



Stanislaus-Tuolumne Counties Farm Service News

**Stanislaus-Tuolumne
Farm Service Agency
USDA Service Center**
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Hours
Monday - Friday
8:00 a.m. - 4:30 p.m.

**County Committee
(COC)**
David Santos, Chairman
Kurt Erickson, Vice Chair
Dave Wheeler, Member
Bob Brennan, Member
Tina Nunes, Advisor
Polo Ramos, Advisor

Next COC Meeting:
March 20, 2009

Farm Program Staff:
Jonna Spaletta, CED
Carmen Cardenas, PT
Maria Juárez, PT
Latisha Vella, PT
Ashley Nichols, PT
Ulises Gonzalez, PT

Farm Loan Staff:
Suzie Wilson, State
Specialist
Joe Enos, Acting FLM
Alma Jaquez, PT
Lupe Mims, PT

For further details and to
discuss your own opera-
tion's eligibility for any
program, contact your
nearest FSA local office.

For a list of local offices,
visit www.fsa.usda.gov/ca

DCP Sign-Up Underway

Signup has started for the 2009 Direct and Counter-cyclical Payment (DCP) Program for farms with base acres. **Producers should have received postcards specifying the date & time of their appointment. If for any reason the scheduled appointment is not convenient, please contact our office to reschedule. Additionally, if you did not receive a postcard and believe you participate in DCP please contact our office to schedule an appointment to enroll. Signup will continue until June 1, 2009. The June 1, 2009 deadline is mandatory for all participants.** FSA will not accept any late-filed applications.

FSA calculates 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 2009, you may request to receive advance direct payments based on 22 percent of the direct payment for each commodity associated with the farm. FSA will issue advance direct payments soon. Counter-cyclical payment rates vary depending on market prices and are issued only when the effective price for a commodity is statutorily set below its target price.

Producers who are eligible for the DCP Program will also be eligible to enroll in the Average Crop Revenue Election (ACRE) Program. The enrollment period for the ACRE Program will begin in the spring. You may first enroll in the DCP Program, receive advance direct payments and then later modify your enrollment to include the ACRE program or you may wait and elect to enroll in DCP and ACRE at the same time in spring 2009.

MILC Sign-Up Underway

Signup for the Milk Income Loss Contract Program (MILC) is underway and will continue through the program's expiration date, Sept. 30, 2012. *If you are already on file with our office, you should have received a letter announcing the program. Producers involved in DCP as well should note that the scheduled appointment time is for the purpose of signing up for MILC as well.*

Producers will need to select their start month by the 14th day of the preceding month **or** during the start month they are selecting. For example, a producer could select the month of April by or on March 14th **or** during the month of April (but not March 15th through the 31st).

The 2008 Farm Bill reauthorizes the MILC Program and makes three key changes in program operation. Under the Farm Bill, the MILC payment rate and the per-operation poundage limit are modified, depending on when the milk is produced. In addition, a "feed cost adjuster," is introduced over the life of the 2008 Act, which adjusts the \$16.94 per hundredweight (cwt.) benchmark price upward depending on the cost of feed rations. When available, MILC payments are based on a payment rate percentage that is multiplied by the difference between a now-flexible target (\$16.94 per cwt. or higher) and the specific month's Boston Class I price of milk. The annual maximum eligible pound limit per dairy operation is 2,985,000 pounds per fiscal year. The 2008 Farm Bill also excludes producers whose non-farm average adjusted gross income (AGI) exceeds \$500,000 from receiving MILC payments.

FSA issues payments no later than 60 calendar days after FSA receives production evidence for the applicable month or the entire month's National Average Dairy Feed Ration Cost is posted for the applicable month, whichever is later.



County Committee (COC) Election Results

The election results for Local Administrative Area 3 are:

Dave Santos — Elected to the COC,
Dale Matney — 1st alternate to COC,
Nancy Barbaste — 2nd alternate to COC

Congratulations to Dave Santos! Dave was re-elected to represent farmers from the West Side of Stanislaus County, including: Patterson, Westley, Crows Landing, Newman, and Turlock. Dave was elected to his third consecutive term.

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.

Payment Deposits – New

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.

Power of Attorney

For experiencing difficulties visiting the county office because of work schedules, distance, health or other reasons, FSA has a power of attorney form available that enables you to designate another person to conduct your business at the office. If you are interested, please contact our office or any Farm Service Agency office near you for more information.

Appeal Process

After an FSA official makes a decision on your request or application for USDA services, you will be sent a letter informing you of the decision and options you can pursue if you disagree.

Generally, appellants have three choices — an informal review with the original agency decision-maker, an opportunity for mediation and finally an appeal to the next level of authority within the agency.



Payment Limits & Direct Attribution

To qualify for commodity and disaster programs under the new farm bill, applicants now must adhere to new **Adjusted Gross Income (AGI)** restrictions. The AGI ceiling limitation was reduced from \$2.5 million from all sources to a three-year average **non-farm AGI of \$500,000**. Also, under the new regulations, an individual or entity must have a 3-year average AGI less than or equal to \$750,000 per year from farm income in order to qualify for direct payments issued under the Direct and Counter-cyclical Program (DCP). For conservation programs, the average nonfarm AGI limitation is \$1 million or less for eligibility. However, an individual or entity who has non-farm AGI in excess of \$1 million remains eligible for conservation programs only if 66.66 percent or more of the total AGI is derived from farming, ranching and forestry operations. In addition, the AGI limitation for conservation programs may be waived on a case-by-case basis if it is determined that environmentally sensitive land of special significance would be protected.

Another change in eligibility is that program payments are limited by direct attribution of payment totals directly to individuals or indirectly to individuals through entities. A legal entity is defined as an entity created under Federal or State law that owns land or an agricultural commodity, product or livestock. Through direct attribution, payment limitation is based on the total payments received by the entity and also the individual, both directly and indirectly as an officer, partner or shareholder in an entity. Qualifying spouses are eligible to be considered separate persons for payment limitation purposes, rather than being automatically combined under one limitation.

Also, individuals and entities must be "actively engaged in farming" with respect to a farming operation in order to be eligible for specified payments and benefits. To be "actively engaged in farming," the individual or entity must make significant contributions to the farming operation of: (1) capital, equipment, land, or a combination; and (2) personal labor or active personal management, or a combination. For more information on how these provisions apply to your own situation, contact your local FSA office.



Stimulus Funding for FLP Loans

As part of the recently approved economic stimulus package, FSA's Farm Loan Programs (FLP) is scheduled to receive an extra \$173 million in funding for the direct operating loan (OL) program. Many states have a current backlog of approved OL loans waiting for funding. As of February 23, the backlog stood at 1,039 loans valued at more than \$72 million. Producers' financial needs have increased significantly with the elevated costs of production inputs and the downturn in the agricultural economy. This growing need, coupled with FLP's successful marketing efforts, has generated increased demand for FSA OL loans as well as farm ownership loans.

Farm Loan Programs - FSA is "Lender of First Opportunity"

The Farm Service Agency (FSA) offers loans for 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. Currently 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.



Sodbuster, Swampbuster

Most Farm Service Agency programs require compliance with sodbuster and swampbuster provisions. These provisions require producers to follow an approved conservation system on all highly erodible land planted to an annual crop as determined by the Natural Resources Conservation Service.

Be sure to have determinations made on any new land you plan to plant to annual crops. If you plan to plant a different crop on your current cropland, check with NRCS to assure the new crop will qualify under your conservation system.

Swampbuster provisions state that converting a wetland to make possible the planting of a crop will result in the loss of all USDA benefits. To avoid this possibility it is strongly recommended that producers check with NRCS before starting to work in the fields.

Foreign Buyers Notification

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. The Farm Service Agency administers this program for USDA.

Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA with 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25 percent of the fair market value of the property. County government offices, Realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

Controlled Substance

Any person who is convicted under federal or state law of a controlled substance violation could be ineligible for USDA payments or benefits. Violations include planting, harvesting or growing a prohibited plant. Prohibited plants include marijuana, opium, poppies and other drug producing plants.

Selected Interest Rates for March 2009

90-Day Treasury Bill	0.125%
Farm Operating Loans — Direct	2.00%
Farm Ownership Loans — Direct	3.5%
Farm Ownership Loans — Down Payment	1.50%
Emergency Loans	3.75%
Farm Storage Facility Loans	2.25%
Commodity Loans	1.50%

Dates to Remember

April 30 th	Acreage Reporting Deadline – Fall Seeded Crops
June 1 st	Direct & Counter-Cyclical Program (DCP) Deadline
July 15 th	Acreage Reporting – Spring Seeded Crops, Rangeland & All Others
Sept 30 th	2009 Eligibility Deadline – NEW!
Ongoing	Milk Income Loss Contract (MILC) – Extended Sign-up

2009 Crop Year Wool, Mohair & Unshorn Pelt MAL's & LDP's

The Farm, Conservation and Energy Act of 2008 authorizes the MAL (Marketing Assistance Loan) and LDP (Loan Deficiency Payment) programs for the 2008 through 2012 crops of graded and ungraded wool, mohair, and unshorn pelts. Procedure has been amended to allow producers to submit CCC-633EZ, page 1, "Loan Deficiency Payment (LDP) Agreement and Request", for the upcoming crop year for all loan commodities, beginning October 1 of the preceding crop year, through the final loan availability date **as long as the producer has beneficial interest in the commodity**. Please contact the office if you are interested in applying.

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