



NEWSLETTER



January 2012

USDA Service Center

Chippewa/Mackinac/Luce
County FSA
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www.fsa.usda.gov/mi

Hours

Monday – Friday
8:00 a.m. to 4:30 p.m.

Website

www.fsa.usda.gov

County Committee

Brent Cottle
Scott Hill
Max Macaulay

Committee Advisor

Jeff Holt

County Executive Director

Kaye Hillock-Vining

Office Staff

Melissa Gabbard
Lynn MacArthur

Farm Loan Manager

Betty Garrett

Farm Loan Officer

Bruce Stephenson

2011 FSA County Committee County Committee Election Results

Congratulations to Brent Cottle! Brent was re-elected to represent farmers from St. Ignace, Marquette, Clark, Mackinac Island, Bois Blanc Island, Round Island Township, Trout Lake, Rudyard, Pickford, Raber, Drummond Island, Detour Township on the county committee. Brent was elected to his third consecutive term. The election result for Local Administrative Area 2 is:

Brent Cottle - Elected to the county committee (COC),

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.

The committee members held their organizational meeting in December to determine who will serve as the county committee chairman and vice-chairman. The chairman will be Brent Cottle and the vice-chairman will be Scott Hill.

2012 DCP/ACRE Sign-up

2012 Direct and Counter-Cyclical Program (DCP) enrollment will begin Jan. 23, 2012 and will end June 1, 2012. Here are some IMPORTANT REMINDERS:

- All producers planting on **DCP base** acres must be identified on the DCP/ACRE contract and receive a proportionate share of DCP/ACRE payment for the farm.

- Changes on the farm after enrolling June 1st in DCP/ACRE **must** be reported to your local FSA office such as:

- Ownership changes
- Producer changes (Individuals and Entities)
- Change in crop shares arrangements

Note: Changes cannot be made after Sept. 30, 2012.

Supplemental Revenue Assistance Program (SURE)

The sign-up for 2010 losses runs through **June 1, 2012.**

The Supplemental Revenue Assistance Program (SURE) provides benefits for farm revenue losses due to natural disasters that incurred in the crop year 2010. SURE is available to eligible producers on:

- Farms in counties with Secretarial disaster declarations, including contiguous counties, that have incurred crop production or quality losses, or both, and includes all crops grown by a producer nationwide, except grazed crops.

- Any farm in which, for the crop year, the actual production on the farm because of disaster-related conditions is 50 percent or less than normal production of the farm.

Noninsured Crop Disaster Assistance Program (NAP)

The noninsured crop disaster assistance program (NAP) is a program that helps producers reduce their risk when growing food and fiber crops, specialty crops and crops for livestock feed. These benefits are only available for crops for which the catastrophic level of crop insurance is not available. Application for coverage must be filed by the applicable crop's application closing date.

Production records for all crops must be reported to FSA no later than the acreage reporting date for the crop for the following year. FSA requires that any production reported in a loss year be verifiable according to Agency specification *reported within 15 days of loss.*

IRS Form 1099-G

Producers annually receive CCC-1099-Gs detailing payments producers have received from the Commodity Credit Corporation. The annual report of program payments on CCC-1099-Gs is a service intended to help our customers report taxable income. It is not intended to replace the producers' responsibilities to report income to IRS.

FSA staff cannot interpret IRS regulations or advise producers about which payments to report on their income tax returns. However, county office staff can review payments for accuracy.



Bank Account Changes

Current policy mandates that FSA payments be electronically transferred into your bank account. For timely payments to be made, producers need to notify the FSA office if the 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.

FSA Adopting GovDelivery

The USDA Farm Service Agency offices are moving toward a paperless operation.

Producers are asked to enroll in the new GovDelivery system which will provide notices, newsletters and electronic reminders instead of a hard copy through the mail.

FSA, like many other organizations, is trying to work smarter and be more efficient. Moving to electronic notifications via email will help conserve resources and save taxpayer dollars.

County Committee ballots will continue to be mailed to all eligible producers.

Producers can now subscribe to receive free e-mail updates by going to <http://www.fsa.usda.gov/subscribe>.

Commodity Loans

Commodity loans, also referred to as Marketing Assistance Loans, are available to producers who share in the risk of producing the crop. To be eligible, you must maintain beneficial interest in the crop through the time of application. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan — even if you regain beneficial interest.

Violating provisions of a marketing assistance loan may trigger administrative actions, such as assessing liquidated damages, calling the loan and denial of future farm-stored loans. The most common violations are removing or disposing of a commodity being used as loan collateral without prior authorization and providing an incorrect quantity certification.

LDPs for Unshorn Lamb Pelts

Eligible producers have until Jan. 31, 2012, to apply for Loan Deficiency Payments (LDP) for unshorn pelts produced during the 2011 crop year.

Eligible producers must have beneficial interest in the pelts, owned the lamb for at least 30 calendar days before the date of slaughter and sell the unshorn lamb for immediate slaughter. Producers must also comply with wetland conservation and highly erodible land conservation provisions on all lands they operate or have interest in.

To qualify for payment, pelts must have been produced by an eligible producer from live unshorn lambs of domestic origin in the United States.

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.

All individuals who are not U.S. citizens, and 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 (FSA-153) 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.

Farming Operation Changes

If you have bought or sold land, or if you have added or dropped rented land from your operation, make sure you report the changes to the office as soon as possible. You need to provide a copy of your deed or recorded land contract for purchased property. Failure to maintain accurate records with FSA on all land you have an interest in can lead to possible program ineligibility and penalties. Making the record changes now will save you time in the spring. Update signature authorization when changes in the operation occur. Producers are reminded to contact the office of a change in operations on a farm so that records can be kept current and accurate.

Highly Erodible Land and Wetland Conservation Compliance

Landowners and operators are reminded that in order to receive payments from USDA, compliance with Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions are required. Farmers with HEL determined soils are reminded of tillage, crop residue, and rotation requirements as specified per their conservation plan. Producers are to notify the USDA Farm Service Agency prior to conducting land clearing or drainage projects to insure compliance. Failure to obtain advance approval for any of these situations can result in the loss of eligibility and all Federal payments.

Special Accommodations

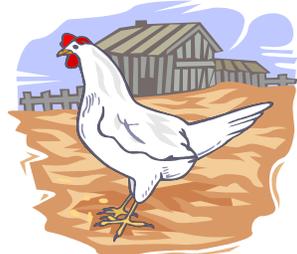
Special accommodations will be made upon request for individuals with disabilities, vision impairment or hearing impairment. If accommodations are required, individuals should contact the county FSA office staff.

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.

Power of Attorney

For those who find it difficult to visit the county office personally because of work schedules, distance, health, etc., 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, contact any Farm Service Agency **office near you for more information.**



Customer Statement

January signals the beginning of a new year, and a time to starting thinking about filing taxes. Producers who have signed up for a USDA eAuthentication Level 2 account will be able to access their farm data via their Customer Statement.

The Customer Statement puts a range of USDA services and programs into a single report that's at your fingertips and available online, 24 hours a day, seven days a week.

It allows USDA customers to view their participation, application and payment status in various commodity and conservation programs; information on farm loans; and conservation plan and land unit information.

Farm Loan Programs

The Farm Service Agency is committed to providing family farmers with loans to meet their farm credit needs. If you are having trouble getting the credit you need for your farm, or regularly borrow from FSA, direct and guaranteed loans are currently available.

Ask your lender about an FSA loan guarantee if your lender is reluctant to extend or renew your loan.

Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of up to \$300,000. Guaranteed loans have a maximum limit of \$1,214,000. This makes the maximum combination of direct and guaranteed loan indebtedness \$1,514,000.

The one-time loan origination fee charged on FSA guaranteed farm ownership and operating loans has increased from 1 percent to 1.5 percent of the guaranteed portion of the loan, for loans obligated after October 1, 2011.

To find out more about FSA loan programs, contact the county office staff.

FSA Signature Policy

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.

There are exceptions to the rule, where spouses may not sign on behalf of each other for partnerships, joint ventures, corporations or other similar entities.

Individual signatures are also required on certain Farm Loan Program and Farm Storage Facility Loan documents.

For more clarification on spousal signature authority, contact your local FSA office.



Reconstitutions

For FSA program purposes, tracts having the same owner and the same operator are grouped under one farm serial number. When changes in ownership or operation take place, a farm reconstitution is necessary. The reconstitution -or recon- is the process of combining or dividing farms or tracts of land based on the farming operation. Remember, to be effective for the current year, recons must be requested by August 1 for farms enrolled in specific programs. The following are the different methods used when doing a farm recon:

- **Estate Method** – the division of bases, allotments and quotas for the parent farm among heirs in settling an estate;
- **Designation of Landowner Method** – may be used when (1) part of a farm is sold or ownership is transferred;; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least 3 years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding;
- **DCP Cropland Method** – the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract;
- **Default Method** – the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.
- **Note—Reconstitutions must be requested by August 1 of the fiscal year for farms subject to DCP.**

Average Adjusted Gross Income- AGI

The 2008 Farm Bill required the implementation of the AGI limitations for program eligibility for the 2009-2012 program years. The average AGI provisions are application to the majority of programs administered by the Farm Service Agency (FSA) and Natural Resource Conservation Service (NRCS).

Annual certifications of AGI compliance are required from each individual and legal entity requesting CCC payments either directly or indirectly. Annual certifications and consent are made on form CC-931.

It is recommended that producers submit the completed CCC-931 at the time that payments and benefits are requested under USDA programs which are subject to the average AGI limitations. As required by law, producers must sign the CCC-931 to grant the IRS the authority to provide tax-related information data to USDA.

Producers whose average AGI appear to be in excess of the statutory AGI limitations will be notified in writing of the results, and provided an opportunity to make available within 30 days to the applicable FSA Office, a third-party verification from a certified public accountant or attorney of their AGI that demonstrates the limits have not been exceeded.

Producers determined not to be in compliance with AGI limitation will be offered appeal rights to either FSA or the National Appeals Division. Producers who fail to respond to written notices of AGI non-compliance or determined non-compliant will be notified of the requirement to refund the applicable program payments. Actions required by the Debt Collection Improvement Act (DCIA) will be followed by NRCS and FSA.

Loans for the Socially Disadvantaged

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or purchase or improve farms or ranches.

While all qualified producers are eligible to apply for these loan programs, the FSA has provided priority funding for members of socially disadvantaged applicants.

A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities.

For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders.

FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

Selected Interest Rates for January 2012

Farm Operating - Direct	1.50%
Farm Ownership - Direct	3.375%
Limited Resource	1.50%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency	3.375%
Farm Storage Facility – 7year	1.375%
Farm Storage Facility – 10 year	2.000%
Farm Storage Facility – 12 year	2.250 %
Commodity Loans 1996-Present	1.125%

Dates to Remember

Mar. 15	NAP Sign-up ends for Peas, Oats/Barley for Forage, Sorghum, Beans, Potatoes, Triticale, Vegetable Crops, & Corn in Chippewa County
Jan. 23	2012 DCP Enrollment begins
Jan. 30	Sign-up ends Jan. 30, 2012, for LFP, LIP, and ELAP.
Jan. 31	Deadline to apply for Unshorn Lamb Pelts Loan Deficiency Payment