



NEWSLETTER



July 2012

**Emmet-
Charlevoix
FSA Office**

**2235 E. Mitchell
Rd.
Petoskey, MI
49770**

231-347-2133 phone
231-347-8170 fax
www.fsa.usda.gov/MI

Hours
Monday - Friday
8:00 a.m. - 4:30 p.m.

County Committee:
Wilson Boss
Beverly Hinkley
Richard Gregory
Charlene Fettig-
Advisor

**County Executive
Director**
Carmen Church

Farm Loan Manager
James Monroe

Office Staff
Jessica Chandler

FSA COC Nomination Deadline

County committees (COC) play a crucial role in helping county office staff implement the Farm Bill. Due to the important services that COC members provide, producers are encouraged to participate in the FSA county committee election process by nominating an eligible candidate by the Aug. 1, 2012, deadline.

To become a nominee, eligible individuals must sign form FSA-669A. The form and other valuable information about FSA county committee elections are available online at: http://www.fsa.usda.gov/Internet/FSA_File/fsa0669a_commiteelectform.pdf

FSA county committee members make decisions on disaster and conservation programs, emergency programs, commodity price support loan programs and other important agricultural issues. Members serve three-year terms. Nationwide, there are more than 7,800 farmers and ranchers serving on FSA county committees. Committees consist of three to five members who are elected by eligible local producers.

LAA 1 consisting of Wawatam, Bliss, Cross Village, Carp Lake, Readmond, Center, McKinley, Friendship, Pleasantview, Maple River, West Traverse, Little Traverse, and Littlefield townships are up for election this year.

Crop Certification Deadline

The annual requirement of reporting to the FSA office can be referred to as crop reporting, acreage reporting, or crop certification. Filing an accurate and timely report for all crops and land uses, including failed acreage, can prevent loss of benefits for a variety of Farm Service Agency programs. All cropland on the farm must be reported to receive benefits from the Direct and Counter-Cyclical Program,

(Continued on next Column)

Marketing Assistance Loans and Loan Deficiency Payments.

The certification form FSA-578, Report of Acreage, must account for all cropland on a farm, whether idle or planted. The producer certification deadline for spring seeded crops is July 16.

Over the Counter Channel (OTCnet)

FSA/CCC is moving toward OTCnet, an electronic method for processing customer check payments. When a check is submitted for payment either in person or through the mail, the check will be converted into an Electronic Funds Transfer (EFT). The funds will be debited from the producer's account, usually within 24 hours of receipt. Please see the U.S. Department of Treasury legal notices posted in the Service Center or visit the following U.S. Department of Treasury Internet site for detailed information @

<http://fms.treas.gov/otcnet/legal.html>
What is OTCnet?

OTCnet is a Web-based online application process for converting paper checks presented to FSA into electronic debits to the producer's bank account. It presents many benefits, such as reducing lost/misplaced checks and paper handling. This improves customer relations, speeds the check clearing process, and reduces the potential for human error.

Filing for NAP Losses

The CCC-576, Notice of Loss, is used to report failed acreage and prevented planting and may be completed by any producer with an interest in the crop. Timely filing a Notice of Loss is required for all crops including grasses. For losses on crops covered by the Non-Insured Crop Disaster Assistance Program (NAP) and crop insurance, you must file a

CCC-576, Notice of Loss, in the FSA County Office within 15 days of the occurrence of the disaster or when losses become apparent.

If filing for prevented planting, an acreage report and CCC-576 must be filed within 15 calendar days of the final planting date for the crop.

Disaster Assistance

The Farm Service Agency would like to remind crop and livestock producers that have recently experienced severe damage from flooding, wildfires and tornadoes that FSA programs are available to assist with recovery.

We encourage all who have suffered a disaster due to the recent severe weather conditions to read the fact sheets and visit their local FSA county office so they get a quick start in the recovery process.

Fact sheets for all of these programs can be found at www.fsa.usda.gov; click on Newsroom, then Fact Sheets.

MILC Program

FSA's Milk Income Loss Contract Program (MILC) compensates dairy producers when domestic milk prices fall below a specified level. MILC payments are made when the Boston Class I milk price falls below \$16.94 per hundredweight (cwt) as adjusted by the dairy feed ration adjustment. The monthly Boston price is posted online at: http://www.fmmone.com/Northeast_Order_Prices/NE_Prices_main_new.htm.

Eligible producers should submit the current MILC (Milk Income Loss Contract) statements for payment. Eligibility for 2012 must be completed before payments can be disbursed. Contact the office to check the status of your eligibility. New producers are encouraged to apply for the program before Sept. 30, 2012.

State and county offices shall view and print their producer spot check lists as posted on the designated website. If an entity is selected from the national database that is no longer farming or participating in the 2012 crop year, a notation shall be made on the spot check list. For more information about the new spot check selection procedure, contact the local office.

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, 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.

If producers or their spouses believe they would qualify as socially disadvantaged, they should contact their local FSA office for details. FSA loans are available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

Farm 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 a 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 three 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.

Foreign Landowner 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, real estate agents, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

Successor-In-Interest

Many FSA programs will allow payments to be made to heirs or successors when a program participant passes away. Additionally, contracts in programs such as CRP must be revised to reflect the successor(s) to a deceased participant's interest.

In the event of an FSA program participant's death, it is important that FSA be notified. Entities and joint operations that participate in FSA programs also need to notify FSA if a shareholder or member passes away. FSA benefits are reported to IRS and maintaining current, accurate records about participants is vital to ensuring that those payments are reported correctly.

Highly Erodible Lands and Wetland Compliance

Producers participating in most programs administered by the Farm Service Agency (FSA) and the Natural Resources Conservation Service (NRCS) are required to abide by certain conditions on any land owned or farmed that is highly erodible or that is considered a wetland.

To be in compliance with the highly erodible land conservation and wetland conservation provisions, producers must agree, that they will not:

- Produce an agricultural commodity on highly erodible land without a conservation system;

- Plant an agricultural commodity on a converted wetland;

- Convert a wetland to make possible the production of an agricultural commodity.

Producers planning to remove fence rows, convert woodlots to cropland, combine crop fields, divide a crop field into two or more fields, install new drainage, or improve or modify existing drainage, must notify the FSA and update Form AD-1026. FSA will notify NRCS and NRCS will then provide highly erodible land or wetland technical determinations.

To get additional information on highly erodible land and wetland conservation compliance contact the FSA office or the NRCS office at a local USDA Service Center. Additional information about conservation programs offered by FSA can be found online at www.fsa.usda.gov/conservation, and information on NRCS programs can be found at <http://www.nrcs.usda.gov>.

Emmet-Charlevoix
 County FSA Office
 2235 E. Mitchell Rd.
 Petoskey, MI.
 49770



PRESORTED STANDARD
 U.S. POSTAGE PAID
 Petoskey, MI.
 PERMIT #

Sign Up for FSA Fence Post for Daily Updates

The Farm Service Agency Fence Post is an online newsletter that is updated on an almost daily basis. It contains articles of interest on the agency's programs and departments, as well as success stories from the field. To access Fence Post visit <http://fsa.blogs.govdelivery.com/>. Producers can sign up for weekly Fence Post updates by putting an email address in box that says "Get Email Updates."

Selected Interest Rates for July 2012	
90-Day Treasury Bill	0.125%
Farm Operating - Direct	1.5%
Farm Ownership - Direct	3.625%
Limited Resource	5.00%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.5%
Emergency	3.75%
Farm Storage Facility – 7 year	1.250%
Farm Storage Facility – 10 year	1.875%
Farm Storage Facility – 12 year	2.125%
Sugar Storage Facility	2.375%
Commodity Loans 1996-Present	1.125%

Dates to Remember	
July 16	Last Day to file COC nomination form
July 16	Yield certification/production reports for farms enrolled in the ACRE program
August 1	Final date to accept nominations for County Committee
September 3	OFFICE CLOSED
September 30	NAP sales closing deadline for 2013 forage crops
October 8	OFFICE CLOSED
Oct/Nov	CRP and DCP payments being issued
November 12	OFFICE CLOSED
November 15	Final date to report crop year 2013 wheat, perennial forage, and all fall seeded small grains
November 22	OFFICE CLOSED