



January 2009

**Inside this issue:**

Remembering Clive Hansen, Jr.	1
DCP Sign-up	2
MILC Sign-up	3

**Humboldt/Del Norte  
County Committee  
Members:**

**Peter Bussman**

**Patrick Fulton**

**Robert Tedsen**

**Robert Vevoda**

**Joey Borges**

**Kara Miller**

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Office Hours:  
8:00am—4:30pm

# Farm Service Agency

## Remembering Clive Hansen, Jr.

Clive Hansen, Jr. served on the Farm Service Agency County Committee for nine years. He was always available when I had questions or concerns. When I needed his assistance with a problem he would look at all of the options to see what was best for the producer and the Agency.

The Agricultural Community was extremely lucky to have a person like Clive looking out for their best interests. He was always quick with a smile and I will miss Clive as Dairy Producer, Committee Member, and a friend. The Farm Service Agency sends its deepest condolences to his family.

Katie Delbar , County Executive Director

## County Committee Election Results

Congratulations to Peter Bussman and Joey Borges!

Pete was elected to his 1st term representing farmers in northern Humboldt County on the county committee replacing Gary Nicholson.

**The election results for Local Administrative Area (LAA) 1 are:**

Peter Bussman-Elected to the county committee

Joey was re-elected to his second 3-year term representing farmers in northern Del Norte County.

**The election results for LAA 4 are:**

Joey Borges-Elected to County Committee

Patricia Maris-1st Alternate to COC

FSA appreciates all of the voters for taking the time to complete the election ballot. The county committee system works only because of your participation. The committee members will hold their organizational meeting on February 5th to determine who will serve as county committee chairman and vice-chairman.

## Foreign Buyers 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 (FSA) administers this program for the USDA.

Foreign persons who have purchased or sold agricultural land in the county are required to report their 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 governments offices, Realtors, attorneys and others involved in real estate transactions and reminded to notify foreign investors of reporting requirements.

## DCP Sign-up Underway

Signup has started for the 2009 Direct and Counter-cyclical Payment (DCP) Program for farms with base acres. Sign-up will continue until June 1, 2009. The June 1, 2009 is mandatory for all participants. FSA will NOT accept 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 regardless of market prices. For 2009, you may request to receive direct payments based on 22 percent of the direct payment for each commodity associated with the farm. FSA will issue advanced payments later this month. 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.

Producers who are eligible for the DCP Program will also be eligible to enroll in the Average Crop Revenue Election (ACRE) Program. The enrollment period for the ACRE Program will begin in the spring. You may first enroll in the DCP program, receive advance direct payments and then later modify your enrollment to include the ACRE program or you may wait and elect to enroll in DCP and ACRE at the same time in spring 2009.

## Payment Limits and Direct Attribution

To qualify for commodity and disaster programs under the new farm bill, applicants now must adhere to new **Adjusted Gross Income (AGI)** restrictions. The AGI ceiling limitation was reduced from \$2.5 million from all sources to three-year average non-farm AGI of \$500,000. Also, under the new regulations, an individual or entity must have a 3-year average AGI less than or equal to \$750,000 from farm income in order to qualify for direct payments issued under the Direct and Counter-cyclical Program (DCP).

For conservation programs, the average non-farm AGI limitation is \$1 million or less for eligibility. However, an individual or entity who has non-farm AGI in excess of \$1 million remains eligible for conservation programs only if 66.66 percent or more of the total AGI is derived from farming, ranching, and forestry operations. In addition, the AGI limitation for conservation programs may be waived on a case-by-case basis if it is determined that environmentally sensitive land of special significance would be protected.

Another change in eligibility is that program payments are limited by direct attribution of payment totals directly to individuals or indirectly to individuals through entities.

A legal entity is defined as an entity created under Federal or State law that owns land or an agricultural commodity, product or livestock. Through direct attribution, payment limitation is based on the total payments received by the entity and also the individual, both directly and indirectly as an officer, partner, or shareholder in an entity. Qualifying spouses are eligible to be considered separate persons for payment limitation purposes, rather than being automatically combined under one limitation. Also, individuals and entities must be "actively engaged in farming" with respect to a farming operation in order to be eligible for specified payments and benefits. To be "actively engaged in farming," the individual or entity must make significant contributions to the farming operation of: (1) capital, equipment, land, or a combination; and (2) personal labor or active personal management, or a combination. For more information on how these provisions apply to your own situation, contact the county FSA office.

## MILC Sign-up Underway

Section 1502 of the Food, Conservation, and Energy Act of 2008 (2008 Act) reauthorizes the Milk Income Loss Contract (MILC) Program for the period beginning October 1, 2007, and ending on September 30, 2012, with some minor changes to the program's provisions. The reauthorization of the MILC program allows continued financial assistance on a monthly basis to dairy operations in connection with production sold in the commercial market when domestic prices fall below a specified level.

The extended signup period begins on **January 22, 2009** and will continue throughout the duration of the MILC program, ending on **September 30, 2012**. Producers that submit CCC-580's during the extended signup can select as the MILC production start month for their dairy operation either:

- the month CCC-580 is submitted;
- from the remaining months in the FY year which CCC-580 is submitted for which the payment rate is not known and according to MILC production start month selection provisions.

The maximum quantity of production per dairy operation eligible for payment per FY, are as follows:

- 2.4 million lbs. for the period beginning October 1, 2007, and ending September 30, 2008
- 2.985 million lbs. for the period beginning October 1, 2008, and ending August 31, 2012
- 2.4 million lbs. for the period beginning September 1, 2012, and thereafter.

MILC payments will be issued to eligible dairy operations on a monthly basis when the Boston Class I milk price is below \$16.94 per cwt. When this price exceeds \$16.94:

- No payments will be made to the dairy operation for that month;
- Production for that month will **not** count toward the operations maximum eligible production;
- Production evidence is **not** required from the producer for that month.

Payment rates will be rounded 7 places to the right of the decimal.

### Feed-Cost-Adjusted Payment Rate

The baseline price of \$16.94, as specified in subparagraph A, will be increased by 45 percent of the percentage by which the National Average Dairy Feed Ration Cost for the applicable month exceeds:

- \$7.35 per cwt, during the period of January 1, 2008, through August 31, 2012;
- \$9.50 per cwt, during the period of September 1, 2012, and thereafter.

The new farm bill signed in May has changed the payment limitation procedures for all farm programs. The revision of these forms will require that all producers complete new eligibility paperwork. To minimize errors and update producer records we are asking that producers signing up for the MILC Program call Dolores at the FSA office to make an appointment.

(707) 442-6058

## Controlled Substance

Any person who is convicted under federal or state law of a controlled substance violation could be ineligible for USDA payments or benefits. Violations including planting, harvesting, or growing a prohibited plant. Prohibited plants include marijuana, opium, poppies and other drug producing plants.

## Humboldt/Del Norte County FSA Office Staff

### County Executive Director

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