



January 2011

# Modoc County FSA News

**Modoc County  
USDA Service Center**

**Modoc County FSA**  
802 W 12<sup>th</sup> Street  
Alturas, CA 96101  
530-233-4391  
530-233-8869 (fax)  
www.fsa.usda.gov

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

**County Committee**  
Darrell DePaul  
Kathy Ackley  
Ron Schluter

**Advisor**  
Richard Blizzeard

**Staff**  
Chris Lauppe – CED  
Marlene Hamilton-PT  
Katherine Lewis - FLM

**The Modoc FSA County Committee is scheduled to meet the following dates in 2011: Jan 6, Mar 3, May 5, July 7, Sept 8, Nov 10, and Dec 8. Meeting dates are subject to change.**



## **DCP and ACRE Signup, Advance Payments**

Enrollment for the 2011 Direct and Counter-cyclical Program (DCP) and also the 2011 ACRE Program has begun and will continue through June 1, 2011.

Advance payments of 22% on the 2011 DCP program are available now. The remaining 78% of your DCP payment will be issued after October 1, 2011. ACRE is a revenue based payment alternative to the price-based counter-cyclical (CC) payments.

In DCP, eligible producers receive direct payments at rates established by statute regardless of market prices. DCP or ACRE contract signatures for enrollment are due by the signup deadline of June 1, 2011. Acreage reports are required for either program and are due July 15.

## **BCAP Update**

Instructions for Biomass Conversion Facilities (BCFs) to become approved BCAP-certified facilities are anticipated in the next few weeks. The actual Memorandum of Understanding (MOU) or agreement will be similar to the first pilot phase program but new language that will address requirements of the new regulation. Biomass Conversion Facilities may wish to contact the FSA office in their state to make sure they are notified when this information is received. BCFs and interested producers can also watch the national website for further BCAP information at [www.fsa.usda.gov](http://www.fsa.usda.gov) under Energy Programs.

All BCFs must complete the MOU and submit it, along with any other documents or permits required by the notice. This is the first step in the BCAP process. Additional notices dealing with project area proposals and new procedure on the harvest and transportation portion or matching payment program are also scheduled to be released shortly. The new BCAP regulation has significant changes in required conservation plans, fair market value and eligible material that will be explained in the notice.

## **County Committee Election Results**

Congratulations to Ron Schluter who was elected to represent farmers from the Alturas, Likely, Canby, Adin, and Lookout areas on the county committee. Lorena Torres was elected to serve as first alternate to the committee.

## **SURE Signup**

Signup for the 2009 Supplemental Revenue Assistance Program (SURE) begins Jan. 10, 2011. SURE provides benefits for farm revenue losses due to natural disasters. For SURE, all crops in all counties must be covered by crop insurance or NAP or be eligible for program waivers. A farm enrolled in SURE is eligible when either:

- a portion of the farm is located in a county covered by a qualifying natural disaster declaration (USDA Secretarial Declarations only) or a contiguous county. (Modoc was a contiguous county in 2009)
- or
- the actual production is less than 50% of the normal production.

## **LDP Deadline on Unshorn Lamb Pelts**

Eligible producers have until Jan 31, 2011, to apply for Loan Deficiency Payments (LDP) for wool or unshorn slaughter lambs (pelts) produced during the 2010 crop year.

Producers must also comply with wetland conservation and highly erodible land conservation provisions on all lands they operate or have interest in and timely submit a crop acreage report.

The payment rates to producers in Modoc County in 2010 were \$.29 per net lb. for wool and \$1.99 per head for unshorn slaughter lambs.

The LDP program will be available for 2011 and 2012 also. Producers must have page 1 of form CCC-633EZ on file with the FSA office prior to sale or loss of beneficial interest in wool or lambs.

## IRS Form 1099-G

Each year producers receive 1099-G forms from the Commodity Credit Corporation (CCC) detailing payments producers have received from the CCC. CCC's annual report of program payments on the 1099-Gs helps our customers report taxable income. It is not intended to replace the producer's own responsibility to report income to the IRS.

FSA staff cannot interpret IRS regulations or advise producers about which payments to report on their income tax returns. However, county office staff can review payments for accuracy.

## Conservation Loan Program

The new Conservation Loan (CL) Program provides farmers with the funds to implement 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 Katherine Lewis, Farm Loan Manager in the Siskiyou County FSA Office at 530-842-6123.

## Paper Check Conversion (PCC)

Over the next year, the Farm Service Agency (FSA) and the Commodity Credit Corporation (CCC) are moving to an electronic method for processing checks from producers. This will allow FSA/CCC to process collections faster.

When producers present checks, either in person or through the mail, the checks will be converted into an Electronic Funds Transfer (EFT) and debited from the producer's account, usually within 24 hours of receipt.

Please see the U.S. Department of Treasury legal notices posted in the USDA Service Center office or visit the following U.S. Department of Treasury Internet site for detailed information:

<https://www.pccotc.gov/pccotc/pcc/usingpcc/Legal%20Notices/legalnotices.htm>

## 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 Applicants.

A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities.

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

If producers or their spouses believe they would qualify as socially disadvantaged, they should contact Katherine Lewis, Farm Loan Manager, for details. FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

## Spousal Signatures

Husbands and wives may sign documents on behalf of each other for FSA and Commodity Credit Corporation programs in which either has an interest. This option is automatically available unless a written request for exclusion is made to the county office staff by either spouse.

There are exceptions to the rule, where spouses may not sign on behalf of each other for partnerships, joint ventures, corporations or other similar entities.

Individual signatures are also required on certain Farm Loan Program and Farm Storage Facility Loan documents.

For more clarification on spousal signature authority, feel free to contact your local FSA office.

## 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 con-

tributions 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](http://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, please contact us. We have also helped establish many Level 2 accounts for vendors wishing to work with the USDA Forest Service during fire season.

## 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.

## Preventing Fraud

The FSA supports the Risk Management Agency in the prevention of fraud, waste and abuse of the Federal Crop Insurance Program. FSA assists RMA and insurance providers by monitoring crop conditions throughout the growing season. FSA will refer all suspected cases of fraud, waste and abuse directly to RMA. Producers can report suspected cases to the FSA office.

## Livestock Forage Program

January 28, 2010 is the final date to apply for the 2010 Livestock Forage Program (LFP). Producers who purchased the Noninsured Assistance Program (NAP) coverage for pasture/rangeland grazing for 2010 from FSA are eligible to participate in the 2010 LFP. In addition, producers who meet an exception provision for Socially Disadvantaged (gender, ethnicity, or race), Limited Resource, or Beginning Rancher are also eligible to participate. The LFP program compensates ranchers for grazing losses on non irrigated pastures during drought years on private and government grazing land.

The final date to purchase NAP coverage for the 2012 LFP will be Dec. 1, 2011. The cost is \$250 per county.

Modoc County FSA Office  
802 W 12<sup>th</sup> Street  
Alturas, CA 96101



PRESORTED STANDARD  
U.S. POSTAGE PAID  
Davis, CA 95616  
PERMIT #22

## 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 than 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 from Katherine Lewis, Farm Loan Manager. You may also visit [www.fsa.usda.gov](http://www.fsa.usda.gov)

Dates to Remember	
January 17	Martin Luther King's Birthday –Office closed
January 28	Final Date to apply for 2010 LFP program
January 31	Final Date to apply for wool/pelt for 2010LDP

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."