



NEWSLETTER



January 2011

Happy New Year and Welcome 2011!

Yolo County FSA Office

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Marianne A. Morton
County Executive Director

Hours
Monday - Friday
8:00 AM – 4:30 PM

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SURE SIGN-UP

Sign-up for the Supplemental Revenue Assistance Payments program (SURE) for producers who suffered 2009 crop production or quality losses began January 10, 2011.

SURE takes into consideration crop losses on and revenue from all crops grown by a producer nationwide. It provides assistance in an amount equal to 60% of the difference between the SURE farm guarantee and total farm revenue. The farm guarantee is based on the amount of crop insurance and Non-insured Crop Disaster Assistance Program (NAP) coverage on the farm. Total farm revenue takes into account the actual value of production on the farm as well as insurance indemnities and certain farm program payments. To be eligible, producers must have:

- met the risk management purchase requirement (RMPR) by either obtaining crop insurance or NAP coverage for all economically significant crops (may be waived for producers considered socially disadvantaged or a beginning farmer or rancher or a limited resource farmer);

PLUS

- had a farming interest physically located in or contiguous to a county with a 2009 Secretarial disaster designation;

AND

OR

- individually suffered at least a 50% loss of the normal production on the farm due to a natural disaster.

COC ELECTION RESULTS

Congratulations to Robert Paschoal! Bob was re-elected to represent Local Administrative Area 1 farmers and ranchers on the county committee for his third consecutive term. The election results for LAA-1:

Robert Paschoal – COC member
Rudy Lucero Jr. – 1st alternate to COC
Angelo Stanton – 2nd alternate to COC

During its organizational meeting in January, Tom Slater was elected Chairperson; Marlene Schuler was elected Vice Chairperson. FSA appreciates all of the voters who took the time to complete the election ballot. The county committee system works only because of your participation.

NONINSURED CROP DISASTER ASSISTANCE PROGRAM

The Noninsured Crop Disaster Assistance Program (NAP) is a federally funded program designed as a risk management tool for producers of food and fiber crops, specialty crops and crops for livestock feed for which the catastrophic level of crop insurance is not available. The application for coverage and administrative fee(s) must be filed by the applicable crop's application closing date (ACD). NAP losses must be reported within 15 days from the date of loss or from the date the loss became apparent. Production records for all crops must be reported to FSA no later than the acreage reporting date for the crop in the following year.

2011 DCP/ACRE SIGN-UP **CONTINUES**

Producers have until June 1, 2011 to sign up for the 2011 Direct and Counter-Cyclical Payment (DCP)/Average Crop Revenue (ACRE) Programs. Producers can fill out their 2011 contract at any Farm Service Agency County Office or online.

DCP payments are calculated using base acres and payment yields established for each farm. Eligible producers receive direct payments at rates established by statute, regardless of market prices. Eligible producers may request an advance payment of 22% of the annual direct payment for each commodity associated with the farm. Final direct payments will be issued after October 1, 2011. Counter-Cyclical payments vary depending on market prices and are issued only when the effective price for a commodity is below its target price.

REQUIRED ACREAGE REPORTS

Acreage reports for all cropland must be filed by producers who participate in the Direct and Counter-Cyclical/ACRE Program, request a loan deficiency payment or a commodity loan, participate in the Conservation Reserve Program or participate in the Noninsured Crop Disaster Assistance Program. The 2011 fall-planted acreage reporting deadline is April 30, 2011; spring crops must be reported by July 15, 2011.

FARM LOANS

FSA offers loans for farmers and ranchers to purchase farmland and finance agricultural operations. FSA loan programs are designed to help producers who are temporarily unable to obtain conventional credit.

FARM OWNERSHIP or **OPERATING** loans may be obtained as direct loans for a maximum of up to \$300,000; the maximum indebtedness of a guaranteed loan is \$1,119,000.

EMERGENCY loans are available for farmers who have suffered physical or production losses in disaster areas designated by a Presidential or

Secretarial disaster declaration. Rural Youth Loans, Loans to Beginning Farmers and loans for socially disadvantaged applicants are also available through FSA.

Each fiscal year, the Agency targets a portion of its direct and guaranteed farm ownership and operating loan funds for **BEGINNING FARMERS** and **RANCHERS**.

A beginning farmer or rancher is an individual or entity that has not operated a farm or ranch for more than 10 years, meets loan eligibility requirements, substantially participates in the operation and does not own a farm greater than 30% of the median size farm in the county.

All applicants for direct loans must have at least three years experience in the operation of a farm. If the applicant is an entity, all members must be related by blood or marriage. All stockholders in a corporation must be eligible beginning farmers.

SDA loan funds are reserved each year specifically for direct and guaranteed loans to socially disadvantaged applicants, but regular loan funds can also be used.

A socially disadvantaged person is one of a group whose members have been subjected to racial, ethnic or gender prejudice due to his or her identity as a member of a group without regard to his or her individual qualities. For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders.

SDA loan applicants do not receive automatic approval – individual applicants under this program must meet all regular FSA farm loan program requirements.

Persons who are primarily and directly engaged in farming and ranching on family-size operations may apply. A family-size farm is one that a family can operate and manage itself.

FSA **RURAL YOUTH** loans enable rural youths to establish and operate income-producing projects in

connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization's advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5,000.



CONSERVATION loans (CL) provide farm owners and farm-related business operators access to credit to implement conservation techniques that will conserve natural resources.

CL funds can be used to implement conservation practices approved by the Natural Resources Conservation Service (NRCS), such as the installation of conservation structures, establishment of forest cover, installation of water conservation measures, establishment or improvement of permanent pastures, implementation of manure management and the adaptation of other emerging or existing conservation practices, techniques or technologies.

Direct CL's can be obtained through local Farm Service Agency (FSA) offices with loan limits up to \$300,000. Guaranteed CLs up to \$1,112,000 are available from lenders working with FSA.

| 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% |

HIGHLY ERODIBLE LAND AND WETLAND COMPLIANCE

Operators are reminded that in order to receive payments or to put an eligible commodity under loan, compliance with Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions is required. Farmers with HEL soils need to be aware of tillage, crop residue and rotation requirements as specified in their conservation plans. It is very important that you contact our office before modifying (e.g., 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.

CONTROLLED SUBSTANCE

Any person 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 (e.g., marijuana, opium poppies and other drug producing plants).

DESIGNATION BY LANDOWNER

When land with contract acres is sold, those contract acres normally transfer with the land to the new owner based on a cropland ratio. However, the landowner and purchaser can agree to divide the contract acres in any manner that is mutually agreeable. To use this designation by landowner method, the land sold must have been owned for at least three years and the owner and purchaser must sign a memorandum of understanding designating contract acres before completing the sale. If you have questions, please contact our office for details before selling your land.

1996 DEBT COLLECTION IMPROVEMENT ACT

The DCIA provides, among other things, that a person owing a delinquent nontax debt to the Federal Government is ineligible for Federal financial assistance, including direct loans (other than disaster loans) or loan insurance or guarantee. The Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act, 2001 amended DCIA to exclude marketing assistance loans or loan LDP's from the restrictions on barring delinquent

Federal debtors from obtaining Federal loans or loan guarantees. Proceeds received from MAL's and LDP's will be offset against any delinquent debt owed by the producer to FSA. Proceeds from MAL's and LDP's to producers who are members of corporations, partnerships or other entities will be offset against the producer's pro rata share of entity payments after notification of the intent to offset has been provided to the nonborrower entities.

RECORD CHANGES

Participation in FSA farm programs requires all records to be accurate and up to date. It is the producer's responsibility to inform FSA of changes to his/her farming operation including, but not limited to: land ownership changes, adding or dropping a tract of land (leases), entity type or ID number changes, marriage, divorce, deaths or changes in your financial institution for direct deposit. A copy of the deed must be submitted for ownership changes; copies of written lease agreements must be submitted for all leases.

AGI COMPLIANCE

Adjusted gross income must be certified annually by submitting a CCC-926 (Average Adjusted Gross Income Statement). USDA has finalized a Memorandum of Understanding with the IRS to establish an electronic information exchange process for verifying compliance with AGI provisions for programs administered by USDA's FSA and NRCS. Participants must provide consent for the use and disclosure of tax information to USDA agencies by annually completing and submitting a CCC-927 (individual) or CCC-928 (entity) to the IRS. Participants who choose to not submit required forms for 2010 and 2011 will be determined noncompliant.

Forms are available at Service Centers or online at: <http://intra3.fsa.usda.gov/dam/ffasforms/forms.html>

CIVIL RIGHTS/ DISCRIMINATION PROCESS

As a participant in or applicant for programs or activities operated or sponsored by USDA, you have the right to be treated fairly. If you believe you have been discriminated against

because of your race, national origin, gender, age, religion, disability or marital or familial status, you may file a discrimination complaint. The complaint should be filed with the USDA Office of Civil Rights within 180 days of the date you became aware of the alleged discrimination. To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue SW, Room 326-S.W., Whitten Building, Stop 9410 Washington DC 20250-9410 or call (202) 720-5964.

FOREIGN LANDOWNER 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 through FSA. Failure to submit the AFIDA form within 90 days of closing could result in civil penalties of up to 25% of the fair market value of the property. It is the foreign person's responsibility to report the land transactions.

FRAUD MAY LEAD TO DISQUALIFICATION

Producers found to have committed crop insurance fraud are ineligible for a number of programs administered by FSA and CCC. Any person found to have committed fraud will receive a notice and will have an opportunity for a hearing on the record. The person may be disqualified from receiving any benefits under a number of programs for a period of up to 5 years. Other sanctions may also apply.

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 Farm Service Agency office near you for more information.

IMPORTANT DATES

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| 1/31/2011 | NAP ACD* – 2011 apples Final loan/LDP availability date for 2010 mohair, unshorn pelts and wool Beginning date for grazing of CRP acres (2 nd 60-day) 2010 ELAP sign-up deadline (livestock, honey bees and farm raised fish losses) |
| 3/01/2011 | NAP ACD – 2011 annuals |
| 3/30/2011 | End date for authorized grazing of CRP acres (120-day) |
| 3/31/2011 | Final availability date for 2010 wheat, barley, oats and canola marketing assistance loans and LDP's End date for authorized grazing of CRP acres (2 nd 60-day) |
| 4/30/2011 | 2011 fall-seeded acreage reporting deadline |
| 5/30/2011 | Memorial Day – office closed |
| 5/31/2011 | Final availability date for 2010 corn, rice, grain sorghum, safflower, sunflower, soybean, cotton and mustard seed marketing assistance loans and LDP's |
| 6/01/2011 | Deadline to submit signatures and revise shares for 2011 DCP/ACRE contracts |
| 7/04/2011 | Independence Day – office closed |
| 7/15/2011 | 2011 spring-seeded acreage reporting deadline Deadline to report 2010 NAP production Deadline to report 2010 ACRE production |
| 7/29/2011 | 2009 SURE sign-up deadline |
| 8/01/2011 | NAP ACD – 2012 fall-planted seed and multi-planting crops Deadline to request a 2011 farm reconstitution |
| 9/01/2011 | NAP ACD – 2012 garbanzo bean, forage seed, value loss and controlled environment crops |
| 9/05/2011 | Labor Day – office closed |
| *ACD – Application closing date | |
| USDA is an equal opportunity provider and employer. | |