

February 2013



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Los Angeles-Orange-San Bernardino County FSA Updates

DEAR PRODUCERS: Welcome to the new GovDelivery bulletins and updates service from your County FSA office. Note that you are welcome to request to receive bulletins from more than one county and can add or remove individual subscriptions at any time.

Los Angeles-Orange-San Bernardino County FSA Office DCP and ACRE Signup Announced

Address:

44811 N. Date Ave., Suite B
Lancaster, CA 93534

Phone: (661) 942-9549 ext. 2

Fax: (661) 942-5503

Website: www.fsa.usda.gov

County Executive Director:

Doug Brand

Program Technician:

Marilynn Wells

County Committee:

Paul Johnson
Patricia Van Dam
Bennie Moore, Jr.
Dan Manassero

Office Hours:

8:00 am - 4:30 pm
Monday through Friday

FSA will begin sign-ups for DCP and ACRE for the 2013 crops on February 19, 2013. The DCP sign-up period will end on August 2, 2013; and the ACRE sign-up period will end on June 3, 2013.

The 2013 DCP and ACRE program provisions are unchanged from 2012, except that all eligible participants in 2013 may choose to enroll in either DCP or ACRE for the 2013 crop year. This means that eligible producers who were enrolled in ACRE in 2012 may elect to enroll in DCP in 2013 or may re-enroll in ACRE in 2013. Likewise producers who were enrolled in DCP may opt for ACRE enrollment.

For more information about DCP and ACRE, contact your County FSA Office.

MILC Program Extended

Dairy producers enrolled in the Milk Income Loss Contract program (MILC) will have their contracts automatically extended through September 30, 2013. There is no need to re-enroll in the program. The MILC program was part of several FSA-related programs that were continued with the extension of the 2008 Farm Bill. Dairy operations may select a new production start month and to do so must visit their local office between **February 1 and February 28, 2013** (relief period.)

New Microloan Program

The Farm Service Agency (FSA) developed the Microloan (ML) program to better serve the unique financial

operating needs of beginning, niche and the smallest of family farm operations.

The program will operate similar to the Operating Loan program but will include reduced requirements for managerial experience and loan security, as well as reduced paperwork. The microloan program can be used for such expenses as annual crop inputs, marketing and distribution expenses, purchase of livestock and equipment, and minor farm improvements such as wells and coolers. Eligible applicants may obtain a microloan for up to \$35,000. The repayment term may vary and will not exceed seven years. Annual operating loans are typically repaid within 12-18 months of when the loan is closed. The interest rate is the same as the regular Operating Loan (currently 1.25%).

Payment Limitation (PL) Provisions

All payment eligibility and payment limitation provisions, including AGI limitations, are extended for the 2013 crop year, program year, and fiscal year.

All rules and requirements effective for 2012 program payments and benefits are applicable to eligible recipients of 2013 program payments and benefits. This includes the requirements of actively engaged in farming, cash-rent tenant, substantive change, minor child, and spousal provisions. Payments will continue to be limited by direct attribution to person and legal entity.

Additional information on payment limitations is available at FSA county offices or online at: www.fsa.usda.gov

Hispanic and Womens Claims Process

Hispanic and women farmers and ranchers who allege discrimination by the USDA in past decades can file claims until **March 25, 2013**.

The process offers a voluntary alternative to litigation for each Hispanic or female farmer and rancher who can prove that USDA denied their applications for loan or loan servicing assistance for discriminatory reasons for certain time periods between 1981 and 2000.

The voluntary claims process will make available at least \$1.33 billion for cash awards and tax relief payments, plus up to \$160 million in farm debt relief. There are no filing fees to participate in the program. Claimants can obtain a claims package through the toll-free number or by visiting the website below.

Website: www.farmerclaims.gov

Phone: 1-888-508-4429

Deadline for Claims: March 25, 2013.

Farm Storage Facility Loan Program

The Farm Storage Facility Loan Program (FSFLP) allows producers of eligible commodities to obtain low-interest financing to build or upgrade farm storage and handling facilities.

The new maximum principal amount of a loan through FSFL is \$500,000. Participants are now required to provide a down payment of 15 percent, with CCC providing a loan for the remaining 85 percent of the net cost of the eligible storage facility and permanent drying and handling equipment. New loan terms of 7, 10 or 12 years are available depending on the amount of the loan. Interest rates for each term may be different and are based on the rate which CCC borrows from the U.S. Treasury Department.

Payments are available in the form of a partial disbursement and the remaining final disbursement. The partial disbursement will be available after a portion of the construction has been completed. The final fund

disbursement will be made when all construction is completed. The maximum amount of the partial disbursement will be 50 percent of the projected and approved total loan amount.

Applications for FSFL must be submitted to the FSA county office that maintains the farm's records. An FSFL must be approved before any site preparation or construction can begin.

For more information about FSFL please visit your FSA county office or www.fsa.usda.gov.

SURE Program Status

The Supplemental Revenue Assistance Payments (SURE) Program provides assistance to producers suffering crop losses due to natural disasters occurring through September 30, 2011. To receive SURE payments, an eligible producer must have qualifying losses of at least 10 percent production loss affecting at least one crop of economic significance due to natural disaster on a farm in a disaster county.

Producers outside a declared disaster county are eligible if they experience production losses greater than or equal to 50 percent of normal production in the farm. To be eligible for SURE, a producer must have obtained a policy or plan of insurance for all crops through the Federal Crop Insurance Corporation and obtained Noninsured Crop Disaster Assistance Program (NAP) coverage, if available, from the Farm Service Agency. Forage crops intended for grazing are not eligible for SURE benefits.

Loans for the Socially Disadvantaged

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or purchase or improve farms or ranches. While all qualified producers are eligible to apply for these loan programs, the FSA has provided priority funding for members of socially disadvantaged groups.

A socially disadvantaged applicant is a member of a group whose members have been subjected to racial, ethnic or gender prejudice without regard to their individual qualities.

For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders.

FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

Guaranteed Loan Program

The Farm Service Agency loan limit for the Guaranteed Loan Program has increased to \$1,302,000. The limit is adjusted annually based on data compiled by the National Agricultural Statistics Service.

The lending limit increases every year according to an inflation index. The maximum combined guaranteed and direct farm loan indebtedness has increased to \$1,602,000.

As a reminder, the one-time loan origination fee charged on FSA guaranteed farm ownership and operating loans is 1.5 percent of the guaranteed portion of the loan.

USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence

Avenue, S.W., Stop 9410, Washington, DC 20250-9450, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay).
