



Kings County FSA News

2010 Direct and Counter-Cyclical Program (DCP) Signup

Enrollment for the 2010 Direct and Counter-cyclical Program (DCP) has begun and will continue through June 1, 2010. In order to provide the most efficient service, we request that producers call the office to make an appointment for signup. USDA producers may also use the eDCP automated website to sign up to complete their 2010 DCP contract.

USDA 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 2010, eligible producers may request to receive advance direct payments based on 22 percent of the direct payment. Counter-cyclical payment rates vary depending on market prices. Counter-cyclical payments are issued only when the effective price for a commodity is below its target price. The effective price is the higher of the national average market price received during the 12-month marketing year for each covered commodity and the national average loan rate for a marketing assistance loan for the covered commodity.

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

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2008 Crop Disaster Program Sign-Up Supplemental Revenue Assistance Program

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 was incurred starting with 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/FSA_File/sure_calculator_2008.xls. The calculator is not official, but is intended for educational use. A fact sheet and program background information are also available online.



Average Crop Revenue Election Program (ACRE)

The Average Crop Revenue Election Program (ACRE) provides a safety net based on state revenue losses and acts in place of the price-based safety net of counter-cyclical payments under DCP. 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.

An ACRE payment is issued when both the state and the farm have incurred a revenue loss. The payment is based on 83.3 percent (85 percent in 2012) of the farm's planted acres times the difference between the State ACRE guarantee and the state revenue times the ratio of the farm's yield divided by the state expected yield. 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 percent, and marketing assistance loan rates are reduced by 30 percent.

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. The June 1, 2010, deadline is mandatory for all participants. USDA will not accept any late-filed ACRE applications. Producers may NOT participate in both ACRE and DCP on the same Farm Number in the same year.

Preventing Fraud

The Farm Service Agency supports the Risk Management Agency in the prevention of fraud, waste and abuse of the Federal Crop Insurance Program. FSA has been, and will continue to, assist RMA and insurance providers by monitoring crop conditions throughout the growing season. FSA will continue to refer all suspected cases of fraud, waste and abuse directly to RMA.

Producers can report suspected cases to the FSA office staff, the RMA office, or the USDA Office of the Inspector General.

Adjusted Gross Income Compliance

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 tax review process. **No actual tax data will be included in the report that IRS sends to USDA.**

The agreement ensures that 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; \$750,000 farm average AGI for direct payments; 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://www.fsa.usda.gov>

Banking Changes?

Almost all Farm Service Agency payments are made electronically using Direct Deposit. This innovation has cut down on the number of missing and late payments and reduced the time required to move funds. It has been calculated that having a problem with a payment is 20 times greater with checks than with Direct Deposit. Another benefit is that Direct Deposit to your account can be made within 48 hours.

To keep the system running smoothly, it's critical to keep the county office staff up to date on changes you might make in your financial institutions.

If you have changed accounts or institutions that might affect the direct deposit of your FSA payments, contact the FSA county office so we can update our files to insure continued uninterrupted service. Failure to timely notify us will cause a delay while the payment is manually being re-routed to the correct account.

NAP Coverage

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.

For application closing dates to purchase NAP, please contact your office or visit http://www.fsa.usda.gov/Internet/FSA_File/important_dates.pdf

Producers with NAP coverage must remember to complete the following to qualify for benefits:

- Timely file acreage reports
- Provide proof of harvested production using acceptable methods, such as packing house receipts, farmers market sales reports, etc.
- Notifying FSA within **15 days** of damaging weather event, or within **15 days** of the crop damage becoming apparent.
- Notifying FSA prior to completion of harvest for all hand harvested crops

Note that insurance coverage on all crops is required to remain eligible for the agency's Disaster Assistance Programs such as SURE, LFP, TAP, and ELAP. Producers must purchase at least catastrophic (CAT) level of insurance for all insurable crops.

Acreage Reporting

Acreage reporting time will soon be here. Filing an accurate acreage report for all crops and land uses, including failed acreage and prevented planting acreage, can prevent the loss of benefits for a variety of programs.

Failed acreage must be reported within 15 days of the disaster event and before disposition of the crop. Prevented planting must be reported no later than 15 days after the final planting date.

Acreage reports are required for many Farm Service Agency programs. For crops other than NAP (Noninsured Crop Disaster Assistance Program) crops, **acreage reports for fall seeded crops are to be certified by**

April 30, 2010 and the deadline for spring seeded crops is July 15, 2010.

Acreage reports on crops for which NAP assistance may be paid are due in the county office by the earlier of April 30, 2010 for small grains and July 15, 2010 for all other crops, or 15 calendar days before the onset of harvest or grazing of the specific crop acreage being reported.

Actively Engaged

USDA has amended the rules that 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 a 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 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 of 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 collectively cannot exceed \$40,000.

Land Ownership Changes

Has your land been put into trust?

All land ownership changes should be reported to FSA, including transactions which result in land being placed into a revocable trust. It is very important that our records be kept up to date. Please note that we are **not** directly connected with the county assessor's office, nor do we receive direct notification from that office when ownership changes. It is the owner's responsibility to inform FSA of any changes. If changes do occur, please provide a copy of the recorded deed as proof of ownership.



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Please notify our office if you are no longer a landowner or no longer have an interest in a farming operation in Kings County so that you may be removed from our mailing list. Your assistance is appreciated.

Important Dates	
April 30, 2010	Fall seeded crops must be reported. Planting dates, intended use and variety are needed at the time of the report.
June 1, 2010	Deadline for 2010 Direct and Counter Cyclical/ACRE Program Signup
July 15, 2010	Spring seeded crops must be reported. Planting dates, intended use and variety are needed at the time of report.
Ongoing	SURE Program Signup – 2008 Crop Year
Various Dates	See http://www.fsa.usda.gov/Internet/FSA_File/important_dates.pdf for various NAP insurance purchase deadlines

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