



Service Center
U.S. Department
Of
Agriculture

Farm Service Agency

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Hours

Monday – Friday
8:00 a.m. – 4:30 p.m.

County Committee

Joshua Sheppard – Chair
Ben Bertagna – Vice Chair
Gregory Stephens
Harmanjit S. Gosal –Advisor

County Director

Rupert J. Butler

Staff

Abby Orndorff
Jennifer Pooler
Barbara Wilson
Shan Bertapelle
Teresa Blackson

CA State Appraiser

David Widlund

Farm Loan Manager

Roberta Wheeler

Farm Loan Officer

Ed DeBauche

**IMPORTANT DATES
TO REMEMBER**

COC Meetings

Second Thursday of each
month at 1:00 PM
(Subject to change)

October 1, 2006 – 2007

DCP signup begins.

April 1 – Status date
deadline.

June 1 – Last day to sign
DCP contracts without a late
fee.

Holiday Closures

January 1 – New Years Day

January 2 – Gerald Ford

January 15 - Martin Luther
King

February 19 – President’s
Day

May 28 – Memorial Day

July 4 – Independence Day

September 3 – Labor Day

October 8 - Columbus Day

November 12 – Veterans



Farm Service Agency

BUTTE COUNTY

January 2007
General #4

WHAT’S NEW AT FSA?

In an effort to safeguard benefits provided to you by this agency the Farm Service Agency County Offices will be held accountable to comply with the Improper Payments Act of 2002. As a result, FSA offices are reviewing program participation files to ensure government farm program payments have been and will be correctly disbursed. This is a responsibility we take very seriously.

In order to prevent situations where producers may have to refund payments, the County Office has been instructed to review applications thoroughly to ensure all forms are updated and accurate, and verify the person who is signing for the farming operation has the proper signature authorities on file in our office. As a result of these reviews, you may be required to submit additional documentation and the application and payment process may take slightly longer to complete. Your patience and understanding is appreciated as we strive to protect you and your farming operation.

For all 2007 programs and future program participation, county office employees will be reviewing and asking you to update your Farm Operating Plan (CCC-502), Adjusted Gross Income Certification (CCC-526), and the Conservation Compliance Certification (AD-1026). The county office staff will also be checking your file to ensure all supporting documentation such as deeds, leases, and entity documents are on file and up to date.

APPOINTMENTS

As the County Office workload has increased dramatically to comply with new regulations and in an effort to make your time as efficient as possible we are requesting that you schedule appointments well in advance. If you are unable to attend a scheduled appointment, please contact the office so we may reschedule your appointment.

**DIRECT AND COUNTER-
CYCLICAL PROGRAM (DCP)**

The DCP advance Direct Payment percentage has changed. In the past, the payment was paid at a rate of 50% for the first payment and 50% for the final payment. In 2006 crop year that percentage changed to 40% and 60%. In the 2007 crop year the payment percents will change again to 22% and 88%. Please plan for operations accordingly.

2007 NEW FARM BILL?

Many of you have asked what changes the new farm bill will bring. At this time, the County Office is not aware of any plans for the new farm bill.

2007 NEW YEAR 2007

The County Office would like to take this opportunity to thank all the producers of Butte County and other counties for their support. We wish you all a prosperous and Happy New Year.

ELECTION RESULTS

Joshua Sheppard – LAA 1
Bonnie Bayles - 1st Alternate
Mel Thompson – 2nd Alternate

CONGRATULATIONS!

Important Annual Reminders

ANNUAL NOTIFICATION OF PAYMENT LIMITATION PROVISIONS

Producers are reminded that no program benefits may be made until the FSA office has made all the necessary payment limitation and eligibility determinations. Producers will remain ineligible until all the required forms that include information pertaining to their farming operations are provided to the office.

It is the producer's responsibility to report changes in the farming operation which may affect payment eligibility and limitation.

Determinations

Payments and benefits under certain programs are subject to some or all of the following: "person" determinations, payment limitations, "actively engaged in farming" requirements, cash-rent tenant rule, permitted entity restrictions, foreign person rule, and the average adjusted gross income limitation. These determinations may be initiated by producers or the local County Committee.

Below are the programs, the payment limitation amount, and the applicable provisions. Provisions and limitations for other programs will be included with the program announcements.

| Program | Amount | Determinations |
|----------------------|---|--|
| DCP | \$40,000 Direct \$65,000 CC (Counter-Cyclical) | Person (P), Actively Engaged (AE), Cash-Rent Tenant (CRT), Permitted Entity (PE), Foreign Person (FP), and Adjusted Gross Income (AGI) |
| Commodity Loans | \$75,000 | FP |
| Marketing Loan Gains | Total of \$75,000 | P, AE, CRT, PE, FP, AGI |
| LDP | | P, AE, CRT, PE, FP, AGI |
| EQIP | \$450,000 Total (2002 – 2007) | AGI |
| CRP | \$50,000 | P, AE, CRT, PE, FP, AGI |
| ECP | \$200,000 | P |
| NAP | \$100,000 | P, \$2.0 million Qualifying Gross Revenue (QGR) |
| TAA | \$10,000 | P, AGI |
| TAP | \$75,000 | P |

Farm Operating Plan (CCC-502) and Other Forms

Producers are only required to file a new farm operating plan (and required documentation) if one is not on file or the current farm operating plan has significant changes which may affect a determination. No program benefits subject to these determinations will be provided until all

required and applicable approved determinations are made.

In addition to the Farm Operating Plan, producers may also be required to provide information regarding the members in entities, their designation of permitted entities, and signature authority.

Husband and Wife Determinations

Spouses may be considered separate "persons" for payment limitation purposes if this determination is requested and applicable requirements are met.

End of Year Review Process

If selected for an end of year review, documentation necessary to verify information on the Farm Operating Plans will be requested by FSA. Producers may also be interviewed by review teams to ensure compliance with payment limitation provisions. Failure to provide information may result in ineligibility for program benefits.

Adjusted Gross Income Provisions

In accordance with National Procedure, noncompliance with the adjusted gross income provisions, either by exceeding the \$2.5 million limitation or by failure to submit the applicable certification statement, will result in the determination of ineligibility for all program benefits subject to the adjusted gross income provisions.

MILK INCOME LOSS CONTRACT (MILC) PROGRAM

Changing Your Start Month

Dairy operations are reminded that if they want to change the starting month to receive MILC payments, they must do so anytime before the 15th of the month before the month designated on the MILC contract. Otherwise, the designated starting month cannot be changed until the next Fiscal Year.

For instance, if you designated on the CCC-580 contract March as your starting month to begin receiving MILC payments for the Fiscal Year and you want to change your start month to another month, you must request the change on or before February 15th.

If the selected starting month is never modified, that month will remain the same throughout the duration of the contract.

BANK ACCOUNT CHANGES

As of January 1, 1999, all payments issued by the county FSA office are supposed to be by direct deposit (electronic funds transfer) to a pre-designated checking or savings

Important Annual Reminders

account with your financial institution.

In order to make timely payments, you need to notify the FSA Office if you change or close your bank account, or if your bank is purchased by another financial institution. Payments can be delayed if we are not aware of changes to account or bank routing numbers.

REPORTING FARM INFORMATION

It is the producer's responsibility to report their farm operation completely and accurately.

It is also the producer's responsibility to notify FSA of any changes in their farming operation or entity status throughout the year. Changes that may affect a determination include, but are not limited to, a change in contract shares of a contract; change of land lease from cash rent to share rent or from share rent to cash rent; a change in the size or structure of the producer's farming operation; change in the member's shares; and a change in the contributions of farm inputs of capital, equipment, active personal labor, or active personal management.

FOREIGN LANDOWNER NOTIFICATION

The Agricultural Foreign Investment Disclosure Act requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture.

Foreign investors, who buy, sell or hold a direct or indirect interest in U.S. agricultural land must report their holdings and transactions to the Farm Service Agency within 90 days of the closing. Failure to timely file an accurate report can result in a penalty with fines up to 25 percent of the fair market value of the agricultural land. County government offices, Realtors, attorneys, and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

SPOUSAL SIGNATURES

Husbands and wives may sign documents on behalf of each other for FSA and CCC 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 important exceptions to the rule. Check with the county office staff for details.

CONSERVATION COMPLIANCE

All participants in USDA programs are required to have a conservation system in place on all the highly erodible land

(HEL) that they operate. Several areas where problems can arise with complying with a conservation system are; renting new cropland, purchasing new land, breaking out additional cropland, planting different crops such as soybeans, and changing or removing existing conservation practices. It is very important that you contact the FSA office before doing any of the above. Also, it is very important that you contact our office before modifying – tilling, draining, dredging, filling or leveling - any wetland or drainage ditch. Failure to obtain advance approval for any of these situations can result in loss of all Federal payments and eligibility.

SIGNATURE AUTHORITY

Any person who signs USDA documentation for another person must have a completed Power of Attorney (FSA-211) on file. Producers who require signature authority to sign on behalf of joint ventures, partnerships, corporations, LLC, LLP, trusts, estates or other entities must have their authority stated in their entity documents or have an FSA-211 on file.

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.

CIVIL RIGHTS COMPLAINT PROCESS

Any person, class or group of persons may file a discrimination complaint within 180 days of an alleged discriminatory action. Complaints may be filed in writing or orally with the agency head, any designated agency official or the Secretary of Agriculture, USDA, Washington, D.C. 20250. Assistance in filing a complaint can be obtained by calling or visiting any FSA office.

COMPLAINT PROCESS

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

Generally, program participants have three choices – an informal review with the original agency decision-maker, an opportunity for mediation, and appeal to the USDA National Appeal Division (NAD).

FINAL AVAILABILITY DATES

The following table provides the final availability dates for loans and LDP's for the commodity listed.

| Commodity | Final Availability Date |
|---|---|
| Mohair Peanuts Unshorn Pelts Wool | January 31st |
| Barley Canola Crambe Flaxseed Honey Oats Rapeseed Wheat Sesame seed | March 31 st (Next workday April 2 nd) |
| Corn Dry Peas Grain Sorghum Lentils Mustard Seed Safflower seed Small Chickpeas Soybeans Sunflower seed Rice | May 31st |

When the final availability date falls on a non-workday, the final date shall be extended to the next workday.

NAP PROGRAM

NAP is designed to reduce financial losses that occur when natural disasters cause loss of production of an eligible crop. NAP coverage covers commercially grown crops that are produced for food and fiber and are currently non-insurable. Damaging weather, adverse natural occurrence, or related condition must occur before or during harvest and directly cause, accelerate or exacerbate destruction or deterioration of the eligible crop. Producers with NAP coverage are reminded that they must notify the FSA within 15 calendar days after the disaster occurrence has affected the crop. Failure to timely notify FSA may result in being ineligible for a NAP payment. The natural disaster must have either reduced your expected unit production of the crop by more than 50%; or prevented you from planting more than 35% of your intended crop acreage. Program requirements include that a crop report (form FSA-578) be filed each year by July 15; and submit verifiable production evidence for each eligible crop.

United States Department of Agriculture
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