



**USDA
MERCED-MARIPOSA
FSA**

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September 2010



September 30 Deadline for SURE Applications

The deadline to submit USDA Farm Service Agency 2008 Supplemental Revenue Assistance (SURE) program payment applications is close of business on September 30, 2010. Applications not filed by September 30, 2010, will not receive a payment.

SURE provides crop disaster assistance payments to eligible producers on farms that have incurred crop production or crop quality losses. The program takes into consideration crop losses on all crops grown by a producer nationwide. SURE provides assistance in an amount equal to 60 percent of the difference between the SURE farm guarantee and total farm revenue. The farm guarantee is based on the amount of crop insurance and Non-insured Crop Disaster Assistance Program (NAP) coverage on the farm. Total farm revenue takes into account the actual value of production on the farm as well as insurance indemnities and certain farm program payments.

To be eligible for SURE, producers must have suffered at least a 10 percent production loss on a crop of economic significance. In addition, producers must meet the risk management purchase requirement by either obtaining a policy or plan of insurance, under the Federal Crop Insurance Act or NAP coverage, for all economically significant crops. For 2008 crops, producers had the opportunity to obtain a waiver of the risk management purchase requirement through a buy-in provision. Producers considered socially disadvantaged, a beginning farmer or rancher, or a limited resource farmer may be eligible for SURE without a policy or plan of insurance or NAP coverage.

2011 County Committee Elections

Committee members are local agricultural producers responsible for the fair and equitable administration of FSA farm programs in their counties and are accountable to the Secretary of Agriculture. By voting, you become part of the decision making that helps deliver many FSA programs

Farmers and ranchers headquartered East of Highway 99 and in Mariposa County will be receiving ballots this year. Ballots for this year's county committee election are going to be mailed out November 5, 2010. **Voters must complete their ballots and return them to the Farm Service Agency county office by the close of business on December 6, 2010.**

Eligible voters who do not receive a ballot should contact the FSA county office staff.

Voter Requirements Persons meeting requirements in **1 or 2, plus 3**, below, are eligible to vote:

1. Be of legal voting age and have an interest in a farm or ranch as either of the following: an owner, operator, tenant or sharecropper, a partner in a general partnership or member of a joint venture that has an interest in a farm as an owner, operator, tenant or sharecropper.
2. Not of legal voting age, but supervises and conducts the farming operations on an entire farm; *and*
3. Eligible to participate in any FSA program that is provided by law, regardless of the status of funding.

Milk Income Loss Program

An important reminder for dairymen, that requests to change the MILC production statement must be made on or before the 14th of the month prior to the start month originally selected.

If the starting month selected by the dairy operation is never modified from the initial selection, the selected month will remain the same for each fiscal year throughout the duration of the contract.

Producers in dairy operations are required to **notify their local FSA office immediately of ANY changes that potentially affect the terms, conditions or participants under the MILC. Changes include death of a producer on the contract, new member joining the operation, transfer of shares, changing milk cooperative or handler.**



Actively Engaged

FSA wants to remind producers about 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 if 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 both directly and indirectly, by the legal entity and each of the members doesn't exceed \$40,000.

Electronic Services

If a producer has Internet access, program participants can access many services from home 24 hours a day, seven days a week, and receive approval and payment by direct deposit within 48 hours.

To participate in these services, you must meet all program eligibility requirements. Online services have stringent security measures to protect your private information.

To utilize electronic services requires a *USDA eAuthentication Level 2 Account*, including your e-mail on an online registration form at www.eauth.egov.usda.gov/index.html followed by a visit to the county office for identity verification.

If you have questions, or would like assistance establishing your account, just contact your local USDA Service Center and talk with our trained FSA personnel.

Wetland Compliance

Producers renting or purchasing land that may have a converted wetland status need to check with the county office to learn if there are restrictions.

Farm Bill regulations provide that, unless exempt, persons are ineligible for benefits under certain

programs administered by USDA if they:

- plant an agricultural commodity on wetland that was converted after December 23, 1985
- convert a wetland after November 28, 1990

FSA may not approve any loan or loan guarantee to drain, dredge, fill, level or otherwise manipulate a wetland, or to engage in any activity that results in impairing or reducing the flow, circulation or reach of water except in the case of activity related to the maintenance of previously converted wetlands.

The following provides permitted uses and restrictions within Wetland compliance provisions:

- wetlands can be farmed under natural conditions, but not converted
- wetlands converted before November 28, 1990, cannot be planted to an agricultural commodity and retain eligibility for benefits
- wetlands converted after Nov. 28, 1990, must either be restored to wetland status or mitigated to regain eligibility for program benefits.
- wetlands that can be farmed under natural conditions cannot be manipulated in any way, unless the Natural Resources Conservation Service determines the work would have a minimal effect on the wetland values
- wetlands converted before December 23, 1985, can be farmed and maintained
- Additional information about wetlands is available at the USDA Service Center.

Marketing Assistance Loans

A Marketing Assistance Loan (MAL) is available for producers who share in the risk of producing the crop. To be eligible, a producer must maintain continual beneficial interest in the crop from harvest through the earlier of the date the loan is repaid or Commodity Credit Corporation (CCC) takes title to the commodity. Beneficial interest means retaining the ability to make decisions about the commodity; responsibility for loss or damage to the commodity; and title to the commodity. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan — even if the producer regains beneficial interest.

Commodity loan eligibility requires compliance with conservation and wetland protection requirements; beneficial interest requirements, acreage reporting and ensuring that the commodity meets CCC minimum grade and quality standards. For commodities to be eligible they must have been produced by an eligible producer, be in

existence and in a storable condition and be merchantable for food, feed or other uses as determined by CCC. The quality of the commodity in farm storage must be maintained throughout the term of the loan.

Producers do not have to participate in the Direct and Counter-Cyclical and/or ACRE Programs to be eligible for commodity loans.

Violating provisions of a marketing assistance loan may trigger procedures, such as assessing liquidated damages, calling the loan and denial of future commodity loans.

The most common violations are removing or disposing of a commodity being used as loan collateral without prior authorization and providing an incorrect quantity certification.

Farm Storage Facility Loan Program

The Farm Storage Facility Loan (FSFL) program 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 rate may be different and are based on the rate which CCC borrows from the 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.

The following commodities are eligible for farm storage facility loans:

- Corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley or minor oilseeds harvested as whole grain
- Corn, grain sorghum, wheat, oats or barley harvested as other-than-whole grain

- Pulse crops - lentils, small chickpeas and dry peas
- Hay
- Renewable biomass
- Fruits (including nuts) and vegetables - cold storage facilities

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

Farm Loan Program

During this time of the year most of the valley's agriculture community is in full production. At this time we want to remind you that fall is just around the corner. The Farm Service Agency (FSA) new lending year will begin on October 1st. Please take time to look at your operating needs for the 2011 crop year. The Merced County FSA Office serves the Merced, Madera and Mariposa Counties. Should you need assistance with or questions about our Farm Loan Program, please contact someone on the loan staff to discuss your needs and the FSA eligibility guidelines. You can reach someone on the loan staff by calling (209) 722.4119 extension 2. You may also visit the Farm Service Agency website at <http://www.usda.gov> for more information.

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. NAP provides coverage equivalent to catastrophic (CAT) insurance. Statutes limit NAP coverage to each commercial crop or agricultural commodity, except livestock, for which CAT is not available.

Application deadlines for 2011 NAP coverage for a variety of crops are coming up in the next few months. Contact your nearest FSA office for specific deadlines.

Producers who already have coverage on 2010 NAP crops may choose to continue coverage on the same crop or crops for 2011, 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.

Merced-Mariposa County
 FSA Office
 2135 Wardrobe Ave. Suite B
 Merced, CA 95341-6445



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Beginning and Limited Resource Farmers

FSA assists beginning farmers and or members of socially disadvantaged groups to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- has operated a farm for not more that 10 years
- will materially and substantially participate in the operation of the farm
- agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
- does not own a farm in excess of 30 percent of the county's average size

Each member of an entity must meet the eligibility requirements. Loan approval is not guaranteed. Additional program information, loan applications, and other materials are available at your local USDA Service Center. You may also visit www.fsa.usda.gov

Selected Interest Rates for September 2010	
90-Day Treasury Bill	0.125%
Farm Operating - Direct	2.375%
Farm Ownership - Direct	4.375%
Limited Resource	5.00%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency	3.75%
Farm Storage Facility	3.125%
Commodity Loans 1996-Present	1.250%

Dates to Remember	
Sept 23	Trade Adjustment Assistance Deadline
Sept 30	SURE Sign-up Closed
October	DCP – 2010 Direct Final Payments Issued
October	DCP – 2009 Counter-Cyclical Payments Determined
Oct 11	USDA Service Center Closed – Columbus Day Obser.
Nov 11	USDA Service Center Closed – Veterans Day
Nov 12	2010 EQIP Funding Cut-Off
Dec 1	NAP Sales Closing Date - Grazing, Sm Grain forage

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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."