



# FSA County News

## Elk Grove USDA Service Center

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www.fsa.usda.gov

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

### FSA Staff

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County Executive Director

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## SURE Deadline Announced

The SURE (Supplemental Revenue Assistance) program provides crop disaster assistance payments for crop production or quality losses. The deadline to submit applications for the 2008 crop year is September 30, 2010.

In order to be eligible for SURE, producers must have a 10 percent loss on a crop of economic significance and meet the risk management purchase requirement by either obtaining a policy or plan of insurance or NAP coverage for all economically significant crops.

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.

## NAP for Citrus and Grapes in Placer County

Did you know that both Citrus and Grape crops are eligible for the NAP program in Placer County?

The Noninsured Crop Disaster Assistance Program (NAP) provides financial assistance to producers in the event of a natural disaster, covering crops for which the catastrophic level of insurance is not available. Payments are based on individual producer crop losses.

NAP coverage compensates eligible producers for the loss of program crops exceeding 50 percent of the expected yield, and prevented planting of more than 35 percent of the intended acreage. There is a payment limitation of \$100,000 per individual or entity, and a \$250 service fee per crop with a \$750 cap per producer per county.

Service fees may be waived for limited-resource producers – contact your local FSA office to find out if you are eligible.

Natural disasters must occur before or during harvest and must directly affect the noninsurable crop. Eligible disasters are:

- Damaging weather, such as drought, hail, freeze, hurricane, excessive moisture or wind.

- An adverse natural occurrence, such as an earthquake or a flood.
- A condition related to damaging weather or adverse natural occurrence such as disease or insect infestation.

To be eligible a producer must be a landowner, tenant or sharecropper who shares in the risk of producing a crop that qualifies as non insurable. The producer's annual gross revenue must not exceed \$2 million to be eligible for the 2008 and prior crop years, and average nonfarm adjusted gross income must not exceed \$500,000 to be eligible the 2009 crop year.

The coverage period extends from the program deadline to the earlier of either the date harvest is completed, the normal harvest date in the area, abandonment of the crop or total destruction of the crop. Value loss crops and specialty crops, have different coverage periods, which your local FSA office can clarify.

*See page 4 for NAP Purchase Deadlines*

## CRP Sign-up Opens August 2

Competitive sign-up for the Conservation Reserve Program (CRP) opens on August 2, 2010. From that date through August 27, 2010, producers may offer eligible land for this program. USDA is authorized to maintain CRP enrollment up to 32 million acres. Enrollment is likely to exceed the acreage limit.

CRP provides conservation practices that preserve the soil, clean water, and restore wildlife habitat. Producers enrolling in CRP plant long-term, resource-conserving covers in exchange for annual rental payments, cost-share and technical assistance. Participants voluntarily remove environmentally sensitive land from agricultural production by entering into long-term contracts for 10 to 15 years.

All interested farmers and ranchers should contact the local FSA office soon to learn more about this program.



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## 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 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.

## 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.

## TAP Signup Continues

Tree Assistance Program (TAP) signup for orchardists and nursery tree growers opened May 10, 2010. The program helps orchardists and nursery tree growers who produce trees, bushes and vines for commercial purposes, to replant or rehabilitate trees, bushes and vines damaged or destroyed by natural disasters. Trees grown for pulp or timber are not eligible. For eligibility requirements contact your FSA office or the website at <http://www.fsa.usda.gov>.

## 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

*Continue on Page 3 Wetlands*

*Continued from Page 2 Wetlands*

- 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.

## CREP & Continuous CRP

The Conservation Reserve Enhancement Program (CREP) is a program to decrease erosion, restore wildlife habitat and safeguard ground and surface water. CREP is a partnership with federal and state government and for specific geographic areas.

Environmentally sensitive acreage qualifying for CREP or Continuous CRP will be eligible for annual rental payments and cost-share of up to 50 percent on approved practices. These programs will remain funded, and continue to provide heightened environmental benefits.

## Transition Incentives - TIP

The Transition Incentives Program (TIP) sign-up opened on May 17, 2010. The program encourages retired or retiring owners or operators to transition their Conservation Reserve Program (CRP) acres to beginning or socially disadvantaged farmers or ranchers.

TIP provides annual rental payments to the retiring farmer for up to two additional years after the date of the expiration of the CRP contract, provided the transition is not to a family member.

To be eligible, TIP requires that the retired or retiring farmer or rancher:

- Have land enrolled in the Conservation Reserve Program (CRP) that is in the last year of the contract.
- Agree to allow the beginning or socially disadvantaged farmer or rancher make conservation and land improvements.
- Agree to sell, or have a contract to sell, or agree to long-term lease (a minimum of 5 years) the land under CRP contract to a beginning or socially disadvantaged farmer or rancher by Oct. 1 of the year the CRP contract expires.

Generally, TIP only applies to contracts that expire on September 30, 2010, or later. However, retired or retiring owners or operators with CRP contracts that expired on September 30, 2008, and September 30, 2009, may be eligible to enroll in TIP. To learn more contact your FSA Service Center or County Office or [www.fsa.usda.gov](http://www.fsa.usda.gov).

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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](http://www.fsa.usda.gov)

| Selected Interest Rates for August 2010                           |         |
|---|---------|
| 90-Day Treasury Bill  | 0.125 % |
| Farm Operating - Direct   | 2.5 %   |
| Farm Ownership - Direct   | 4.625 % |
| Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher | 1.5 %   |
| Sugar Storage Facility  | 3.625 % |
| Commodity Loans 1996-Present                                      | 1.25 %  |

| Dates to Remember |   |
|-------------------|---|
| August 27         | CRP General Sign-up Closed                                      |
| Sept. 1           | NAP Deadline – 2011 Value Loss and Controlled Environment Crops |
| Sept. 1           | NAP Deadline – 2011 Forage Seed Crops                           |
| Sept. 1           | Trade Adjustment Assistance Deadline                            |
| Dec. 1            | NAP deadline – 2011 Grazing                                     |
| Dec. 1            | NAP deadline -- 2011 Honey                                      |
| Dec. 15           | NAP deadline – 2011 Fruit and Nut Tree Crops                    |
| Jan. 1            | NAP deadline – 2012 Citrus Crops                                |

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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."