

# Farm Service Agency

**Address:**

USDA Service Center  
44811 Date Ave., Ste. B  
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**Telephone:**

(661) 942-9549 ext. 2  
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**Web Sites:**

FSA: [www.fsa.usda.gov](http://www.fsa.usda.gov)  
USDA: [www.usda.gov](http://www.usda.gov)  
Farm Bill:  
[www.usda.gov.farbill](http://www.usda.gov.farbill)

**Hours:**

Monday-Friday  
8:00 AM-4:30 PM

**County Committee:**

Paul Johnson  
Richard Manassero  
Terry Munz  
Patricia Van Dam

**Advisor:**

Bennie Moore, Jr.

**County Executive****Director:**

Douglas Brand

**Staff:**

Marilynn Wells, PT  
Holleen Self, PT

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*Los Angeles-Orange-San Bernardino Counties*

# FSA NEWS

*January 2009*

*Newsletter 2*

## *Milk Income Loss Contract (MILC) Program*

Signup for the Milk Income Loss Contract Program (MILC) is underway and will continue through the program's expiration date of September 30, 2012.



The 2008 Farm Bill reauthorized the MILC Program with some minor changes to the program's provisions. 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 specific level.

FSA will issue MILC payments on an operation-by-operation basis when the Boston Class I milk price falls below the Target Price of \$16.94 per hundredweight (cwt) modified by the Feed Cost Adjuster. The Feed Cost Adjuster adjusts the \$16.94 per hundredweight (cwt.) benchmark price upward depending on the cost of feed rations. The feed cost adjustment takes effect when the monthly National Average Dairy Feed Ration (NADFR) calculated monthly by the National Agricultural Statistics Service is greater than \$7.35 per cwt. The NADFR is announced on the last day of the month and applies to the previous month's fee cost.

When available, MILC payments are based on a percentage that is multiplied by the difference between the target price and the specific month's Boston Class I price of milk. Once payment is received on 2.985 million pounds, the dairy operation has met its limitation and must wait until the following fiscal year to be eligible to receive payment again. Beginning Sept. 1, 2012, the production limitation reverts back to the original limit of 2.4 million pounds per fiscal year.

In addition, the 2008 Farm Bill made changes to the provisions for payment eligibility and adjusted gross income (AGI). If the individual or entity has non-farm AGI greater than \$500,000, the individual or entity is not eligible for MILC benefits.

During the signup application period, participating dairy operations must select the month of the fiscal year to start receiving payments for eligible production. Producers should carefully evaluate the MILC program for their own operations and be aware that the month they select for start-up will be an important factor.

To answer any questions you might have, representatives from FSA will be conducting a **Town Hall meeting** to discuss the MILC program. The Town Hall meeting will be held at the Chino Fairgrounds (Brinderson Hall) at 10:00 a.m. on **February 5, 2009**. For more information on the MILC program or town hall meeting, contact our FSA Office and ask for Marilynn.

## CDP Sign-up Ends February 27th



The USDA FSA Administrator recently announced that the signup period for the 2005-2007 Crop Disaster Program (CDP) will end February 27, 2009.

Congress authorized CDP as a special disaster recovery program for agriculture in 2007 and it is now coming to a close. The new Farm bill provides an array of new and continued disaster assistance programs for crop and livestock producers for 2008 through 2011.

The CDP deadline date applies to the receipt of a signed and completed FSA-840 application along with all supporting documentation and required forms available at the applicable County FSA Office. CDP quality as well as quantity applications are still being accepted for review until this deadline. Late filed applications will not be approved after the February 27<sup>th</sup> deadline.

All application determinations will be made by March 27, 2009. For more information about CDP and the signup deadline, please contact our FSA Office and ask for Holleen or visit FSA's website at <http://www.fsa.usda.gov>.

## DCP Signup Underway

Signup has started for the 2009 Direct and Counter-cyclical Payment (DCP) Program for farms with base acres. Signup will continue until June 1, 2009. The June 1, 2009 deadline is mandatory for all participants. FSA will not accept any 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 advance direct payments based on 22 percent of the direct payment for each commodity associated with the farm. FSA will issue advance direct 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 2009.

## Power of Attorney

For those 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 Limits & Direct Attribution

To qualify for FSA 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 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 our FSA office.

## County Committee Election Results



Congratulations to **Patricia Van Dam** who was recently re-elected to serve on the Los Angeles-Orange-San Bernardino County FSA Committee. Patricia Van Dam was re-elected to serve as a representative for the Inland Empire area of San Bernardino County (LAA-2). **Ron Arnott** and **Dr. Pamela Miller** were elected to serve as 1<sup>st</sup> and 2<sup>nd</sup> alternates, respectively.

The County FSA Committee is the farmer-elected body that is responsible for administrating USDA farm programs. USDA relies on farmer-elected county committees to make national programs work locally.

Also, 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 in January to determine who will serve as the 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 administers this program for USDA.

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

## 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.
- 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.
- 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.

## Dates to Remember

|                               |   |
|-------------------------------|---|
| <b>January 19, 2009</b>       | Martin Luther King, Jr. Day – Office Closed |
| <b>February 27, 2009</b>      | 2005-2007 CDP Signup Deadline               |
| <b>June 1, 2009</b>           | 2009 Signup Deadline                        |
| <b>Ongoing through FY2012</b> | MILC Program Signup                         |

UNITED STATES DEPARTMENT OF AGRICULTURE  
Farm Service Agency  
Los Angeles-Orange-San Bernardino County FSA Office  
44811 Date Ave., Suite B  
Lancaster, CA. 93534

## **Important 2008 Farm Bill Information Inside**

Visit our Web site at: [www.fsa.usda.gov/ca](http://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.*