

July 2008

Monterey, Santa Cruz, San Mateo County Farm Service Agency News

Salinas, California
USDA Service Center

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Hours
Monday – Friday
8:00am – 4:30pm

County FSA Committee
Sam (Bud) Mann
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NOTICE: 2008 Disaster Programs Requires Crop Insurance or NAP

Eligibility “Buy-In” Deadline is September 16, 2008

The recently-enacted Farm Bill legislates 2008 disaster programs covering losses to crops, trees/vines/bushes, forage, and other losses due to adverse weather. These programs require the crops you planted, grew, produced or were prevented from planting to have been covered by federal crop insurance or FSA’s Noninsured Crop Disaster Assistance Program (NAP). *All* of your crops on *all* of your acreage must be covered, not only those acres that suffered losses.

Due to the late passage of the Farm Bill in May, you will be given an opportunity to “buy-in” to the disaster program by paying a \$100/crop catastrophic crop insurance or NAP service fee for any 2008 crops that are not already covered by crop insurance or NAP.

This eligibility “buy-in” must be completed by September 16, 2008 at your FSA Office to satisfy the requirement for total CI / NAP coverage. Note that it does not provide you with crop insurance indemnities or NAP benefits. Once this requirement is met, you may be eligible for one or more of the following programs:

- **Supplemental Revenue Program (SURE):** Covers crop revenue losses from quantity or quality deficiencies in disaster declared counties, contiguous counties, or in cases where the overall production loss exceeds 50%
- **Livestock Forage Disaster Program (LFP):** Compensates livestock owners for forage losses due to drought. Additionally, losses due to wildfire will be covered on public lands.
- **Tree Assistance Program (TAP):** Provides for partial reimbursement for replanting, salvage, pruning, debris removal and land preparation for orchardists and nursery tree growers if losses exceed 15%.
- **Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (EALHF):** Emergency relief to producers of livestock (including horses), honey bees, and farm-raised fish. Covers losses from disasters such as adverse weather or other conditions, such as blizzards and wildfires not adequately covered by any other disaster program. This program is authorized at the discretion of the Secretary.

Another disaster program authorized by the Farm Bill is the **Livestock Indemnity Program (LIP)** for livestock deaths in excess of normal mortality. This is the only disaster program that does not require crop insurance or NAP coverage.

Further details of all of these disaster programs, including signup information, will be provided at a later date. Note that additional requirements exist for disaster programs eligibility.

Bottom Line: To be eligible for Disaster Programs in 2008, you must pay the fees for the eligibility buy-in at your FSA Office by September 16, 2008. Contact your FSA Office for more information.



Sign Up Underway for the 2008 DCP

Producers have until September 30, 2008 to sign up for the 2008 Direct and Counter-cyclical Payment Program (DCP). Producers can fill out their 2008 DCP contract at any USDA Service Center or Farm Service Agency County Office. Sign-up can also be completed online by going to

<http://www.fsa.usda.gov/FSA/edcp> and clicking on "Access eDCP Service." You can choose payment options, assign crop shares and sign and submit contracts from any computer with Internet access. You can also view and print submitted contract options.

FSA computes DCP 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 2008, eligible producers may request to receive an advance payment of 22 percent of the direct payment for each commodity associated with the farm. FSA will issue advance direct payments as soon as practical after enrollment. Final direct payments will be issued after Oct. 1, 2008. Counter-cyclical payments vary depending on market prices, and are issued only when the effective price for a commodity is below its target price (which takes into account the direct payment rate, market price and loan rate).

For all eligibility requirements or additional information, contact your local office.

2005-2007 Quality Loss Crop Disaster Signup

Signup for quality losses under the Crop Disaster Program (CDP) began on June 23, 2008. Producers can apply for crop quality losses at their local Farm Service Agency (FSA) office.

The CDP provides benefits to farmers who suffered losses to their 2005-2007 crops from natural disasters and related conditions. Producers who incurred qualifying quantity or quality losses in 2005, 2006 or 2007 may receive benefits for only one of these years. However, producers may apply for benefits for losses to multiple crops as long as the losses occurred in the same crop year.

Only producers who obtained crop insurance coverage or coverage under the Noninsured Crop Disaster Assistance Program (NAP) for the year of loss will be eligible for CDP benefits. Producers must have suffered quality losses of at least 25 percent to be eligible for CDP Quality Loss. Producers may receive

assistance for both quantity and quality losses. However, the total quantity and quality assistance, together with any crop insurance or NAP payment received for the same crop and the value of the crop production not lost, must not exceed 95 percent of the total value of the crop absent the disaster.

FSA COC Nomination Deadline

County committees play a crucial role in helping county office staff implement the 2008 Farm Bill. Due to the importance of county committee members and their roles, producers are encouraged to participate in the 2008 FSA county committee election process by ***nominating an eligible candidate by the August 1 deadline.***

To become a nominee, eligible individuals must sign form FSA-669A. The form and other valuable information about FSA county committee elections are available online at: <http://www.fsa.usda.gov>; click on News & Events, then County Committee Elections. Nomination forms for the 2008 election must be postmarked or received in the local USDA Service Center by close of business on August 1, 2008.

FSA county committee members make decisions on disaster and conservation programs, emergency programs, commodity price support loan programs and other important agricultural issues. Members serve three-year terms. Nationwide, there are more than 7,800 farmers and ranchers serving on FSA county committees. Committees consist of three to five members who are elected by eligible local producers.

FSA will mail ballots to producers beginning Nov. 3. The voted ballots are due back at the local county office either via mail or in person by December 1, 2008.

Newly elected committee members and alternates take office January 1, 2009.

New Crop Certification Deadline

For 2008, the final crop reporting dates for most crops are being extended to August 15, 2008. Late fees will not be applied if acreage reports are filed by August 15 and all other reporting requirements are met according to 2-CP.

Filing an accurate and timely report for all crops and land uses, including failed acreage, can prevent loss of benefits for a variety of Farm Service Agency programs.



Prevented Planting and/or Failed Acreage

For 2008, County Committee may accept requests for prevented planting and/or failed acreage, if timely filed by August 15. Farm visits will not be required if claims can be verified, and all other requirements are met.

FSA Farm Loans

The new Farm Bill provides increased limits on loans through FSA's Farm Loan Program. The maximum loan amount authorized for direct Farm Ownership (FO) loans and direct Operating Loans (OL) has been increased from \$200,000 to \$300,000.

In the FO program, the maximum loan term for the revised down payment program has been extended from 15 years to 20 years. Changes in the Down Payment Program mean the required down payment amount has been reduced from 10 percent to 5 percent and interest rates have been reduced to as low as 1.5% depending on the present FO interest rate. This program allows the agency to loan up to 45% of the purchase price with another lender providing 50% of the financing and the applicant contributing 5%.

FSA makes both direct and guaranteed farm ownership and operating loans to family-size farmers and ranchers who cannot obtain commercial credit from a bank, Farm Credit System institution or other lender. FSA loans can be used to purchase land, livestock, equipment, feed, seed and supplies. The loans can also be used to construct buildings or make farm improvements.

If you're having trouble getting commercial credit, check with your county office staff about a FSA loan.

Farm Reconstitutions

In Farm Service Agency terms, farms are **constituted** to group all tracts having the same owner and the same operator under one farm serial number. When changes in ownership or operation take place, a farm **reconstitution** is necessary.

The reconstitution—or recon—is the process of combining or dividing farms or tracts of land based on the farming operation. To be effective for the current year, recons must be requested by **August 1** for farms enrolled in the Direct and Counter-cyclical Payment Program. If 2008 DCP direct payments have already been issued on the farm, the reconstitution will be effective for 2009 unless the payments are

refunded. Also reconstituted farms must re-enroll in the DCP **within 30 days**, but no later than **September 30, 2008**.

Haying, Grazing CRP Acres

FSA has authorized certain acreage enrolled under the Conservation Reserve Program (CRP) to be available for hay and forage after the primary nesting season ends for grass-nesting birds. CRP haying and grazing will provide much needed feed and forage while maintaining the conservation benefits from the nation's premier conservation program.

Eligible land may not be hayed or grazed until after the end of the primary nesting season. Also, some of the eligible land or forage of the land must be reserved for wildlife and any land that is used under this authority must have a conservation plan. In many instances, the removal of some of the grass cover will increase the diversity of the stand and provide long-term benefits for wildlife. Further, the most environmentally-sensitive land enrolled in CRP will not be eligible. The land will be subject to a site inspection to ensure compliance with the conservation plan. No rental payment reduction will be assessed on contracts being utilized for this critical use. However, a \$75 fee will be charged to process the required contract modification.

Signup for interested CRP participants has been ongoing since June 2, 2008, at local FSA offices. This modification for critical feed use is only for 2008. All forage use must be completed no later than November 10, 2008.

Want Your Newsletter Via E-mail?

If you use a computer at home or in your farm or ranch operation, you may prefer to receive information via e-mail from your Farm Service Agency. Use the e-mail address below to share your e-mail address if you would like to be added to our e-mail list. We are exploring the option to send the county office newsletter and other information directly to your computer. To get on our list, send your e-mail address and full name, address and phone at: paul.lehman@ca.usda.gov.

Note that USDA will not share or sell your e-mail address. Note also that county FSA newsletters are available on the FSA California website at www.fsa.usda.gov/ca.



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

Dates to Remember	
July 4	Independence Day-Office Closed
July 18	LIP / LCP Deadline
August 1	County Committee Nomination Deadline
August 1	Reconstitution Deadline
August 15	2008 Acreage Reports Deadline
Sept. 16	Disaster Eligibility Buy-In Deadline for 2008
Sept. 30	DCP Deadline
Continues	CDP 2005-2007 Sign Ups
Continues	Continuous Conservation Reserve program

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