

Farm Service Agency

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Farm Bill:
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8:00 AM-4:30 PM

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Los Angeles-Orange-San Bernardino Counties

FSA NEWS

September 2008

Newsletter 4

IMPORTANT: Eligibility "Buy-In" Deadline is Sept. 16, 2008

Producers can establish 2008 eligibility for the new disaster assistance programs by paying a fee as required by the Food, Conservation and Energy Act of 2008 (the 2008 Farm Bill).

Ordinarily producers who wish to participate in the new disaster programs would need crop insurance or non-insured crop disaster assistance (NAP) coverage on all farms in all counties in which they have an interest. Since the 2008 Farm Bill was enacted after the application periods had closed for those programs, producers who did not have insurance coverage could not comply with this requirement in order to be eligible. However, the Farm Bill authorizes a waiver that allows producers to pay a fee, called a "buy-in" fee, to be eligible for the new disaster assistance programs.

The "buy-in" fee is due no later than September 16, 2008. Payment of the applicable fees will allow the producer to be eligible for financial assistance under the Supplemental Revenue Assistance Program (SURE), Livestock Forage Disaster Program (LFP), and other disaster assistance programs. Those who miss this opportunity will **not** be eligible for 2008 disaster assistance. Producers are also reminded that the payment of the applicable buy-in fee does **not** provide the producer crop insurance or NAP coverage; it only affords eligibility for the disaster programs.

The buy-in fee for 2008 eligibility is \$100 per crop, but not more than \$300 per producer per county, or \$900 total per producer for all counties less any previously paid fees for CAT and/or NAP. Contact our County FSA Office for details or to pay applicable fees.

**Non-Insured Crop Disaster Assistance Program (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 Federal Catastrophic (CAT) Crop insurance. Statute limits NAP to each commercial crop or agricultural commodity, except livestock, for which CAT is not available.

In order to be eligible for new disaster assistance programs, like SURE, producers are required to timely purchase, at a minimum, CAT coverage for all insurable crops and/or NAP coverage for all non-insurable crops on their entire farm.

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Due to the late passage of the 2008 Farm Bill, the 2009 application closing dates for 2009 have been extended to December 1, 2008 for those crops whose insurance deadlines were prior to December 1, 2008. The closing dates for Los Angeles, Orange, and San Bernardino counties are summarized for the specific crops as shown below:

NAP Crops	2008 Application Closing Dates
Forage/Hay Crops	Dec. 1, 2008
2009 Avocados/Citrus	Dec. 1, 2008
Strawberries, Onions, Honey	Dec. 1, 2008
Value Loss Crops	Dec. 1, 2008
Almonds, Apples, Apricots, Kiwis, Avocados, Cherries, Mint, Olives, Nectarines, Peaches, Pears, Grapes, Pistachios, Plums, Walnuts	Dec. 15, 2008
2010 Avocados/Citrus	Jan. 1, 2009
2009 Apples	Jan. 31, 2009
All other 2009 annual Crops	March 1, 2009

NAP coverage for 2009 costs \$250 per crop, but not more than \$750 per producer per county, or not more than \$1,875 total per producer for all counties. The administration fee(s) must be paid by the above application closing dates.

Producers who already have coverage on 2008 NAP crops may choose to continue coverage on the same crop or crops for 2009, if the applicable service fee is submitted by the application closing date. A new CCC-471, application for coverage is not required to be signed when applying for continuous coverage of the same crop or crops. Producers who choose to add a new crop(s) or delete a crop(s) from previous year's coverage or changing crop shares must file a new CCC-471 with signatures and pay the applicable service fee.

To be eligible for a NAP payment, producers must notify the FSA Office within 15 calendar days after a disaster has affected the NAP crop.

For more information regarding 2009 NAP coverage, contact our County FSA Office and ask for Holleen.

Livestock Forage Program (LFP)

Livestock producers need to note the Livestock Forage Program's eligibility requirements if they want to participate. And right now, LFP can be of special benefit to Western United States producers whose herds have suffered under poor forage conditions due to drought. Parts of the West are experiencing the second year of

drought in major livestock regions and may have already obtained LFP-eligible status.

A requirement for LFP eligibility is that the grazing land must be in a county "severely affected" by drought as designated by at least a D2 level by the Drought Monitor. And that D2 status must exist for at least eight weeks during normal grazing. Right now 13 counties in California have reached that level and another several dozen are heading to qualify at D2 for eight weeks later this summer if no appreciable moisture occurs.

LFP also requires that grazing acres be covered by crop insurance or NAP. Since the 2008 Farm Bill has taken some time to become law this time around, coverage deadlines have passed. To account for that issue, the law provided an extended deadline of September 16th to visit your local FSA office and pay an eligibility "Buy-In" fee to qualify if you don't have this coverage. Note that this Buy-In does not also confer insurance payment benefits at this late date.

Disaster payments for LFP are based on a percentage of the monthly feed cost and increase as the Drought Monitor status levels progress with continued severe drought. For more information and a list of current D2 counties, contact your FSA office soon. September 16th is fast approaching.

HONEY LOANS AVAILABLE

Honey producers may obtain 9-month marketing assistance loans on their 2008 honey.

Honey marketing assistance loans provide eligible honey producers with interim financing on their production. Instead of selling the honey immediately after harvest, a nonrecourse loan allows a producer with eligible honey to store the production, pledging the honey as collateral. The loan helps an eligible producer to pay bills when they come due without having to sell the honey at a time of year when prices tend to be lowest. When market conditions may be more favorable, a producer may sell the honey and repay the loan with the proceeds of the sale. If the producer is unable to repay the loan, he or she can deliver to Commodity Credit Corporation (CCC) the quantity of honey pledged as collateral.

To be eligible for a honey loan, a producer must have:

- Produced honey in the United States during the calendar year for which the loan is requested and extracted honey on or before December 31, of the applicable crop year;
- Had a continuous beneficial interest in the honey through the date of repayment of the loan;
- Been responsible for the financial risk of keeping the bees and producing the honey.

Loans mature on demand, but no later than the last day of the 9th month after the note and security agreement were approved. Honey used as collateral may not be disposed of without approval of the FSA Office staff.

Producers interested in a Honey Loan should contact our FSA Office and ask for Holleen.

Farm Loan Programs

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. 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. FSA loans can be used to purchase land, livestock, equipment, feed, seed, and supplies. The loans can also be used to construct buildings or make farm improvements.

The types of farm loans available are:

Type of Loans	Maximum	Terms
Farm Ownership	\$300,000	Up to 40 years
Operating	\$300,000	1 to 7 years
Emergency	\$500,000	1 – 40 years
Guaranteed	\$949,000	By lender
Youth Loans	\$5,000	1 to 7 years

Emergency loans (EM): 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.

Beginning Farmers & Ranchers: If you are a farmer or rancher who has substantially participated in the farming operation for at least three years but no more than 10 years, you may qualify for beginning farmer targeted loan funds with the Farm Service Agency.

The program is designed to assist these farmers by providing direct and guaranteed loans when they are unable to obtain financing from commercial credit sources.

Youth Loans: FSA 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.

Additional Information: Persons interested in more information on Farm Loans, Rural Youth Project Loans, or Beginning Farmers & Ranchers Loans should contact Tom Hunton in the Kern County FSA Office at (661) 336-0967 ext. 116.

2008 DCP Program Deadline

Producers have until September 30, 2008 to sign up in the Direct and Counter-cyclical Program (DCP) for this fiscal year. Participants can expect their final direct payment to be directly deposited into personal bank accounts sometime during the first few weeks of October.

Producers who did not elect to receive an advance direct payment will receive their entire direct payment for the year in one lump sum after the end of the fiscal year (September 30).

Continuous CRP

The Continuous Conservation Reserve Program is a private lands environmental improvement program that allows participants the opportunity to enroll environmentally sensitive acreages in conservation practices that will reduce soil erosion, improve water and soil quality and provide wildlife habitat and food sources.

The Continuous CRP program is a voluntary enrollment program. Eligible landowners enter into contracts that range from 10 to 15 years in length. In return, the landowners will receive annual rental and maintenance payments, incentive payments for certain activities, and cost share for establishment.

To be eligible for enrollment in the Continuous CRP, participants and acreage must meet certain requirements. Provided the eligibility requirements are met, FSA will automatically accept enrollments of acreage into Continuous CRP. Landowners may enroll in the program at any time during the year.

For more information on Continuous CRP enrollments, please contact our County FSA Office.

Dates to Remember

Sept. 16, 2008	Disaster Eligibility “Buy-In” Deadline for 2008
Sept. 30, 2008	DCP Program Deadline
Oct. 13, 2008	Columbus Day – Office Closed
Dec. 1, 2008	2009 NAP Application Closing Date for many crops – See above.
Continuous	Continuous CRP

UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Los Angeles-Orange-San Bernardino County FSA Office
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Important 2008 Farm Bill Information Inside

Visit our Web site at: www.fsa.usda.gov/ca

SPECIAL ACCOMODATIONS

Special accommodations will be made, upon request, for individuals with disabilities, vision impaired, or hearing impairment. If accommodations are required, please call our office at (661) 942-9549.

CIVIL RIGHTS COMPLAINT PROCESS

Any person, class or group of persons may file a discrimination complaint within 180 days of an alleged discriminatory action. Complaints may be filed in writing or orally with the agency head, any designated agency official or the Secretary of Agriculture, USDA, Washington, D.C. 20250. Assistance in filing a complaint can be obtained by calling or visiting any FSA office.

The United States Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental 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, DC 20250-9410 or call (800) 795-3272 (voice) or (202)-720-6382 (TDD). USDA is an equal opportunity provider and employer.