



# FSA News *March 2010*

## DCP Signup Continues

Signup for the 2010 Direct and Counter-cyclical Payment (DCP) Program continues until June 1, 2010. FSA will not accept late-filed applications.

FSA computes DCP Program 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 2010, you may request to receive advance direct payments based on 22 percent of the direct payment for each commodity associated with the farm. Counter-cyclical payments for a commodity are only issued if the effective price for a commodity is below the commodity's target price.

- at least one crop of economic significance must suffer a 10% production loss due to an eligible disaster condition

- crop of economic significance is a crop that has contributed or would have contributed at least 5% or more of the total expected revenue from all crops on the farm

- the farm experiencing the loss must be in a county declared a disaster county by the Secretary of Agriculture, or in contiguous counties. Those who show proof of an individual loss of at least 50% are also eligible to receive SURE payments for production losses or crop quality losses.

Losses are measured with consideration to the whole-farm revenue, which includes crop insurance indemnities and commodity program payments, so that producers are not paid more than once for the same loss.

A SURE calculator is available at: [http://www.fsa.usda.gov/Internet/FSA\\_File/sure\\_calculator\\_2008.xls](http://www.fsa.usda.gov/Internet/FSA_File/sure_calculator_2008.xls). The calculator is not official, but is intended for educational use. A fact sheet is also available online.

## Please make an appointment to apply for Sure.

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## Adjusted Gross Income

USDA has a Memorandum of Understanding with the Internal Revenue Service to establish an electronic information exchange process for verifying compliance with the adjusted gross income (AGI) provisions for farm programs. Written consent will be required from each producer or payment recipient for the tax review process. No actual tax data will be included in the report that IRS sends to USDA. (Continued on Page 2)

## Please make an appointment to enroll your farm.

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## 2008 SURE PROGRAM

Currently applications for the Supplemental Revenue Assistance Program (SURE) are being taken for the 2008 Crop Year. SURE provides benefits for farm revenue losses due to natural disaster that were incurred starting in the crop year 2008 through September 30, 2011. To be eligible for SURE payments, a producer is required to obtain crop insurance on all crops of economic significance in all counties or, if crop insurance is not available, to participate in the Non-Insured Assistance Program (NAP) except for grazed acreage.

Eligible farmers and ranchers who meet the definition of Socially Disadvantaged, Limited Resource, or Beginning Farmer or Ranchers are exempt from the risk management purchase requirement.

The following are the conditions that trigger SURE payments:

Shasta/Trinity County USDA Service Center

Shasta County FSA Office  
3644 Avtech Parkway, #D  
Redding, CA 96002  
530-226-2568 (phone)  
530-226-2567 (fax)  
[www.fsa.usda.gov](http://www.fsa.usda.gov)

### Hours:

Monday – Friday  
8.00 am – 4.30pm



## ADJUSTED GROSS INCOME (Continued)

The agreement ensures that payments are not issued to producers whose AGI exceeds certain limits. The limits set in the 2008 Farm Bill are \$500,000 nonfarm average AGI for commodity and disaster programs; \$750,000 farm average AGI for direct payments; and \$1 million nonfarm average AGI for conservation programs.

Participants in FSA programs subject to average AGI rules must submit form CCC-927 (Individual) and/or CCC-928 (Legal Entity) to the Internal Revenue Service by June 15 to avoid interruption of program benefits. These forms may be obtained from local FSA and NRCS offices or online at:

<http://forms.sc.egov.usda.gov/eforms/mainse/let>

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## ACRE

The ACRE Program provides a safety net based on state revenue losses and acts in place of the price-based safety net of counter-cyclical payments under DCP. June 1, 2010, is the signup deadline. FSA will not accept any late-filed applications.

A payment is based on a revenue guarantee calculated using a 5-year average state yield and the most recent 2-year national price for each eligible commodity. For 2010, the 2-year price average will be based on the 2008 and 2009 crop years.

An ACRE payment is issued when both the state and the farm have incurred a revenue loss. The payment is based on 83.3% (85% in 2012) of the farm's planted acres times the difference between the state ACRE guarantee and the state revenue times the ratio of the farm's yield divided by the state expected yield. The total number of planted acres for which a producer may receive ACRE payments may not exceed the total base on the farm. Participants in ACRE will forgo counter-cyclical payments. Also a farm's direct payment is reduced by 20% and marketing assistance loan rates are reduced by 30%.

The decision to enroll in the ACRE Program is irrevocable. The owner of the farm and all producers on the farm must agree to enroll in ACRE. Once enrolled, the farm shall be enrolled for that initial crop year and will remain in ACRE through the 2012 crop year.

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## Actively Engaged

USDA has amended 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 can not exceed \$40,000.

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## NAP Enrollment

Producers must purchase coverage before the annual deadline for each crop. Noninsured Crop Disaster Assistance Program (NAP) applications for coverage must be filed using Form CCC-471 and pay the applicable service fees by the closing date. Application closing dates vary by crop. Producers can contact the FSA Office for specific crop application sales closing dates at: (530) 226-2568.

Note that insurance coverage on all crops is required to remain eligible for the agency's Disaster Assistance Programs such as SURE, LFP, TAP, and ELAP. Producers must purchase at least catastrophic (CAT) level of insurance for all insurable crops.

NAP is a federally funded program that provides coverage to producers for non-insurable crops when low yields, loss of inventory or

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**NAP** (Continued from page 2)

prevented planting occurs due to natural disasters. Crops eligible for NAP coverage are those for which crop insurance is not available, including fruits and vegetables, aquaculture, pecans, grass hay and grazed forage just to name a few.

More information about NAP can be found on the FSA web site located at <http://www.fsa.usda.gov>

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**FSA Payment Record 1099-G**

Producers who have received payments from FSA should have received a CCC-1099-G. A CCC-1099-G is a report to the Internal Revenue Service about FSA payments made to producers during the previous calendar year. The CCC-1099-G is to help participating producers report taxable income. It is not intended to replace the program participant's responsibility to report income to the IRS.

When the CCC-1099-G is received, it should be checked with your records to see that the amounts are correct. Refunds will no longer be reported on the 1099-G, but will be available online from the FSA Financial Inquiries (FSA-FI) web-based database. Program participants with an eAuthentication user ID and password may access their refund information at FSA-FI and select "Inquiry Type 1099/Refund Reports". Refund amounts are displayed on the Producer's Year-to-Date Activity web page.

If you have questions concerning the 1099-G refund information, contact your local FSA office for assistance.

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**Bank Account Changes**

Current policy mandates that FSA payments be electronically transferred into your bank account. In order for timely payments to be made, producers need to notify the FSA county office if your account has been changed or if another financial institution purchases your bank. Payments can be delayed if the FSA office is not aware of updates to your account and routing numbers.

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**Crop Acreage Reporting**

Acreage reporting time has arrived. Please remember that filing an accurate acreage report for all crops and land uses, including grazing, failed acreage and prevented planting acreage, can prevent the loss of benefits for a variety of programs.

Failed acreage must be reported within 15 days of the disaster event and before disposition of the crop. Prevented planting must be reported no later than 15 days after the final planting date.

Acreage reports are required for many Farm Service Agency programs, acreage reports are to be certified by the July 15 deadline on all crops. Your annual report to the County Agricultural Commissioner is NOT the same as the FSA Crop Acreage Report.

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**County Committee Election Results**

Congratulations to Jerry Fulton who was re-elected to represent Northern Trinity County, and to Mary Rickert who was elected to represent Eastern Shasta County.

FSA appreciates all of the voters for taking the time to complete the election ballot. The county committee system works only because of your participation.

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**Biomass Crop Assistance Program**

BCAP producers may request 30 day extensions of time to complete their delivery of biomass.

Extension requests must include the following:

1. Control Number (from top right corner of AD-245.
2. An explanation of the extenuating circumstances that prevented timely delivery.
3. A request for a 30 day extension of time.

Extensions beyond 4/30/2010 are not available.

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Shasta County FSA Office  
 3644 Avtech Parkway, Suite D  
 Redding, CA 96002



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

## **CROP DAMAGE REPORTS**

NAP Notices of Loss: If your NAP covered crop is damaged by abnormal weather you must submit a written notice of loss to FSA within 15 days of becoming aware of the damage. Do not destroy the crop until the FSA Loss Adjuster has inspected the damaged acreage and released the acreage for destruction or other use.

Note: Your Crop Acreage Report must be submitted at the earlier of the filing of a Notice of Loss or July 15, 2010.

Dates to Remember	
15 July	Crop Acreage Reporting Deadline
31 March	Honey Loans Close
31 March	BCAP delivery period ends
31 March	BCAP deadline for requesting extensions
30 April	BCAP delivery extended period ends
1 June	DCP Sign-up Closes

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."