



Monroe County News

Monroe County USDA Service Center

Monroe County FSA
1137 S. Telegraph Rd.
Monroe, MI 48161
734-241-8540 (phone)
734-241-9432 (fax)
www.fsa.usda.gov/mi

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

County Committee
James VanBuskirk
Carmen L. Cousino
Richard Janssens

County Committee meets
3rd Wednesday of the
month

Staff
Carole Bogoski
Dawn Pluff
Roger Bezek
Jessica Koropcsak

Field Reporter
Rachel Bakowski

**County Executive
Director**
Paul Manol

Farm Loan Manager
Michael Jordon

DCP Signup To Commence

Signup for the 2009 Direct and Counter-cyclical Payment (DCP) Program for farms with base acres began in December. However, procedure mandates that you cannot sign up for DCP until your corresponding farm records have been updated to match the acreages on the new maps. We ask for your patience while we work through these updates.

You can signup online or at local USDA service centers. Signup will continue until June 1, 2009. **FSA will not accept any late-filed applications.** Don't wait for acreage reporting to complete your contracts as it might be too late.

Producers who are eligible for the DCP Program will also be eligible to enroll in the Average Crop Revenue Election (ACRE) Program. **However, the enrollment period for the ACRE Program will not begin until sometime in the spring.**

You may first enroll in the DCP Program, receive advance direct payments, and then later modify your enrollment to include the ACRE program *or* you may wait and elect to enroll in DCP and ACRE at the same time in the spring of 2009. Once ACRE is elected for the farm it will remain enrolled in ACRE for the duration of the 2008 Farm Bill, regardless of owner/operator changes.

Farm Bill Meeting

A meeting will be held on Wednesday, March 25, from 12:30 pm to 3:30 pm at the 4-H Activity Center, Monroe County Fair Grounds, Monroe, MI to discuss the new Farm Bill. Specific topics of discussion will focus on DCP, ACRE, & SURE.

For more information please call either Ned Birkey, Monroe County MSU Extension, at 734-240-3172 or Paul Manol at 734-241-8540, ext 107. Hope to see you there!

FSA Payment Process

FSA will no longer be issuing checks from the local office. While FSA payments will be "triggered" at the local office, they are now required to be processed through the Federal Reserve Bank of the U.S. Treasury system. Direct Deposit funds are expected to be in the designated producer account within 2-3 days. If you switch banks, close an account or make any change at all to your account information, please ensure that FSA records are updated promptly or significant delay will occur.

If a producer does not have a Direct Deposit account and a check will be issued, please be aware it will be possible to experience delays of 7 days or more as checks will be processed and mailed from Kansas City.

Flexible or Cash Lease

Producers should be careful to differentiate between flexible leases and cash leases when reporting to the Farm Service Agency (FSA). Flexible leases, in which the producer pays a base rent and offers a bonus on yield and/or price increase to a landowner, are considered by the Farm Service Agency as share leases. Cash leases specifying a fixed amount, not subject to changes from yield or price are common and the norm across the country. Flexible or hybrid leases are now coming to the attention of FSA.

This year, FSA participants are required to complete form CCC-902I or CCC-902E Farm Operating Plan that are subject to spot check. Paying more than what the original lease specifies may violate a producer's CCC-902, if not completed correctly. A violation could make an operator ineligible for Direct Counter-cyclical Payments (DCP).

Example: A lease that is for \$100 acre plus an additional \$40 per acre if the crop exceeds \$4/bu. or 170 bu. corn/acre or \$7/bu. or 40 bu. of soybeans per acre is by FSA procedure a share lease. FSA procedure states that a lease is a share lease if the lease bases the amount of rent on the quantity of crop produced or the proceeds from the crop, or the interest a producer would have if the crop had been produced.





Appointments Recommended

We recommend you call to make an appointment before coming to the office to conduct business. This will enable us to prepare any necessary paperwork and research issues before your appointment. We realize how important your time is and this will reduce the amount of time that you have to wait in the office.

Please call now to set your appointment for DCP signup before you get into the field. DCP signup ends June 1, 2009



Commodity Loan Program

Time is running out to request a 2008 commodity loan on grain stored either on the farm in an eligible storage structure or in an approved warehouse.

The deadlines are:

March 31, 2009 for wheat, oats and barley.

May 31, 2009 for corn and soybeans.

Contact the local FSA for additional information

ACRE – General Information

The ACRE program provides a safety net based on State revenue losses 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 2009 crop, the 2-year price average will be based on the 2007 and 2008 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 acres on the farm. ACRE participants will **not** receive countercyclical payments, a farm's direct payment will be reduced by 20 percent, and commodity loan rates are reduced by 30 percent.

Again, the decision to enroll in the Average Crop Revenue Election (ACRE) program is *irrevocable*. All owners on the farm and all producers on the farm must agree to enroll in ACRE. Once enrolled, the farm will remain enrolled in ACRE through the 2012 crop year.

Eligibility Paperwork

Provisions of the new farm bill require Producers to complete all "new" eligibility paperwork beginning in 2009. The required forms include:

- Individual payment eligibility forms if claiming benefits as an individual.
- Entity payment eligibility forms if claiming benefits as a partnership, trust, LLC, corporation and/or estate.

Corporations will need to provide their organizational minutes and possibly a resolution giving authority to sign to the individual member, plus documentation of each member's shares. Limited Liability Companies/Partnerships will need to provide their paperwork showing who the members are and what is their share of the company. Partnerships are at the very least going to have to provide their certificate of co-partnership on file at the county courthouse.

Please understand that with this requirement as well as the requirement to have all acreages updated to match the digital maps previously mailed will take additional time.

Prices Trigger MILC Payments

Due to low milk prices, FSA will be making payments in April to producers through the FSA's Milk Income Loss Contract, or MILC, program. The 2008 Farm Bill made changes to the MILC program, most notably the addition of a dairy feed ration cost adjustment in addition to changes to the payment rate and modifications to the per-operation poundage limit, depending on when the milk is produced.

FSA makes MILC payments on a monthly basis when the Boston Class I milk price falls below \$16.94 per hundredweight (cwt) as adjusted for feed costs. FSA determines the per hundredweight payment rate for the applicable month by subtracting the Boston Class I price for that month from the \$16.94 MILC payment trigger price, and multiplying the difference by 45 percent. The payment factor of 45 percent will decline to 34 percent on September 1, 2012. The monthly Boston price is posted online at: http://www.fmmone.com/Northeast_Order_Prices/NE_Prices_main_new.htm.

FSA issues payments not later than 60 calendar days after FSA receives production evidence for the applicable month or the entire month's National Average Dairy Feed Ration Cost is posted for the applicable month, whichever is later.



FSA makes payments up to the maximum eligible pounds of milk produced and marketed by each operation per fiscal year. The annual maximum eligible pound limit per dairy operation is 2,985,000 pounds per fiscal year. The amount drops to 2.4 million pounds per fiscal year on September 1, 2012.

MILC participants must select a month for which FSA will begin issuing payments for each fiscal year. Starting with the dairy operation's selected month, FSA will issue MILC payments based on that month's milk production and the milk production for each consecutive month thereafter with the effective payment rate until the operation reaches the production cap or the fiscal year ends.

More information about the MILC program can be found on the FSA website <http://www.fsa.usda.gov>

Prevented Planting Acreage

FSA issued revised provisions regarding the maximum number of prevented planted acres to be approved. FSA will no longer base the eligibility on the history of planting and/or prevented planting of the specific crop.

Deadline to file for prevented planting acreage must be requested *within 15 days* of the ending planting date.



NAP Production Reporting

Production records for individual crops need to be filed with our office to establish an approved NAP yield. If this is the first year you participated in NAP, you can provide production and acreage information from prior years to establish your yield. If you participated in NAP in previous years, you must report your production and acreage on a yearly basis to keep your yield up-to-date.

Records submitted must be reliable and verifiable. Records need to show crop disposition. It is recommended producers submit 2008 production records as soon as possible after harvest. *All production records must be submitted by the subsequent crop year's final acreage reporting date.*

Transfer of Farm's Administrative Records

A change in a farm's administrative county office may be permitted to a neighboring county that currently has an FSA office without completing a farm combination in the receiving county if at least 1 of the following applies:

- The principal dwelling of the farm operator has changed.
- A change has occurred in the operation of the land.
- There has been a change that would cause the changed administrative county office to be more accessible.
- The producer documents that the changed administrative county office is "significantly" more convenient.

In and out transfers shall be:

- Signed by the farm operator and all owners.
- A one-time option if done because of convenience. (Unless a farm change in operation or ownership of the farm has resulted).
- Made only to a county that currently has an FSA office and is contiguous to the county where the farm is located.

Owners and operators should be aware that eligibility to vote in county committee elections may be affected.

DCP "10-Acre" Rule

Farms with 10 or less base acres are ineligible to receive payment in the Direct and Counter-cyclical Program, unless the farm is solely owned/operated by a Socially Disadvantaged or Limited Resource Producer. However, program rules for 2009 allow farms with 10 or less base acres to combine with other farms to qualify for a DCP payment. In this instance, farm reconstitution rules apply.

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NAP Fees

With the new farm bill, annual NAP fees have increased to \$250 per crop with a maximum of \$750 per producer per county or a maximum of \$1,875 per producer for multiple crops in multiple counties.

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Payment Limits & Direct Attribution

For commodity and disaster programs under the new farm bill, the AGI limitation was reduced from \$2.5 million from all sources to a three-year average. A person or entity shall not be eligible for price support, commodity, and disaster programs if the nonfarm AGI exceeds \$500,000. Also, under the new regulations, an individual or entity must have a 3-year average AGI less than or equal to \$750,000 per year from farm income in order to qualify for direct payments issued under the Direct and Counter-cyclical Program.



For conservation programs, the average non-farm AGI limitation is \$1 million or less for eligibility. However, an individual or entity that has non-farm AGI in excess of \$1 million remains eligible for conservation programs only if 66.66 percent or more of the total AGI is derived from farming, ranching and forestry operations. In addition, the AGI limitation for conservation programs may be waived on a case-by-case basis if it is determined that environmentally sensitive land of special significance would be protected.

Program payments are limited by direct attribution to individuals or entities. A legal entity is defined as an entity created under Federal or State law that owns land or an agricultural commodity, product or livestock. Through direct attribution, payment limitation is based on the total payments received by the individual, both directly and indirectly. Qualifying spouses are eligible to be considered separate persons for payment limitation purposes, rather than being automatically combined under one limitation.

Individuals and entities must be "actively engaged in farming" with respect to a farming operation in order to be eligible for specified payments and benefits. To be "actively engaged in farming," the individual must make significant contributions to the farming operation of: **(1) capital, equipment, land, or a combination thereof; and (2) personal active labor or active personal management, or a combination thereof.**



Unauthorized Disposition

Loan grain is not to be disposed of through feeding, selling, or any other means without prior written authorization. The financial penalties for this are severe. Always call the office before any loan grain is fed or sold.

Thinking of Clearing a Fence Row?

Bringing new land into production by clearing trees, improving drainage by tiling or dredging are potential violations of the HEL/WC rules.

Before you begin any land conversion project, please file form AD-1026. Natural Resources Conservation Service will make an evaluation of your land to determine how to manage the wet areas of your land most efficiently. Checking ahead of time will help keep you eligible for USDA benefits.

FSA Down-payment Program

FSA has a special loan program to assist socially disadvantaged and beginning farmers in purchasing farm property. Retiring farmers may use this program to help transfer their land to future generations.

To qualify, the applicant must make a cash down payment of at least 5 percent of the purchase price. This direct loan portion has a maximum loan amount of \$225,000. The loan has a very low fixed interest rate with a 20-year repayment.

Dates to Remember	
3/15/09	Deadline to purchase NAP coverage for spring seeded crops
3/31/09	Final date to request a 2008 crop barley, honey, oat, or wheat loan or LDP
5/29/09	Office Closed – Memorial Day
5/31/09	Final date to request a 2008 crop corn, soybean, loan or LDP
6/01/09	Final date to enroll in 2009 DCP
6/30/09	Deadline to report fall seeded crops
7/15/09	Deadline to report spring seeded crops
Continues	Farm Storage Facility Loans
Continues	Continuous Conservation Reserve 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.