at (209) 491-9320 ext 2.

**Supplemental Revenue Assistance Payments for 2011 (SURE)-** Enrollment period opened Oct. 22, 2012 and will close June 7, 2013. SURE offers disaster assistance to producers who have suffered crop losses during the 2011 crop year due to natural, weather-related disasters. To be eligible for SURE payments, a producer is required to obtain crop insurance on all crops on economic significance in all counties; or, if crop insurance is not available, to purchase Non-Insured Crop Disaster Assistance Program (NAP) coverage for all crops. For more information and/or to see if you qualify, please contact Joni Christensen at (209) 491-9320 ext 124.

**Crop Reporting Reminder-** The Stanislaus-Tuolumne County FSA Office actively encourages producers to timely report the crops they plant each year. Accurate crop information is used for many reasons, some of which include ensuring FSA program eligibility, building a farm history and aiding in establishing records that may be useful to RMA. Due to significant deadline changes beginning with the 2013 crop year, late-filed fees have been waived through September 15, 2013 (this is understood to be a one-time exception only). For more information on crop reporting or to timely report your crops, please contact our office at (209) 491-9320 ext 2.

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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).