



United States
Department of
Agriculture

Farm
Service
Agency

California State FSA Office
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December 2006

Dear Producer,

I would like to take this opportunity to inform you of Farm Service Agency efforts to safeguard benefits provided to you by this agency. The Improper Payments Information Act of 2002 holds us accountable for the paperwork and payments we process. As a result, FSA offices are reviewing program participation files to ensure government farm program payments have been correctly disbursed. This is a responsibility we take very seriously.

A recent audit of county offices throughout the Nation has revealed that 11 percent of the payments that were issued in fiscal year 2006 were classified as improper. A closer examination of these improper payments has shown that 90 percent of the errors were due to incomplete paperwork or invalid signatures (on contracts or applications for benefits). While this means that only one percent of the many payments issued through FSA offices were calculated incorrectly, it also means that 10 percent of the payments issued did not have the proper documentation.

In order to prevent situations where producers may have to refund payments, I have instructed county FSA offices in California to review their applications thoroughly to ensure all forms are updated and accurate, and to 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. I ask for your patience and understanding as these steps are being taken to protect you and your farming operation.

For 2006 programs and all future program participation, county office employees will be reviewing and asking you to update your Farm Operating Plan (payment Limitation forms, CCC-502); the 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 necessary supporting documentation such as leases, partnership agreements, corporation papers, etc are on file and up to date.

Please understand this effort is necessary, and in your best interest as we strive to provide you with the best quality service possible. I appreciate your patience and cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "John Smythe". The signature is fluid and cursive, written over a white background.

John Smythe
State Executive Director