



April/ May 2007

Stanislaus/ Tuolumne County News



Stanislaus/ Tuolumne County FSA

3800 Cornucopia Way, Ste E
Modesto, Ca 95358

Phone: (209)491-9320 ext 2

Fax: (209)491-9331

E-Mail:

regan.anderson@ca.usda.gov

Hours

Monday – Friday
8:00 AM – 4:30 PM

County Committee

Dave Santos, Chair
Kurt Erickson, Vice Chair
Dave Wheeler, Member
Robert Brennan, Member
Polo Ramos, Advisor
Tina Nunes, Advisor

COC meets at 1:30 pm, the first Thursday of every month. Please call the office to confirm the meeting date and time if you wish to attend.

Staff

Regan Anderson, CED
John Oosterman, FLM
Betty Sheppard, FLO
Joe Enos, FLO
Carmen Cardenas, PT
Maria Juarez, PT
Michael Terra, PT
Ulises Gonzalez, PT
Alma Jaquez, Loan PT
Lupe Mims, Loan PT



VERY IMPORTANT : **Acreage Reporting**

Acreage reporting time is here! Please remember that filing an accurate acreage report for all crops and land uses, including 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 if you want to be eligible for Farm Service Agency programs. Acreage reports are to be certified by **April 30** for all fall-seeded crops such as small grains and **July 15** for all other crops. **Please note** that the late reporting fee for 2007 has changed from previous years. The fee is now \$15 per farm + (\$16 x hours) + (\$0.485 x mileage) and will be assessed on any farm not fully reported by the established deadlines, with the acreage subject to mandatory spot-check. The hours are those hours which are used when making a field visit (or would have been used for a physical visit, if aerial images are used for spot-check and measurement) to verify your late-certified acreage, and the mileage is the round trip mileage to your field(s) from the office. The fee is the same for any requested measurement services performed by the office staff. In most cases, this will represent a substantial increase in the fee over past years, so it is very important to certify your acreage timely.

2007 Direct and Counter-Cyclical Program (DCP) Signup

The 2007 DCP signup is currently underway. As a reminder, new contracts must be signed every year, acreage reports filed, and eligibility data reviewed with the County Office staff. The deadline to enroll for 2007 without a \$100 per farm late fee has been extended to August

3, 2007 as a result of computer problems and other delays experienced by the agency. If you have not already signed up for the 2007 year, please contact the office as soon as possible for an appointment. You will need to provide current leases for any leased ground during sign-up. You may be asked to provide a bank statement, equipment listing, or other documentation to verify eligibility. If any aspect of your operation has changed, (i.e. change in land farmed, or change in entity type or members) please notify the county office in advance of your appointment, so we can schedule extra time.

NRCS 2008 EQIP Signup

The Environmental Quality Incentives Program (EQIP) provides a voluntary conservation program for farmers and ranchers that promotes agricultural production and environmental quality as compatible national goals. EQIP offers financial and technical help to assist eligible participants install or implement structural and management practices on eligible agricultural land.

EQIP may cost-share up to 75 percent of the costs of certain conservation practices. Incentive payments may be provided for up to three years to encourage producers to carry out management practices they may not otherwise use without the incentive. Limited resource producers and beginning farmers and ranchers may be eligible for cost-shares up to 90 percent. An individual or entity may not receive, directly or indirectly, cost-share or incentive payments that exceed \$450,000 for all EQIP contracts entered during the term of the Farm Bill. Persons who are engaged in livestock or agricultural production on eligible land may participate in the EQIP program

The Stanislaus County Natural Resources Conservation Service is currently taking applications for the 2008 funding year. For further information, please contact the Stanislaus County NRCS office at (209) 491-9320 ext. 3.

Payment Limitation Refresher

Media stories of Farm Service Agency and Commodity Credit Corporation payments will become more wide spread as the mid-term elections near and the next farm bill is debated. Consequently, more groups are seeking information about payments to farmers and ranchers.

Payment limitation rules are not new to anyone who has participated in a FSA program. Rules regarding total annual payments that a “person” may receive under agricultural programs have been in effect since enactment of the Agricultural Act of 1970. The 2002 Farm Bill authorized payments to which payment limitation and payment eligibility provisions were applicable and added a \$2.5 million average adjusted gross income limitation.

Payment limitations include Direct and Counter-cyclical Payment Program, \$40,000 for direct payments and \$65,000 for counter-cyclical payments; Conservation Reserve Program, \$50,000; Non-insured Crop Disaster Assistance Program, \$100,000; and \$75,000 per crop year for Loan Deficiency Payments.

Some of the basic categories used in review by county office staff are:

“Person” Determinations A “person” for payment limitation purposes may be many things, including an individual; a limited partnership; a limited liability company; a corporation; a joint stock company; an association; a limited stock company; a limited partnership; an irrevocable trust; a revocable trust together with the grantor of the trust; an estate; a charitable organization; and a state, political subdivision or agency thereof. For an individual or entity to be considered a separate “person,” the individual or entity must have a separate and distinct interest in the land or crop involved, exercise separate responsibility for this interest and maintain funds or accounts separate from that of any other individual or entity for this interest.

Status Date The status of an individual or entity on April 1 of the applicable program year is the basis for determining the number of “persons” for payment limitation purposes for that year. Actions taken by an individual or entity after that date to increase the number of “persons” will not be recognized for the current program.

Actively Engaged in Farming A producer must be considered “actively engaged in farming” to be eligible for payments and benefits under some programs. Generally, in order to be considered “actively engaged in farming,” the producer must provide significant contributions to the farming operation, which are commensurate to the claimed share of the farming operation and the contributions must be at risk. A producer must make a significant contribution of capital land, and/or equipment to the farm-

ing operation as well as a significant contribution of uncompensated active personal labor and/or active personal management. “Active personal labor” and “active personal management” are labor and management that are actually performed by the individual in question. The contribution of active personal management must be critical to the profitability of the farming operation, taking into consideration the individual or entity’s commensurate share in the farming operation.

Cash-Rent Tenant Rule A cash-rent tenant will be ineligible to receive payment on the cash-rented land unless the tenant makes a significant contribution of active personal labor, or, if labor is not provided, a significant contribution of management together with a significant contribution of equipment to the farming operation.

Permitted Entities No person may receive payments subject to these rules from more than three entities in which the person holds substantial beneficial interest, generally 10 percent or more. If an individual receives payments as an individual, the individual may not also receive payment from more than two entities that receive payment as a separate “person.” If an individual does not receive payment as an individual, the individual may not receive payment from more than three entities that receive payment as a separate “person.”

For example, if an individual has a farming interest as an individual and also owns stock in six corporations that also farm, the individual must select just two of those corporations through which he or she may indirectly receive payments. The payments to the other four corporations will be reduced by the same percentage that the individual owns in each of the other four corporations. If the individual did not have an individual farming interest, three of the corporations could be selected as “permitted entities.”

Any person who owns 10 percent or more of a corporation or other entity that is earning payments subject to these rules, either directly or indirectly, will be required to select that interest as “permitted” before that share of the payment may be paid to the entity.

Notification All entities earning payment subject to these rules must report to their local FSA committee the name and Social Security number of each individual who owns, either directly or indirectly, any interest in such entity. A contract to participate in the applicable programs will not be considered complete until this information is provided.

The entity also is required to inform all members of the entity of the rules regarding payment eligibility and permitted entities.



FSA Signature Requirements

Proper signatures on Farm Service Agency contracts, applications and forms must be submitted before the document will be considered as filed. All entities, including revocable and irrevocable trusts, corporations, partnerships, estates, etc., **must** provide evidence of signature authority stipulating those individuals who are authorized to represent the entity. FSA cannot accept signatures without such documentation on file.

Examples of acceptable evidence include trust agreements, corporate charters or resolutions, partnership agreements and court orders of appointment, stating which representatives may sign contracts, etc. on behalf of the operation. Spouses can sign for one another on most program documents unless written notification denying a spouse this authority has been provided to the county office staff. An FSA-211 may be filed with the office to delegate signature authority for FSA program purposes to another individual.

Removing CCC Loan Collateral

Producers are reminded, if you have commodities under Commodity Credit Corporation loan it cannot be removed or disposed of without prior county office staff authorization or repayment. The county office staff may issue release authorizations based on a telephone or in person request when you are ready to move the grain. A loan violation is subject to monetary and administrative penalties, such as repaying the loan at principal plus interest, liquidated damages, calling the loan and denial of future farm-stored loans and loan deficiency payments.

All commodity loans are subject to spot check. Locking in a market loan repayment rate is not a marketing authorization. If you are planning to move CCC loan commodities, contact the county office staff for additional information.

Conservation Compliance

Federal regulations discourage the production of crops on highly erodible cropland unless the land is protected from erosion by an approved conservation system. Status reviews are conducted to ensure producers follow a conservation plan on highly erodible land.

In addition to the highly erodible land, a person may not plant an agricultural commodity on wetland converted after Dec. 23, 1985, or convert a wetland to make agricultural production possible after Nov. 28, 1990.

Failure to comply with these provisions will cause a person to be ineligible for USDA benefits. County Committees may review noncompliance situations for good faith and provide relief in approved cases.

NAP Application Deadlines for 2008

NAP is similar to traditional catastrophic crop insurance, and can be purchased on any crop that is not insurable through your crop insurance provider and which meets all other requirements of the program. The 2008 application closing dates for the Non-Insurable Crop Disaster Assistance Program are listed in the table below. Please contact the office to confirm these dates or for deadline information for a specific crop not listed, as application closing dates are subject to change. The application (CCC-471) and service fee must be filed by the applicable closing date for each of the 2008 NAP crops. To remain eligible for NAP, a producer must annually report the crop, including: type, variety, location, producer shares, date planted, and the intended use (fresh, processed, etc.). Once the crop is harvested the production must also be reported.

The application service fee is \$100 per crop per county or \$300 per producer per county. The fee cannot exceed a total of \$900 per producer with farming interest in multiple counties. Limited resource producers may request a waiver of service fees.

In the event of a crop failure caused by natural disaster, the producer needs to notify the local FSA office by completing a "Notice of Loss" (form CCC-576). The notice of loss **MUST** be executed within 15 days of the date the damage became apparent.

Crop	2008 Application Deadline
Citrus	January 1, 2007
Most 2008 annuals (contact the office regarding your specific crop_)	March 1, 2008
Fall-planted seed crops	August 1, 2007
Value-loss or controlled environment crops (i.e. aquaculture, flowers, Christmas trees)	September 1, 2007
Forage crops (including rangeland)	September 1, 2007
Honey	December 1, 2007
Onions	December 1, 2007
Most fruit and nut trees and vines	December 15, 2007



DIRECT DEPOSIT OF PAYMENTS IS MANDATORY

Currently, all payments issued by the county FSA office must be by direct deposit (electronic funds transfer) to a pre-designated checking or savings account with your financial institution. Forms are available at the FSA office to sign up for direct deposit if you haven't yet. **For those already signed up, it is extremely important that we are notified anytime there is a change in your account number or financial institution to avoid lost or delayed payments.** Future FSA payments will be issued by the USDA National Finance Center in New Orleans, LA. If you have not enrolled in Direct Deposit, your payment will be significantly delayed.



Dates to Remember	
April 30	Deadline to Certify your fall-seeded crops
May 28	Memorial Day Holiday. FSA offices closed.
May 31	Deadline to apply for 2005 commodity loans and LDPs on feed grains, soybeans, pulse crops.
July 4	Independence Day Holiday. FSA offices closed.
July 15	Final certification date for all spring-seeded and permanent crops.
August 3	Deadline to enroll in the 2007 DCP program without a late fee

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