



Farm Service News

California Edition

Farm Service Agency California

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Hours
Monday - Friday
7:30 a.m. - 4:30 p.m.

State Committee
Nicole Montna Van Vleck,
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CALIFORNIA ISSUE
This special Issue from the California State Office of FSA contains important deadlines, dates and FSA Program information for farmers and ranchers.

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

For a list of local offices, visit www.fsa.usda.gov/ca

2008 to 2011 Disaster Program

FSA reminds producers to purchase crop insurance or FSA's **Noninsured Crop Disaster Assistance Program (NAP)** in order to be eligible for FSA's **Supplemental Revenue Assistance Program (SURE)**. In order to apply for the SURE program, all crops must have coverage on all acreage in all counties. This program is available to producers in counties with a Secretarial Disaster Designation, contiguous counties, or whose farms suffer a greater than 50% loss.

In order to be eligible, at least one significant crop must suffer at least a 10% loss. Payments may be issued if the farm suffers qualifying revenue losses, due to natural disaster or adverse weather. This program is available, beginning with the 2008 crop year, and will be in place through the 2011 crop year. Program payment amounts are also based on the level of crop insurance coverage for each crop, and the higher the level of coverage, the higher the potential benefits. Signup of the 2008 crop year has not yet been announced. For further details on the new Farm Bill disaster programs, contact your nearest Farm Service Agency office.

2009 NAP Deadline

Producers have until December 1 to purchase NAP coverage for fall and most winter planted crops, including grazed land and hay crops. Failure to purchase the NAP coverage for non-insurable crops could result in ineligibility for FSA disaster programs such as SURE, the Livestock Forage Assistance Program, Tree Assistance Program, and the Emergency Assistance Program for Livestock, Honey Bees, and Farm Raised Fish.

NAP coverage for 2009 costs \$250 per crop, but not more than \$750 per producer per

county, or not more than \$1,875 total per producer for all counties.

Producers who already have coverage on 2008 NAP crops may choose to continue coverage on the same crop or crops for 2009, if the applicable service fee is submitted by the application closing date.

The Non-Insured Crop Disaster Assistance Program (NAP) was designed to reduce financial losses that occur when natural disasters cause a catastrophic loss of production or prevented planting of an eligible crop by providing coverage equivalent to catastrophic (CAT) insurance. Statute limits NAP to each commercial crop or agricultural commodity, except livestock, for which CAT is not available.

"Ten Acre" Deadline Alert

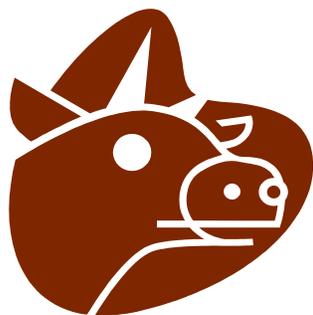
Producers on farms with ten acres of base or less have until November 26 to enroll the farms in the 2008 Direct and Counter-cyclical Program (DCP). Recent legislative changes allowed these farms to receive payments in the DCP.

On October 13, 2008, HR-6849 was signed into law and amended the commodity provisions of the 2008 Farm Bill to permit producers with small-acreage to participate in farm programs for the 2008-crop season. The Farm Bill modification suspends (for 2008 only) the provision that prohibits Direct and Counter-cyclical Program (DCP) payments on eligible commodities if the sum of the base acres on the farm is ten acres or less.

For 2009 and future years, these farms remain prohibited from receiving DCP payments.

Producers with ten base acres or less are encouraged to contact their local FSA office before November 26, 2008 to schedule an appointment to enroll in the 2008 DCP farm program.

Livestock Forage Program (new)



Ranchers with forage losses due to drought in 2008 may be eligible to recover some feed losses. You are LFP-eligible only for acres with NAP coverage.

The Drought Monitor status of the county where your livestock graze determines your payment eligibility. If your county has already been declared "D2" for eight consecutive weeks by the Drought Monitor, you stand to recover a percentage of your monthly feed cost, at least. If your county has received higher Drought Monitor designation levels during your normal grazing period, higher payments are possible.

Regardless of crop or livestock, it's always good business planning to consider protecting against losses due to natural disaster or other adverse experiences. In California there is no crop insurance policy for forage, but you can cover your forage with the NAP program. A number of producers with a variety of exposures in their operation have found that Multi-Peril Crop Insurance (MPCI) is worth a closer look with a reputable broker.

Watch for announcements for the sign-up period for LFP and the final Drought Monitor level determination in your area. If you have specific questions, contact your nearest FSA Office.

County Committee Voting – Mailing and Deadline

Ballots for this year's county committee election have been mailed to eligible voters on November 3, 2008. **Voters must complete their ballots and return them to the Farm Service Agency county office by the close of business on December 1, 2008.** If mailed, ballots must be postmarked by midnight December 1, 2008.

Eligible voters who have not received a ballot should contact the FSA county office staff. For a list of local FSA offices, you can visit www.fsa.usda.gov/ca.

Voter Requirements Persons meeting requirements in **1 or 2, plus 3**, below, are eligible to vote:

1. Be of legal voting age and have an interest in a farm or ranch as either of the following:
an owner, operator, tenant or sharecropper,
or
a partner in a general partnership or member of a joint venture that has an interest in a farm as an owner, operator, tenant or sharecropper.
2. Not of legal voting age, but supervises and conducts the farming operations on an entire farm; *and*
3. Eligible to participate in any FSA program that is provided by law, regardless of the status of funding.

Discrimination Prohibited No person shall be denied the right to vote because of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation or marital or family status.

Farm Loan Year End Reviews

Producers with an FSA farm loan are reminded they must provide data for their Year-End Analysis (YEA) to their loan officer each year. Borrowers are urged to provide this information timely so that their files can be maintained. The office will contact you for the data you will need to provide.

Applications for FSA Farm Loan Assistance

Farmers and ranchers that intend to apply for FSA loan assistance for the upcoming crop year are encouraged to file their applications as early as possible. Filing early will help ensure that your loan is processed and approved in time for your planting decisions. Late filing can result in a delayed processing due to the volume of applications being processed. Contact your local FSA Farm Loan Manager or Officer for more details and assistance in applying.

Operating Loan Applications Needed Now

Farmers planning to apply for annual operating loan assistance this year are encouraged to apply as soon as possible. The earlier an application for loan assistance is filed, the quicker the FSA staff can process your request. In addition, due to budget constraints, farmers that wait until later in the year to apply, often run the risk of finding out that our funding allocations have been utilized already. Farmers should also contact their FSA Farm Loan Manager or Officer for information as to



Selected Interest Rates – Nov. 2008

Farm Operating Loans – Direct
3.375%

Farm Ownership Loans – Direct
4.875%

Emergency Loans
3.375%

what is required in order to have a complete loan application on file. Decisions on loans can not be made until a complete application is received.

Marketing Assistance Loans

Marketing Assistance loans are commodity loans 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 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 marketable 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.

Adjusted Gross Income (new)

The new Farm Bill stipulates new Adjusted Gross Income (AGI) program eligibility ceilings for persons or legal entities. As a general guideline, an AGI ceiling of \$500,000 non-farm income applies to DCP/ACRE, Direct Payments, Disaster Programs, and Price Support Programs. Additionally a \$750,000 farm income ceiling applies only to Direct Payments. Conservation Programs have a separate AGI ceiling of \$1 million with some exceptions for additional farm income.

Payment Limitation (new)

The 2008 Farm Bill stipulates new payment limitation caps and also is guided by the new Direct Attribution regulation. Direct Attribution means that the payment to entities such as corporations, and trusts are attributed directly to the individuals who are partners or beneficiaries of those entities. The caps apply per individual or entity.

Beginning in 2009, individuals and entities cannot accumulate more than \$100,000 for all disaster programs (except TAP). NAP and TAP have separate \$100,000 limitations. For the 2009 DCP Payments, the limit is \$40,000 for Direct and \$65,000 for Counter-cyclical and ACRE. Note that your participation in both ACRE and the Direct Program will affect your payment limitations in both programs.

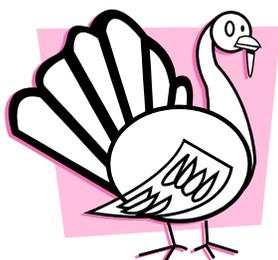
To see how these caps and eligibility requirements apply to your own operation, call your nearest FSA office to set up an appointment.

Reasonable Accommodations

Reasonable accommodations will be made, upon request, for individuals with disabilities, vision impairment, or hearing impairment to attend or participate in meetings or events sponsored by the Farm Service Agency. If you require special accommodations to attend or participate in one of our events, please call the FSA county office and we will be happy to make any needed arrangements.

Small Farm Conference – March 1-3 in Sacramento

The theme of the 2009 conference – **Farming for the Future** – reflects the commitment of the California Small Farm Conference to help prepare California's small farmers for the challenges ahead. Higher energy costs, a statewide drought, new air and water quality requirements, invasive plants and insects and global warming are all cited as significant threats to California's agricultural industry, and especially to small farms. Visit the website to learn about the workshops, tours and special learning events to assist our smaller growers www.californiainfarmconference.com



Closing Dates and Deadlines To Watch

NAP Closing Dates

12/1/08	Forage Crops, Honey, extended closing for all 2009 crops with prior closing dates
12/15/08	Fruit and Nut Tree crops, strawberries, olives, asparagus
1/1/09	2010 Citrus
1/31/09	2009 Apples

Crop Insurance Closing Dates

11/20/08	Blueberries, Citrus, Grain Sorghum
11/30/08	Avocados, Potatoes
12/31/08	AGR, Fruit and Nut Tree Crops, Fresh & Processing Tomatoes, Table Grapes

MAL / LDP Final Availability Dates

1/31/09	Mohair, Peanuts, Unshorn Pelts, Wool
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Dates to Remember

Nov 11	Veterans Day – Office Closed
Nov. 26	Deadline for Ten-Acre Producers Enrolling in DCP
Nov 27	Office Closed for Federal Holiday – Thanksgiving Day
Dec 1	Deadline to return county committee election ballots
Dec 1	NAP deadline on fall seeded crops
Dec 25	Christmas Day, Office closed
Continues	Continuous Conservation Reserve program

Visit our Web site at
<http://www.fsa.usda.gov/ca>

NOTE: For crop insurance information, consult your crop insurance agent. For NAP, MAL and LDP information, contact your local FSA office. These dates may apply only to these crops in certain counties or may vary in date, depending on the area.

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