



February 2011

## Madera County FSA Office

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www.fsa.usda.gov/ca

**Hours**  
Monday - Friday  
8:00 a.m. - 4:30 p.m.

### Staff

Nancy Talley—PT  
Susan Sparke—PT  
Debbie Cook—PT

NRCS Staff  
Jennifer Johnson DC  
Dennis Dudley  
Gary Ford  
Sharyl Feit  
Mira Dick

## SURE – 2009 and Later

The Supplemental Revenue Assistance Program (SURE) provides benefits for farm revenue losses due to natural disasters. SURE sign up for crop year 2009 losses runs from Jan. 10 to July 29, 2011. Deadlines for 2010 and 2011 crop years will be announced later.

To be eligible for SURE payments, a producer is required to obtain crop insurance on all crops in all counties or, if crop insurance is not available, to participate in the Non-Insured Assistance Program (NAP) except for grazed acreage. This requirement does not apply for crops that are not of economic significance or where the administrative fee required to buy NAP coverage exceeds 10% of the value of the crop coverage.

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 conditions are required to 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
- producers in counties declared disaster counties by the Secretary of Agriculture, or in contiguous counties, or those who show proof of an individual loss of at least 50% are eligible to receive SURE payments for crop producer 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.

Note that due to the need to wait for end of year market price data to make SURE final calculations, SURE assistance payments lag the crop year's end by one full year. If you would like additional clarification call or stop by your local FSA office.

## 2011 DCP Signup

Enrollment for the 2011 Direct and Counter-cyclical Program (DCP) has begun and will continue through June 1, 2011. USDA urges producers to make use of the eDCP automated website to sign up, or producers can visit any USDA Service Center to complete their 2011 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 2011, eligible producers may request partial direct payments as an advance on the total amount.

## 1099-G's are in the Mail

Producers who have received payments from FSA are also receiving a CCC-1099-G in the mail. A CCC-1099-G is a report to the Internal Revenue Service regarding FSA payments made to producers during the previous calendar year. The CCC-1099-G is a service to help participating producers report taxable income.

*When the CCC-1099-G is received, it should be checked with your records to see that the amounts are correct.* It is not intended to replace the program participant's responsibility to report income to the IRS.

## Noninsured Crop Disaster Assistance Program (NAP)

The noninsured crop disaster assistance program (NAP) is a federally funded program that helps producers reduce their risk when growing food and fiber crops, specialty crops and crops for livestock feed. These benefits are only available for crops for which the catastrophic level of crop insurance is not available. Application for coverage must be filed by the applicable crop's application closing date. Production records for all crops must be reported to FSA no later than the acreage reporting date for the crop for the following year. FSA requires that any production reported in a loss year be verifiable according to Agency speci-

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fications. **NAP losses must be reported within 15 days of loss.**

## Direct Attribution & Payment Limitation

A new way of limiting producers on the amount of benefits they can receive was introduced in 2009. This new change was called direct attribution and affects both individuals as well as legal 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 share holder in an entity. Qualifying spouses are eligible to be considered separate persons for payment limitation purposes, rather than being automatically combined under one limitations.

The following are the annual payment limitations set for USDA Programs for the years 2009-2012.

Program	Limitation
DCP/ACRE-Direct Payments	\$40,000
DCP Counter-Cyclical/ACRE	\$65,000
ELAP,LDP,LIP & SURE (Comb)	\$100,000
NAP & TAP (each)	\$100,000

## Foreign Person Rule

Before making any actively engaged in farming or eligibility determinations, FSA must establish whether persons or legal entities projected share in applicable program benefits, are foreign persons.

A Foreign Entity is a corporation, trust, estate or other similar organization, that has more than 10% of its beneficial interest held by individuals who are NOT citizens of the US or are NOT a lawful alien possessing a valid Permanent Resident Card or Resident Alien Card.

Foreign Person means someone who is NOT a citizen of the US or are NOT a lawful alien possessing a valid Permanent Resident Card or Resident Alien Card. Any person applying for FSA benefits as an individual or through an entity is required to certify their US citizenship. Producers who certify to being a lawful alien must submit valid proof. Acceptable proof of being a lawful alien would be a valid Permanent Resident or Resident Alien Card.

## Sorghum Checkoff Referendum Scheduled

USDA will conduct a referendum on the Sorghum Checkoff Program Feb. 1-28, 2011, at local Farm Service Agency (FSA) offices. Ballots may be obtained in person, by mail or facsimile at county FSA offices, or via the Internet at [www.ams.usda.gov/sorghumpage](http://www.ams.usda.gov/sorghumpage).

Any eligible person engaged in the production of importation of sorghum from July 1, 2008, to December 31, 2010, is eligible to participate. Individuals are required to provide documentation such as a sales receipt or remittance form that shows they engaged in the production or importation of sorghum.

Sorghum Checkoff is a national, coordinated, self-help marketing program designed to strengthen the position of sorghum in the market place, maintain and expand existing domestic and foreign markets and uses for sorghum, and develop new markets and uses for sorghum.

## 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 when 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 by the legal entity and each of the members does not exceed \$40,000.

## Adjusted Gross Income

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 from the IRS to verify AGI compliance will be required from each producer or payment recipient. 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. These forms may be obtained from local FSA and NRCS offices or online at: <http://forms.sc.egov.usda.gov/eforms/mainservlet>.

## Conservation Loan Program

The Conservation Loan (CL) Program provides farmers with the funding necessary to implement NRCS approved conservation measures on their land. The available limit for a direct CL is \$300,000, and the limit for a guaranteed CL is \$1,119,000.

The Natural Resources Conservation Service (NRCS) will work with applicants to develop a conservation plan containing approved conservation practices. Examples of some conservation practices are: water conservation structures, forest cover, permanent pastures, manure digesters and other installations.

For more information on a potential Conservation Loan, call the local FSA office and make an appointment with your farm loan officer.

## Farming Operation Changes

If you have bought or sold land, or if you have added or dropped rented land from your operation, make sure you report the changes to the office as soon as possible. You need to provide a copy of your deed or recorded land contract for purchased property. Failure to maintain accurate records with FSA on all land you have an interest in can lead to possible program ineligibility and penalties. Making the record changes now will save you time in the spring. Update signature authorization when changes in the operation occur. Producers are reminded to contact the office of a change in operations on a farm so that records can be kept current and accurate.

## FSA Power of Attorney

For those who find it difficult to visit the county office in person because of work schedules, distance, health, etc., FSA has a power of attorney form (FSA-211) available that enables you to designate another person to conduct your business at the office. This form can be notarized by a licensed notary or by a county office employee. If you are interested, please contact our office or any Farm Service Agency office nearest you for more information.

## Cash Rent Tenant Rule

If a producer wants to participate in the Direct & Counter-Cyclical program on cash rented land, then they must meet certain eligibility requirements to be considered a cash-rent tenant. A cash-rent tenant is defined as a producer that rents land from another producer for cash or a guaranteed crop share (which is the amount of the commodity to be paid in rent). These provisions also apply to tenants who rent land for \$0 or farm the land in

exchange for compensation other than cash, such as controlling weeds or barter arrangements.

To qualify as a cash-rent tenant, producers must make either of the following contributions to their farming operation: \* a significant contribution of active personal labor (personally providing physical activities such as irrigation, harvesting, planting, etc) \* a significant contribution of both active personal management (personally providing general supervision, direction of activities, decision making, etc.) and owned equipment.

Producers who do not meet this provision will not be able to receive benefits on cash-rented land. However, if a producer has owned land as well, they will still be able to receive benefits on any of their owned property.

## Madera FSA Welcomes New Employee



Susan Sparke joined the Madera FSA Office staff as a new program technician at the beginning of the 2011 crop year. Susan is a graduate of Fresno State University and is a Madera County resident. She is currently managing the signup of the Direct and Counter-Cyclical Program.

### Office Closed February 21st

### Presidents Day



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To file a complaint of discrimination, write USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Stop 9410 Washington, DC 20250-9410 or call toll-free at (866) 632-9992 (English) or (800) 977-8339 (TDD) or (866) 377-8642 (English Federal-relay ) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer."

<b>Interest Rates for February 2011</b>	
<b>90 - Day Treasury Bill</b>	<b>0.125%</b>
<b>Farm Operating - Direct</b>	<b>2.250%</b>
<b>Farm Ownership - Direct</b>	<b>4.750%</b>
<b>Conservation Loan</b>	<b>4.750%</b>
<b>Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher</b>	<b>1.500%</b>
<b>Emergency - Actual Loss</b>	<b>3.750%</b>

<b>Dates to Remember</b>	
<b>Feb. 21</b>	<b>Presidents' Day - Offices Closed</b>
<b>April</b>	<b>Final date to report fall seeded crops</b>
<b>July 15</b>	<b>Final date to report spring seeded crops</b>
<b>July 15</b>	<b>Final date to report NAP tree crops and 2010 production</b>