



July 2009

Butte County FSA News

U.S. Department Of Agriculture Farm Service Agency

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Hours

Monday – Friday
8:00 a.m. – 4:30 p.m.

County Committee

Joshua Sheppard –
Chair
Gregory Stephens–Vice
Chair

Roy Roney - Member
Harmanjit S. Gosal –
Advisor

County Director

Robert L. Maurer

Staff

Shän Bertapelle
Teresa Blackson
Erin Quigley
Brenda Richter

CA State Appraiser

David Widlund

Farm Loan Manager

Tom Roberts

DCP & ACRE
Program Sign up
Ends August 14,
2009



FSA COC Nomination Deadline

County committee members play a crucial role in helping the county office staff implement the Farm Bill Programs. Right now, producers can have an impact on the election of the county committee by nominating eligible candidates by the August 3, 2009 deadline.

To become a nominee, eligible individuals must complete and sign form FSA-669A. The form and other valuable information about FSA county committee elections are available online at: <http://www.fsa.usda.gov>; click on News & Events, then County Committee Elections. Nomination forms for the 2009 election must be postmarked or received in the local USDA Service Center by close of business on Aug. 3, 2009.

FSA county committee members make decisions on disaster and conservation programs, emergency programs, commodity price support loan programs and other important agricultural issues. Members serve three-year terms. Nationwide, there are more than 7,800 farmers and ranchers serving on FSA county committees. Committees consist of three to five members who are elected by eligible local producers.

FSA will mail ballots to producers beginning Nov. 6, 2009. The completed ballots are due back at the local county office by close of business Dec. 7, 2009 either via mail (must be post marked by Dec. 7th) or in person. .

DCP & ACRE Signup Deadline

Signup for the 2009 Direct and Counter-cyclical Payment (DCP) Program has been extended until August 14, 2009. Signup for the ACRE program is also available through August 14, 2009. FSA will not accept any late-filed applications.

FSA computes DCP Program payments using base acres and payment yields established for each farm. Eligible producers receive direct payments at rates established by statute regard-

less of market prices. For 2009, you may request to receive advance direct payments based on 22 percent of the direct payment for each commodity associated with the farm. Counter-cyclical payment rates vary depending on market prices and are issued only when the effective price for a commodity is statutorily set below its target price.

The new ACRE Program is an option for eligible DCP farms that allows participants to receive additional payments based on crop revenue reductions instead of only low national prices. Revenue considers both yields and prices, so the reductions can be attributed to low yields and/or low prices. Note that there must be both a revenue reduction for the farm and at least a 10% revenue reduction for the State.

Crop Reporting Deadline is July 15th

The certification form FSA-578, Report of Acreage, must account for all cropland on a farm, whether idle or planted. In Butte County, the **producer certification deadline is July 15, 2009.**

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, marketing assistance loans and Loan Deficiency Payments.

To be eligible for the new Disaster Programs, you are required to file an acreage report!

WATCH FOR NAP DEADLINES

See page 4 for details and
call your FSA office

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.**

Farm Reconstitutions

For FSA program purposes, tracts having the same owner and the same operator is grouped 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. Remember, to be effective for the current year, recons must be requested by **August 1** of that year.

The following are the different methods used when doing a farm recon:

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.

Successor In Interest

Many FSA programs will allow payments to be made to heirs or successors when a program participant passes away. Additionally, contracts in programs such as CRP must be revised to reflect the successor(s) to a deceased participant's interest.

In the event of an FSA program participant's death, it is important that FSA be notified. Entities and joint operations that participate in FSA programs also need to notify FSA if a shareholder or member passes away. Since FSA benefits are reported to IRS, maintaining current, accurate records about participants is vital to ensure that those payments are reported correctly.

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. The Farm Service Agency administers this program for USDA.

Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25 percent of the fair market value of the property.

County government offices, real estate agents, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

FSA Farm Loans

The Farm Service Agency (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 private or commercial credit elsewhere. In many cases, applicants are beginning farmers who have insufficient net worth to qualify for financing through a commercial lender. In other instances, borrowers may have suffered setbacks from natural disasters or may have limited resources.

Farm ownership loans or farm operating loans may be

obtained as direct loans for a maximum of up to \$300,000. Guaranteed loans can reach a maximum indebtedness of \$1,094,000. Emergency loans are always direct loans for farmers who may 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.

Rural Youth Loans

The Farm Service Agency makes loans to 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 advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5000.

Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Comply with FSA's general eligibility requirements
- Reside in a rural area, city or town with a population of 50,000 or fewer people
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the project and the loan, along with providing adequate supervision.

Stop by the county office for help preparing and processing the application forms. The FSA staff can help you with questions you may have about a particular program.

Beginning and Limited Resource Farmers

FSA assists 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 than 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

Loans for the Socially Disadvantaged

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or purchase or improve farms or ranches.

While all qualified producers are eligible to apply for these loan programs, the FSA has provided priority funding for members of Socially Disadvantaged Applicants.

A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the 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.

If producers or their spouses believe they would qualify as socially disadvantaged, they should contact their local FSA office for details. FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

For details on loan eligibility or available loan programs, contact the county office staff for an appointment with a farm loan officer or call the loan office at 530-527-3013 Ext 111 for an appointment.

USDA Farm Service
 Agency
 Butte County Office
 150 Chuck Yeager Way, #D
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NAP Deadlines and Program Changes for 2010

The Noninsured Crop Disaster Assistance Program (NAP) deadlines for various crops are coming up as early as August 2009. Contact your local office or visit www.fsa.usda.gov for deadlines and details for your crops. When low yields, loss of inventory or prevented planting occurs due to natural disaster, NAP can provide financial assistance.

For nursery producers, the 2010 crop NAP application closing date is **September 1, 2009** and NAP only covers loss of inventory. The NAP coverage period for 2010 nursery crops has been changed to June 1, 2009, through May 31, 2010. For those producers who obtained 2009 NAP coverage for nursery, and choose not to obtain 2010 continuous coverage, the 2009 NAP coverage for nursery will continue until September 30, 2009.

NAP coverage may be continued for each subsequent year for the same crop or crops, if the producer pays the applicable service fee by the next year's application closing date

Eligible producers must apply for coverage of noninsurable crops and pay the applicable service fees at their local FSA office. The service fee is \$250 per crop or up to \$750 per producer per administrative county, not to exceed a total of \$1,875 per producer with farming interests in multiple counties. Limited resource producers are not subject to annual fees.

Dates to Remember	
July 15, 2009	Crop Reporting Deadline
Aug. 1, 2009	NAP Deadlines Start for 2010 – for fall seeded seed crops including spring and fall seeded grain
Aug. 3, 2009	Deadline to file COC Nomination
Aug. 14, 2009	DCP / ACRE Signup Deadline
Continuous	Continuous Conservation Reserve Program

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