

USDA SERVICE CENTER

Farm Service Agency

San Joaquin-Calaveras/Contra Costa-Alameda Counties

COUNTY COMMITTEE ELECTION RESULTS

Congratulations to Patti Spence, Kenny Watkins, Glenn Stonebarger and Anthony Castello for being recently elected to the County Committee!

- ✓ Kenny has been elected to the Committee as the representative for the newly designated LAA Area B.
- ✓ Patti has been elected to the Committee as the representative for the newly designated LAA Area C.
- ✓ Glenn Stonebarger has been elected as Committee representative to the newly designated Contra Costa LAA Area D.
- ✓ Anthony Castello has been elected as Committee representative to the newly designated Alameda LAA Area E.

At the first meeting held after elections, it was determined that Patti Spence would serve as Chairperson for the Committee this year and Kenny Watkins will serve as the Vice-Chairperson.

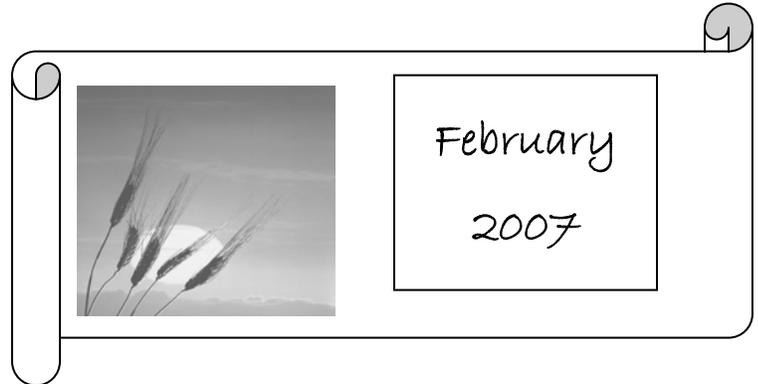
2007 DIRECT & COUNTER-CYCLICAL PROGRAM (DCP)

To participate in DCP, producers are required to designate shares and sign the DCP contract (CCC-509) on a yearly basis. The annual DCP sign-up period runs from October 1 to June 1 of the applicable program year. CCC-509 must be submitted by June 1. CCC-509's with signatures obtained after June 1 but before September 30 will be accepted, but the farm will be assessed a late-filed sign-up fee of \$100. All supporting documentation, such as CCC-502, AD-1026, and CCC-526, must be submitted before payments can be issued.

Planting fruits, vegetables or wild rice on base acres may adversely affect your program benefits. Please contact this office before you plant or lease land for production of fruits, including nut trees, or vegetables to discuss acreage reporting requirements, prevention of possible violation of program provisions, payment reductions, and severe penalties.

LOAN DEFICIENCY PAYMENTS (LDP)

So far, there have been no rates for LDP for 2006. The program ends for winter seeded crops on March 31, 2007 and May 31, 2007 for spring seeded crops, so keep watching the rates until then. We will be taking the Intent page of the CCC 633 EZ for 2007. Be sure you get that page signed **before** you lose beneficial interest in your crop.



MILCX PROGRAM

The extended sign-up for the MILCX Program will continue through September 30, 2007. Producers that submit a MILCX for benefits during the extended sign-up can select either a start month for their dairy operation or the month the MILCX is submitted.

Dairy operations can change the start-month an unlimited number of times as long as the change is made:

- ✓ On or before day 14th of the month prior to the new MILCX production start-month (unless that day falls on a weekend. Then the date falls to the previous business day).

Please continue to submit monthly creamery statements to the County Office each month.

Year	Month	Rates (\$/cwt)
2006	October	\$0.4300000
2006	November	\$0.4400000
2006	December	\$0.4308000
2007	January	\$0.0300000
2007	February	\$0.1000000
2007	March	

PAYMENT LIMITATION

Changes in the administration of payment limitation provisions were made in 2005 that may significantly affect your eligibility to receive FSA payments. Farming operations which cash rent land or obtain a significant amount of contributions, such as capital, equipment, and labor, from another farming operation may be subject to a more restrictive determination.

CASH RENT TENANT PROVISIONS

Cash rent tenants who do not provide a significant contribution of active personal labor are required to provide a significant contribution of equipment and management. If the equipment comes from the same or similar source as the labor, then there must be separate contracts that reflect fair market value and the cash-rent tenant must exercise complete control over the use of a significant amount of the equipment during the current crop year. Equipment leased with labor for only a portion of the year will not qualify as a contribution of equipment and may result in ineligibility under this provision unless additional equipment is provided.

BORROWED CAPITAL

If capital is borrowed by one farming operation using the collateral from other operations, a commensurate amount of the loan proceeds must be subsequently deposited in a commercial bank account for each of the operations in order for the capital to be considered as a contribution to the farming operation. If the funds are distributed through lines of credit or through accounting methods, the farming operations may not be considered separate and distinct or may be ineligible to receive benefits. Also, capital which is obtained from, secured by (including cross-collateralization), or guaranteed by an individual, joint operation, or entity that has an interest in the farming operation will not be considered as a capital contribution for the “actively engaged” determination. Example: Three partnerships obtain a single loan using assets from each partnership. If a commensurate amount of the loan proceeds is not distributed to each partnership’s bank account, then the partnerships will not be considered separate and distinct and may be ineligible to receive benefits.

GENERAL ELIGIBILITY

Farming operations may be determined to be ineligible to receive benefits if a significant amount of contributions (capital, equipment, land, labor, and/or management) is provided by another farming operation. FSA will be conducting end of year reviews to ensure farming operations are eligible to receive benefits in accordance to payment limitation provisions.

Example: Individual A applies for benefits and is financed by XYZ Corporation. Individual A also leases equipment and labor from XYZ Corporation. In this case, FSA will have to consider if Individual A is eligible to receive benefits or if XYZ Corporation is the proper applicant.

OTHER PAYMENT LIMITATION PROVISIONS

CUSTOM FARMING OR CUSTOM SERVICES

Equipment used in the performance of a custom farming service cannot be considered a significant contribution of equipment for the “actively engaged in farming” determination or to meet the “cash-rent tenant” provision.

SCHEME OR DEVICE

Any producer who has adopted or participates in adopting a scheme or device that is designed, or has the effect of evading, the rules of the payment limitation and payment eligibility provisions shall be ineligible to receive payments for the applicable year and the succeeding year.

ANNUAL NOTIFICATION OF PAYMENT LIMITATION PROVISIONS

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

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.

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.

ACREAGE REPORTING

Filing an accurate and timely acreage report for all crops and land uses, including failed acreage, can prevent loss of benefits for a number of programs, including Direct and Counter-cyclical Program, Conservation Reserve Program, Non-insured Crop Disaster Assistance Program and marketing assistance loans and loan deficiency payments.

Producers are required to file FSA-578 by the applicable final reporting date (April 30 for fall seeded crops and July 15 for spring seeded and/or permanent crops). To be considered timely filed, acreage reports for prevented planted acreage are required to be submitted no later than 15 calendar days after the

- ✓ final reporting date for the applicable crop;
- ✓ **failed** acreage shall be filed before the disposition of the crop.

****Please Note:** 2006 crops still needing to be reported will be charged a \$25.00 per farm late-file fee.

CHANGES IN FARMING OPERATIONS

Failure to notify FSA of changes in your farming operation may adversely impact your eligibility for USDA benefits. Changes to your farming operation may include, but are not limited to, a change in the structure of your farming operation or changes in your rental agreement. Any change to your farming operation must be reported to FSA when the change occurs, but no later than September 30 of the program year.

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 – such as marijuana, opium, poppies and other drug producing plants.

NON-INSURED ASSISTANCE PROGRAM

For non-insurable crops, FSA offers assistance for producers suffering catastrophic losses through the Non-Insured Assistance Program (NAP).

Eligible producers must apply for coverage of noninsurable crops. All applications for coverage must be filed and the applicable service fees paid at the FSA office by the application closing date. (See box of “important dates”). For coverage, you must pay a service fee of \$100 per crop, not to exceed \$300 per producer per county, or not to exceed \$900 if you are in multiple counties.

You should review and apply for coverage on all crops you intend to grow, and specify the intended use of that crop.

When your NAP covered crop is affected by a natural disaster, you must notify this office by completing a Notice of Loss, CCC-576, within 15 days of the date of the disaster occurrence, or the date damage to the crop becomes apparent to you. Do not harvest or dispose of the crop until the Notice of Loss has been filed in the county office and a loss adjustor has had the opportunity to inspect the damaged crop.

NOTE: Crop losses are determined on a unit basis. A unit includes all the acreage of the crop in the county in which the producer has the same interest. You are required to provide your annual production on crops covered under NAP, and to provide the office with a report of planted acreage (or zero report). Failure to follow through with these requirements will affect the APH (actual production history) on which you are paid if you suffer a loss.

2007 Annuals (vegetable crops, herbs, cotton, lettuce and melons) for all counties have an application closing date of March 1, 2007!

SIGNATURE AUTHORITY DOCUMENTATION

A recent audit of county offices throughout the Nation revealed improper payments made in prior years, mostly as a result of incomplete paperwork or invalid signatures.

To alleviate this problem with all future payments, FSA county offices will be reviewing applications thoroughly to ensure all forms are updated and accurate, and to verify the person signing the documents has the proper signature authorities on file in our office.

We will be asking you to update your Farm Operating Plan, the Adjusted Gross Income Certification, and the Conservation Compliance Certification. We will also check your eligibility file to ensure all necessary supporting documentation, such as deeds, leases, partnership agreements, corporation papers, trust documents, etc are on file and up to date.

POWER OF ATTORNEY

For those who find it difficult to visit the county office personally because of work schedules, distance, health, etc., we have 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.

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**SAN JOAQUIN/CALAVERAS/CONTRA COSTA/ALAMEDA
 FSA COUNTY COMMITTEE**

PATTI SPENCE	Chairman
KENNY WATKINGS	Vice-Chairman
RUDY MUSSI	Regular Member
ANTHONEY CASTELLO	Regular Member
GLENN STONEBARGER	Regular Member

WATCH FOR THESE UPCOMING DEADLINES!



Deadlines	Program
March 1, 2007	Last day to purchase NAP coverage on vegetable crops, cotton, herbs, lettuce, melons.
April 30, 2007	Last day to timely file fall-seeded report of acreage
June 1, 2007	Deadline to enroll in 2007 DCP without paying \$100 penalty fee.



Special accommodations will be made, upon request, for individuals with disabilities, vision impairment, or hearing impairment. If special accommodations are required, please call the FSA office and we will be happy to make any arrangements that are needed.

The United States Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, or marital or family status. (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, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC, 20250-9410, or call 202-720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.