Sept 2009 *Sacramento/Amador/El Dorado/Placer*

FSA County News

Elk Grove USDA Service Center

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www.fsa.usda.gov/

Hours
Monday - Friday
7:30 a.m. - 4:30 p.m.

FSA Staff

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2010 MILC Program

The 2010 Milk Income Loss Contract (MILC) program will begin starting on October 1, 2009. Producers that have an active MILC contract on file with the County Office may wish to take this time to reconsider their start month option. The current start month for producers who failed to indicate a start month for the 2010 crop year will be the month they picked in the previous crop year.

Any producers wishing to update their 2010 start month must do so by 14th of the month preceding the month they wish to change to. Producers wishing to change their start month October for the 2010 crop year must do so by September 14, 2009.

Farm Storage Facility Loan Program Changes

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. 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.

Early 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.

Biomass Crop Assistance Program

The new Biomass Crop Assistance Program (BCAP) is of interest to biomass conversion facilities and those who own, chip and transport biomass material to these facilities.

Chippers and producers with conversion facilities contracts to prepare and deliver materials can apply for matching payments under the collection, harvest, storage and transportation (CHST) component of BCAP. Once an agreement is signed between FSA and a biomass conversion facility and funding is provided, the facilities can begin accepting materials under this program.

The matching CHST payments are paid at a rate of $1 for $1 per dry-ton equivalent received by a qualified biomass conversion facility, not to exceed $45 per dry-ton equivalent. A biomass owner is eligible to receive payments for two years. The purpose of the matching payments is to assist handlers

with the CHST cost of delivering biomass to a qualified biomass conversion facility. Once a facility becomes qualified, eligible material owners or producers who deliver biomass to that facility may be eligible.

Eligible material owners or producers, who market eligible material to a qualified biomass conversion facility, may apply for the matching CHST payment at their FSA county office. An application must be submitted and approved before the eligible material is sold or delivered to a qualified biomass conversion facility. After the product is delivered, a material handler must provide FSA with documentation of product quantity, quality and payment rate. County offices will validate payment requests with information in the county office and information provided under the terms of MOUs with the qualified biomass conversion facilities. CHST payments will not be authorized until appropriate environmental analysis is completed. Contact your FSA state office or visit www.fsa.usda.gov for more information.

NAP Coverage - Deadlines & Details

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 by providing coverage equivalent to catastrophic (CAT) insurance. Statute limits NAP to each commercial crop or agricultural commodity, except livestock, for which CAT is not available.

See page 4 for 2010 NAP coverage application deadlines for various crops at this County Office

Producers who already have coverage on 2009 NAP crops may choose to continue coverage on the same crop or crops for 2010, 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.
Producers with NAP coverage must remember to complete the following to qualify for benefits:

- Timely file acreage reports and keep track of harvested production using acceptable methods. For example, bale weights or other means of determining quantities of hay are required.

- File a "Notice of Loss" within 15 days of when a loss is apparent, due to drought, hail, etc.

For more information on NAP coverage please contact your nearest Farm Service Agency office.

Continuous CRP

The Continuous Conservation Reserve Program is a private lands environmental improvement program that allows participants the opportunity to enroll environmentally sensitive acreages in conservation practices that will reduce soil erosion, improve water and soil quality and provide wildlife habitat and food sources.

The Continuous CRP program is a voluntary enrollment program. Eligible landowners enter into contracts that range from 10 to 15 years in length. In return, the landowners will receive annual rental and maintenance payments, incentive payments for certain activities, and cost share for establishment.

To be eligible for enrollment in the Continuous CRP, participants and acreage must meet certain requirements. Provided the eligibility requirements are met, FSA will automatically accept enrollments of acreage into Continuous CRP. Landowners may enroll in the program at any time during the year.For more information on Continuous CRP enrollments, please contact your local FSA office.

Succession in Interest

If you have made changes that affect your interest in base acres since you signed your last Direct and Counter-cyclical Program contract, you must report these ***successions-in-interest*** to the county committee by Sept. 30, so a final determination can be made on who is eligible for the program on the farm.
Changes that qualify as a succession-in-interest include:

- A sale of land
- A change of operator or producer, including a an increase or decrease in the number of partners
- A foreclosure, bankruptcy or involuntary loss of the farm.
- A change in producer shares to reflect changes in the producer's share of the crop(s) that were originally approved on the contract.

If a succession-in-interest has taken place, you, as the "predecessor," are required to refund any advance DCP payments you received for the affected base acres before a payment can be made to the "successor." Not reporting a succession-in-interest can result in contract termination and a loss of program benefits for all producers involved.

FSA Farm Loans to Family Sized Farms

The Farm Service Agency (FSA) offers loans for eligible farmers and ranchers to purchase farmland and finance agricultural operations. FSA loan programs are designed to help producers who are temporarily unable to obtain private or commercial credit. In many cases, applicants are beginning farmers who have insufficient net worth to qualify for financing through a commercial lender. In other instances, borrowers might have suffered setbacks from natural disasters or might be persons with limited resources. Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of up to $300,000. Guaranteed loans can reach a maximum indebtedness of $1,094,000. Emergency loans are always direct loans for farmers who may have suffered physical or production losses in disaster areas designated by a Presidential or Secretarial disaster declaration. Rural Youth Loans, Loans to Beginning Farmers and loans for socially disadvantaged applicants are also available through FSA.
For detailed information on loan eligibility or the available loan programs, contact the county office staff for an appointment with a farm loan officer.

Marketing Assistance Loans

A Marketing Assistance Loan (MAL) is available for producers who share in the risk of producing the
Continued from Page 2 Marketing Assistance
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 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 also requires compliance with conservation and wetland protection requirements, acreage reporting and ensuring that the commodity meets Commodity Credit Corporation 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 administrative actions, such as assessing liquidated damages, calling the loan and denial of future farm-stored 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.

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

Elk Grove FSA Service Center
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Dates to Remember	
12/1/2009	NAP Forage & Grazing Deadline
12/15/2009	NAP Asparagus Deadline
12/15/2009	NAP Fruit & Nut Tree Deadline
1/31/2010	NAP Apples Deadline
3/1/2010	NAP Annuals Deadline
Continuous	Continuous Conservation Reserve Program

Beginning and Limited Resource Farmers

FSA assists eligible 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

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