



# NEWSLETTER



**February 2011  
Issue No. 2**

**Sonoma/Marin  
County  
FSA Office**

1301 Redwood Way, Suite  
190  
Petaluma, CA 94954

707-664-8593 phone  
707-794-7902 fax  
www.fsa.usda.gov/CA

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

**2010 Sonoma-Marin  
County Committee  
Members:**

*Richard Grossi, Chair  
Phil Dolcini, Vice Chair  
Craig Jacobsen, Member  
Diane Starkey, Member  
Jeff Jones, Member*

*Tito Sasaki, Minority Advisor*

**County Office Staff:**

**Lisa V. Velasquez,**  
County Executive  
Director

**Debbie Castle**  
Program Technician

**Karri Bartolomei**  
Farm Loan Officer  
Located in Ukiah Office  
707-468-9225

**Sign Up for 2009  
SURE Workshops  
Jan. 10 to July 29, 2011.**

The Supplemental Revenue Assistance Program (SURE) provides benefits for farm revenue losses due to natural disasters.

To be eligible for SURE payments, a producer is required to obtain crop insurance on all crops in all counties or, if crop insurance is not available, to participate in the Non-Insured Assistance Program (NAP) except for grazed acreage. This requirement does not apply for crops that are not of economic significance or where the administrative fee required to buy NAP coverage exceeds 10% of the value of the crop coverage.

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

The following conditions are required to trigger SURE payments:

- 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
- producers in counties declared disaster counties by the Secretary of Agriculture, or in contiguous counties, or those who show proof of an individual loss of at least 50% are eligible to receive SURE payments for crop producer 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.

Note that due to the need to wait for end of year market price data to make SURE final calculations, SURE assistance payments lag the crop year's end by one full year.

If you would like a reservation at one of our many workshops please call 707-664-8593.

**2011 DCP Signup**

Enrollment for the 2011 Direct and Counter-cyclical Program (DCP) has begun and will continue through June 1, 2011. USDA urges producers to make use of the eDCP automated website to sign up, or producers can visit any USDA Service Center to complete their 2011 DCP contract.

USDA 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 2011, eligible producers may request partial direct payments as an advance on the total amount.

**ACRE**

The optional 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. The June 1, 2011, signup deadline is mandatory for all participants. USDA will not accept any late-filed applications.

A farm's 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.

An ACRE payment is issued when both the state and the farm have incurred a revenue loss.

The total number of planted acres for which a producer may receive ACRE payments may not exceed the total base on the farm. In exchange for participating in ACRE, in  
[Continued on Page 2]

[Continued from Page 1 - ACRE]

addition to not receiving counter-cyclical payments, a farm's direct payment is reduced by 20%, and marketing 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.



### **Sorghum Checkoff Referendum Scheduled**

USDA will conduct a referendum on the Sorghum Checkoff Program Feb. 1-28, 2011, at local Farm Service Agency (FSA) offices. Ballots may be obtained in person, by mail or facsimile at county FSA offices, or via the Internet at [www.ams.usda.gov/sorghumpage](http://www.ams.usda.gov/sorghumpage).

Any eligible person engaged in the production or importation of sorghum from July 1, 2008, to December 31, 2010, is eligible to participate. Individuals are required to provide documentation such as a sales receipt or remittance form that shows they engaged in the production or importation of sorghum.

Sorghum Checkoff is a national, coordinated, self-help marketing program designed to strengthen the position of sorghum in the market place, maintain and expand existing domestic and foreign markets and uses for sorghum, and develop new markets and uses for sorghum.

### **1099-G is in the Mail**

Producers who have received payments from FSA are also receiving a CCC-1099-G in the mail. A CCC-1099-G is a report to the Internal Revenue Service regarding FSA payments made to producers during the previous calendar year. The CCC-1099-G is a service to help participating producers report taxable income.

When the CCC-1099-G is received, it should be checked with your records to see that the amounts are correct. It is not intended to replace the program participant's responsibility to report income to the IRS.

**ATTENTION: Refunds are no longer 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 a question concerning the 1099-G refund information, you may contact your local FSA office for assistance locating the correct payment data.

### **Summer Food Drive Reminder**

USDA will be holding another summer food drive this year. Last summer we collected food from late June through August for donation to the Redwood Empire Food Bank the Marin Community Food Bank and the Petaluma Kitchen. Food was collected at the USDA Offices, The Sonoma County Ag Commissioners office, as well as Starbucks, Applebee's and the Petaluma Market. We collected fresh produce along with the non-perishable items. We plan on holding a drive in support of the same organizations again this year.

This is a good time to give some thought to planting an extra plant for harvest as part of the food drive. Advance notice on the food drive gives you time to shop ahead for non-perishable items. Please keep our food drive in mind when you see a buy-one-get-one-free-sale. Starbuck's in Sonoma and Marin will be helping us out with collection sites again this year. Farmers and Friends, please keep our food drive in mind and watch for our food drive signs this summer.

### **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  
*[continued on page 3]*

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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 when 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 by the legal entity and each of the members does not exceed \$40,000.

## 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 from the IRS to verify AGI compliance will be required from each producer or payment recipient. No actual tax data will be included in the report that IRS sends to USDA.

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 CCC 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. These forms may be obtained from local FSA and NRCS offices or online at:  
<http://forms.sc.egov.usda.gov/eforms/mainsevl>  
[et.](#)

## BCAP – Two Phases

There are two categories of assistance in the Biomass Crop Assistance Program (BCAP). The first category provides financial assistance to producers or entities that deliver eligible biomass material to approved biomass conversion facilities (BCF) for use as heat, power, bio-based products or bio-fuels. Initial assistance will be for the collection, harvest, storage and transportation (CHST) costs associated with the delivery of eligible materials.

Producers who harvest, transport and store these materials can apply for FSA matching payments under the CHST. An application must be submitted before the eligible material is sold and delivered to a BCF. After the product is delivered, a producer must provide FSA with documentation of product quantity, quality and payment rate. County offices will validate payment requests with information in the county office.

In the second category of BCAP, incentives are provided to producers who enter into contracts with the Commodity Credit Corporation (CCC) to produce eligible biomass crops on contract acres within BCAP project areas. For this phase, Project Area Proposals are required and must be submitted to FSA for review and approval. For more information, visit [www.fsa.usda.gov/bcap](http://www.fsa.usda.gov/bcap).

## 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

## 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>



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 1301 Redwood Way Suite 190  
 Petaluma, CA 94954

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**The People's Garden Initiative**

The Farm Service Agency is supporting the People's Garden Initiative by providing seeds for school gardens. If you know of a school that would like some seeds for spring/summer planting please have them send an email to [Beverlee.block@ca.usda.gov](mailto:Beverlee.block@ca.usda.gov). Seeds are also available for community gardens that want to designate their gardens as People's Gardens. Find out more about the People's Garden at [www.usda.gov/peoplesgarden](http://www.usda.gov/peoplesgarden).

**Selected Interest Rates for  
 February 2011**

90-Day Treasury Bill	0.125%
Farm Operating - Direct	2.250%
Farm Ownership – Direct and Conservation Loan	4.750%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.500%
Emergency	3.750%
Farm Storage Facility starting at	2.750%
Commodity Loans 1996-Present	1.250%

**Dates to Remember**

Feb. 21	Presidents' Day – office closed
Feb. 23	1 <sup>st</sup> SURE Workshop (call first)
March 1	NAP Deadline for Veggie Crops, including melons