



June 2008

Sutter/Yuba/Nevada County News

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Yuba City, CA 95993 (530) 671-0850 x2



Sutter/Yuba/Nevada County FSA Hours

Monday – Friday
8:00 AM – 4:30 PM

Websites

www.fsa.usda.gov
www.fsa.usda.gov/ca

Sutter/Yuba County Committee

Tim Inderbitzen,
Chairperson
Stephen Waltz,
Vice-Chairperson
Michael Chesini,
Member
Gary Spangler,
Member
Debra Tarke,
Member
Kulwant Johl,
Advisor

Nevada County Committee

Darlene Moberg,
Member

County Executive Director

Joel Twitchell

Farm Loan Manager

Ehab El Liessy

County Office Staff

Kathy Bowman, **CPT**
Lynette Filter, **PT**
Cheryl Giyer, **FLO**
Margarita Gutierrez, **PT**
Jatinder Kullar, **FLO**
Amandeep Sandhu, **PT**
Janet Silva, **PT**
Angela Walker, **PT**
Karl Warmuth, **PT**
Amanda Richardson,
FLOT
Aileen Garcia, **PT**

Welcome Nevada County

To acquaint our new Producers and remind the rest, here is a list of the staff specialists:

FSA Staff

- Kathy Bowman - Chief PT, Ext.104
- Lynette Filter - DCP Program, ext.114
- Margarita Gutierrez - Eligibility & Recons, Ext.113
- Angela Walker - Price Support, Ext.105
- Karl Warmuth - Compliance & NAP, Ext. 107

Farm Loan Managers

- Ehab El Liessy, Yuba City Ext.108
- Belle Davis, Elk Grove

We are all here to help you, so feel free to contact us.



Crop Acreage Reporting

The annual requirement of reporting to the FSA office can be referred to as crop reporting, acreage reporting, or crop certification. Filing an accurate and timely report for all crops and land uses, including failed acreage, can prevent loss of benefits for a variety of Farm Service Agency programs. All cropland on the farm must be reported to receive benefits from the Direct and Counter-Cyclical Program (DCP). **Failed acreage** must be filed before disposition of the crop, and producers must be able to establish to the satisfaction of the county committee that the crop failed and was prevented from being replanted through the normal planting period because of natural disaster conditions.

Prevented planting must be reported no later than 15 calendar days after the final planting date.

SPRING SEEDED CROPS
CERTIFICATION
DEADLINE EXTENDED:

AUGUST 15, 2008

Call today to make an appointment to certify your crops.

****After this deadline date, a late fee will be charged for each farm.**

As required by 2-CP Amendment 49, Par. 460, the STO set a measurement service rate for all of CA. They set the late fee rate at \$15 base + hourly rate of \$16.00 or \$8.00 for 30 minutes with a one hour minimum + mileage. (\$15+\$16+mileage)

Acreage reports are required if you want to be eligible for Farm Service Agency programs.

New Farm Bill Means "BIG CHANGES TO YOU"

Some of the changes we know of so far:

1. New Permanent Disaster program will change how we get a declaration & which type of Program. The Payment Limitation is \$100,000 maximum.
2. NAP or Crop Insurance **IS** required to participate in the Permanent Disaster Program. If you want to know what crops are insured in the counties, please contact the office. If an agent tells you that a crop or intended use is NOT insurable—you MUST buy NAP coverage, at FSA. Adding new crops will take some time, so the earlier you start, the better.
3. NAP fees for 2009 are \$250 per Producer per crop. Still capped at 3 crops/counties for a maximum of \$750/\$2250.

Congress Says “BIG CHANGES”

ALL Disaster Programs require you do something in advance to protect yourself. **Crop Insurance** if available or **NAP** coverage from FSA if not.

2008 DISASTER ELIGIBILITY FEE

IF the sales closing date for Crop Ins of NAP has **PASSED**, you will be allowed to pay the \$100 fee as an Eligibility Fee Only.

You will **NOT** receive Crop Ins. or NAP benefits for 2008 Disasters BUT will be eligible for any 2008 Disaster Programs, wind, freeze, drought, etc...

Remember! 2009-2012 Disaster Program

Requirements:
You have to have NAP or Crop Insurance on **EVERY CROP** you plant **ANYWHERE** in the **COUNTY, STATE** or **NATION!**



LIP and LCP Deadline
July 18th, 2008



4. ALL 2009 Payment Limitations will apply to the SSN that ultimately receives the payment.
5. 2008 DCP contract will be similar to 2007. 2009 DCP Participants MAY change to new A.C.R.E. Program for 2009-20012.

Updating Farm Records

It is each producer's responsibility to report their farm operation completely and accurately.

If you have bought, sold, or are renting different land (this is not only cropland, but also rangeland), make sure you report the changes to your FSA office as soon as the change occurs.

For farm ownership changes, you will need to provide a recorded deed.

Take the time to review the forms on file in this office. Your payment eligibility forms (502s) should provide an accurate picture of your operation. The same shares should carry through on crop reporting shares, etc. In addition, it's just as important that all your commodity contracts, accounts with businesses that provide receipts for FSA documentation, etc., **are in the same "name" of the entity as represented by our farm records.**

Failure to maintain accurate records with FSA on all land you have an interest in can lead to possible program ineligibility and fines if you are participating in our programs.

Corporations and like entities are required to submit copies of yearly corporate minutes so our office can verify officers, members, shares, signature authority, and notate any changes in the operation.

Please do not hesitate to contact this office with any questions on this important issue.



Farm Recon - Explained

In program terminology, farms are constituted to group all tracts having the same the same owner and the same operator under one farm serial number. When changes in ownership or operation take place, a farm reconstitution is necessary. The reconstitution — or recon — is the process of combining or dividing farms or tracts of land based on the farming operation.

The following are the different methods used when doing a farm recon. Remember, to be effective for the current year, recons must be requested by Aug. 1 for farms enrolled in the Direct and Counter-cyclical Program.

Estate Method — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate;

Designation of Landowner Method — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding;

DCP Cropland Method — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract;

Default Method — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

If DCP direct payments have already been issued on a particular farm, the reconstitution will be effective for the next year, unless the payments are refunded.

OFFICE UPDATES:

2005-2007 Disaster

“Quality” payments will be temporarily suspended as of June 20th, so the software for the “Quality” portion of the program can be implemented. Payments will resume at a later date and will include “Quality” payments if due.

Nevada county files were received in our office, input into our system and **REQUIRE** your attention to ensure that the information is correct.

Placer County transfers are being done. It's a time consuming process, establishing new Yuba County farm numbers and transferring GIS info. We hope to be completed soon.

Holiday Closures

July 4 - Independence Day



September 1-Labor Day

October 13-Columbus Day



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.

Most Farm Service Agency programs require compliance with sodbuster and swampbuster provisions. These provisions require producers to follow an approved conservation system on all highly erodible land planted to an annual crop as determined by the Natural Resources Conservation Service (NRCS).

Be sure to have determinations made on any new land you plan to plant to annual crops. If you plan to plant a different crop on your current cropland, check with NRCS to assure the new crop will qualify under your conservation system.

Swampbuster provisions state that converting a wetland to make possible the planting of a crop will result in the loss of all USDA benefits. To avoid this possibility it is strongly recommended that producers check with NRCS before starting to work in the fields.

Low Interest Loans Available from FSA

FSA may be able to assist your farming operation with an operating or ownership loan. The rate for operating loans approved in May 2008 is 3.125 percent.

It is the time of year where farmers begin thinking of our spring planting needs. Whether you need loan funds to finance your spring needs for fertilizer, seed, or you need to upgrade your equipment line with a new tractor, planter, baler or perhaps you have been

thinking about expanding your operation or need credit to increase your production, FSA may be able to help.

FSA's loan programs are designed to help family farmers who are temporarily unable to obtain private or commercial credit. FSA also provides credit to beginning farmers, most do not have sufficient net worth to qualify for commercial credit. In other cases, they are farmers who have suffered financial setbacks from natural and economic disasters, or who have limited resources with which to establish and maintain profitable farming operations.

Some farmers obtain their credit needs through the use of loan guarantees. Under a guaranteed loan, a local agricultural lender makes and services the loan, and FSA guarantees it against loss; in most cases this is a 90 percent guarantee of loss. In certain limited circumstances, a 95% guarantee is available.

Flexible or Cash Lease

Producers should be careful to differentiate between flexible leases and cash leases when reporting to the Farm Service Agency (FSA).

Flexible leases, in which the producer pays a base rent, and offers a bonus on yield and/or price increase to a landowner, are considered by the Farm Service Agency as share leases. Cash leases specifying a fixed amount, not subject to changes from yield or price are common and the norm across the country. Flexible or hybrid leases are now coming to the attention of FSA.

Each year FSA participants complete form CCC-502 Continuation Sheet for Leased or Owned Land which are subject to spot check. Paying more than what the original lease specifies may violate a producer's CCC-502, if not completed correctly. A violation could make an operator ineligible for Direct Counter-cyclical Payments (DCP).

Example: A lease that is for \$100 acre plus an additional \$40 per acre if the crop exceeds \$4/bushel or 170 bushels corn/acre or \$7/bushel or 40 bushels of soybeans per acre is by FSA procedure a share lease. FSA procedure states that, a lease is a share lease if the lease bases the amount of rent on the quantity of crop produced or the proceeds from the crop, or the interest a producer would have if the crop had been produced.

Beginning and Limited Resource Farmers & Ranchers

FSA has funding to assist beginning farmers and or members of socially disadvantaged groups to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more that 10 years
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
- Does not own a farm in excess of 30 percent of the county's average size.

Each member of an entity must meet the eligibility requirements. Loan approval is not guaranteed.

Additional program information, loan applications, and other materials are available at your local USDA Service Center. You may also visit www.fsa.usda.gov and www.nrcs.usda.gov.

Email Address Format: Firstname.Lastname@ca.usda.gov

Example: Joel.Twitchell@ca.usda.gov

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