

Farm Service Agency

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Web Sites:

FSA: www.fsa.usda.gov
USDA: www.usda.gov
Farm Bill:
www.usda.gov/farbill

Hours:

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

County Committee:

Paul Johnson
Richard Manassero
Terry Munz
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Los Angeles-Orange-San Bernardino Counties

FSA NEWS

April 2009

Newsletter 3

Dairy Prices Trigger MILC Payments

Due to low milk prices, FSA has begun issuing payments to dairy producers through the Milk Income Loss Contract (MILC) program. The 2008 Farm Bill made changes to the MILC program, most notably the addition of a dairy feed ration cost adjustment in addition to changes to the payment rate and modifications to the per-operation poundage limit, depending on when the milk is produced. FSA makes MILC payments on a monthly basis when the Boston Class I milk price falls below \$16.94 per hundredweight (cwt) as adjusted for feed costs.



FSA makes payments on up to the maximum eligible pounds of milk produced and marketed by each operation per fiscal year. The annual maximum eligible pound limit per dairy operation is 2,985,000 pounds per Fiscal Year (FY). The amount drops to 2.4 million pounds per fiscal year on September 1, 2012.

MILC participants must select a month for which FSA will begin issuing payments for each fiscal year. Starting with the dairy operation's selected month, FSA will issue MILC payments based on that month's milk production and the milk production for each consecutive month thereafter with the effective payment rate until the operation reaches the production cap or the fiscal year ends.

Dairy producer's who selected February as their start month for FY 2009, should have already received their February MILC payment. Dairy producers that selected March as their start month for FY2009 will be receiving their payments in May 2009.

MILC Payment Rates: Listed below are the MILC payment rates for Fiscal Year 2009 (October 2008 through March 2009). On the last day of each month, the MILC payment rate (applicable for the prior month) will be posted at:

<http://www.fsa.usda.gov/FSA/webapp?area=home&subject=prsu&topic=mpp-mi>

MILC Payment Rates for Fiscal Year 2009	
October 2008	\$0.00000
November 2008	\$0.00000
December 2008	\$0.00000
January 2009	\$0.00000
February 2009	\$1.51352
March 2009	Has not been announced at the time of publication

For more information about the MILC program, you should contact our County FSA Office or visit our FSA website at: <http://www.fsa.usda.gov>

Changes to your MILC Program Contracts



Dairy operations are reminded that they are required to notify their county FSA office immediately of any changes that potentially affect the terms, conditions, or participants under the Milk Income Loss Contract (MILC). Changes include, but are not limited to changes to the starting month, death of producer on the contract, new member joining the operation, member leaving the operation, transfer of shares by sale or other transfer action, or reconstitution.

If you would like to change your production start month for FY2009 through 2012, you must request the change on or before the 14th of the month before the:

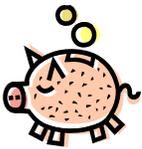
- month originally designated as the production start month
- newly selected start month.

For example, if your FY2010 start month is March 2010 and you would like to change it to October 2009, you would have to request the change on or before September 14, 2009. If you would like to change your FY2010 start month from March 2010 to July 2010, you would have to request the change on or before February 14, 2009.

Changes must be made in advance of payment rates being known by the public for both the original production start month that the dairy operation is changing from and the start month that the dairy operation is changing to. Otherwise, the production start month can only be changed for the following fiscal year.

Any changes or modifications to an existing MILC contract (CCC-580) must be made by completing and filing a CCC-580M form with our FSA Office.

Banking Changes?



If you have changed banks and not notified FSA, your payment could be delayed. Payments are electronically deposited into your bank account, if we are not aware of changes to your account and routing numbers, there could be problems. In order to make timely payments, you need to notify the office if you close your account or if another financial institution purchases your bank. It is important that any changes in producer's account such as type account, bank mergers, routing number or account numbers, be provided to the county office promptly to avoid possible payment delay.

NAP Production Reporting Date



Production records for individual crops need to be filed with our office to establish an approved NAP yield. If this is the first year you participated in NAP, you can provide production and acreage information from prior years to establish your yield. If you participated in NAP in previous years, you must report your production and acreage on a yearly basis to keep your yield up-to-date. Records submitted must be reliable or verifiable. Records need to show crop disposition. We recommend producers submit 2009 production records as soon as harvest is complete. **All production records must be submitted by the subsequent crop year's final acreage reporting date.**

Disaster "Buy-in" Waiver Extension

Producers who did not obtain crop insurance or Non-insured Crop Disaster Assistance Program (NAP) coverage for 2008 can pay a buy-in fee through May 18, 2009, to become eligible for 2008 disaster assistance programs authorized by the Food, Conservation, and Energy Act of 2008.

Farmers have an additional opportunity to become eligible for several programs if they suffered 2008 agricultural losses due to natural disaster.

If you have not already taken the necessary steps to become eligible for the Supplemental Revenue Assistance Program (SURE), Emergency Assistance for Livestock, Honeybees, & Farm-Raised Fish (ELAP), and the Tree Assistance Program (TAP), you are required to complete the following steps by May 18, 2009:

- Pay a \$100 "buy-in" fee per crop. The maximum fee is \$300 per county, per producer, not to exceed \$900 for multi-county producers.
- In the case of each insurable crop, excluding grazing land, agree to obtain a policy or plan of insurance for the next insurance year for which crop insurance is available; coverage level should equal 70 percent or more of the yield at 100 percent of the price.
- In the case of each noninsurable crop, agree to file the required paperwork and pay the applicable administrative NAP coverage fee by the applicable application closing date for the next available year.

Producers who meet the definition of "Socially Disadvantaged, Limited Resource, or Beginning Farmer or Rancher," are not required to pay the buy-in fee.

Notice of Loss Reminder for NAP

Producers with Noninsured Crop Assistance Program (NAP) coverage are reminded that they must notify the County FSA Office within **15 calendar days** after the:



- disaster occurrence or the date damage to the specific crop acreage is apparent to the producer for yield losses.
- final planting date for prevented planting.

This would include any crop damage caused by any eligible natural disaster. Failure to timely notify FSA may result in not being eligible for a NAP payment.

The notice of loss form (CCC-576, Part B) must be submitted to the County FSA Office timely (as stated above); and for each weather related event or adverse natural occurrence that caused damage to or loss of the specific crop or commodity.

For further information regarding the Noninsured Crop Assistance Program or report any crop damage, you can contact our FSA office and ask for Holleen.

2009 DCP Program Underway

Signup is underway for the 2009 Direct and Counter-cyclical Payment (DCP) Program for farm base acres. Signup will continue until **August 14, 2009**. FSA will not accept any late-filed applications after that date.



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% of the direct payment for each commodity associated with the farm. FSA will begin issuing 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. You may first enroll in DCP and receive an advance direct payment 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.

Effective 2009, farms with less than 10.0 acres total base cannot be enrolled in DCP or ACRE unless the farm

owner is a limited resource or socially disadvantaged person.

The ACRE Program



The Average Crop Revenue Election (ACRE) is a new program authorized by the 2008 Farm Bill that begins in crop year 2009. Through ACRE, FSA offers producers an alternative to Direct and Counter-cyclical (DCP) payments.

ACRE payments are made when both state and farm revenues are below historic levels. By participating in ACRE, producers elect to forgo counter-cyclical payments. Producers also elect to receive a 20-percent reduction in direct payments and a 30-percent reduction in loan rates.

A decision to elect ACRE binds the producer to the program from the program year elected by the producer through the 2012 crop year. Signups for 2009 ACRE begins **April 27** and will conclude **August 14, 2009**. For more details contact this office.

Acreage Reporting Deadlines

Acreage reporting time is just around the corner. Please remember that filing an accurate acreage report for all crops and land uses, including failed acreage and prevented planting acreage, can prevent the loss of USDA 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 are to be certified by the April 30, 2009 deadline for small grains and by July 15, 2009 deadline on all other crops.

Dates to Remember

April 27, 2009	ACRE Program Signup Starts
April 30, 2009	Acreage Reporting Deadline – Small Grains
May 25, 2009	Memorial Day – Office Closed
July 3, 2009	Independence Day – Office Closed
July 15, 2009	Acreage Reporting Deadline – All Crops (except small grains)
August 14, 2009	2009 DCP/ACRE Signup Deadline

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

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.