



# Kern County FSA News

County Executive Director

Joann Esser

County Committee

Albert John Ghilarducci – Acting Chairperson

Ken Paul – Regular Member

Ben Ansolabehere – Regular Member

Jeff Bowen – Regular Member

Catherine Fanucchi – Minority Advisor

Phone (661) 336-0967 – Fax (661) 336-0857

Vol. 2009 - No. 0 1- January 2009

## 2009 Direct & Counter Cyclical Program (DCP) Sign Up Now Underway

Sign up has started for the 2009 Direct & Counter Cyclical Payment (DCP) Program for farms with base acres. Signup will continue until **June 1, 2009.**

The June 1, 2009, deadline is mandatory and there will no longer be any late filed applications accepted after this date. **[This is a big change from the previous farm bill.]** If you miss the deadline you will not be eligible for any DCP payments for 2009.

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 price. For 2009, advance direct payments will be based on 22% 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.

Contact the Kern County FSA Office now to make an appointment to sign up. (661) 336-0967.

## 2005-2007 Crop Disaster Program (CDP) Signup Deadline Announced

Signup for crop years 2005 through 2007 began October 15, 2007. Signup period will end COB **February 27, 2009.**

All applications must be filed no later than COB February 27, 2009, and applies to the following;

- quantity and quality provisions of CDP
- receiving a signed, completed application along with **ALL** supporting documentation and required forms in the FSA Office.
- late provisions do not apply for crop years 2005 through 2007.

Contact the Kern County FSA Office to make an appointment to sign up or complete an application previously submitted.

## Milk Income Loss Contract (MILC) Program

Signup for the MILC program is underway and will continue through the program's expiration date, September 30, 2012.

There are three key changes in MILC program operations;

1. A "feed cost adjuster" is introduced which adjusts the \$16.94 per hundredweight benchmark price upward depending on the cost of feed rations.

2. The production limit per operation increases to 2.985 million pounds for each fiscal year from 10/1/08 to 8/31/2012.

3. Beginning with fiscal year 2009 marketing's, which started 10/1/08, the Farm Bill made changes to the provisions for payment eligibility to add an Adjusted Gross Income (AGI) limit. If the individual or entity has annual non-farm AGI for the relevant base period greater than \$500,000 the individual or entity is not eligible for MILC benefits.

Producers must select a start-up month for MILC payments during the sign-up application period. The start month selected may be the month the contracted is submitted, through the last day of that month. A later start month may be selected at that time provided the selection is made by the 14<sup>th</sup> of the month preceding the new start month. Any changes made to a start month after the designation has been made must be made by the 14<sup>th</sup> of the month prior to the start month being requested.

Contact the Kern County FSA Office to make an appointment. (661) 336-0967.

## County Committee Election Results

Congratulations to Ken Paul who was elected to represent farmers from the Shafter, Wasco, and Delano area on the County Committee. The election results for Local Administrative Area #2 are;

- Ken Paul – elected to the County Committee
- Le Roy Espericueta – 1<sup>st</sup> Alternate to the County Committee

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.

FSA County Committee members make decisions on disaster and conservation programs, emergency programs, commodity price support loan documents, 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 local producers.

### Crop Certification Deadline

Crop reporting is detrimental to numerous programs administered by FSA. 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.

- **April 30, 2009**-Deadline for wheat, barley and oats, regardless of disposition.
- **July 15, 2009**-Deadline for all other crops and land uses.

### **IMPORTANT** **Late Filed Report of Acreage**

The County Committee may accept a late filed FSA-578 as timely filed when **ALL** of the following apply;

- ✓ The operator pays the cost of a farm visit and the costs of verification and determination of crop acreage.

### ✓ **PHYSICAL EXISTENCE OF THE LATE FILED CROP OR CROP RESIDUE FOR THE CROP YEAR BEING REPORTED EXISTS.**

- ✓ The crop's use can be verified.
- ✓ The crop's acreage for the specific year can be determined.

If the late filed acreage report is for any program other than establishing FAV history, NAP Actual Production History, first time, or CRP Cropping History, physical existence is required. If the physical existence no longer exists, program payments could be jeopardized and producers risk loss of benefits.

### Farm Reconstitutions

The reconstitution—or recon—is the process of combining or dividing farms or tracts of land based on the farming operation. To be effective for the current year farms with base acres and enrolled in the DCP program must request the recon by August 1, 2009. If 2009 DCP direct payments have already been issued on the farm, the reconstitution will be effective for 2010 unless the payments are refunded.

For farms not enrolled in DCP by June 1, 2009 which will be requesting a recon, the signed recon must be in the FSA Office by June 1, 2009.

All reconstituted farms must re-enroll in the DCP program by the later of June 1, 2009 or within 30 calendar days of the notification of the bases and yields of the resulting farm. CCC-509 "Direct & Counter Cyclical Program Contract" **NOT** having all requisite signatures of producers having more than a zero share of base acres by the later of June 1, 2009 or 30 calendar days after notification of the bases and yields of the resulting farm, will **NOT** be considered submitted to CCC for any purpose and will **NOT BE APPROVED!!!**

### Payment Limits & 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 a 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 per year from farm income in order to qualify for direct payments issued under the Direct and Counter-cyclical Program (DCP).

For conservation programs, the average nonfarm 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 your local FSA office.

### NAP Insurance Service Fee Increase for 2009 & Continuing

The Food, Conservation, and Energy Act of 2008, published May 22, 2008, increased the administration service fee for NAP from;

- \$100 to \$250 per crop
- \$300 to \$750 per county
- \$900 to \$1875 per producer for all counties

### Non-Insured Crop Disaster Assistance Program (NAP)

#### 2009 Application Closing Dates

All other annuals	3/1/09
Apples	1/31/09
Almonds, Apricots, Asparagus, Avocados, Caneberries, Cherries, Grapes, Kiwi, Mint, Nectarines, Olives, Peaches, Pears, Persimmons, Pistachios, Plums, Pomegranates, Rye Grain, Strawberries, Walnuts	12/15/08
Fall Planted Garlic	10/1/08
Onions, Honey	12/1/08
Fall Planted Seed Crops	8/1/08
Forage Crops/Permanent Pasture	12/1/08
Value Loss and Controlled Environment Crops	9/1/08
<b>2010 Crop Year Citrus Crops;</b>	
Oranges, Lemons, Limes, Grapefruit, Tangelos	1/1/09

### Non-Insured Crop Disaster Assistance Program (NAP)

The NAP program was designed to reduce financial losses which occur when natural disaster causes a catastrophic loss of production or

prevented planting of an eligible crop by providing coverage equivalent to catastrophic insurance.

NAP is limited to each commercial crop or agricultural commodity except livestock, for which catastrophic insurance is not available and is produced for food and fiber.

#### NOTICE OF LOSS

Producers are responsible to file a "Notice of Loss" within **15** days of: a) occurrence of any natural disaster condition; b) final planting date if you are prevented from planting because of a natural disaster; c) the date of damage to the crop or loss of production becomes apparent to you. If Notice of Loss is not filed timely, it could result in benefits being denied.

#### VERY IMPORTANT!!!

If you have filed an application for any NAP crops you are required to submit production and certify those crops annually by July 15<sup>th</sup>. Failure to do so could result in a zero being averaged into your actual production history. This could be very detrimental as the averaged actual production history is used for payment purposes, should you qualify for a loss in a given year. Continuity is essential. If you have any concerns please call the FSA office to make sure the required deadline is met.

#### FSA Signature Policy

Using the correct signature when doing business with FSA can save time and prevent a delay in program benefits. The following are FSA signature guidelines:

- A married woman shall sign her given name: Mrs. Mary Doe, not Mrs. John Doe
- For a minor, FSA requires the minor's signature and one from an eligible parent. Note, by signing the applicable document, the parent is liable for actions of the minor and may be liable for refunds, liquidated damages, etc
- When signing on one's behalf the signature must agree with the name typed or printed on the form, or be a variation that does not cause the name and signature to be in disagreement. Example - John W. Smith is on the form. The signature may be John W. Smith or J.W. Smith or J. Smith. Or Mary J. Smith may be signed as Mrs. Mary Joe Smith, M.J. Smith, Mary Smith, etc

• FAXED signatures will be accepted for certain forms and other documents provided the acceptable program forms are approved for FAXED signatures. Producers are responsible for the successful transmission and receipt of FAXED information.

Examples of documents **not** approved for FAXED signatures include:

- Promissory note
- Assignment of payment
- Joint payment authorization
- NAP actual production history and approved yield record
- Acknowledgement of commodity certificate purchase
- Financing statement
- UCC financing statement
- Spouses may sign documents on behalf of each other for FSA and CCC programs in which either has an interest, unless written notification denying a spouse this authority has been provided to the county office
- Spouses shall not sign on behalf of each other as an authorized signatory for partnerships, joint ventures, corporations, or other similar entities
- All members of a general partnership must sign for the general partnership unless an individual is authorized to act on the behalf of the general partnership and bind all members
- Spouses may sign on behalf of each other's individual interest in a partnership, unless notification denying a spouse that authority is provided to the county office
- Acceptable signatures for general partnerships, joint ventures, corporations, estates, and trusts shall consist of an indicator "by" or "for" the individual's name, individual's name and capacity, or individual's name, capacity, and name of entity. For additional clarification on proper signatures contact your local FSA office.

#### 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.

**UNITED STATES DEPARTMENT OF AGRICULTURE  
FARM SERVICE AGENCY  
Kern County FSA  
5000 California Avenue #100  
Bakersfield CA 93309-0711**

**RETURN SERVICE REQUESTED**

### **Power of Attorney**

For experiencing difficulties visiting the county office because of work schedules, distance, health or other reasons, 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.

### **Payment Deposits – New**

Current policy mandates that FSA payments be electronically transferred into your bank account. In order for timely payments to be

made, producers need to notify the FSA county office if your account has been changed or if another financial institution purchases your bank. Payments can be delayed if the FSA office is not aware of updates to your account and routing numbers.

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## Dates to Remember:

CDP-2005-2007 Sign Up Deadline	February 27, 2009
Certification Wheat, Barley, Oats Deadline	April 30, 2009
DCP Signup Deadline	June 1, 2009
Certification Deadline-All Other Crops & Land Uses	July 15, 2009
Reconstitution Deadline	August 1, 2009
MILC Signup	Continuing
NAP-Notice of Loss	Within 15 days of Natural Disaster Or Loss Becomes Apparent

**FSAWEBSITE: [www.fsa.usda.gov](http://www.fsa.usda.gov)**