



# Kern County FSA News

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## SURE

Currently applications for the Supplemental Revenue Assistance Program (SURE) are being taken for the 2008 Crop Year. SURE provides benefits for farm revenue losses due to natural disaster that were incurred starting in the crop year 2008 through September 30, 2011. To be eligible for SURE payments, a producer is required to obtain crop insurance on all crops of economic significance in all counties or, if crop insurance is not available, to participate in the Non-Insured Assistance Program (NAP) except for grazed acreage.

Eligible farmers and ranchers who meet the definition of Socially Disadvantaged, Limited Resource, or Beginning Farmer or Rancher are exempt from the risk management purchase requirement.

The following are the conditions that trigger SURE payments:

- at least one crop of economic significance must suffer a 10% production loss due to an eligible disaster condition
- crop of economic significance is a crop that has contributed or would have contributed at least 5% or

more of the total expected revenue from all crops on the farm

- the farm experiencing the loss must be in a county declared a disaster county by the Secretary of Agriculture, or in contiguous counties. Those who show proof of an individual loss of at least 50% are also eligible to receive SURE payments for production losses or crop quality losses.

Losses are measured with consideration to the whole-farm revenue, which includes crop insurance indemnities and commodity program payments, so that producers are not paid more than once for the same loss.

A SURE calculator is available at: [http://www.fsa.usda.gov/Internet/FS\\_A\\_File/sure\\_calculator\\_2008.xls](http://www.fsa.usda.gov/Internet/FS_A_File/sure_calculator_2008.xls).

The calculator is not official, but is intended for educational use. A fact sheet and Q & A are also available online at [www.fsa.usda.gov](http://www.fsa.usda.gov).

Please call the FSA Office at (661) 336-0967 to make an appointment if you wish to review your files and/or sign up for SURE.

Enrollment for the 2010 Direct & Counter Cyclical Program (DCP) has begun and will continue through June 1, 2010. No late filed application provisions will apply.

All proper signatures and or leases must be obtained by COB on June 1, 2010, to make the contract valid.

For 2010, eligible producers may request advance direct payments based on 22 percent of the direct payment.

Contact the FSA Office to make an appointment for sign up.

## ACRE

The optional ACRE Program provides a safety net based on revenue losses and acts in place of the price-based safety net of counter cyclical payments under DCP. The June 1, 2010, sign up deadline is mandatory for all participants. USDA will not accept any late filed applications.

A farm's payment is based on a revenue guarantee calculated using a 5-year average state yield and the most recent 2-year national price for each eligible commodity. For 2010, the 2-year price average will be based on the 2008 and 2009 crop years.

## 2010 DCP Sign Up

Payments are based on planted or prevented planted acres of commodity crops. In order to receive a payment for the crop, there must be both a state and farm revenue loss. The total number of planted acres for which a producer may receive ACRE payments may not exceed the total base on the farm. In exchange for participating in ACRE, in addition to not receiving counter cyclical payments, a farm's direct payment is reduced by 20%, and marketing assistance loan rates are reduced by 30%.

The decision to enroll in the ACRE Program is irrevocable. The owner of the farm and all producers on the farm must agree to enroll in ACRE. Once enrolled, the farm shall be enrolled for that initial crop year and will remain in ACRE through the 2012 crop year.

### County Committee Election Results

Congratulations to Albert Ghilarducci who was reelected to represent farmers from LAA-1 (Buttonwillow) and Jeff Bowen who was reelected to LAA-4 (Tehachapi and Temblor Mountain) area.

FSA appreciates all the voters who took the time to complete the election ballot. The County Committee system works only because of your participation.

### Adjusted Gross Income

USDA has a Memorandum of Understanding with the Internal Revenue Service to establish an electronic information exchange process for verifying compliance with the adjusted gross income (AGI) provisions for farm programs. Written consent will be required from each producer or payment recipient for the IRS review process. No actual tax data will be included in the report IRS sends to USDA.

The agreement ensures payments are not issued to producers whose AGI exceeds certain limits. The limits set in the 2008 Farm Bill are \$500,000 nonfarm average AGI for commodity and disaster programs; and \$1 million nonfarm average AGI for conservation programs.

Participants in CCC programs subject to average AGI rules must submit form CCC-927 (Individual) and/or CCC-928 (Legal Entity) to the Internal Revenue Service by June 15, to avoid interruption of program benefits. These forms may be obtained from local FSA and NRCS offices or online at:

<http://forms.sc.egov.usda.gov/eforms/mainervlet>.

This requirement is effective for 2009 and 2010, if the individuals and/or entities received a payment for both years. Be sure to check 2009 and 2010, if this applies to the individuals and/or entity to alleviate having to file one for each year.

All members of an entity or joint operation are required to file a CCC-927. Any entity that filed a CCC-926 for AGI must complete a CCC-928.

Timeliness is essential in order to avoid any delays in the issuance of 2010 program payments and the possibility of refunding 2009 program payments.

Do not return the completed and signed forms to the FSA Office. Failure to provide the written consent may require refund of applicable payments received from FSA and NRCS for the years 2009 and 2010. The consent forms are for the IRS NOT FSA. The completed forms MUST be sent directly to the IRS.

### Farm Reconstitutions

In program terminology, farms are constituted to group all tracts having the same owner and the same operator 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, 2010, for farms enrolled in the Direct & Counter Cyclical Program by June 1, 2010.



### Non Insured Disaster Assistance Program (NAP)

#### 2011 Application Closing Dates

All other annuals	3/1/11
Apples	1/31/11
Almonds, Apricots, Asparagus, Caneberries, Cherries, Grapes, Kiwi, Mint, Nectarines, Olives, Peaches, Pears, Persimmons, Pistachios, Plums, Pomegranates, Strawberries, Walnuts	
<b>NOTE:</b> Coverage no longer available for young trees.	12/15/10
Fall Planted Garlic	10/1/10
Processed Onions, Honey	12/1/10
Fall Planted Seed Crops	8/1/10
Forage Crops/Permanent Pasture Forage Crops, Intended Use of FG, Hay (Mechanically Harvested)	12/1/10
Forage Seed Crops (Alfalfa, Clover, Grass, etc)	9/1/10
Value Loss and Controlled Environment Crops	9/1/10
<b>2012 Crop Year Citrus Crops;</b>	
Oranges, Lemons, Limes, Grapefruit, Tangelos	1/1/11

#### NOTICES OF LOSS;

In case of damage to any NAP covered crop at least one producer having a share in the unit must file a Notice of Loss in the FSA County Office:

- 1) For prevented planting claims within 15 days after the final planting date.

2) For low yield claims and allowable value loss the EARLIER of:

a) 15 days after the disaster occurrence, or date of loss or damage to the crop or commodity becomes apparent.

b) 15 days after the normal harvest date.

## REPORT OF ACREAGE FOR NAP

An annual acreage report must be submitted for each covered crop in the administrative county on or before the acreage reporting date.

This is a requirement whether a Notice of Loss is filed or not

Production must also be submitted every year by July 15, of the following year to maintain your Actual Production History record. Failure to do so could be detrimental to your yield and affect any payments you may be eligible for on a year you may incur a loss.

This is also required whether a Notice of Loss is filed or not.

## Actively Engaged

USDA has amended the rules which govern the requirements to be 'actively engaged' in farming. These rules apply to eligibility for payments under the Direct and Counter Cyclical Program (DCP) or Average Crop Revenue Election (ACRE) program administered by FSA.

Normally the stockholder or member of a legal entity **must** make contributions of active personal labor and/or active personal management for the farming operation. The contributions are to be performed on a regular basis, must be identifiable, and separate from the contributions of others.

The exception to this rule for a stockholder or member of a legal entity only occurs if both the following apply:

- At least half of the interest in the legal entity is held by stockholders or members who are providing active personal labor or active personal management; and
- The total direct payments received, both directly and indirectly, by the legal entity

and each of the members cannot exceed \$40,000.

## California USDA Emergency Farm Loans

Pursuant to the Secretary of Agriculture's designation of an emergency in the state of California on July 22, 2009, producers may be eligible for USDA Emergency Farm Loan because of production losses based on damages and losses caused by low temperatures, which occurred on April 25, 2009. Deadline to accept EM Application is March 22, 2010.

Pursuant to the Secretary of Agriculture's designation of an emergency in the state of California on July, 22, 2009, Producers may be eligible for USDA Emergency Farm Loan because of production losses based on damages and losses caused by freeze, followed by excessive heat, which occurred on April 4<sup>th</sup> through April 22, 2009. Deadline to accept EM Application is March 22, 2010.

Pursuant to the Secretary of Agriculture's designation of an emergency in the state of California on September 17, 2009, Producers may be eligible for USDA Emergency Farm Loan because of production losses based on damages and losses caused by drought, which occurred January 1, 2009, and continuing. Deadline to accept EM Application is May 17, 2010.

Please contact Tom Hunton, Farm Loan Manager at (661) 336-0967 ext 116 for more details.

## 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 Department of Agriculture.

## 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 which 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.

## Bank and Account Changes

Current policy mandates 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.

## 1099-G: Note Changes

Producers who have received payments in 2009 from FSA should have received a CCC-1099-G. A CCC-1099-G is a report to the Internal Revenue Service about FSA payments made to producers during the previous calendar year. The CCC-1099-G is to help participating producers report taxable income. It is not intended to replace the program participant's responsibility to report income to the IRS.

When the CCC-1099-G is received, it should be checked with your records to see that the amounts are correct. Refunds will no longer be reported on the 1099-G, but will be available online from the FSA Financial Inquiries (FSA-FI) web-based database. Program participants with an eAuthentication user ID and password may access their refund information at FSA-FI and select "Inquiry Type

1099/Refund Reports". Refund amounts are displayed on the Producer's Year-to-Date Activity web page.

If you have questions concerning the 1099-G refund information, contact your local FSA office for assistance locating the correct payment data.

**UNITED STATES DEPARTMENT OF AGRICULTURE  
FARM SERVICE AGENCY  
Kern County FSA  
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Bakersfield CA 93309-0711**

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### Farm Loan Programs

The FSA offers loans for eligible 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. In many cases, applicants are beginning farmers who have insufficient net worth to qualify for financing through a commercial lender. In other instances,

borrowers might have suffered setbacks from natural disasters or might be persons with 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 \$1,112,000. 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.

For details please contact the county office staff for an appointment with a farm loan officer.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability, and where applicable sex, marital status, familial status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance programs. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-



## Dates to Remember:

<b>SURE 2008 Sign UP</b>	<b>On Going</b>
<b>Certification of Small Grains</b>	<b>April 30, 2010</b>
<b>DCP Sign Up</b>	<b>June 1, 2010</b>
<b>Certification All Other Land Uses</b>	<b>July 15, 2010</b>
<b>Reconstitution Deadline</b>	<b>August 1, 2010</b>
<b>MILC Signup</b>	<b>Continuing</b>
<b>NAP-Notice of Loss-Earlier of</b>	<b>15 days After Natural Disaster Occurrence</b>
	<b>Loss Becomes Apparent</b>
	<b>Or 15 Days After the Normal Harvest Date</b>