



Allegan County Newsletter

APRIL 2010

Issue #2010-02

Allegan County USDA Service Center

Allegan County FSA
1668 Lincoln Road
Allegan, MI 49010
Phone: 269-673-6940
Fax: 269-673-9671
www.fsa.usda.gov/mi

Hours

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

County Committee

Jeffrey Lenhart
Frank Doezema
Paul Collier
Lori Drozd, Advisor

COC Meetings

First Wednesday of each
month beginning at
9:30 a.m.

County Executive Director

David J Mroczek

Office Staff

Penny Andrews
Brenda Carroll
Janis Chestnut

ADJUSTED GROSS INCOME VERIFICATION PROCESS

This provides an overview of the average adjusted gross income (AGI) certification and compliance review process. A key component is the data-sharing process with the Internal Revenue Service (IRS). The IRS tax information will be used to identify program participants that may not have complied with statutory AGI requirements, or whether further review is required to make an accurate determination.

- Beginning in January 2010, the Farm Service Agency (FSA) and the Natural Resources Conservation Service (NRCS) will provide producers with consent forms to voluntarily complete and submit to the IRS which authorize the IRS to disclose information to USDA for 2009 and 2010 AGI compliance purposes. Two consent forms, one for individuals (CCC-927) and one for legal entities (CCC-928) will be used. Producers may obtain the consent forms at their local USDA Service Center or online at <http://forms.sc.egov.usda.gov>. USDA Service Centers will not accept or retain the completed consent forms.
- Producers will mail consent forms directly to the IRS. USDA Service Center employees will not accept any tax information, completed forms or other tax-related paperwork from producers for this process. The deadline for producers to submit the consent forms to the IRS is June 15, 2010. As required by law, producers must sign the applicable consent form to grant the IRS the authority to provide tax information data to USDA.
- AGI Compliance means that the average adjusted gross non-farm income is \$500,000 or less and adjusted gross farm income is \$750,000 or less.

- The IRS will check each participant's AGI compliance by performing computerized calculations that indicate whether or not a producer exceeds AGI limitations. Average AGI calculations for 2009 are computed based on the 2005, 2006, and 2007 tax years, and the average AGI calculations for 2010 are computed based on the 2006, 2007, and 2008 tax years.
- Producers whose average AGI appears to be in excess of the statutory AGI limitations will be notified in writing of the results. Those producers will be given the opportunity to demonstrate that the AGI limits have not been exceeded by obtaining third party verification from a certified public accountant or attorney. Verification will need to be presented the FSA State Office within 30 days of the initial notification.
- Producers determined not in compliance with AGI limitation will be offered appeal rights to either the FSA State Committee 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 payments. Actions required by the Debt Collection Improvement Act (DCIA) will be followed by NRCS and FSA.

ATTENTION:

**ANYONE WHO RECEIVED A
PAYMENT IN 2009 OR WILL
RECEIVE A PAYMENT IN 2010
MUST SUBMIT THE APPLICABLE
FORMS TO THE IRS BY
JUNE 15, 2010**



FARM STORAGE FACILITY LOANS NOW INCLUDE COLD STORAGE

The Farm Storage Facility Loan program has been amended to allow producers to build cold storage facilities to store their fresh fruits and vegetables. To be eligible, cold storage facilities must have a useful life of 15 years and include:

New structures suitable for a cold storage facility; New walk-in prefabricated permanently installed coolers suitable for storing fresh fruits and vegetables; New permanently affixed cooling, circulating and monitoring equipment; Electrical equipment integral to the proper operation of a cold storage facility; and must be an addition or modification to an existing storage facility.

USDA will not make cold storage facility loans for portable structures, portable handling and cooling equipment, used or pre-owned structures or cooling equipment or structures not suitable for a fresh fruits and vegetables' cold storage facility. The maximum loan amount for a Farm Storage Facility loan is \$500,000 per loan. One partial disbursement of up to half the anticipated total cost is available when that portion of the structure has been completed. The final disbursement will be made when the entire structure has been completed and inspected by a USDA representative.

All Farm Storage Facility Loans require a down payment of at least 15 percent. Applications must be approved before construction can begin. Loan terms of 7, 10 or 12 years are available.

SURE

Currently applications for the Supplemental Revenue Assistance Program (SURE) are being taken for the 2008 Crop Year. SURE provides benefits for farm revenue losses due to natural disaster that were incurred starting in the crop year 2008 through September 30, 2011. To be eligible for SURE payments, a producer must have had crop insurance on all crops of economic significance in all counties for 2008 or, if crop insurance was not available, participated in the Non-Insured Assistance Program (NAP) except for grazed acreage.

Eligible farmers and ranchers who meet the definition of Socially Disadvantaged, Limited Resource, or Beginning Farmer or Rancher are exempt from the risk management purchase requirement.

The following are the conditions that trigger SURE payments:

- at least one crop of economic significance must suffer a 10% production loss due to an eligible disaster condition,
- the crop of economic significance must be a crop that has contributed or would have contributed at least 5% or more of the total expected revenue from all crops on the farm,
- the farm experiencing the loss must be in a county declared a disaster county by the Secretary of Agriculture, or in contiguous counties. Those who show proof of an individual loss of at least 50% are also eligible to receive SURE payments for production losses or crop quality losses.

Losses are measured with consideration to the whole-farm revenue, which includes crop insurance indemnities and commodity program payments, so that producers are not paid more than once for the same loss.

A SURE calculator is available at: http://www.fsa.usda.gov/Internet/FSA_File/sure_calculator_2008.xls. The calculator is not official, but is intended for educational use. A fact sheet and Q & A are also available online at www.fsa.usda.gov.

2010 CROP ACREAGE REPORTING

Producers are required to report **ALL** of their cropland, including the planting date, to remain eligible for many program benefits. Such as:

- Direct & Counter-Cyclical Program (DCP) and (ACRE) payments
- Commodity Loans
- Conservation Reserve Program (CRP) Annual Rental Payments
- Noninsured Crop Assistance Program (NAP) Payments
-

The acreage reporting deadline is **June 30th** for fall-seeded crops including wheat and **July 15th** for all other crops. Late filing fees will apply if not timely certified.

APPOINTMENTS ARE NEEDED FOR ACREAGE REPORTING. Please call the office as soon as you complete planting and schedule your appointment.

2010 DCP AND ACRE SIGNUP

2010 DCP and ACRE signup has begun. **The deadline for 2010 DCP/ACRE enrollment is June 1, 2010.** Please call as soon as possible to schedule your appointment so when field work starts you will not have to come in. There are no late filed provisions for this program.

STAY ELIGIBLE FOR YOUR CRP PAYMENT

All producers enrolled into the CRP Program are required to come into the FSA Office and certify to their acres of CRP by July 15th to remain eligible for their annual CRP payment. Please call for an appointment to complete your certification. Also, you must be sure and follow all criteria in your CRP plan.

NEW CRP SIGN-UP ON THE HORIZON

At this time it appears there will be a new CRP sign-up beginning mid to late summer. Please keep in contact with this office if you are interested.

MAINTENANCE OF DCP/ACRE PROGRAM ACRES

DCP participants are required to protect all idle contract acres from erosion and weeds. Idle fields designated as "contract acres" must have a sod cover, crop residue or volunteer grasses. Weeds are not an acceptable cover and must be mowed. Failure to control weeds on contract acres will cost you program benefits if the COC determines the producer failed to demonstrate a good faith effort to control weeds and/or erosion.

BANK ACCOUNT CHANGES

All FSA payments are to be electronically transferred into your bank account. In order to make timely payments, you need to notify the office if you close your account or if your bank is purchased by another financial institution. Payments can be delayed if we are not aware of changes to account and routing numbers.

SPECIAL ACCOMMODATIONS

Persons with disabilities who require accommodations to attend or participate in any meeting or event should contact David Mroczek by phone at (269)673-6940 or by e-mail at david.mroczek@mi.usda.gov.

AVOID WETLAND AND HIGHLY ERODIBLE LAND VIOLATIONS

All producers are required to notify the Allegan FSA Office and complete form AD-1026 if they intend to do any of the following: *Convert wetlands by draining, dredging, filling, leveling, tiling, land clearing or any other means that would allow the planting of an agricultural commodity *Planting an ag commodity on a wetland converted after December 23, 1985 *Plant or produce an ag commodity on highly erodible fields unless actively applying an approved conservation plan. NRCS must make the determination if any areas in question are highly erodible or wetlands. Failure to follow established wetland and highly erodible land regulations will result in the loss of program benefits for current and possibly future years.

COUNTY COMMITTEE (COC) ELECTION RESULTS

Congratulations to Jeff Lenhart! Jeff was re-elected to represent farmers from Overisel, Salem, Dorr, Leighton and Hopkins Townships. Jeff was elected to his second consecutive term. The election results for Local Administrative Area 1 are:

Jeff Lenhart – Elected to the 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

Foreign Farm Owners Reporting Rule

Foreign owners of agriculture land in the U.S.A. must report their holdings, acquisitions, dispositions, leases of 10 years or more within 90 days to the Farm Service Agency. Failure to do so could result in civil penalties up to 25% of the property's fair market value.

PRODUCER RESPONSIBILITIES FOR NAP PRODUCTION RECORDS

Producers are responsible for providing accurate and complete information. It is the producer's responsibility to report the total amount of unit production. It is not CCC's responsibility to determine the producer's amount of production.

The producer's responsibilities include, but are not limited to:

- providing, when required, the best verifiable or reliable production evidence available for the crop by practice, type, intended use, or planting period
- summarizing all the production evidence
- accounting for all the crop's production, whether or not records reflect this production
- providing the information in a manner that can be easily understood by COC
- reporting production by the date specified by CCC
- retaining production evidence for 3 crop years after the crop year it is initially certified.

All producers including producers of hand harvested crops are required to provide acceptable and verifiable production records for that production which is harvested. If selected for spot check, supporting evidence is required for acreage and production that was certified on the current crop year CCC-452.

During any year that a CCC-576 is filed because of loss, producers of hand harvested crops are required to notify the County Office 15 calendar days after harvest is complete and before destruction of the crop so an appraisal of remaining production can be completed.

The purpose of the appraisal is to document production left in the field because of quality or unmarketable because of the lack of market. If the producer fails to provide acceptable production evidence where required by COC or as the result of a spot check, an assigned, zero credited, or T-yield will apply and shall be included in the APH database.

Reminder: You must file a NAP notice of loss within 15 days from the date of the disaster occurrence or damage is apparent to remain eligible for a NAP payment.

Farming Operation Changes

If you have bought or sold land, or if you have picked up or dropped rented land from your operation, make sure you report the changes to the office as soon as possible. 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.

eGOV CUSTOMER REGISTRATION PROCESS

1. Access your website of interest:
 - USDA Customer Statement
<http://customerstatement.usda.gov>
 - Electronic LDP Signup
http://www.fsa.usda.gov/egov/eldp_default.htm
 - Electronic DCP Signup
http://www.fsa.usda.gov/egov/edcp_default.htm
2. Create an online user profile and apply for Level 2 access
3. Respond to the verification email within 7 days of receipt.
4. Visit the County Office in person and provide photo identification to the Local Registration Authority in order to receive Level 2 Activation.
5. Access Level 2 applications within 1 hour after profile has been activated.

Dates to Remember

May 31st	Office Closed: Memorial Day
May 31st	Deadline to request '09 corn or soybean loans
June 1st	DCP Enrollment Deadline
June 30 th	Last Day to Certify Fall Seeded Small Grains
July 15 th	Last day to certify all other crops including CRP and NAP
Continues	Farm Storage Facility Loans
Continues	CRP-SAFE
Continues	Continuous CRP
Continues	Conservation Reserve Enhancement Program

Visit our Web site at:
www.fsa.usda.gov/mi

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To file a complaint of Discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW., Washington, DC 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.