



April 2010



Midland County News

Midland County
USDA Service Center

Midland County FSA
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Hours
Monday – Friday
8:00 a.m. - 4:30 p.m.

County Committee
Scott Maxwell
Jack Terwilligar
Jackie Beougher

Staff
Dave Claerhout
Cheryl Rathbun
Amy Dull
Cindy Kneibel
Tim Binns



2010 DCP Program Starts

The 2010 Direct and Counter-cyclical Payment (DCP) Program for farms with base acres will continue until June 1, 2010. **Call for an Appointment.**

USDA computes DCP Program payments using base acres and payment yields established for each farm. Eligible producers receive direct payments at rates established by statute regardless of market prices. For 2010, eligible producers may request to receive advance direct payments based on 22 percent of the direct payment for each commodity associated with the farm. Those already signed up have already begun to receive advance direct payments. Counter-cyclical payment rates vary depending on market prices. Counter-cyclical payments are issued only when the effective price for a commodity is below its target price. Producers who are eligible for the DCP Program will also be eligible to enroll in the Average Crop Revenue Election (ACRE) Program. The enrollment period for the ACRE Program will begin in the spring. Producers may first enroll in the DCP Program, elect to receive advance direct payments and then later modify their enrollment to include the ACRE program or they may wait and elect to enroll in DCP and/or ACRE at the same time in spring 2010.

The optional ACRE Program provides a safety net based on State revenue losses and acts in place of the price-based safety net of counter-cyclical payments under DCP. A farm's payment is based on a revenue guarantee calculated using a 5-year average state yield and the most recent 2-year national price for each eligible commodity. For the 2010 crop, the 2-year price average will be based on the 2008 and 2009 crop years.

An ACRE payment is issued when both the State and the farm have incurred a revenue loss. The payment is based on 83.3 percent (85 percent in 2012) of the farm's planted acres times the difference between the State ACRE guarantee and the State revenue times the ratio of the farm's yield divided by the State expected yield. The total number of planted acres for which a producer may receive ACRE payments may not exceed the total

base on the farm. In exchange for participating in ACRE, in addition to not receiving counter-cyclical payments, a farm's direct payment is reduced by 20 percent, and marketing assistance loan rates are reduced by 30 percent. The decision to enroll in the ACRE Program is **irrevocable**. **The owner of the farm** and all producers on the farm must agree to enroll in ACRE. Once enrolled, the farm shall be enrolled for that initial crop year and will remain in ACRE through the 2012 crop year.

Crop Reporting

All cropland on the farm must be reported to receive benefits from the Direct and Counter-cyclical Program, Acreage Crop Revenue Election (ACRE), marketing assistance loans and Loan Deficiency Payments Conservation Reserve Program acreage must be reported to receive annual rental payments. And, crop acreage for Non-insured Crop Disaster Assistance Program (NAP) must also be reported.

Crop reports, form FSA-578, Report of Acreage, must account for all cropland on a farm, whether idle or planted. Producers need to file their acreage reports by June 30, 2009 for fall seeded small grain crops and July 15th for all crops except fall seeded small grains.

Prevented Planting:

Prevented planting needs be reported no later than 15 calendar days after the final planting date.

Failed Acreage:

Reports of failed acreage must be filed before disposition of the crop, and producers must be able to establish to the satisfaction of the county committee that the crop failed and was prevented from being replanted through the normal planting period because of natural disaster conditions.

Sodbuster Regulations

Sodbuster violations are unauthorized tillage practices on highly erodible lands that convert native vegetation such as grassland, rangeland or woodland, to crop production after Dec. 23, 1985.

Farmers and ranchers should be aware that if they use highly erodible land for crop production without proper conservation measures, they risk losing eligibility to participate in most USDA programs.

Before producers clear, plow or otherwise prepare areas not presently under crop production for planting, they should check with their local USDA Service Center prior to bringing such acreage into production. An AD-1026 form may need to be completed for a formal determination.

If the USDA Natural Resources Conservation Service (NRCS) indicates on a CPA-026 that the area will be highly erodible land, the producer will be required to develop and implement a conservation plan on the affected acreage, before bringing land into production.

In addition, producers and the producer's affiliates have to file an AD-1026 in the administrative or control county office before any farm program payments can be made. The AD-1026 is the producer's signed certification that HELC, as well as wetland conservation, provisions will not be violated.

2009 COC Election Results

Congratulations to Jack Terwillegar who was re-elected to the County Committee. As an elected committee person he will be representing producers from Larkin, Homer, Midland, Mt. Haley and Ingersoll for the next 3 years. Kirk Gerstacker was elected as the first alternate to serve in Jack's absence.

SURE

The Supplemental Revenue Assistance Program (SURE) provides benefits for farm revenue losses due to natural disaster that incurred in the crop years 2008 through September 30, 2011. To be eligible for SURE payments, a producer is required to obtain crop insurance on all crops in all counties or, if crop insurance is not available, to participate in the Non-Insured Assistance Program (NAP) except for grazed acreage. However, crop insurance or NAP coverage is no longer required for crops that are not of economic significance or those where the administrative fee required to buy NAP coverage exceeds 10% of the value of the coverage.

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 (crop of economic significance is 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)
- producers in counties declared disaster counties by the Secretary of Agriculture, or in contiguous counties, or those who show proof of an individual loss of at least 50% are eligible to receive SURE payments for crop production or 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 backgrounder are also available online.

Farm Storage Facility Loans

Low cost loans for storage facilities are available for producers to build or remodel farm storage facilities for a variety of commodities, including wheat, soybeans and corn.

The seven-year Farm Storage Facility Loans are available for the purchase and installation of eligible storage facilities, permanently affixed drying or handling equipment, or remodeling existing facilities. Eligible facilities include new conventional-type cribs or bins and new and remanufactured oxygen-limiting and other upright silo-type structures.

All Farm Storage Facility Loans are secured by a promissory note and security agreement. The maximum amount that may be borrowed is 85 percent of the net cost of the storage or handling equipment, up to \$100,000 for each borrower. A minimum down payment is also required. For details, contact the county office staff.

Actively Engaged

USDA has amended the rules that govern the requirements to be 'actively engaged' in farming. These rules apply to eligibility for payments under the Direct and Counter-cyclical Program (DCP) or Average Crop Revenue Election (ACRE) program administered by the FSA.

Every stockholder or member of a legal entity, such as a corporation, does not have to contribute labor or management if both of the following apply:

At least half of the interest in the legal entity is held by stockholders or members who are providing active personal labor or active personal management that together qualifies as a significant contribution to the farming operation;

The total direct payments received, both directly and indirectly, by the legal entity and each of the members cannot exceed \$40,000.

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 directly or by phone.

Maintenance of CRP Cover

CRP participants: cover maintenance is your responsibility and must be done according to your conservation plan. All CRP maintenance activity, such as mowing, burning and spraying must be conducted outside the primary nesting season for wildlife and in accordance with the conservation plan. Mowing activities may be allowed once per year and **ONLY** if needed to maintain the cover which means **only clipping weeds off to the top of the established cover**, and **ONLY** on the portion of the planting in need of maintenance. Mowing is only allowed between August 1st and August 20th to protect ground nesting wildlife and to allow adequate re-growth for winter.

Civil Rights/Discrimination Process

As a participant or applicant for programs or activities operated or sponsored by USDA, you have the right to be treated fairly. If you believe you have been discriminated against because of race, color, national origin, gender, age, religion, disability, or marital or familial status, you may file a discrimination complaint. The complaint should be filed with the USDA, Office of Adjudication and Compliance within 180 days of the date you became aware of the alleged discrimination occurred. To file a complaint of discrimination write: USDA, Director, Office of Adjudication and Compliance, 1400 Independence Avenue, S.W., Room 326W, Whitten Building, Stop 9410, Washington DC 20250-9410 or call 202-720-5964 (voice or TDD).

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.

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.

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

EMERGENCY LOANS AVAILABLE

Midland County has been designated as a disaster county (either primary or contiguous) due to the following conditions:

- Excessive rain, flooding, hail, etc., between April 1, 2009 and September 1, 2009.
- Early frost/freeze and excessive rainfall between August 1, 2009 and the end of the growing season (**please note that this designation also includes the lack of crop maturity due to general lack of growing degree days throughout the 2009 growing season**).

These designations may make qualifying family size farm operations eligible for low interest Emergency Loans (presently the interest rate is 3.75%). These loans help cover production losses caused by the disaster conditions.

Farmers have until October 1, 2010 to apply under this designation. To qualify, a farm must have suffered at least a 30% loss in one major crop and be unable to obtain financing at reasonable rates and terms from a commercial lender (other eligibility criteria also apply). FSA will consider each loan application on its own merits taking into account the extent of losses, security available, repayment ability, etc. If you have questions on this or any FSA Farm Loan Program, please call Jerry Spickerman, Farm Loan Manager, or Betty Garrett, Farm Loan Officer at 989-772-5927

Adjusted Gross Income

USDA has a Memorandum of Understanding with the Internal Revenue Service to establish an electronic information exchange process for verifying compliance with the adjusted gross income (AGI) provisions for farm programs. Written consent will be required from each producer or payment recipient for the tax review process. No actual tax data will be included in the report that IRS sends to FSA.

The agreement ensures that payments are not issued to producers whose AGI exceeds certain limits. The limits set in the 2008 Farm Bill are \$500,000 nonfarm average AGI for

Beginning and Limited Resource Farmers

FSA assists beginning farmers and or members of socially disadvantaged groups to finance agricultural enterprises. FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who: Has operated a farm for not more than 10 years, will materially and substantially participate in the operation of the farm, agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA, does not own a farm in excess of 30 percent of the county’s median size.

commodity and disaster programs; \$750,000 farm average AGI for direct payments; and \$1 million nonfarm average AGI for conservation programs.

Participants in CCC programs subject to average AGI rules must submit form CCC-927 (Individual) and/or CCC-928 (Legal Entity) to the Internal Revenue Service by June 15 to avoid interruption of program benefits. These forms may be obtained from local FSA and NRCS offices or online at: <http://forms.sc.egov.usda.gov/eforms>

Foreign Person Rule

A foreign individual is someone who is not a citizen of the United States or a lawful alien possessing a valid Alien Registration Receipt Card (Form I-551 or I-151). A foreign entity is a corporation, trust, estate, limited partnership, limited liability company, or other similar organization that has more than 10 percent of its beneficial interest held by individuals who are not citizens of the United States or lawful aliens possessing a valid Alien Registration Receipt Card (Form I-551 or I-151).

In addition to the requirements for “person” and “actively engaged in farming,” the following significant contributions must be provided by an individual or entity considered to be a “foreign person.” An individual determined to be a “foreign person” must provide a significant contribution of land, capital, and active personal labor. Each foreign individual who is a member of an entity determined to be a “foreign person” must provide active personal labor to enable the entity to provide a significant contribution of active personal labor.

| Dates to Remember | |
|-----------------------|--|
| June 1st | Last Day to Sign up in the DCP/ACRE Program |
| June 30th | Last day to report fall seeded small grains. |
| July 15 th | Last day to report all other crop acreage, including CRP |
| Continues | Continuous Conservation Reserve Program |
| Continues | Farm Storage Facility Loans |

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

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its program and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual’s income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA’s TARGET Center at (202) 720-2600 (voice and TDD).

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.